



TRANSFORMATIVE GIFTS:

Inside Organizations That Received MacKenzie Scott Grants

A COMPANION TO CEP'S THREE-YEAR STUDY



THE CENTER
FOR EFFECTIVE
PHILANTHROPY

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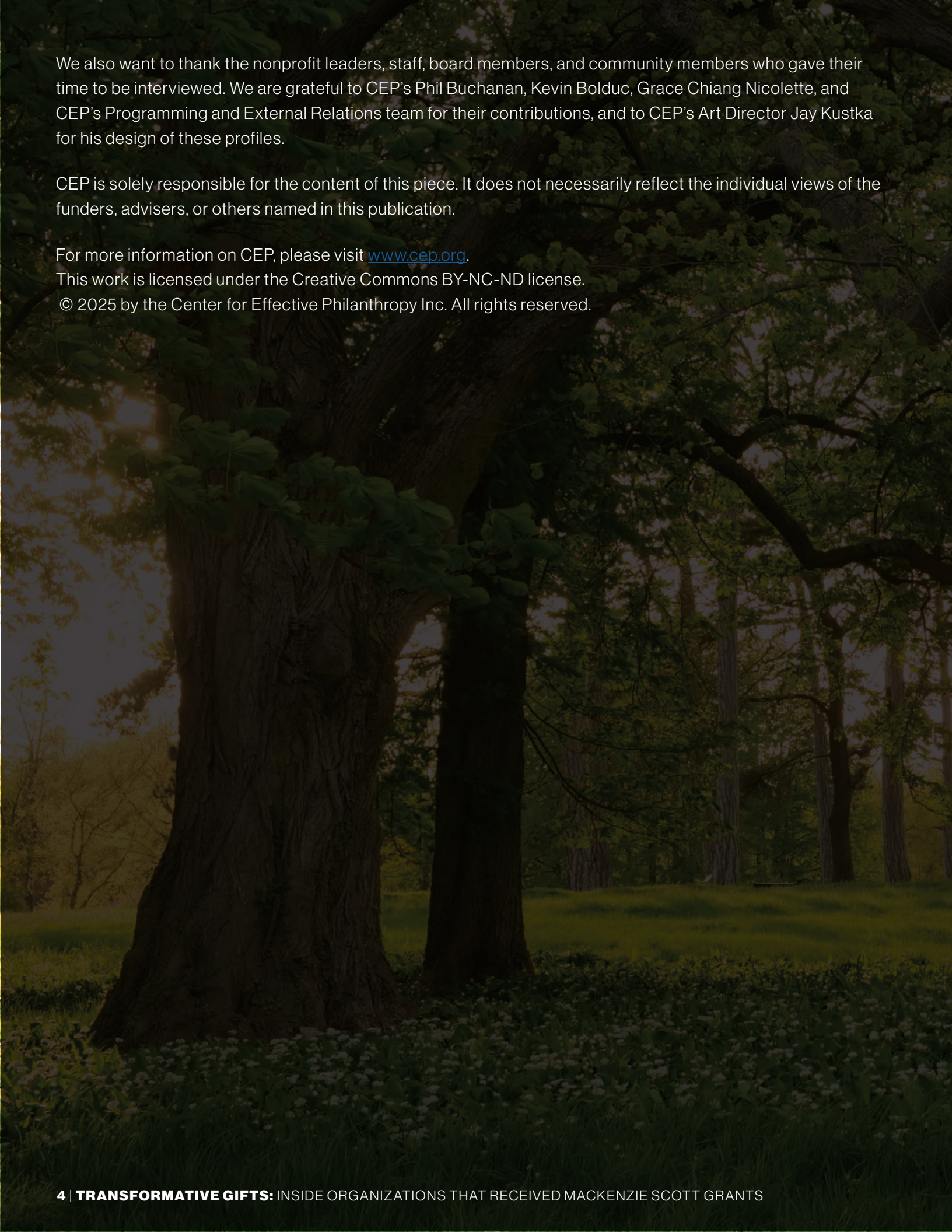
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FOREWORD

Over the last three years, the Center for Effective Philanthropy (CEP) has had the privilege of learning from organizations that have received large, unrestricted gifts from MacKenzie Scott. Each year, recipient organizations have repeatedly described the gifts from Scott as transformational. As we concluded in our 2023 report, “Scott’s giving continues to have profound effects on recipient organizations, and ... the fears many other funders express — whether about nonprofits’ ability to handle grants of this size or unintended consequences — have not materialized.”

When we review the data each year, hundreds of leaders describe the overwhelming impacts of this type of giving. We have shared the quantitative and qualitative data from organizations in past reports, but we have not shared the stories of individual organizations in great detail. Given that this is year three of the three-year study, we felt it was important to share directly from leaders themselves what the impact of this type of giving has been for them and for their organizations. The profiles that follow, written by our colleague Lowell Weiss of Cascade Philanthropy Advisors, are an attempt to bring these stories to life. In each profile, the amount of change described not only in communities, but also in leaders themselves, is powerful. By publishing this collection of profiles, we hope to provide a small window into what this type of giving can mean for organizations, communities, and leaders. May these leaders’ stories of impact, and the inspiring change they and their organizations are making around the world, also inspire you in your own giving.



Elisha Smith Arrillaga

Vice President, Research
Center for Effective Philanthropy

INTRODUCTION

Dear Colleague,

When CEP asked me if I'd be interested in helping capture the stories of MacKenzie Scott grantees, I leaped at the opportunity. I felt that Scott's philanthropy is one of the most important developments in my 24 years in this field, and I was burning with questions about what happens inside the organizations that discover the "golden ticket."

This project gave me the opportunity to do a deep dive into the organizational lives of a group of diverse organizations, resulting in seven profiles. I discovered many common and valuable themes. Some of these findings upended my own long-standing beliefs about the challenges of one-time infusions of capital that come without other forms of strategic support.

The top headline is that Scott's gifts shifted the trajectory of these organizations in ways that are likely to endure. The one exception is the South Texas Food Bank, which had no choice but to use the majority of the Scott funds to meet its communities' immediate needs during the COVID-19 pandemic. In the other cases, the leaders were able to invest in infrastructure that will yield dividends for years, such as state-of-the-art data systems that can help the organizations earn additional revenues and serve more people.

The gifts also had a positive effect on the organizations' fundraising. While all of the leaders worried that the Scott gift might chase away existing donors, in almost all cases the gift actually resulted in more dollars from other donors, because of the sophisticated way the organizations communicated about the gifts and leveraged the Scott imprimatur.

The Scott imprimatur had another important effect that is harder to measure but just as real: the emotional lift these gifts gave to each of the leaders in the midst of the COVID-19 pandemic. In some cases, longtime donors were backing out. In other cases, the leaders were facing programmatic or HR challenges they had never trained for or anticipated. In all cases, the leaders were working crazy hours and running on fumes. Receiving a vote of confidence from a billionaire donor with a discerning team of analysts gave the leaders a new lease on their professional lives. This effect seems to have been especially pronounced for leaders of color.

Of course, for some organizations, Scott's gifts came with challenges as well. However, the net effect on all seven organizations was strikingly positive. As a result, I have begun encouraging my own clients to pay close attention to Scott's giving. I hope they and other donors will experiment with similar approaches.



Lowell Weiss

President

Cascade Philanthropy Advisors



Going ‘Upstream’ to Pay Forward Mentors’ Kindness

Organization:

[Big Brothers Big Sisters of America](#)
(BBBSA)

Mission:

“Create and support one-to-one mentoring relationships that ignite the power and promise of youth.”

President and CEO:

Artis Stevens

Headquarters:

Tampa, Florida

Number of full-time staff:

113

Year of Scott gift:

2022

Amount of Scott gift:

\$25 million

**Operating budget
prior to Scott gift:**

\$24 million

Operating budget today:

\$52.6 million

LIVED EXPERIENCE

Artis Stevens, the son of a Pentecostal preacher, grew up in the coastal town of Brunswick, Georgia. Like other PKs (preachers' kids), he wasn't always a rule follower. But Brunswick was a village, and people looked after each other. "If I got in trouble five blocks from home, my mom already knew about it before I walked in our door," Stevens shared, with a friendly baritone laugh.

Despite the fact that no one in his family had attended college, Stevens set his sights on higher education when he was still in middle school. Ironically, aiming high came as a result of his decision *not* to give a speech on Martin Luther King Jr. Day. "I didn't want to look nerdy," he explained. "But my social studies teacher, Mr. Arrington, convinced me to do it. I respected him. He looked like me. He was Black. He had grown up in our community and came back after college to educate young minds."

Soon after Stevens rose to the challenge of giving the MLK Jr. Day speech, Arrington became a mentor to Stevens — the caring adult in the building every child needs in his or her life. "He didn't treat me like a middle schooler. He talked to me like I was an adult. He spoke about Aristotle's writings on self-actualization and about transcending the basic levels of Maslow's hierarchy of needs. It was heavy ... but he knew I could carry the weight."



In 1997, shortly after Stevens graduated from the University of Georgia, another pivotal mentor materialized: Don McGlamory, a 40-something man who ran the Brunswick Housing Authority. Stevens applied for a job with McGlamory, but "honestly, I didn't want the job. I interviewed just to get interviewing experience."

McGlamory could tell Stevens wasn't passionate about the job. But McGlamory saw something special in Stevens and put on a charm offensive. He took Stevens to the public housing community where he knew Stevens had played as a child. McGlamory said, "You can always go to law school, but this is a moment to help transform your own community."

Over the course of the interview, Stevens grew increasingly impressed with McGlamory's knowledge about what it takes to build community, not just stable housing. And Stevens loved the idea of starting his career with a man who wanted to be his mentor.

He accepted McGlamory's job offer. Stevens has been working in the nonprofit sector, paying forward his mentorships, ever since.

AUSPICIOUS TIMING

Like many Scott gift recipients, Stevens received the call from Scott's team when he was at home with his family. As soon as he heard the news that BBBSA was going to receive a gift of \$25 million, and that 38 BBBS agencies would receive the combined sum of almost \$100 million on top of that, he broke out into a dance in his kitchen. "It was a very uncool dance," Stevens shared. "I know that because my two daughters, who were 12 and 14 at the time, walked in and then started screaming to my wife, 'Mom, there's something wrong with Dad!'"

The gift came at an auspicious moment for BBBSA. Stevens, who had come to the organization a year and a half before, had just finalized a detailed strategic plan. The plan, which required raising \$225 million across the network, included significant new innovations on its volunteer-based, one-to-one mentoring model. It also contained a blueprint for the most ambitious expansion in the organization's 120-year history.

When it came to planning how to use the Scott gift, the BBBSA team was ready. "I have to imagine it must have been different, and easier, for us than for other recipients," Stevens said. "We had completed 20 months of planning, and we knew exactly what we needed to do to improve our capacity and accelerate our growth." In other words, the Scott gift didn't require Stevens or his team to make major changes to its existing plan; it simply enabled BBBSA to move more efficiently to implement the plan's key elements.

To that end, Stevens and the BBBSA board moved quickly to establish an endowment fund and then seeded it with \$5 million from the Scott funds. BBBSA dedicated another \$5 million to rainy-day reserves. BBBSA allocated most of the remaining funds to three key pillars of the strategic plan:

- ▶ Program innovation, to improve volunteer recruitment and create new options beyond its one-to-one mentoring model
- ▶ Research, to improve impact on young people and their families
- ▶ Policy advocacy, to encourage corporations and governments to do more to support mentoring

PROGRAM INNOVATION

When Stevens joined BBBSA, the network had a list of 30,000 boys and girls (known as "Littles") waiting to be matched with volunteer mentors (known as "Bigs"). Attracting more volunteers into the pipeline was one challenge. But the bigger challenge was BBBS's low conversion rate. For every 10 people who expressed interest in serving as volunteers, BBBS was converting only two of them into Bigs.

With the Scott funds, Stevens and his team were able to reengineer the volunteer-recruitment process. The centerpiece of the effort was a system that is now known as the Volunteer Accelerator. Like the technology solutions at Amazon or Domino's, the Volunteer Accelerator automates all the steps that do not require a human touch, such as keeping applicants abreast of where they are in the matching process.

The Volunteer Accelerator has now been tested by 16 affiliates, with remarkable results. Practically overnight, the system helped chapters double their conversion rate. In addition, the Volunteer Accelerator is saving recruitment staff up to three hours a day, freeing them up to focus on the high-touch elements of volunteer matching and engagement.

Stevens and the BBBSA board are also using Scott money to address another key rate limiter: the organization's one-to-one model of mentoring. Stevens believes that this model, which has been validated as effective in randomized controlled trials, will remain at the core of the organization's work. But he also wants to add group-mentoring options that might be just as effective for some young people. "Agencies are seeing group mentoring [and other approaches] as solutions to meet their waitlist challenges and meet communities where they are. One example where we are seeing real benefits is grouping young people together who have specific career interests, such as technology." Stevens is supporting pilots throughout the network to introduce group mentorship in schools, summer programs, workplaces, and juvenile-justice facilities.

OUTCOMES-AND-IMPACT RESEARCH

BBBSA has among the most robust evidence base in the entire nonprofit ecosystem — and that has been the case for decades. In the 1990s, the highly respected but now defunct Public/Private Ventures conducted a randomized controlled trial (RCT) of BBBSA. “After 18 months, those who had been offered participation in the program were 46 percent less likely to begin using illegal drugs, had 32 percent fewer incidents of hitting someone, and had skipped 52 percent fewer school days,” in the [words](#) of Arnold Ventures’ Evidence and Evaluation team.

Researchers from the University of Illinois Chicago are now conducting another long-term RCT of the BBBSA model. [Interim findings](#) show similarly positive outcomes, plus significant improvements in areas such as aggressive behavior, self-control, social skills, grit, self-advocacy, family functioning, and school engagement.

The Scott gift has given BBBSA the opportunity to build up its own capacity for research — to go from being the subject of others’ research studies to being able to design its own studies. For example, BBBSA is now leveraging its [Matchforce platform](#) to analyze its own data and see trend lines. “We’ve always had a lot of data,” Stevens explained. “But we haven’t been able to aggregate those data and ask key questions like, ‘How can we best tailor the model to the needs of specific communities, such as rural communities? And what’s the impact of volunteering on the mentor? How could we increase that impact?’”

“The Scott gift has given BBBSA the opportunity to build up its own capacity for research — to go from being the subject of others’ research studies to being able to design its own studies.”

POLICY ADVOCACY

BBBS currently supports 400,000 Bigs, Littles, and Littles’ families annually. It hopes to double that figure to 800,000 within five years. But the need is much greater than that. Stevens believes that 10 million young people have unmet need for mentorship. That is why policy advocacy is central to BBBSA’s strategic plan. “We have to affect policy and go to systems that need our solutions,” Stevens said. “We have to reach more youth from communities large and small across the nation.”

For years, affiliates around the country have built relationships with state and local policymakers, which have helped them earn government grants and contracts. Thanks to the Scott gift, BBBSA was able to beef up its national policy team. For example, BBBSA is now advocating to include the word “mentorship” in appropriations for all federal youth funding. Without that change, large funding streams are inaccessible — despite the fact that these federal programs seek to produce the outcomes that BBBSA consistently delivers.

In addition, the Scott gift has enabled BBBSA to focus on an aspect of policy that’s often overlooked: corporate policy. “Some large corporations allow or even encourage their employees to volunteer with programs like ours,” Stevens said. He sees a big opportunity to convert others to the cause. “If we’re successful, we could greatly increase the pipeline of volunteers and, in turn, assist companies in building employee morale, retention, and talent pipelines.”

MANAGEMENT CHALLENGES

The biggest challenge that came with the Scott windfall was managing the disappointment of the nearly 200 affiliates that did not find a golden ticket. “In any affiliate-based organization, if you’re doing hard work in your community, and you’re not recognized for it, and someone next door is, there’s room for disappointment,” Stevens said.

To learn how best to manage that challenge, Stevens reached out to leaders of other affiliated networks that received Scott grants in previous cohorts. “I did not want to become a network of haves and have-nots. I wanted to understand how to ensure that we still operate as one network.”

Those conversations led to the creation of what BBBSA calls its Better Together Fund. BBBSA kicked off the fund with its own contribution of \$15 million. Then Stevens invited other Scott grantees in the network to contribute. He told me that more than half of the 38 chose to do so. When I asked Stevens for a concrete example of how he will use the Better Together Fund to create value for affiliates that did not receive Scott funding, he explained that the fund is now making it possible for any affiliate to implement the Volunteer Accelerator. In the words of Pierce Bush, president and CEO of Big Brothers Big Sisters Lone Star, which did not receive a Scott gift, “Ignited by local donors and supporters and brought to scale with our national collaborative, this Innovation has not only streamlined our processes and enhanced the consistency and quality of our communication with volunteers, but it has also freed up significant staff time for higher-value relationship building. As a result, we’ve seen increased volunteer engagement and reduced volunteer processing times, ultimately improving the overall volunteer experience.”

In addition to managing hurt feelings and delivering value for the whole BBBS network, Stevens has also had to keep the fundraising flywheel spinning. “My biggest concern was: The network just got \$122.6 million [from Scott]. Will people still want to give to us?” Instead of perseverating on that risk, Stevens pivoted to an opportunity mindset. “I spent a lot of time going back and forth about whether the gift might inhibit us. But I eventually came to see that we got the gift for a reason, and we could leverage it to go out and find new donors and supporters and to raise our thought leadership.”

Stevens’ pivot worked. Fundraising from other sources has increased, keeping BBBS on pace to reach its \$225 million fundraising goal by 2027.

CONCLUSION

In 1904, a New York City court clerk named [Ernest Coulter](#) went “upstream” and founded the organization that became BBBSA.

For many years, he had witnessed a never-ending stream of troubled young boys — most of them from very poor families and many of them children of color — end up in his courtroom. He concluded that a major common denominator among these boys was the lack of responsible adult role models in their lives. “A child today is often neglected,” he wrote. “If we as a community fail to take an interest in the next generation, the social ills we face now will only grow.”

Thanks to Scott, Coulter’s organization now has a chance to go further upstream. In the words of BBBSA Chief Development Officer [Deborah Barge](#), “With the benefit of her incredible gift, we have our best opportunity ever to create change at the systems level. Our decision matrix is totally based on that. Every decision Artis makes is based on that.”



‘She Has Broken the Bureaucratic Donor Mold’

Organization:

[Pastoral Women's Council](#) (PWC)

Mission:

“To sustainably empower pastoralist women and girls in northern Tanzania to ensure their rights and voices are respected, they are economically empowered, and they have access to quality social services.”

Executive Director:

[Maanda Ngoitiko](#)

Headquarters:

Loliondo, Tanzania

Number of full-time staff:

45

Year of Scott gift:

2022

Amount of Scott gift:

Undisclosed

Operating budget prior to Scott gift:

\$1.8 million

Operating budget today:

\$4 million

GOOD NEWS TRAVELS SLOWLY

MacKenzie Scott's team tried for three days to reach Maanda Ngoitiko by phone. The call finally came late one night, after Ngoitiko stopped in a dusty northern Tanzanian town with decent network connectivity.

"I was exhausted after a nine-hour drive," Ngoitiko shared with me via Zoom. "I was charging my phone, and the call came in. I heard a woman say, 'I have very exciting news. You have been selected to receive an unrestricted gift from MacKenzie Scott. We want you and your colleagues at the Pastoral Women's Council to continue what you're doing. This funding is to advance your vision.'" The voice then told Ngoitiko the size of the gift, which she and her board later decided to keep private. It was by far the largest they had ever received. "I can't even describe the feeling I had in my heart," she told me. "If I ever meet our sister MacKenzie, I would straightaway request permission to hug her and pass on my ancestors' blessings."

IT ENDS WITH US

Ngoitiko grew up in a traditional Maasai pastoralist family, always in search of fresh grazing land and water for their cattle. When Ngoitiko's older sister turned 14, her sister was forced to leave school and get married. When Ngoitiko reached the same age, her fathers and uncles tried to do the same to her. But the strong-minded teenager managed to convince them to allow her to finish primary school.

Ngoitiko had no intention of being forced into a child marriage. So just after she completed her primary studies, she packed a small sack with her belongings and sought refuge with the country's first Maasai-led nongovernmental organization. She went on to complete her secondary education in Dar es Salaam, then the country's capital. Thanks to a scholarship from the Embassy of Ireland in Dar es Salaam, she then moved from equatorial Tanzania to chilly Ireland, where she perfected her English and earned a college degree in development studies.

Ngoitiko returned to Tanzania with the goal of helping other Indigenous women and girls from the Maasai, Sonjo, Akie, Barabaig, Tatoga, and Hadzabe communities. She finally got her chance in 1997, when she and nine other Maasai women, most of whom had survived gender-based violence, [met under a sacred oseki tree](#) in their village and created the Pastoral Women's Council.

OF LIONS AND MEN

Their first order of business: rescuing young girls who wanted to escape child marriages. Soon after they established PWC, two women showed up at Ngoitiko's small grass home late at night. They were the mother and older sister of a young girl who had just been forced to undergo [female genital mutilation](#). The girl was going to be taken into marriage in three days' time.

Ngoitiko and the two women set off on foot at sunrise to rescue the girl. They walked through the bush rather than by road to save precious time. As they were crossing a river, they came across four lions with their cubs. "I don't know how we survived," she explained. "Lions with their children are the most dangerous."

"This holistic, life-changing work has earned the Pastoral Women's Council the backing of a host of international donors. But all of these gifts combined did not add up to what MacKenzie Scott gave them."

Once the three women reached the village, Ngoitiko instructed the mother to tell her daughter to flee immediately and stop at a rendezvous point where she could meet up with the rescuers. The plan worked. But three days later,

armed men from the girl's village arrived at Ngoitiko's home, where she was sheltering the girl. Ngoitiko's brother and his male friends courageously stood up to them. "This girl is determined to do what she's doing," Ngoitiko's brother shouted. "And if you are violent, I will run to the Loliondo police station." Then he gave the men, who had not eaten in two days, some of his food. They left Loliondo in peace.

Within a few years, Ngoitiko and her colleagues turned their tiny rescue operation into a full-scale nonprofit capable of turning around the lives of women and girls throughout northeastern Tanzania. They started providing secondary school scholarships for rescued girls. (They've provided 2,500 to date.) Then, in 2006, they were entrusted with the management of the community-owned Emanyata Secondary School and began operating it as a safe haven and rescue home for girls fleeing gender-based violence and pursuing further education. They went on to build programs focused on strengthening women's health, leadership, entrepreneurship, climate resilience, food security, and access to clean water.

This holistic, life-changing work has earned the Pastoral Women's Council the backing of a host of international donors, including the Paul K. Feyerabend Foundation. But all of these gifts combined did not add up to what MacKenzie Scott gave them.



SUSTAINABILITY AND SHARING

To determine how to use Scott's extraordinary gift to advance the organization's 10-year vision, Ngoitiko planned a three-day board retreat in a very small town with little in the way of distraction. They included a board-management and capacity-building consultant who had worked closely with another Scott gift recipient, in Kenya. While some board members wanted to see PWC double or triple down on scholarships for the Emanyata Secondary School and other schools, the consultant pushed back. "She conducted a half day of training on how the money would go so quickly," Ngoitiko recalled. "She helped us find a path that allowed us to pursue our long-standing dreams of sustainability" for PWC.

In practice, this meant allocating the Scott gift as follows:

- ▶ 25 percent for a new endowment
- ▶ 20 percent for scholarships (vocational, secondary, and postsecondary)
- ▶ 25 percent for building PWC's own capacity (e.g., hiring a full-time communications expert and a full-time development professional)
- ▶ 30 percent for regranteeing to other community-based organizations in the region

It was clear on our call that Ngoitiko is most proud of the board's unconventional decision to share its wealth with other NGOs serving women and girls. PWC has now provided financial support to 15 nonprofits led by women, across three districts. "We were so happy in our hearts to share the gift with other grassroots organizations, uplifting their vision," Ngoitiko said. One of those partner nonprofits is Englishon Microfinance Ltd., the only microcredit company with products designed for pastoralist women. "Supporting community-

based organizations and rural, women-managed pastoralist savings and credit groups has become our scaling model,” she said. “Our future plans include supporting Indigenous women-led CBOs and expanding our education programming across seven districts, and going beyond Tanzania to reach similarly challenged pastoralist women across East Africa.”

Today, PWC can rescue girls as young as 11 from many areas and put them on a completely different life trajectory. Overall, the organization is serving a total of 22,000 women and girls. The Scott gift “inspires us to work even harder to reach even more of the over 500,000 women and girls in our pastoralist community,” Ngoitiko shared.

Ngoitiko said that Scott’s trust-based approach helped amplify the impact of the award. “She has broken the bureaucratic donor mold that can unfairly burden grant recipients and create power imbalances in partnerships between donors and recipients,” Ngoitiko wrote to me, following our Zoom conversation. “I very much like that she decided to work directly with African-led organizations rather than fund via intermediaries. By doing this, much more of her funding reaches the most disenfranchised communities.”

CHILLING EFFECTS AND FUNDING REQUESTS

Despite all the positives, the Scott gift has created challenges for PWC. “It has become extremely hard to secure new donors after receiving this gift, despite our ongoing efforts,” Ngoitiko acknowledged. “Donors, including longtime partners, ask, ‘Why do you still need my money after getting such a significant gift?’” That’s one of the reasons she is pleased that PWC decided to add communications and development capacity to share with prospective donors PWC’s needs and accomplishments.

“We want this model to be adopted by others. Let the recipient organizations, in close collaboration with potential beneficiaries, determine their own priorities.”

And, in the category of “no good deed goes unpunished,” PWC’s gifts to other nonprofits have sparked many requests from local governments seeking support for their initiatives. Ngoitiko and her colleagues can fund only a fraction of the requests they receive. They only give serious consideration to projects that a) align fully with PWC’s mission and b) have earned the buy-in of women and other community members.

CONCLUSION

These communication and donor challenges are “high-class problems,” said Ngoitiko — the kind she didn’t even dare to dream about when she and her colleagues had no funding whatsoever.

Today, she dreams about other donors seeing what Scott has done, speaking with award recipients, and realizing that these gifts are more effective than traditional grants. “We want this model to be adopted by others. Let the recipient organizations, in close collaboration with potential beneficiaries, determine their own priorities. If recipient organizations do not have such capacity, let them fund capacity building. There are skilled and talented individuals and organizations that can do the work, given the funding. By building trust and providing adequate resources with organizations within the African continent, the direct impact will be multiplied, and the benefits will reach further.”



Investing in Technology and Systems to Help the Community Thrive

Organization:

[Goodwill Industries of East Texas](#)
(GIET)

Mission:

“Goodwill Industries of East Texas is dedicated to providing skills training and vocational opportunities for people with barriers to employment.”

CEO:

[Kimberly Lewis](#)

Headquarters:

Tyler, Texas

Number of full-time staff:

247

Year of Scott gift:

2020

Amount of Scott gift:

\$5 million

Operating budget prior to Scott gift:

\$11.9 million

Operating budget today:

\$17.1 million

ORIGIN STORY

Fear and hate nearly killed Kimberly Lewis on the very first day of her life. The year was 1964. The city was Charleston, South Carolina.

When Lewis' mother went into labor on a rainy September night, her father drove his wife to the Medical University of South Carolina Hospital. Just before they arrived, her mother began hemorrhaging badly. "Something's wrong! Please help my wife!" her father screamed as he burst through the hospital doors. Instead of racing to their aid, doctors and nurses literally turned their backs. In violation of the recently passed Civil Rights Act, not to mention the Hippocratic oath, they refused to save the lives of a Black mother and daughter. The two survived because Lewis' father took a wheelchair, sprinted his wife to a municipal hospital four blocks away, and got her into the care of a Black doctor.

This story, which Lewis learned when she was 9 years old, still exerts a big influence on her life. Today, she is president and CEO of Goodwill Industries of East Texas (GIET) and one of the most powerful voices in her community for those who have been seen as "lesser than" or "other." For example, men and women with severe physical and cognitive disabilities, formerly incarcerated returning citizens, homeless veterans, immigrants, and refugees. In other words, anyone who walks through the front door of her agency seeking dignity, respect, and meaningful work.

'GOD HAS SMILED ON US FOR ALL OUR STRUGGLES'

The mystery phone call came in December 2020, when GIET's leadership, staff, and community were struggling mightily. While Tyler, GIET's hometown, has pockets of great affluence from the oil and gas industry, some counties in GIET's catchment area are among the poorest in the nation.

The voice on the other end of the line explained that Lewis and her agency had popped up on the radar of a philanthropist named MacKenzie Scott. She said Scott was funding organizations that are very important in their communities and have respected leadership, a good balance sheet, and a sincere commitment to inclusion. "When I heard that, I started getting excited," Lewis explained. "I was thinking we might get \$20,000."

Instead, the gift was \$5 million, with no strings attached — by far the largest gift the agency had ever received. "I really wish I could have told my mother," Lewis said. "Unfortunately, she had just passed away."

The gift was \$5 million, with no strings attached — by far the largest gift the agency had ever received.

'OUR STORY IS MORE THAN OUR STORES'

Goodwill Industries is one of the most recognizable names in the nonprofit sector, but it's also one of the most misunderstood. "When I first went on a tour and saw all that the organization does in this community, I was gobsmacked," explained GIET board treasurer Matt Rowan, whose daughter, Elizabeth, was born with severe brain deformities. "I knew it was where I donated clothes. I had no idea of all the great job training Goodwill does for our community."

During my day tagging along with Lewis, I had a chance to see three of GIET's nine programs in action. One was its impressive Commercial Services division. In that program, people with significant disabilities take classes focused on the skills of daily living. They also earn money assembling parts or packages for companies and governments. "They're the best workers you'll ever meet," said Rowan.

GIET's other workforce-development programs serve different populations. Its GoodBiz program helps entrepreneurs build and strengthen their businesses. I had a chance to visit the sweet-smelling fragrance shop of one graduate. "I learned so much in that program," said Keith Friend, the shop's owner. "It helped me see my weaknesses as a businessman, learn more of the legal aspects, and helped me keep control of my business." As we were saying goodbye, Friend noted that he had once been incarcerated. "This good business is what life after prison can look like."

GIET's GoodTech program serves any community member interested in earning tech certifications and finding good jobs in the tech sector. When I visited the training center, it felt like the digs of a high-priced tech bootcamp, except for the fact that GIET employees had built it using recycled wood pallets and parts of a shipping container. When I asked about the typical GoodTech graduate, the trainers told me there wasn't one. Students range from a refugee couple who fled for their lives from Cameroon to a 20-year truck driver who had never touched a computer in his life to a young, unhoused woman.



HIGHEST AND BEST USE

Once Lewis was allowed to share the news of the Scott gift with her board, she scheduled a meeting and sent an agenda that included the words "special announcement." "I was stressing out when I saw that," said Rowan. "I thought it meant Kim was going to leave!"

After the board heard about the Scott gift and screamed with excitement, they settled down and began outlining a process for determining the highest and best use of the extraordinary, unrestricted gift. They gained immediate consensus on four things:

- ▶ They would not allow mission drift.
- ▶ They would not open new Goodwill stores, because that would not produce greater community impact.
- ▶ They would take whatever time was necessary to figure out how to use the money.
- ▶ They would seek advice from Goodwill's national office.

Lewis and the board tapped a talented in-house engineer, [Ruth Davis](#), to lead the agency's eight-month "Moving the Needle" planning process. Based on feedback from all of the agency's key stakeholders, Davis helped GIET narrow the funnel down to one overarching priority: helping the agency build state-of-the-art technology systems. "This agency was held together with rubber bands, paper clips, and Excel spreadsheets," said Lewis. "We invested most of the gift in upgrading our business and HR systems, because we knew that would allow us to work more efficiently, effectively, bring in new resources for our mission, and hire more people."

Davis showed me the new NetSuite business management system that is now helping GIET manage all of the agency's accounting and inventory functions. Implementing that system allowed GIET to expand its Commercial Services contracts and double the number of disabled people it serves through the program. In the process, Davis and her team have dramatically increased the division's profits, now \$3 million and growing — allowing the Scott gift to keep on giving.

Where did the rest of the gift go? GIET used more than \$2 million for doubling its warehouse facilities and another \$823,000 for retiring its debt. “We also raised staff salaries to show appreciation for all the hard work during COVID, but we were already on that path before the Scott gift and had fully funded it,” Lewis said.

JEALOUSY BUT NO DISPLACEMENT

Lewis, a straight shooter, was candid about the jealousies that the Scott gift provoked. While she suspects that other nonprofit leaders in East Texas experienced envy, she was abundantly clear about the jealousies within the Goodwill Industries network.

To date, 36 Goodwills and the hub organization, Goodwill Industries International, have received Scott gifts. Because Scott offered [only a hint of transparency](#) about her selection criteria, there was plenty of room for hurt feelings among the leaders who did not receive gifts. These feelings led to shouting and tears at national meetings. Some lobbied for Goodwill Industries International to share proceeds from its Scott gift. “All of us were suffering during the pandemic. Some were looking for someone to rescue them and someone to blame,” Lewis said.

Some GIET executives worried that the gift would cause stalwart local donors to say, “You got that big money, so you don’t need ours.” As a result, Lewis and her board felt that the best course of action was to be transparent and get the community excited about the gift. They were right. “The Scott money didn’t hurt us; it helped us,” Lewis told me. “Receiving her money and vote of approval directly helped us land a \$500,000 grant from the Department of Labor and a \$300,000 grant from Microsoft for our entrepreneurship program.” The same was true for the East Texas Food Bank, which received an even larger gift than GIET did. “My colleague [at the East Texas Food Bank] was so afraid that other donors would dry up, but donations doubled,” Lewis said.

CONCLUSION

When Scott wrote about her gifts in a post on Medium, she spoke about some of the chain reactions that she hoped might result from the gift. One of the chain effects she did not anticipate was strengthening the hand of leaders like Lewis in their efforts to cultivate greater diversity in affiliate organizations.

When Lewis first became a Goodwill CEO 21 years ago, most of the other CEOs in the Goodwill network were white men. Only 20 percent of CEOs were women, and only one other chapter had a CEO of color. Many of the network’s leaders felt that the organization’s mission of serving marginalized clients was evidence enough that the organization cared about diversity.

Before the Scott gift, Lewis was already cultivating greater diversity within Goodwill International as chair of its Diversity and Inclusion Committee. Lewis believes the gift gave her and the Diversity and Inclusion Committee greater leverage within the network. Partly as a result, now 38 percent of Goodwill CEOs are women and 15 percent are people of color.

Lewis still faces tough battles related to diversity and inclusion, including in her own community, which has a deep and dark history of racism. In fact, when Lewis speaks about the importance of diversity, equity, and inclusion, some community leaders recoil. But Lewis said she has no intention of backing down. “I survived racism when I first came into the world. There’s no way I’m going to be quiet now!”



‘We Would Have Had People Starving’

Organization:

[South Texas Food Bank](#) (STFB)

Mission:

“To alleviate hunger in the eight-county service area in the South Texas area by collecting and distributing food through partner agencies and programs while creating awareness and educating the community on the realities of hunger.”

CEO:

[Alma Boubel](#)

Headquarters:

Laredo, Texas

Number of full-time staff:

52

Year of Scott gift:

2020

Amount of Scott gift:

\$9 million

Operating budget prior to Scott gift:

\$2.5 million

Operating budget today:

\$3.8 million

WHEN IT RAINS IT POURS

In the eight counties and one [tribal nation](#) served by the South Texas Food Bank, residents have had to get used to many incarnations of the unimaginable: a school shooting in Uvalde that stole the lives of 19 elementary schoolers and two teachers. Heat waves so intense they melt the interiors of cars. Winter freezes and summer hurricanes that knock out power for weeks. Shockingly high rates of poverty and hunger in the wealthiest country on Earth. Dangerous, and often deadly, border crossings. Cartels smuggling opioids and igniting violence.

And then came a once-in-a-century pandemic. The border region's weak safety net could not support the tens of thousands of residents — many of them recent immigrants or refugees — who suddenly lost their jobs and had no way to support their families.

Fortunately, the South Texas Food Bank had recently moved into a new Laredo facility with triple the capacity of the loaned space it previously occupied. And the Federal Emergency Management Agency kept it afloat with \$2 million in funding for food.

However, COVID-19 lockdowns and supply chain slowdowns caused food donations to drop precipitously. So, too, did the quality of those donations. STFB received only a trickle of nutritious items like produce.

Then there was the challenge of distributing food. “Our communities were depending on us,” said STFB CEO Alma Boubel (pronounced BOO-bull), “so we mobilized not only our team but also Army reservists, the fire department, city workers, and some court-ordered volunteers.” STFB set up mass distributions of food in the parking lot of Laredo's largest concert venue. And yet some people still had to wait for three or four hours to get food.

The challenges of COVID-19 and a tripling of STFB's caseload pushed the agency into deep debt. Even with lines of credit, it simply couldn't purchase enough food for everyone who needed it. In an effort to keep up morale at the overstretched agency, Boubel kept sharing with her team Mother Teresa's mantra, “If you can't feed a hundred people, then feed just one.”

‘IF IT HADN'T BEEN FOR MACKENZIE SCOTT’

A year into the pandemic, Boubel learned that her agency was receiving a \$9 million gift from a donor who, as far as she knows, has never even been to Laredo. STFB had never received a private donation of more than \$100,000 before. To Boubel, a woman of faith whose mother came from Mexico, the gift was a sign from God. “God takes care of you,” she told me when I visited STFB on a scorching July day. “If it hadn't been for the blessing of this gift, we would have had people starving.”

Unlike the leaders at many of the other nonprofits that received gifts from Scott, Boubel did not have a need to engage consultants to plan for how best to spend the money. Boubel, who displays a gag-gift placard on her desk that reads “She Who Must Be Obeyed,” made quick executive decisions. “I'm a nonvoting member of the board, but 99.9 percent of the decisions were me.”

Thanks to the Scott gift, STFB was able to surge its food distribution from 14 million pounds in 2019 to 26 million pounds in 2020.

Most of all, STFB needed food, so Boubel started buying truckloads. Thanks to the Scott gift, STFB was able to surge its food distribution from 14 million pounds in 2019 to 26 million pounds in 2020. Although it did not have the luxury of rejecting donated foods that are highly processed, the Scott gift gave STFB greater ability to

purchase fresh produce, clean protein, and other healthy options. The gift also increased STFB's ability to cook full meals in its commercial kitchen, including meals for 700 children a day.

The biggest beneficiaries of the Scott gift were the region's rapidly growing population of elderly, for whom government nutrition funding is anemic. Although the federal government offers several well-funded programs for alleviating childhood hunger, the elderly in South Texas often have to fend for themselves.

The rationale for the disparity is that the elderly can receive Social Security benefits. But many of South Texas' elderly residents, including those who recently arrived and those who are undocumented, don't qualify. "The elderly in our communities have to choose between buying medicine and paying rent," Boubel said. "I don't know how the United States of America can allow this." STFB Director of Development/Marketing Angie Osterman added, "Our elderly clients, who often have chronic ailments and are raising their grandchildren, are the forgotten population. They're so grateful for our help that some of them cry in our parking lot when we hand them food."

In addition to buying millions of pounds of food with the Scott gift, Boubel and her board decided to save \$2 million for future years. Boubel also gave immediate bonuses of \$1,000 to her exhausted staff of 42, some of whom had been working 24-hour shifts. She gave hardship stipends of \$75 every other week for those who had spouses who were out of work. She made everyone's health coverage free. Then she hired eight new team members — including a grant writer, warehouse managers, and truck drivers — to help get everyone back to a sustainable load. Finally, she bought \$1 million in much-needed equipment, such as two generators to cope with storm-related power outages and two tractor trailers for carrying refrigerated and frozen items.

STILL NOT ENOUGH

Despite Scott's extraordinary gift, STFB is still only meeting half the demand across the food-insecure region it serves, according to statistics from the nonprofit Feeding America. "The need is so overwhelming," STFB Chief Impact Officer DeAnne Economedes told me. "We need another fairy godmother — or three."

When I toured the streets of Laredo with Economedes, the city's persistent struggles were obvious. She stopped her car to show me how narrow the Rio Grande is in Laredo — I could have thrown a baseball into Nuevo Laredo, Mexico. She then explained how pervasive cartel activity is on both sides of the border. Later, she showed me Laredo's historic downtown, which is now dominated by shuttered businesses, pawnshops, and plasma-donation centers. "Want to know what hell is like?" she asked. "Come with us in a mobile unit on a hot day. You'll see people starving here. We [as a country] have got to do better."

Economedes, who is fully bilingual, shared that most of the open jobs in the area are low-skilled positions that do not require any English proficiency. Even government jobs with the Border Patrol and Immigration and Customs Enforcement (ICE) do not pay well. In fact, when the federal government shut down for 35 days around Christmas 2018, many Border Patrol and ICE families came to STFB for support.

STFB's caseloads have inched down from their COVID-19 peaks, but transportation and food costs remain stubbornly high. Before COVID-19, it cost STFB \$1,800 to transport a truckload of food. Now it costs \$4,500. Staple food items, such as rice and beans, cost twice what they did before the pandemic. "I can't even buy ground beef," Boubel told me. "It's going for \$7 a pound wholesale," and STFB can't afford that. Another challenge is that food donations have not rebounded to pre-pandemic levels. "We're just not getting donations like we used to," Boubel said.



STFB's stalwart corporate donors, such as Walmart and the Texas-based grocery chain H-E-B, understand that costs have skyrocketed and that food donations are no less necessary in the aftermath of the Scott gift. But "Laredo's donor base is small," Boubel shared. "We're not like Houston, which has partnerships with [the football team] the Texans, [the baseball team] the Astros, and other big companies. They can fundraise in an hour to raise enough money to buy a truck. We can't do that." Unfortunately, most food banks in America are more like South Texas' than Houston's.

For Economedes, there's a cruel irony to the region's high poverty rates and the agency's fundraising challenges: The region is producing enormous wealth. Half of the counties in the agency's region are gushing with profits from oil and gas operations, such as those at the massive [Eagle Ford Shale formation](#). Economedes has tried to raise money from all the major oil and gas companies and their wealthy owners. "I can't even get them to return my calls," she said with exasperation. "Why not give back? Why not lift up the communities that made you wealthy? You're multimillionaires!"

ISO NEW CEO

Boubel will soon turn 65, and she has announced that she will retire in December 2026. After losing her husband to a heart attack in 2023, she is eager to move to Utah to be close to her beloved adult daughter. She will leave big shoes for her eventual successor to fill.

At the top of her list of priorities before her departure is finding an even larger facility. While the current facility is only six years old and impressively well maintained, it's not large enough for its current caseloads, much less the region's true demand for food. Boubel would love to expand the current footprint, but the railroad company that owns adjacent lots is not willing to sell.

In addition, she would love to hire a nutritionist on staff. Today, STFB ensures that its food meets the specific nutritional needs of cancer patients. But she would love to be able to do the same for the older people in her community with chronic ailments.

CONCLUSION

If you read the websites of most national foundations, you'll see that they have a preference for investing in "upstream solutions" — that is, seeking to get at root causes rather than ameliorate symptoms. Partly as a result, organizations like food banks and emergency shelters tend to be seen as less worthy investments — or at least as charities that should get funding from people in their own communities.

Scott has taken a different approach. While giving the majority of her gifts to organizations working to change broken systems, she also felt she could make an enormous difference — a life-saving difference — for millions of hungry, hurting neighbors in regions like South Texas. In the words of Economedes, "I can't tell you how many times I hear people say, 'We don't have hunger in America.' My message is that the struggle is real. Thank God Ms. Scott understands that."



‘We Believe in Your Leadership’

Organization:

[KABOOM!](#)

Mission:

“End playspace inequity for good.”

CEO:

[Lysa Ratliff](#)

Headquarters:

Bethesda, Maryland

Number of full-time staff:

66

Year of Scott gift:

2021

Amount of Scott gift:

\$14 million

Operating budget prior to Scott gift:

\$9 million

Operating budget today:

\$21.5 million

FUNDERS OF A DIFFERENT FEATHER

When KABOOM! CEO Lysa (pronounced like Lisa) Ratliff received the award call from a woman representing MacKenzie Scott, the nonprofit was in the midst of real hardship. COVID-19 was the main culprit. The less obvious challenge was funder fatigue. “I’ve got to be honest: It was as crappy as it gets,” Ratliff shared with me when I visited KABOOM!’s suburban Maryland headquarters on a hot but beautiful May morning. “Because in the midst of COVID, funders couldn’t send their volunteers out to help us build playgrounds, they extracted themselves. We lost literally half our funders. Some wanted refunds on gifts they had already paid out.”

Just before the pandemic hit, Ratliff had taken over the leadership of KABOOM!. “It was the role of my dreams,” she said. “And then the pandemic hits and donors are bailing on us left and right. I felt I was letting down the kids we serve. It felt so heavy, especially for a first-time CEO.”

And then came the fateful call. “The timing was a godsend,” she said. Ratliff took the call at home during Thanksgiving break, in her living room. “The woman who called said, ‘We believe in your leadership. We believe in your ability to solve problems.’” Even before hearing the staggering amount — \$14 million — Ratliff began to cry. “I will never forget those words. I wish every young leader could get such a confidence booster.”

A NATIONAL MOVEMENT

Darell Hammond founded KABOOM! in 1996 as a direct response to two tragic deaths that shook his conscience. Not far from the halls of power in the nation’s capital, young Iesha and Clendon Elmore had no place to play on a hot July day. So, they invented their own game inside an abandoned car. The children triggered the car’s faulty locks and soon died of heat exhaustion.

Hammond, who shared the story of his own difficult childhood in his 2011 [memoir](#), went on to build KABOOM! into a world-class nonprofit and the leader of a national movement to end inequitable access to playspaces. He won the support of some of America’s most prominent donors, including Pierre and Pam Omidyar and Jackie and Mike Bezos (parents of Jeff). Hammond and his team helped build more than 2,000 safe playspaces — more than any other nonprofit in America.

CENTERING EQUITY

Prior to being named CEO, Ratliff served as the nonprofit’s vice president of partnership development. From the moment she arrived, she set her eyes on the prize of strengthening KABOOM!’s emphasis on equity. She was frustrated that KABOOM! was often forced to go to the communities where funders were, instead of going to where the need was the greatest.

Ratliff’s passion was a direct outgrowth of her 1990s working-class upbringing in San Jose, California. “My mom was just 15 when she had me, and my dad was 16,” she shared. “She was white. He was Black.”

As a result of her skin color, Ratliff was often the target of racism in school — and even in her own home. “Because I was a little brown girl in a white world, I often felt that my physical identity said I was not enough. I was put in a classroom for underperforming students when I was far from that.”

She had an uncle who teased her daily about her Black hair and made her feel “othered” every chance he got. She also had a grandfather who flew the Confederate flag as an open declaration of his anger toward Black

people — including his own granddaughter. “Thankfully, I also had a young father who believed that anything anyone could do, I could do better,” she said. “I also had a grandmother who placed such a deep seed of love in me that as I grew older I realized that I indeed could do anything I set my mind to.”

When KABOOM!’s board of directors tapped Ratliff to become CEO, Ratliff made the organization’s commitment to equity even more explicit, calling out the structural and institutional racism that has shaped who has access to safe playspaces and who does not. As part of that effort, she began shifting the organization’s traditional focus on the *quantity* of playgrounds toward a focus on *quality*. “I knew this would require a big investment in collecting and analyzing data,” she explained. “But I wasn’t going to compromise on that. I didn’t want us to be an organization that was inadvertently perpetuating inequity.”

COVID-19 and the defection of donors initially forced her to defer her dream of centering equity. A year later, the Scott gift revived the dream. “That gift gave us the ability to change patterns that weren’t moving the needle on equity,” Ratliff said. “Without the gift, we wouldn’t have had the courage to push back on funders who wanted us to be the organization where they could send their volunteers for a day of team building near their headquarters.” With that gift, KABOOM! now has the human and technology systems to know where place-based inequity exists, to go deep with whole municipalities, and to engage in policy advocacy for systems change.

“KABOOM! now has the human and technology systems to know where place-based inequity exists, to go deep with whole municipalities, and to engage in policy advocacy for systems change.”

COLLECTING AND ANALYZING DATA

Isaac Castillo, a nonprofit data analyst, joined KABOOM! in 2022. The mission he gladly accepted: build a sophisticated data system to visualize where kids do not have safe, high-quality playgrounds. “We knew we were doing great projects. But literally we didn’t know where inequity exists. The data didn’t exist,” Castillo admitted candidly.

Castillo has now completed the first implementation of the KABOOM! [Playspace Inequity Prioritization Index \(PIPI\)](#). It’s built on 21 data elements — from the percentage of parkland in a given area to the life expectancy at birth in that area. It uses complex algorithms to combine these data elements into an actionable picture of every census tract in America — one that KABOOM! has made available inside and outside the organization.

PIPI allows KABOOM! to get clear answers to questions such as, “Is there a playground in a given community within a 15-minute walk?” It’s also allowed the organization to start assembling a picture of playground quality. “Of course, not all playspaces are created equal,” said Castillo, as he demonstrated the system for me in his office. “Some have poorly designed or maintained equipment. Others have no play chips or mulch to break falls or other unsafe conditions. To ensure equity, we need to know which of the playspaces are safe and which ones are not.”

Thanks to mobile phones, KABOOM! is now able to get a picture of how people are using playgrounds. “We’re putting up QR codes so we can see the kids’ and caregivers’ views on whether they’re feeling safe and welcome. And we’re using cellphone data to approximate how many people are using each playspace, given that 98 percent of people over age 12 have cellphones.”

GOING DEEPER

The gift also enabled KABOOM! to launch the [25 in 5 Initiative to End Playspace Inequity](#), an ambitious plan to end playspace inequity in 25 municipalities in five years. Baltimore, a city struggling with resources and awash in inequity, is KABOOM!'s first 25 in 5 partner. After two years, KABOOM! and the city of Baltimore are 52 percent of the way toward their shared goal of ensuring that every child in Baltimore has a high-quality playspace within a 15-minute walk.

In all of the municipalities, KABOOM! is thinking more expansively about quality than ever before. Its previous model was to build 1,200-square-foot playspaces, at a budget of about \$125,000 each. Armed with the Scott gift, Ratliff has helped the organization think much bigger, literally. “We no longer have a deficit mentality,” Ratliff explained. “For example, we’re working in deep partnership with the Oakland Unified School District and the Eat.Learn.Play. Foundation on 10,000- and 15,000-square-foot schoolyard renovations, with a climate-forward approach. We are building outdoor classrooms, sports courts, gardens; increasing access to nature; and planting dozens and dozens of trees at each site. These spaces look like what you have at private schools. The community is getting much more valuable assets for the long term.”

USING POLICY ADVOCACY TO AFFECT SYSTEMS CHANGE

Before the Scott gift, KABOOM! did not have the resources to have a formal policy function. Today, influencing public policy — at the municipal, state, and federal levels — sits at the core of its work. “We recognized that we had to work differently to solve the problem we exist for,” Ratliff said. So, with the input of several board members with deep policy experience, Ratliff built a new public policy and advocacy department, which is run by Buffalo’s former director of policy. And then Ratliff brought on additional board members with experience working with city planners and decision-makers.

Before the Scott gift, KABOOM! did not have the resources to have a formal policy function. Today, influencing public policy — at the municipal, state, and federal levels — sits at the core of its work.

Ratliff is now working to mobilize communities and coalitions to press for equitable playspaces and more attention to the social determinants of children’s health. For example, she and her team worked with policymakers in Maryland to pass legislation, signed into law this year by Gov. Wes Moore (D), to prevent the use of toxic chemicals on playground surfaces. Ratliff is also an ambassador for the physical activity pillar of the president’s national strategy, appearing at the White House and administration events to help shape the dialogue around the connection between play and proper nutrition.

Ratliff is inspired by the endless possibilities that arise when you can bring people together from all walks of life united in purpose to improve the lives of kids. “In the moments when all of us are full of dirt from constructing the playspaces of our kids’ dreams, one’s political persuasion doesn’t matter,” she said. “It’s truly love in action. It’s the gift of my life that I get to live in it.”

THE CHALLENGE OF CHANGE

I asked Ratliff to help me understand the challenges that materialized after the initial shock and celebration of the Scott gift died down. She mentioned raising the funds to move at the speed the need requires, new salary demands from staff, and the reality that Scott’s funds are likely to be a one-time-only infusion. But by far the biggest issue for her — the one that keeps her up at night — was the difficulty of managing change internally

and externally. “We had built an identity, brand, system, and approach that everyone was comfortable with,” she said. “But then I said, ‘This is our moment to transform.’ I moved everyone’s cheese. And I underestimated the change management we — I — needed to do.”

The change was hard on staff and led to significant turnover, compounding the COVID-19 effect on staff retention. “Most of the staff turmoil was on our development team. We had been very transactional in our fundraising. We were selling the experience of building playgrounds. Then I pivoted our staff to talking about racialized disinvestment and to seek very different kinds of partners, such as municipal governments. If we were to really begin scratching the surface on giving kids what they need and truly transforming our communities, then we needed help to work over several years on dozens of projects instead of one playground over six months. It was a very different kind of fundraising. It was foreign territory for us. We had to start over.”



CONCLUSION

I asked Ratliff what she would share with Scott if she ever has a chance to sit down with her. “I want her to know that her gifts are not just having a transformative effect on individual organizations. She’s also having a huge impact on female leaders.”

Ratliff emphasized that “the trust piece” should not be glossed over. “For the many women who have repeatedly heard [the equivalent of], ‘Sit down, little girl’ and who know we have to work twice as hard to get where we are, this kind of trust touches something deep within us. It ignites our love and fuels a fire that propels us to do more than anyone ever expected. I don’t know [Scott], but I have such a deep love for who she is and how she is using her life. And as my expression of gratitude, I will show up like no one would have ever believed possible.”

[In one of her Medium posts](#) on her grants, Scott expressed her view that “Equity can only be realized when all people involved have an opportunity to help shape it.” For KABOOM!, that means consulting kids on the details of the play structures they want to see included in designs. It means mobilizing communities of color to advocate for the funding they deserve. It means building a diverse board and staff whose skills map to the challenges they hope to solve. And it means having a CEO whose problem-solving skills have been supercharged by a life of being underestimated and overlooked.



New Analytic Tools to Unlock Student Potential

Organization:

[Equal Opportunity Schools](#) (EOS)

Mission:

“Equal Opportunity Schools strengthens educator and system leader capacity to break down barriers in order to increase access, belonging, and success in rigorous college and career-prep secondary school courses for underserved and underrepresented students so that they may thrive in their postsecondary pursuits and life goals.”

Interim CEO:

[Eric M. Weaver](#)

Headquarters:

Seattle, Washington

Number of full-time staff:

65

Year of Scott gift:

2021

Amount of Scott gift:

\$8 million

Operating budget prior to Scott gift:

\$12.6 million

Operating budget today:

\$12.5 million

THE MIND IS A TERRIBLE THING TO WASTE

The work of Equal Opportunity Schools is rooted in a counterintuitive insight: The reason many disadvantaged students struggle in school is that they're not taking rigorous classes, such as Advanced Placement (AP) and International Baccalaureate (IB) courses. You read that right. They're not struggling because their classes are too hard. It's because their classes are too easy.

A substantial body of research now demonstrates that many students who could excel in AP and IB courses are getting tracked into less rigorous classes. In some cases, that's the result of individual or systemic biases. In other cases, it's the result of good intentions, such as when a school counselor worries that pushing a student to take rigorous classes might be demotivating or hurt the student's GPA.



Regardless of the reason, these high-potential students get bored, check out, or even drop out. EOS estimates that American high schools have a total of more than 750,000 of these hidden high-potential students.

The good news is that it's possible to identify these students, encourage them to enroll in more rigorous courses, and then give them a sense that they belong there. The even better news is that doing so produces the following cascade of positive outcomes:

- ▶ These students succeed in rigorous classes.
- ▶ They are more likely to go to college.
- ▶ They are more likely to [persist in college](#) through their first year.
- ▶ They are more likely to [graduate on time](#).
- ▶ They are more likely to save on college tuition.

Over its 14 years of existence, EOS developed a proven formula for finding and supporting high-potential students. It has partnered in 35 states and with 250 school districts — urban and rural, rich and poor, predominantly white and majority minority. Counterintuitively, the region where EOS has forged the most partnerships is the South, including districts in which “equity” and “diversity” are radioactive terms.

HAPPY DANCE

In October 2022, after his third call with consultants asking questions on behalf of an unnamed donor, Eddie Lincoln did a happy dance in his Seattle office. Lincoln, a charismatic former basketball star, was EOS' CEO at the time. (He left EOS in September 2024 and is now the CEO of Rainier Scholars, an organization focused on serving students in the south Seattle community where he grew up.) “My colleagues and I put two and two together,” Lincoln told me. “And we were right. Soon after, we heard that MacKenzie Scott was giving us an unrestricted gift of \$8 million.” The organization's largest previous gift was \$3.1 million.

It didn't take long for EOS' board and staff to come up with ideas for how to make good use of the gift. But Lincoln was adamant that everyone should go slowly. He convinced the board to take whatever time the

organization needed to figure out the best use of the resources. Then Lincoln hired [Jenn Vranek](#), a well-respected consultant with deep expertise in transitions to postsecondary education, to help EOS develop its strategic plans.

After six months of planning, EOS made three key decisions. First, it would increase its rainy-day reserves from six months to 12 months — a rare luxury in the nonprofit world and one that's particularly important for organizations that rely on revenues from school districts. Second, it would raise staff salaries — but only very modestly. “Yes, the staff wanted more money, but we already knew we were at market or above — and everyone knows that because we're very transparent about salaries.” Third, it would dramatically raise the bar in data and analytics — beyond what any other educational entity has been able to do.

“It would increase its rainy-day reserves from six months to 12 months — a rare luxury in the nonprofit world and one that's particularly important for organizations that rely on revenues from school districts.”

STATE OF THE ART

Lincoln hired software engineer and former teacher [Andrew Cooper](#) to do a complete revamp of the organization's data architecture. “That money gave us the ability to dream bigger than we ever had before,” Cooper told me via Zoom. “It gave me the ability to build exactly the kind of state-of-the-art system I would build for a Fortune 500 company.”

Cooper had spent more than a decade as a high-end consultant building custom software solutions for Facebook, Google, Nike, Microsoft, and Disney. “In my previous job, I was making very rich people even richer,” he said. “Now I'm using data to find students who need help.”

Cooper came to see that EOS' most valuable asset was its student-level data, based on the 300,000 survey responses it collects every year. “Schools trust EOS with data they wouldn't trust anyone else with,” said [Jessica Paulson](#), EOS' vice president of strategy. These data include not just test scores and attendance records; it's also valuable information about students' aspirations, relationships with trusted adults, and the degree to which they feel they belong. And yet EOS' existing database had been stretched to the breaking point. The staff had very little ability to derive more than basic meaning from the data.

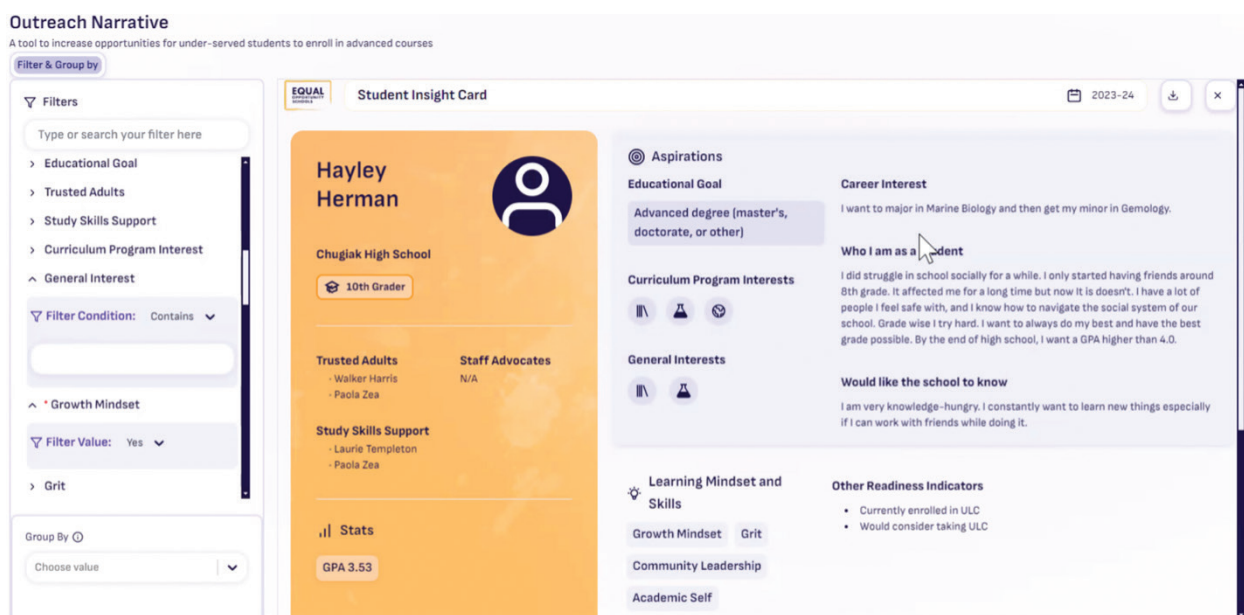
“My goal all along was to open immense creativity and exponential impact,” Cooper explained. “So I introduced machine learning and AI to help us ... ask sophisticated questions everyone had wanted to ask for a long time.”

Cooper rolled out its new portal in the summer of 2024. The portal has made possible all of the following:

- ▶ *EOS can serve more students.* The new portal gives EOS the flexibility to work with a wider array of educational environments. These environments include middle schools and dual-enrollment programs, in which students take most of their classes in community colleges and earn college credit even before graduating from high school.
- ▶ *EOS can support students earlier.* Because it now has the ability to work with middle schoolers, EOS can start the conversation about college at least a year earlier than before. “Now we have the ability to have an influence at that pivotal transition from eighth grade to high school,” Cooper said.
- ▶ *EOS can expand partnerships and earned revenues.* With no more upper limit on the number of surveys, the organization can finally meet the demand from school districts interested in supporting hidden high-

potential students, increasing graduation rates, and boosting college attendance. The new portal also will likely increase retention of existing partners, given the early raves like this one, from [Ché Carter](#), principal of Huron High School in Ann Arbor, Michigan: “This tool puts information about students in the hands of our staff, and what students tell us about how they perceive our school is the most impactful data we can receive. [It’s] a game changer when it comes to promoting engagement between students and adults, especially students’ trusted adults.”

- ▶ *EOS has greater ability to learn and improve.* With the predictive-analytics capabilities Cooper built into the portal, EOS can now help schools understand with much greater precision how they should use their time and resources to drive positive culture change. “Eventually, we’ll know better what to prescribe,” Cooper said. “We’ll be able to say, ‘We know from this huge dataset that if you focus on these three things, you’ll see an improved school culture.’”
- ▶ *EOS can broaden its equity lens.* Based on the limitations of its previous technology, EOS was forced to focus on addressing the most obvious forms of disadvantage, such as race and income. But with the new tools, EOS can help schools look at equity within their own specific contexts. For example, it can help districts identify hidden high-potential students with various forms of disabilities.



A Student Insight Card featuring dummy data illustrates how schools can track high-potential students

THE CHALLENGE OF SCALE

Now that Lincoln has departed, EOS is in the midst of a national search for its new CEO. At the top of the board’s wish list is the ability to help EOS reach far more hidden high-potential students. Of these estimated 750,000 students across America, EOS is adding about 10,000 students to rigorous coursework annually given they are in less than 2 percent of high schools in the U.S.

It is clear to the board that hiring hundreds or thousands of additional EOS employees all over the country is not the right strategy. Instead, EOS wants to build partnerships with organizations that are already on the ground and that need the kind of analytic tools that EOS has built with its Scott funding. “Traditionally, we’ve had to have people on the ground to implement our model,” Lincoln shared. “I believe our next CEO will be building partnerships with organizations like [Leading Educators](#), which is helping thousands of STEM educators engage students of color in AP classes.”

CONCLUSION

In early September 2024, just days before Lincoln left EOS for his new role, he gave me a few additional moments of his time. I asked him to share his advice for other foundations that might be considering trust-based giving like Scott's. "I would love to see hundreds of other donors do what she did," he shared. "Her generosity is amazing, but please help other foundations know that [one such donor] is not nearly enough."

Lincoln was adamant that the most valuable part of Scott's formula is trust. "The worst thing about philanthropy is foundations dangling money in front of organizations and telling them, 'We want you to do what we want to do.'" Scott took the opposite approach. "MacKenzie said to us, 'We want to support what *you're* doing.'"

In Lincoln's view, that type of giving is not just more respectful; it's also more effective. "The No. 1 rule of our work is that you never tell people what they need. You listen to them. You build relationships. When funders, even very smart funders, tell nonprofits what to do, it can hurt them seismically. Funders just don't have their ears to the ground like we do."



The Chords of Community

Organization:

[317 Main Street Community Music Center](#) (317 Main)

Mission:

"317 Main encourages creative expression, personal growth, and community connection through music."

CEO:

[Graeme Kennedy](#)

Headquarters:

Yarmouth, Maine

Number of full-time staff:

5

Year of Scott gift:

2021

Amount of Scott gift:

\$1.5 million

Operating budget prior to Scott gift:

\$1.3 million

Operating budget today:

\$1.8 million

BUILDINGS WITH A CIVIC SOUL

When the penniless 12-year-old Andrew Carnegie arrived on America's shores in 1848, his family didn't have enough money to buy him a single book. As a result, when he became one of the richest men in the world, he helped create more than 2,500 public libraries. Carnegie libraries not only helped support reading and education; they became civic centerpieces of their communities.

The lovely coastal town of Yarmouth, Maine, didn't need Carnegie's money to build a library, because a wealthy ship captain provided it. But for the entire 20th century, Yarmouth had a gaping hole in its civic life: It had no concert hall or public music institution.

That changed in 2002, when North Yarmouth resident Peter Milliken purchased a beautiful old home and created the 317 Main Street Community Music Center, which received its 501(c)(3) status in November 2004. Although Milliken had no prior experience running a music-oriented business or nonprofit, he had the ambitious plan to turn the building into a welcoming space for music education and performance — a “third place” where the entire community would come to learn and connect.

Such “Field of Dreams” aspirations rarely become reality in the nonprofit world, but 317 Main beat the odds. Like the Carnegie libraries, it quickly established itself as a priceless civic asset. “I hear over and over again that 317 Main feeds people's hearts,” said Executive Director John Williams, who's not related to the famous composer but shares his warm personality. “The emotional attachment people have to this place is amazing. Music has unique power to connect people.”

Williams, who was the organization's board chair, was picked to become the organization's first executive director in 2009. (He spoke to me at the time of my visit before retiring from the organization in December 2024, after 15 years of service.) He had been a consultant working with Fortune 500 companies and universities on their environmental sustainability plans. He was ready for a change. “My wife and I lost our son to brain cancer when he was only 14,” Williams shared. “I remember many times being away on assignment during his five-year illness and feeling the need to be closer to home. After he passed, I felt the strong desire to do something meaningful for the community within which I lived.”

Under Williams's leadership, 317 Main expanded its geographic and demographic reach well beyond the town of Yarmouth. Of the 800 people who come to 317 Main's facilities each week for music lessons and classes, approximately 70 percent come from one of 40 surrounding towns, in southern and midcoast Maine. In addition to the programs it offers at its base in Yarmouth, 317 Main takes the show on the road to serve these other communities through its community Partnership Programs. Through these programs, 317 Main provides free music education to more than 1,000 other people — mainly K-12 students — through its partnerships with schools, libraries, and nonprofits serving underserved populations.

THE DAY THE MUSIC DIED

In March 2020, the COVID-19 lockdown forced 317 Main to close its doors. Fortunately, the organization was able to pivot all of its private classes and many of its group classes to Zoom. “During COVID, we became a lifeline for many people who were stuck at home with little to no other social connection,” said Williams. “317 Main became the place for people to connect to others outside their own homes.”

But Zoom just didn't work well for early childhood music education, dance programs, choral programs, or larger ensembles. And from a financial perspective, COVID-19 was devastating to the organization. The lack of in-person classes and performances cut deeply into the organization's earned revenues. Even more difficult, 317 Main had recently launched its first-ever capital campaign. "We had radically outgrown our space and wanted to build additional music studios, a multi-purpose performance hall for concerts, dances, recitals, movement classes, etc., a cafe, and recording studio," Williams told me. The pandemic put the kibosh on those plans. "We were trying to raise \$4 million, and our campaign consultant said we'd be lucky to raise \$3 million. And then the cost of our plans exploded, because of the supply chain disruptions and soaring labor costs." Practically overnight, the costs increased from \$4 million to \$6.4 million. "Our ability to move forward with the expansion project was seriously in question," Williams said.

'WE HAVE SCOUTS OUT THERE'

One night in May 2021, Williams received an email indicating that "donors were interested in giving a gift to 317 Main after learning about our work from a wide range of sources." The woman provided a phone number. When Williams called her, she said, "We have a grantor who wants to give you \$1.5 million. This needs to be kept confidential until we give you clearance to share this information. And we will need you to tell us how you would like to receive the funds ... and provide your bank info so that we can deposit the money."

Williams told his wife and called his board chair, a retired attorney. He then called one of 317 Main's longtime supporters, who is also an attorney. "The board chair and longtime supporter recommended that we hold back on giving out any of the information until we learned more. They said, 'This makes absolutely no sense.'"

Fortunately, the lawyers were wrong. "The next time I spoke with the woman, she told me her name and provided enough detail about MacKenzie Scott that I could tell it was legit," Williams said. He begged the caller for information on how she had found 317 Main — a nonprofit well off the beaten path. "'The only thing I can tell you is we have scouts out there,' she told me. 'When two or more scouts give us the same name of an organization, we then do research on that organization.'"

Although \$1.5 million was by far the largest gift the organization had ever received, it was not big enough to ensure the success of the capital campaign. Williams went back to major donors to seek their advice, did a thorough gut check, and recommended moving forward. "We have designed a really excellent building that will allow us to serve the community and generate considerable additional operating revenues in the future," he wrote to his board. "I recommend, as the executive director of 317 Main, that the board approves a revised project cost of \$6.4 million, so that we can break ground in September."



MAJOR THIRDS

Williams and his board spent weeks debating how much of the gift to allocate to the capital campaign. “We knew that if we put too much into the campaign, donors would think we’re all set. We did not want that to be the word on the street. That was a tightrope. We spent a lot of time talking about that,” Williams explained.

The board eventually decided to allocate one third of the money to the capital campaign. The board then decided to dedicate another third to the campaign, but in the form of a loan. The concept is that once 317 Main reaches its \$6.4 million goal, it can then turn the loan money into an innovation fund. One innovation Williams and his team are considering is an early childhood music program at a satellite facility, which could be a significant revenue generator. Another is an adaptive-music program for children with spectrum disorder and other cognitive disabilities. “Children with special needs respond remarkably well to music,” Williams said.

The board then designated the final third for existing operational needs. Williams offered bonuses to teaching artists and staff members with five, 10, and 15 years of service and made the organization’s 403(b) retirement contributions more generous — both of which are designed to encourage higher retention. 317 Main invested \$66,000 in a large solar array to reduce energy costs and agreed to buy a 1939 Steinway B piano as a centerpiece of the new performance hall, a high priority for the teaching staff. Finally, he increased the organization’s reserves. “I kept thinking about how hard it is to raise money,” Williams said. “Some years have come down to the last week to make payroll, and that puts real stress onto the organization. That’s why I pushed very hard for allocating a significant amount to our reserves. I was beating the drum the loudest for that.”

REVERBERATIONS AND RESULTS

In late March 2023, 317 Main opened the first portion of its new facilities to the public. This phase included eight new music studios (including a recording studio), a 200-seat multipurpose performance space, and a community cafe. Community members report that they’re delighted with the new space. “In our most recent community survey, the No. 1 thing that comes out is that they love the vibe. Our original space felt like you were in your favorite aunt and uncle’s home — comfortable and welcome. We’re hearing that we’ve managed to keep that vibe while doubling our space.”

Williams shared an anecdote that spoke louder than any survey data. A long-time Yarmouth resident and 317 Main student was diagnosed with cancer in February 2024 at the age of 76. The woman’s daughter had tried hard to get her mom to move in with her in Rhode Island so that she could be closer to family. Williams was told that the woman had “flat-out refused to move — she didn’t want to leave the 317 Main community. Playing guitar and singing here meant everything to her.” Sadly, the woman passed away on June 5. And yes, her family held her memorial service at 317 Main.

Fundraising for the next phase of the project is going well. To date, 317 Main has raised approximately \$5.1 million and hopes to raise the remaining \$1.3 million by July 2025.

Williams believes that 317 Main would have survived without the Scott gift, but it probably would not have been able to expand its footprint and impact in the community. “The gift was certainly a major catalyst, a shot of confidence, that helped us ... believe we could realize our plans. I wish I could thank her directly.”

MINOR DISCORD

A gift of this size was not without its challenges. To Williams' surprise, keeping his donors on board was not one of them. "We found that if you communicate and include donors in the process, and they feel they're part of it, there's understanding there," Williams said. "I've been proactive in sharing details with our top donors, saying, 'Here's how we're planning on using the Scott funds. We still have a lot of money to raise in our campaign, so we're continuing to fundraise.' They've all gotten it. It was not a tough sell."

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However, the organization's growth and infrastructure costs, including new salary structure, sometimes keep Williams up at night. "Will it be hard to sustain? Yeah, for sure. But we have multiple profit centers — private lessons, group ensemble, concerts in our performance hall, events, recording studio rentals. If we get them all rightsized, we should be fine."

One point of tension is pay for 317's talented teaching artists, who are not employees. "Some of the teaching artists have said, 'This new facility is awesome, but why aren't you giving more money to us?'" Williams shared. "Of course, we wish we could give everybody a big raise, but we can't. We've done our homework. We know we're paying at the upper end of the pay curve."

Perhaps the most surprising challenge for Williams was handling the jealousy of colleagues. "I have executive director friends who have been doing this work a lot longer than I have. They were like, 'What the heck?! How did you get that? Who did you know? Can you give me your connections?'" I felt bad in a way that we got singled out when many others that do incredible work hadn't gotten noticed."

Williams wondered whether Scott's lack of transparency about her decision criteria might have exacerbated the tensions. "The secrecy and lack of specificity about who's eligible and what you need to do to qualify — that seemed to create some hard feelings among nonprofits ... Everyone likes to feel like that are making a difference and get recognized for the good work that they are doing."

CONCLUSION

Andrew Carnegie was known to visit some of the public libraries he created. Williams can only hope that someday Scott has an opportunity to visit 317 Main. She certainly wouldn't announce herself and take a bow, like Carnegie did. But perhaps she could visit quietly, incognito. If she does, she would have to be pleased by what she sees, hears, and feels in the organization's expanded community space. She would probably see that it's as beloved as any Carnegie library ever was.



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