

## Horizontal Integration, Vertical Integration and Movement Building

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Our work begins and ends with families. Their concerns and aspirations are the animating force behind our grantmaking strategy, dating from our original Listening Circles. And our ultimate success will hinge on whether their lives are better as a result of our efforts. Rather than funding programs or creating new institutions to directly serve families, the mechanism we are supporting to achieve that goal is movement building. We chose that path because families told us that they wanted help in understanding systems so that they could become more effective advocates for their children.

As a national foundation, even one with substantial resources, we can never hope to reach deep enough into individual communities to directly affect the lives of large numbers of families. But we can provide grants to community-based organizations that seek to build the voice and power of families. We can also use our convening power and additional grants to connect those organizations to one another, both within and across regions. There are also a number of ways in which we could enhance their collective capacity to influence public policy at the local, state and national levels. Ultimately, we can also leverage the influence of our Board and our position as a corporate shareholder to advance the cause of families in the corridors of government and corporate power.

How do we get there from here? In describing our strategy to our grantees and others, we have used the rather abstract concepts of horizontal integration, vertical integration and collective capacity. To explore what these ideas might mean in practice, let's begin with an illustration.

An extended family is gathered around a large table for dinner. Amidst the chatter of the children and family gossip, the topic at one end of the table turns to taxes. One woman remarks that she's been told that it's possible she may actually owe taxes at year's end because the families for whom she does housecleaning have not paid into Social Security for her. A relative remarks that she thought she was going to be in a similar situation, but found out that she qualified for the Earned Income Tax Credit, and was actually going to be getting money back from the IRS. Yet another relative overhears this conversation and remarks that he thought the EITC was going to be a good deal for him as well, but when he had a local commercial tax preparer file for him, he ended up paying more than half of his anticipated refund in fees, including very high fees on a loan he took out so that he could get his refund on the spot. This comment, in turn, leads to a discussion of how much various family members owe to the local check cashing operation, which they regularly use for payday loans when they fall short of cash before the end of the month.

Earlier that day, representatives of a local nonprofit organization were going door-to-door in a nearby neighborhood to inform families about the availability of the EITC and Child Care Tax Credit and doing a quick assessment of potential eligibility with those who were interested. Those who appeared to qualify were referred to a low-cost tax preparation site where they could receive information and assistance to ensure that they received the maximum refund to which they were entitled. They were also provided information about classes in financial management for families to help with budgeting,

understanding financial contracts, and developing a relationship with the local credit union.

At almost the same time, representatives from another nonprofit organization are meeting with officials at the regional headquarters of the corporation that owns the local commercial tax preparation site to advocate for changes in business practices that were having a significant negative impact on local families. The corporate officials agreed to meet following a series of demonstrations outside their offices that attracted significant media coverage throughout the region.

On that same day in Washington, D.C. a national advocacy organization is distributing a briefing paper on predatory financial practices in low-income neighborhoods to the staff and Members of a congressional committee and urging public hearings that might lead to corrective legislation. Its communications staff is also pitching stories to reporters and other national media in an attempt to achieve greater public attention to this issue.

Sometimes these kinds of conversations and activities connect and converge for maximum strategic impact, but too often they do not. There have been instances of successful connectivity among local nonprofits and regional and national advocacy organizations, but they tend to be the exception rather than the rule. If we are to be successful in our goal of nurturing movement building for families, supporting that kind of integration of effort is essential.

### **Horizontal Integration**

To address the inefficiencies and complicated eligibility procedures of government programs for families, there has been a significant amount of effort dedicated in recent years to reforming public systems and creating integrated local systems of care. Since nonprofit organizations are frequently key providers of services to families, they have also been urged to collaborate and coordinate their efforts as well. The goal is to make it easier for families to access needed services and get the help they need with a minimum of bureaucracy.

As simple as that goal may seem, it has been very difficult to achieve in practice, even when you are trying to create a system of related services (e.g. health care). When you are seeking to connect services across systems (e.g. child welfare, housing, drug and alcohol treatment) it has been very hard to break down institutional barriers, although innovative structures such as Family Resource Centers are endeavoring to provide a single point of entry to program resources and to work with families before they are in crisis.

The Foundation confronts many of the same challenges in trying to connect individuals and organizations horizontally within a city or a region for the purposes of movement building. The nonprofits that are in direct contact with large numbers of families on a daily basis are usually in the business of providing direct services. They may or may not engage in advocacy activities or urge their client families to be advocates. Similarly, they may connect with similar organizations in their region either via formal contracting relationships or as part of professional associations, but the basis for those relationships is most often service delivery rather than advocacy. The forms of advocacy they typically engage in are to preserve or enhance government funding streams for their work. Even

if they are committed to advocacy, usually only a few staff or board members are directly involved, and infrequently at that. And even more rarely do they seek to persuade the families with whom they work to become advocates.

If that nonprofit's core business is housing or health care or child care, it rarely connects with other nonprofits outside of its existing professional network. It also may or may not connect with advocacy organizations that work on issues outside its field. So, the organizations that may have the most direct connection with families may not see themselves as advocates (except to protect their funding) and may well not connect with organizations outside their field or groups whose mission is advocacy, even though they may all be working with (and concerned about) the very same families in their community.

By focusing on families and not funding categorically, the Foundation has laid the groundwork for potential horizontal integration within and across our regions. So far we have provided core support to a number of cornerstone organizations that work with significant numbers of families, even though many of them may not have initially seen themselves as engaged in movement building. We have also begun to connect them via our regional convenings, our initial Learning Clusters and our communications efforts.

Our challenge going forward is to identify those cornerstone organizations that represent the best candidates for movement building in their regions. In addition to success in base building, one of the potential criteria for those decisions is the degree to which the organizations are engaged in advocacy work across disciplinary boundaries or demonstrate an aptitude for that kind of horizontal integration.

Unlike systems reform efforts, our goal is not to strengthen service delivery (although that may be a side benefit). We are seeking to build bridges of relationships, information and joint advocacy efforts that will achieve a critical mass of engaged families in each region. We are also trying to connect those growing local networks with their counterparts in the other regions in which we are funding to build and sustain a network of networks.

We know that it is unrealistic to expect most families to become full-time activists. Their lives are complicated and they have many demands on their time. What level of engagement and mobilization is needed? It may well be that most families may only be called on a few times a year to send an e-mail or show up at a meeting to voice an opinion or to vote in order for a movement to build momentum. A number of families will likely become more engaged and will act as peer leaders with their relatives and neighbors, helping inform them about solutions to the problems they are facing. But, at the least, we hope to help families feel that their voice is important and to speak out, in the belief that change is possible.

So, most of our efforts to achieve horizontal integration will focus on nonprofits, always with an eye to how they can inform, catalyze and mobilize the families they work with for the purposes of movement building. Groups like ACORN and PICO capitalize on existing organizations such as church congregations to educate and organize families across neighborhoods. But there is another universe of informal grassroots associations, block clubs, and soccer leagues where families directly engage with one another on a regular basis. Those kinds of groups are often unincorporated and would not typically fall within our universe of grantees. But they provide lots of untapped

opportunities for organizing. One of the challenges for our grantees will be the degree to which they can connect those kinds of groups to their growing horizontal networks.

### **Vertical Integration**

If horizontal integration seeks to connect networks of organizations (and families) across disciplinary boundaries, across service providers and advocates, across neighborhoods and cities within a region, and across regions as well, vertical integration seeks to connect those networks to advocacy activities and potential allies at the state and national levels. AARP, Planned Parenthood and the Sierra Club are all successful examples of vertical integration. They connect their constituents at the local level to high profile national level advocacy efforts via extensive networks of local affiliates and regional structures, supported by sophisticated communications and fundraising efforts. However, each is a single organization dedicated to a single issue (or related cluster of issues). What we're trying to do – vertically connect multiple organizations working on multiple issues – is considerably more complicated.

There are numerous examples of efforts that have vertically connected different organizations working on the same issue. For example, health advocates in California have been remarkably successful in linking local grassroots organizing efforts to service providers and to policy analysts and Sacramento-based advocates, resulting in some major policy victories. Similarly, child care advocates in a number of states have built effective vertical advocacy networks that have featured the voices of low-income parents.

Campaigns that have successfully achieved vertical integration of multiple organizations from multiple issue areas are harder to find, but a salutary recent example is the Center for Community Change's Campaign for Jobs and Income Support. It managed to tap multiple existing regional and local advocacy networks to combine forces on the most recent round of TANF reauthorization legislation. Deepak Bhargava has completed a thoughtful analysis of that experience that contains a number of pertinent recommendations for our future work on vertical integration. While the Campaign was time-limited, it offers a glimpse of the kinds of structures that might be workable to stimulate and sustain a longer-term, broad-based movement.

The Campaign for Jobs and Income Support focused on a single issue, but it managed to engage a wide spectrum of groups whose core business may not have been TANF, but had an interest in the well-being of low-income families. Participants did not have to change their mission or policy priorities to be part of the Campaign. They simply had to agree to devote a portion of their time to monitoring and responding to the tactical information shared by the Campaign staff in Washington.

With the advent of devolution, more and more policy decisions affecting families are being made at the state level. So the first step in vertical integration is to help connect key organizations and potential allies within a state. We've already funded some state-level advocacy networks in addition to nonprofits with a local mission. Going forward, we need to be sure we're not missing key pieces of these local state-level "puzzles." For example, we might not ordinarily consider funding a policy analysis shop based in a state capital that has no grassroots constituency or organizing role. Yet those organizations may play a critical role in providing timely data (and connections to

legislative staff) that could significantly enhance the success of local horizontal advocacy networks.

The ecology of advocacy will be unique in each state in which we work. Our challenge is to have a clear understanding of who the effective players are, even if they may not quite fit our initial funding profile. We don't have to provide funding for all of them, but past experience tells us that funding is one of the surest ways to build connections. We should be open to the possibility that relatively small pieces of money to state-level policy analysis groups may prove to be wise investments in vertical integration.

Beyond funding, convening is also an important vehicle to connect groups vertically within a state and also to develop cross-state dialogue to spread good ideas and share lessons learned. Convenings are also a way to bring potential allies to the table, even if we are not providing them with funding themselves. This would appear to be an area ripe for potential collaboration with local funders who may share our interest in advocacy and movement building.

The ultimate challenge for vertical integration is to connect local and statewide networks to policy efforts at the national level. This is where the path is least clear but the opportunity for creativity and unexpected synergies is high. We will have to be particularly strategic in our choice of long-term partners at the national level, since we don't have the resources to underwrite a complicated infrastructure within the Beltway. Collaboration with other like-minded funders will be essential.

Too often in the past, national advocacy efforts may have faltered due to underfunding, particularly in the face of very substantial resources flowing to conservative advocacy groups. That argues, in my view, for one or two "big bets" ... substantial long-term funding for a coordinating entity or structure to serve as the nexus for the network of networks we are helping to create. .

### **Collective Capacity**

Organizations that are engaged in organizing low-income communities or in social justice work more generally are chronically undercapitalized. Since much of their funding tends to be project-specific, they have allocated the lion's share of their available resources directly to the accomplishment of their mission and their advocacy goals. There is typically little left over to build the internal capacity of the organization itself. As we've engaged our grantees in dialogue, they have expressed their desire for more funding for critical infrastructure needs, and that's one of the reasons why we have concentrated on making grants for core operating support. Realistically, however, even if we substantially narrow our cohort of grantees, we will still not be able to provide the kind of support for internal capacity building that many of them feel they need.

Instead, we need to make strategic investments to build the collective capacity of our grantees to engage in movement building together. One of the incentives to participate in network development will be to tap into centralized resources we can underwrite that will help build and extend networks at the same time they benefit individual participating organizations. As we learn more about the evolving science of networks, we will gain some specific insights on how to best grow and support networks specifically to support advocacy. In the mean time, it's possible to outline some other dimensions of collective capacity that will be critically important to the development of a network of networks:

**-Communications.** One of the key lessons of the Campaign for Jobs and Income Support was the importance of dedicated funding for a shared, sophisticated communications effort. Strategic framing and messaging are an essential component of this work. At pivotal moments it may be necessary to dedicate funds for paid media in addition to the kinds of earned media efforts that have been the sole tool available to most organizers in the past.

**-Technology.** While traditional organizing is done face-to-face, and relationship building is certainly essential to movement building, new ideas like [moveon.org](http://moveon.org) have demonstrated that technology also has to be central to our thinking and integral to our network development efforts. While some have argued that low-income communities will not readily embrace a technology-aided approach to movement building, the prevalence of cellphones, video games and cable TV in low-income communities would argue that's not the case.... Certainly not for young people, in any event.

**-Leadership** can take many forms in different communities and different cultures, but it is an essential component of collective capacity. We are already funding a number of efforts to develop new leaders in the field, and we have just begun to assess our options for future investments. But an emphasis on network development would suggest models different from the individual-focused or organization-focused models of the past. What strategies can we underwrite to support collective leadership across issue areas and across communities that would support movement building?

**-Data and Analysis.** Some of our grantees have been very successful in building the capacity of their organizations to conduct their own action research. Others would like to emulate their remarkable achievements. But even if we substantially narrow our list of grantees, we can't begin to fund research positions for all of them. It would be more cost efficient to provide centralized resources for training and data analysis on a timely basis to support the work of evolving networks of grantees. Part of this work is to more effectively evaluate the impact of social change efforts in order to better tell the story of this work to potential new funders.

**-Sustainability.** While a number of our grantees have managed to achieve a reasonably diversified set of funding sources, too many of them are disproportionately reliant on foundation funding. That is a dilemma not only for those organizations, but it is a collective challenge for the field. If a movement of low-income families is to have staying power, it is going to have to be more intentional about fundraising, including small donations from low-income constituents. Perhaps we need to invest in some experimental approaches such as trying to raise pooled funds from individuals to support organizing on a local or regional basis via the internet. The Foundation could even provide matching dollars as a magnet for new donors, to get them interested in contributing to the pool.

While we may take the lead in developing one or more of these areas of collective capacity, we will have to be selective in our investments. That argues strongly for collaboration with other funders to underwrite these activities at a scale (and with equitable regional coverage) to really make a difference for our grantees and their allies.