



2026 GLOBAL CONFERENCE LEADING IN A NEW ERA



PART 2: CHARTING NEW PATHWAYS TO CAPITAL CATALYZING INVESTMENT FOR SHARED PROSPERITY

Rachel Reilly 00:01

Thank you. Thank you too! Okay. All right, I'm back. Thanks everyone for sticking around. Thanks everyone for joining us. Again, I am Rachel Reilly. I'm the senior director at the Milken Institute and also the leader of our Pathways to Capital program. With Pathways to Capital, our team believes that human capital is the world's most valuable asset and a real driver of profitability. When you invest in education, in health, in opportunity, you see bigger ideas, better companies, and more resilient economies. We know that talent is ubiquitous, but oftentimes it is concentrated within certain networks and geographies. What my team is doing at the Milken Institute is creating those networks, working with folks to partner with groups in every state in the nation, and really bring together innovative new programs, new partnerships through public-private collaboration that are needed to expand access to capital. During the last panel, we spoke about how the American Dream is limited in some ways. The economic mobility ladder is collapsing in some cases. We know that economic mobility is no longer guaranteed all the time, that career ladders are collapsing, wages are stagnant as rents and housing costs are increasing. AI is disrupting everything, and it is increasingly difficult for small businesses and entrepreneurs to access the information and capital they need to grow and thrive.

I'm joined by a slate of leading philanthropists who are keen to solve these issues, not in a silo, but through partnership. I want to welcome, first, David Clunie, who is the president of the Edward Jones Foundation; Terri Ludwig, who is CEO of the Ballmer Group; Carla Thompson Payton, chief strategist and impact officer at the W.K. Kellogg Foundation; and Roma Kaundal, managing director and head of US Philanthropy at JPMorgan Chase.

In advance of Global Conference, we have thought leaders submit essays for the "What Works, What Lasts: Power of Ideas," and Roma submitted a really great essay that was really poignant in saying that real progress at scale only happens at the intersection of private capital, smart policy, and local expertise, and that philanthropy should not only invest in silos, but alongside institutional strategies—and inform and

strengthen those strategies. When we treat philanthropy as an isolated effort, we miss the bigger picture.

So, Roma, the first question is to you. A few months ago, your firm launched the American Dream Initiative, which is a multibillion-dollar expansion of your economic opportunity work. So just a question from your seat leading philanthropy: How does philanthropic capital impact the American Dream Initiative and open up new on-ramps to the middle class?

Roma Kaundal 03:26

Thank you, Rachel. And a big thank you to you and the team for having me back and for always putting on such an incredible program.

So yes, back in March, JPMorgan Chase announced the American Dream Initiative. As you said, it is a multi-year effort to expand economic opportunity. For context, our North Star in corporate citizenship is thinking about how we can, as a financial institution, help advance a more durable and safer financial system and an economy that works for everybody. And so as we were looking across our bodies of work, one of the things we saw—and you outlined this really well—was that the American Dream for so many people is farther out of reach than it was before. And we saw that in the pillars of what used to be real stability. So, you named some of them, but for us it was owning a home, starting a small business, really clear pathways to good-paying jobs. And so we looked at where we were already operating and where we could have more impact and scale. Our focus areas are small business growth, housing and affordability, financial health, careers and skills, and strengthening local institutions. We're going to add healthcare into this in the coming years. But the initiative will be over many years to come, and our first stake in the ground is on small business. Our first thing out of gate is going to be aiming to support 10 million small businesses over the coming years and \$80 billion in lending. And that's a really big number, but to your point of where you started and what I try to outline in the essay, the part of philanthropy is really important there. And the role that we want to continue to play, alongside our business partners, is how do we help small businesses continue to thrive and grow, either through the technical assistance that they need, getting more businesses to get access to capital, training, coaching, accessing networks that are really important. And then the other piece that's going to be really critical in all this is our policy engagement. So how can we work with other corporates, other organizations, and with local governments in order to unblock and catalyze where we can and where policy is a barrier. So, yeah.

Rachel Reilly 05:54

Yeah, that's great. And you mentioned small businesses and the support you're—I should also thank both JPMorgan Chase and the Ballmer Group, who were key sponsors of our work with the Initiative for Inclusive Entrepreneurship, and I'm really excited about the work that we've been able to accomplish together on that. So, this is a question for all of the panelists. We often talk about economic mobility as a single metric, but for family, it's a lifetime of hurdles. What is the one barrier that your organization is obsessed with dismantling?

Carla Thompson Payton 06:29

Good afternoon. I can start here because I'm with the Kellogg Foundation, and we center all of our work on children, recognizing that they live with families, and families live in communities. And so, for us, it's always a systems change approach to our work. And the number one barrier is that systems fail all the time, and when one part of the system fails, it's a trickle effect—yeah—and other parts of the systems fail. So we're always trying to figure out how can we create opportunities for families to be able to navigate successfully? Where we see the system erosion, how can we bring attention to it? How can we help create new ways in which to engage so folks can fully utilize them? And then most importantly, for the systems that we know are not working, how can we reimagine what they could be if they serve most instead of a few?

Rachel Reilly 07:18

Absolutely. Terri, what about you?

Terri Ludwig 07:21

Yeah, I'll jump in. I guess I would say absolutely yes, we are focused on those systems, and what are those pathways to economic mobility. And we really start from a time a mom is with maternal health, the time she's pregnant, all the way through a safe and healthy birth, early childhood, K-12, career success. And as we've done that, we've realized that we cannot have such a narrow view. There are real barriers that get in the way of that pathway, and one of those, for me, is housing—and so affordable housing, and I have a background in affordable housing. I led the largest intermediary in the country doing housing—had the pleasure of working with you. And so for me, of course that's been an obsession for a long time, and it's gone in the wrong way. So at Ballmer Group today, one of the things we're working on is what is the role of philanthropy? It's a capital-intensive business. It's notoriously low on productivity, so things like problems with labor, regulatory problems, lack of innovation. So when we're thinking about it, "Okay, how can we bring in capital into a capital stack that makes sense, encourage innovation?" And then we're being quite targeted, so we're saying especially for the families with children that are in the sort of bullseye of our mission, how do we make sure they have a stable platform? So for families that are at 50 percent area median income, what can we do in terms of helping that capital stack and getting those families into safe and affordable housing? And we'll be doing some announcements soon, but that's something that we're obsessed about, and we think we have some fun things to share soon.

Rachel Reilly 09:01

That's great. Roma?

Roma Kaundal 09:04

So housing, and we've done a lot of work together. Yes, we have—in that space as well, is definitely there. I'm going to say workforce. So we also recently announced the Security and Resiliency Initiative, and that is focused on a lot of the sectors that underpin our national security in the country and our US competitiveness. A through line through all those sectors, though, is workforce. As a bank, we obviously are not employing a lot in the skills trades or other workforce areas, but our clients are so fixated and worried about this problem. So we're right now actively trying to look at what is that through line and what could we be doing more in workforce, particularly as this Security and Resiliency Initiative is expanding.

Rachel Reilly 09:48

Yeah. Workforce. David?

David Clunie 09:49

We are laser focused on access to capital, and to be very specific about it, it's putting money in people's hands—so we're going beyond just financial education, but combining the advice and guidance that we know has been just an outcome changer for our clients. So, James Baldwin, one of my favorite activists and authors, has this saying, "Anyone who's ever struggled with poverty knows how terribly expensive it is to be poor." And that's to say we could make a million people financially literate and have a PhD in financial education and literacy, but if they are the person in their family who everybody looks to—and they've inherited debt from their family, and they take out a \$500 payday loan that turns into \$5,000, that's not helping them. So, if we can put money in their hands through things like a matched savings program where we say, "If you save \$1,000, we'll match that with \$2,000," and they're able to—these are real stories—get out of debt, put a down payment on a home, and start a path toward generational wealth building, that's a game changer. So that's the type of thing we're laser focused on.

Rachel Reilly 10:54

Yeah, absolutely. Access to capital for the individual, but also small businesses, entrepreneurs as well. And so Terri, a question to you. You recently helped launch Next Ladder Ventures to support both for-profit and non-profit entrepreneurs. So why does Ballmer Group believe that venture-backed innovation is now a necessary ingredient to solve poverty alongside traditional services?

Terri Ludwig 11:16

Sure. Yeah, I think what we're kind of going back—we have many obsessions, but another obsession is

certainly with AI, and it's transforming everything, as we know. And so when we launched Next Ladder, the idea was how do we blend philanthropic capital with market capital to help fuel more access to technologies that will help particularly all Americans—but certainly low and moderate income Americans—to access some of the technologies they need in order to take hold of their own economic future. So some of the language that's used are things like navigation technology. So, we know a lot of you, we all go into the DMV, we all have different ways we access the government, but let's just say it's complicated, it's complex, often a waste of time. For folks that are living on the brink, it's a really tough thing so we think a lot about how do we make sure that for folks that it's not just a profit margin, but we're using venture both for for-profits. A lot of times nonprofits also have incredible solutions. That's a tax status often, and you find some of the best entrepreneurs that are nonprofits. They need access to venture capital as well. So we put that together with a number of other technologists and philanthropists, and we're excited to try to bring AI solutions that are quite early seed, like seed stage, early stage, to bear.

Rachel Reilly 12:44

Excellent. Yeah. And so Carla, in a world of big finance, which I feel like we have a room of big finance—how do you ensure that local community-led capital remains a driver of economic mobility?

Carla Thompson Payton 12:58

Sure. So we believe that all change is local, and that in order for you to make sustainable change, you have to have relationships within the communities that you're trying to serve. You need to be a trusted partner, and you need to introduce trusted partners to those communities. And so when we think about big finance or we think about our investment strategy, we're always trying to think of who's not in the room, who's missing from the table, who's missing from the conversation, what perspective is absent or we're reclaiming narratives that are often put on poor people around their ability to be able to actively engage, and helping folks to understand that their risk proposition is not necessarily the reality of what communities are facing every single day. And so we're constantly doing that. But the thing that's most important to us is that we talk to families around what their hopes and aspirations are for themselves and for their children and so on a fairly regular basis, we'll go out to communities across all of the geographies that we serve and say, "What is it that you want for yourself and your family?" And without fail, it always comes back to economic stability, and we want to be able to educate our children. And so for us, when we think about the ways in which we invest, it's around investing in those local opportunities, pre-seed, pre-pre-seed in many ways—providing technical assistance, introductions, and then introducing them and using our networks as an organization to be able to say, "Here are some great things happening in the local community. This is the ways in which we've invested in them. These are the returns that we've seen, both on the financial side and the social side. And there in turn, we would encourage you to partner with us—as we think about how we can continue to grow these opportunities. And it's something that we see is really valuable. So, when they came back to us and said, "We want to be able to work, we want to be able to have our children educated," we decided to invest in the care fund—because we recognized that those are small business opportunities, mostly led by women, who are providing care for children in non-traditional hours or for gig workers and that it allows families to be able to fully participate. But we also know that they needed infrastructure, and so we provided infrastructure resources to help them rehab their homes

so that they're a place of care, security, and trust for families. And families in turn can fully activate all of their skills and talents and enter the workforce and be sustained within the workforce.

Rachel Reilly 15:20

And that's systems change, right?

Carla Thompson Payton 15:21

That is systems change.

Rachel Reilly 15:22

That's amazing. So you're talking about investing in in-home daycare in a way that provides expansion of childcare that lets parents go to work knowing that their kid is taken care of, but then also investing in the home of the person who's providing—that small business with the childcare in the small business. That's systems change. That's it. Yeah.

Carla Thompson Payton 15:41

And they can grow their business over time.

Rachel Reilly 15:43

Yep. That's amazing. That's great. So David, question for you. As a firm deeply embedded in local communities, how many Edward Jones franchise locations are there out there?

David Clunie 15:53

So we are a 104-year-old firm founded in St. Louis. We now have 15,000 branches across the United States and Canada. That is more than McDonald's and Starbucks, and it is a very impressive footprint.

Rachel Reilly 16:09

Yeah. After I heard that statistic, I couldn't stop seeing "Edward Jones" I could not stop seeing it, right? As soon as you're made aware of it, I couldn't stop seeing it. So you are deeply embedded in community through financial advisors. How do you balance the human capital, so the advice, the mentorship, with the financial capital needed to jumpstart growth in underserved communities?

David Clunie 16:29

That combination is invaluable, and the way that so many of our financial advisors have grown their business in their local communities is by gaining trust. And to Carla's point, trust is such an important part of this work. So it is about taking what we've learned, both in our advisors' expertise, but the ability to build trust that happens best at the local level—but a lot of what we bring is figuring out what is our lane, what is the unique role for Edward Jones to play. Sometimes that's convener, sometimes that's funder. A lot of times that is the financial advice and guidance that we've been able to give our clients, and we've seen the common threads of what cash-strapped small business owners are dealing with, what folks who are riddled with debt and trying to get ahead are dealing with. So, it's bringing all those things to bear in a way where we say the whole is greater than the sum of the parts. But it is about that combination I talked about earlier. Financial education on its own is great, but we have to bring the combination of advice and guidance, the right resources. Sometimes that's local organizations that we've worked with, and we know they can do a lot of things we can't do. So we play connector between the folks in the community who have a need—or sometimes it's the organizations who have a need—and bring the right resources to bear.

Rachel Reilly 17:39

Yeah. So on the last panel, we talked about how these concepts of the American Dream and shared prosperity and economic mobility can seem really lofty and abstract ideals, but ultimately they are the most personal concepts. They impact our life. They impact the opportunities that we're able to provide our children. They impact the legacy that we leave and our mark in the community. And so as you're talking about entrepreneurs, I'm curious, do you guys have stories that you could share around individual stories of where you're seeing this work of folks who have benefited from the philanthropy that you guys have extended? Carla, I'll start down there. Yeah.

Carla Thompson Payton 18:20

Sure. So we are a big champion of employee stock ownership programs. And so we've been working with a number of fund managers around how can they build the capital stack that's necessary, how are they identifying the businesses, what sort of technical assistance is happening in order to have folks ready to take on those opportunities and helping to shift the narrative around single ownership to workforce ownership and how you have longevity when you do that within communities, and that oftentimes when employees own stock within a company, they have a longer tenure—there's generational participation,

there's good community outcomes in which you're stabilizing housing, you're stabilizing early care and education. You're seeing growth opportunities and potential, and the business can expand over time. And so we're big proponents. We've been working a lot in that space because we see that as the boomers are retiring—and they've done their share—we don't also want to lose all of the investments that they've brought to bear since that time and so this is a way in which, where if one person doesn't have the resources or a team of people don't have the resources, we can really figure out how to transfer that ownership. And so we've been working with some fund managers who have 100 percent success in transferring businesses into ESOPs. And we're super thrilled, and we're continuing to support them, and we're continuing to look for partners to help us in that space.

Roma Kaundal 19:42

I was just going to say, we're doing a lot on the succession planning as well and think that'd be great to partner in different ways. But just to build on that, we think about also on the housing side, community ownership and how more people can own the land underneath the houses that we're manufacturing for them. And so there's a piece of this in the small business area, but on the housing side as well. We're trying to think through how can you build generational wealth and not just, here's a house or here's a place to live, but how can you sustain that and how can we have wealth preservation for communities. So just, yeah.

Rachel Reilly 20:16

Yeah. Shared equity, community land trust models. Absolutely. And we are also, at the Milken Institute, really focused on this great ownership transition that's happening, and looking at ways like entrepreneurship through acquisition and other financial methods that can really help ensure that we don't lose these businesses because they are so vital for the community and for the employees, and so what are those pathways? What are those mechanisms to help finance the acquisition of those businesses? So yeah, David, where are you seeing success?

David Clunie 20:49

Can I add, so an unlock for us has been a small business program we started called the Main Street Initiative that is pretty simple in nature. It's \$30,000 grants given to small businesses to invest in their businesses, invest in their communities, but particularly to fund and help grow and invest in retirement plans for themselves and for their employees. We all know so many small businesses put on the back burner their own retirement savings plans, their employees', and that's been a huge unlock for folks to see that it is possible. We pair them with a financial advisor as a coach and mentor, and we've had some folks who have gone through the business who've just become evangelists for us, and they're telling other small businesses, "Hey, it is possible. You don't have to wait till some far-off point in the future." And that we all know that the vast majority of Americans who get access to retirement plans is through their workplace, and a lot of small business owners and employees feel like that's not an opportunity for them. So it's been

an unlock for us to be able to demonstrate that that is possible and have the small business owners be able to evangelize and tell others that it is possible right now.

Rachel Reilly 21:53

Yeah. Absolutely. And Terri, where are you seeing success?

Terri Ludwig 21:56

Well, I guess I would add a couple of things. First of all, we've really enjoyed our partnership with Milken on IE—the Institute for Inclusive Entrepreneurship, that is pretty good. And that has been terrific at helping us really think about the entrepreneurial community, first of all. Second of all, I would say we have been fortunate enough to be investors in things like Ownership Works and Project Equity, where we're able to learn about employee ownership, and I agree with you completely—that's an incredible strategy. And then the third thing I would say is that I would be remiss if I didn't also make a huge shout-out for other entrepreneurs that I would call social entrepreneurs. So it takes entrepreneurs, and we all know that regardless of what your mission, you're driving towards a business mission or a social mission, you're often under-capitalized. And we have a great social entrepreneur with us today. Carol Naughton's over there in the pink suit. That's Carol. This was not planted, but she's a perfect example. Carol, I'm so glad you're here. I'm looking over there. And she's a social entrepreneur. She's the CEO of Purpose Built Communities, and essentially what they do is to bring together different community stakeholders, private sector, public sector, philanthropic sector, to work in a place and wake up every day with data in front of them about who is having good outcomes, who is falling behind, and what do they need. And they started with that physical infrastructure I talked about before with housing, and also knew housing wasn't enough. So next they were bringing in charter schools or the healthcare clinic, and they have gone through and we call those place-based partnerships—different people have called them collective impact models. But the idea is, how can you come together with your neighbors in a neighborhood, a city, a region, and now even a state, to make change? Philanthropists like to look in their backyard. They like to see change happening, and we have to follow the data and see where are those outcomes really driving towards. So remember, when we're thinking about under-capitalized entrepreneurs, it's also about social entrepreneurs, which are changing their communities every day. And so I've seen success in investing in leaders like Carol to make those changes.

Rachel Reilly 24:16

Excellent. So you mentioned data, so next question to you about data. So Ballmer Group, in my mind, is really known for its data-oriented approach and taking big bets on data and public systems. When you're looking at the cradle to career pipeline, where do you see the biggest leak in a system that philanthropy can address from cradle to career?

Terri Ludwig 24:39

Ah. Yeah, we certainly look at the data and we look cradle to career, starting with kindergarten readiness, third grade reading, eighth grade math, high school graduation, then on to career success. So, those are our primary data points we're always looking at. And I have to say, while we value the workforce and we think it's so important, all of those things, we'll sit down with workforce providers sometimes and they'll point back to say, "Actually, the workforce, the talent is not ready. We need to look back at the high school." And the high school will point back, and everybody kind of points back, and what we've come to discover, no surprise, you all have seen the statistics, I'm sure, on brain research, but the biggest leverage point we see is in early childhood. And guess what? When you ask about a gap in a system, there is no system of early childhood. It's put together with pieces. And so that's an area where we are working very hard. We are trying to figure out how we use philanthropic capital. We just announced a commitment. One of the things we think also is public systems are often the scalars. But often you see a lot of variability in those funding flows. So it makes things like you were talking about, having the childcare providers and the workforce ready to go, to provide those things, very hard. So we said, why don't we in Washington State, there is an entitlement, but it's an unfunded mandate to make sure that every child, regardless of income, has access to pre-K. So we said, "Okay." We worked with the governor. There's already a system in place, and that's an example where we said, based off the data, brain science, we believe the best investment area for us is to fund those seats. So we funded 10,000 seats at \$170 million a year. And then we said, and we will do that for 10 years because we also want to engage the market to bring the childcare providers in, to bring in the workforce, and that requires a lot of stability and more predictability of ultimate funding. And for us, that's important. And then we do try to set the incentives, so we also work with the government. We say, "Listen, you cannot defund anything. You have to continue to set the incentives so they're also investing." But we try to get that balance right, but that's something we're spending a lot of time with.

Rachel Reilly 27:04

So I'm hearing a theme. I'm hearing it's important to support small businesses and entrepreneurs. It's important to support the early childcare system. Question to you, Roma. I know that the American Dream initiative, which we just spoke about, is designed to work alongside the Security and Resilience Initiative. It's \$1.5 trillion, so not nothing, right? And what is the connection between national security, if we are going to pick up another theme here, and economic mobility, and what is the real opportunity to utilize that platform to uplift populations?

Roma Kaundal 27:43

Yeah, absolutely. So these initiatives came out in close proximity to each other, but in some ways it was really intentional because we see those pillar focus areas of economic opportunity, wealth preservation, thriving communities, as core to our national security and US competitiveness. If we are not thinking about how we have strong local economies, we will not be in a position, either from a national security standpoint or from a US competitiveness standpoint. And so we're trying to think about those through lines of where we in philanthropy can help with data and research, convening and using our voice, advocating for policy that helps unlock more economic opportunity, and how that all relates to these

growing industries that we're seeing, whether it's defense, whether it's frontier technologies, and making sure that every person possible can take part in that opportunity. What we wouldn't want to happen is all these high growth demanding roles or small businesses or all these opportunities happening and everyone can't participate in that. And so we're being really intentional about how do we bring that success and opportunity to the local communities.

Rachel Reilly 28:55

Right. Absolutely. And Carla, you had mentioned some of the work you were doing around the investment into childcare centers, into homes. Are there other examples of how you guys are supporting the childcare sector or early childhood education?

Carla Thompson Payton 29:11

Yeah. So the early childcare sector is the largest portfolio that we have in the foundation, and our most historic one. And we're agnostic around location, Head Start, independent, privately owned early care and education programs, early childhood programs embedded within public education, charter schools. For us, it's around quality. What do you need? You need a teaching workforce that has the skills, the training, and the continuous supports to be able to do that. So we spend a lot of our resources in building the networks for teachers, bringing them to the top-line curriculum that's available, the assessment systems, helping them have mentoring within the classroom, so there's live changes happening in the moment. And so that's one way in which we do that. We do it around infrastructure, ensuring that the places that children are going to are safe and stable, and that they can go and be energetic young minds and grow and learn. We work in public policy to figure out what are the barriers towards having an equitable system that's financed appropriately in order to be able to do that. We think about research, what needs to be told, what don't we know. We communicate with families so that they can understand the importance and actually be able to ask the questions around, "Is my child moving in the way in which I desire? What do they need, and what do I need to do at home?" And then we also think about all of the spaces around the actual in-classroom experience. Are there parks? Is there an ability for families to be able to go to the grocery store and have access to fresh, healthy food? Is there an ability for families to have transportation to get to and from where they need to go? Is there an ability for families to be able to have multiple choices around what quality program is available to them? And so for us, when we think about it, we think about the system in its entirety. We think about the ways in which families struggle to be able to access those systems. We think about the ways in which families who have the least amount of economic means are able to go to higher quality programs, and what's the pathways we can support for that? And then, most importantly, we ask the families and the children, "What is it that you want in those experiences?" Because there's nothing better than asking a pre-K student, "What is it that you want today?" And they're like, "I want to play with my friends. I want to have the jungle gym." And so making sure that the environment that they're in is conducive to their learning and their success.

Rachel Reilly 31:33

That is a truly holistic approach. I can't think of one piece of the puzzle that you guys aren't touching in trying to deliver the better system. That's amazing. David—

Carla Thompson Payton 31:43

And we want partners, so—

Rachel Reilly 31:44

Yes. Yes, partners.

Carla Thompson Payton 31:45

If someone is interested, please let us know.

Rachel Reilly 31:47

Partners, a call for partners. David, what is one financial tool that you think every household needs access to, but they do not currently have access to?

David Cunie 31:58

I'm going to be a broken record on this. Money. Think about the folks who are not getting ahead right now, who are having a harder time with affordability, with building for the future, with starting or growing a business. They are folks who are cash-strapped. They are folks where there are gaps between what they own and what they owe, and that is a gap that we all have particular opportunities to fill. And what I've appreciated hearing on this panel is we've all talked about the different lanes that we've operated in, and I think that's a really important part of this work—finding how we can complement what is being done already, not duplicate, not try to boil the ocean. We all have particular lanes, and what is making this type of work, particularly for corporate philanthropy, more sustainable is tying it to your business. So for us, we listen to what we're hearing from our clients around small business. We have folks who have had a hard time getting access to a retirement plan, so that became an imperative for our business—but we said,

"How can we go beyond our business and provide philanthropic capital resources, partnerships, to help drive that forward as well?" So it is getting folks access to the dollars that are missing.

Rachel Reilly 33:10

It's a true insights pipeline almost, because you're working with the businesses one-on-one, and you're understanding what their actual needs are. You're seeing the themes, and then in your role, you're able to respond to what you're seeing in the real world.

David Clunie 33:23

Right.

Rachel Reilly 33:23

That's amazing. That's great. So question for everyone, trying to think about how to—do you guys want to play a game of keep, start, stop? Yeah? Okay.

Terri Ludwig 33:37

Sure.

David Clunie 33:38

Do we get out of our chairs for it?

Rachel Reilly 33:40

I don't know. No. So the question is, if we are truly trying to reinvigorate the American Dream or reinvigorate economic mobility—what are the philanthropic practices that we should keep? What are practices that we need to stop, and what do we need to start? Carla, are you ready?

Carla Thompson Payton 34:01

Yeah, I'm ready. So we need to keep patient capital. Change does not happen overnight, and we need consistency and sustainability. What was this? Keep, start, stop. We need to start partnering better. All of us talk about the lanes in which we play, but I think philanthropy—at the Kellogg Foundation, we're always striving to figure out who don't we know, what don't we know is happening in communities so that we can figure out partnership opportunities. I think more intentionality in that. We don't need to just talk to the choir. We need to talk to the folks who sing off-key or folks who don't even know what a tune is in order to do the work. How can we have intentional practice in developing new partnerships? And stop the top-down. We need to really start at the community ground up, because if we're building things and no one's coming to them, what's the point? But if we co-create with community, we have a much better chance of seeing success over time, and I wish we did more of that and spent more time in community, spent more time talking to the folks who are most impacted by these systems and the lack of opportunity or access to capital.

Rachel Reilly 35:14

That was great. Terri, same question to you. Keep, start, stop.

Terri Ludwig 35:17

What she said! That was great, the only thing I would really add, maybe I would just make a narrow plug for something while I have the mic, is—I would say, first of all, I do think philanthropic capital is really important to catalyze something. It can be patient, it can be catalytic, it can be risk-tolerant and that can be really important. I also think as philanthropists, though, sometimes we ignore the scale factor, and we let so many flowers bloom. We need to be very mindful about scale, and we're not always the scaler. In our case we do a lot of scaling of big initiatives, but sometimes that's good for government to do. One thing I think we could start is—we learned a lot from you all on state-level systems. A lot of times with government funding in particular, you can pass policy, you can pass money, but it gets stuck. There is a program called SSBCI—State Small Business Credit Initiative. It was intentional, it came down from Treasury, and came down to states, and it's \$10 billion. There may be about \$8 billion still there that is meant for the entrepreneurs that we are talking about. Particularly it has a carve-out for underserved entrepreneurs. So, that money is sitting there, and the opportunity is to help get that money unstuck through technical assistance, shortening some of the requirements. Sometimes the cycle times are so long. So a lot of the assistance and the design assistance in some of the initiatives that you are all doing and others are doing are, I think, really important—but unsticking that money—there often is money, but a role can be using influence, money, catalytic support to get it out the door.

Rachel Reilly 37:14

Get it off the sidelines. Absolutely. Great.

Roma Kaundal 37:18

I mean—I would pick one more and say I would stop us thinking about the dollars alone. I think the through line you're hearing here is philanthropy has so much power in order to convene or influence or advocate for certain policies or connect people, and I think when people think about or they're getting into philanthropy, they're like, "Oh, well, this number is like a headline, and this will be what it takes to kind of get something started." And what really does unlock that scale and that systems change is the collaborating together, the convening people across sectors—the understanding the policies that would scale or unlock real change that we want to see. And so thinking about the dollars actually as like that catalytic seeding of something, de-risking of an innovative model that then brings you to something of scale and not just kind of—it's definitely not just cutting a check.

Rachel Reilly 38:20

Exactly what you wrote about in your "Power of Ideas" essay. Perfect. David?

David Clunie 38:25

So keep, start, stop. Keep, I will build on a lot of what I heard, but I think it's a keep and do more of, which is multi-year funding. Playing the long game, patient capital—these things take a long time. We need to really get in the game, keep skin in the game, and make long-term investments. Start, I would say, make bigger bets. There are venture capitalists all around here who are making big bets all the time, and I ran a nonprofit organization before coming to Edward Jones three years ago, and the conversations we would have about risk were so interesting to me with funders—we're talking about a million dollars, \$5 million, \$10 million, as opposed to much bigger, riskier bets, and there are ways to de-risk, which I've appreciated hearing about a lot of de-risking in philanthropy. We all have examples of it. And then stop, I would say stop using or thinking that philanthropy even can, in the best-case scenario, fix market failures. We are one part of a much larger ecosystem. We have a role to play, but we have to put others in the right position to be successful and hold others accountable when they're not doing it. I think I've appreciated a lot of the conversations I've heard about what kind of public policy, for example, will help catalyze and move some of this work forward and what things are standing in the way now. We've all seen this pendulum swing in the last six years, in particular from 2020 to now. I think we have to have louder and more unified voices driving all the other players in that ecosystem to the right places, and then we'll actually be able to realize our potential.

Rachel Reilly 40:01

Yeah. Absolutely. So with the three minutes we have left, I want to do just one more quick round robin and this is your advice to the room, So for the investors, policymakers, funders that are in the room that want to get off the sidelines—we talk about getting the money off the sidelines to help support expansion

of capital access, increase economic mobility—what is the one specific thing that you would challenge them to do over the next 12 months to do that? David, should I start with you, and then we'll go down?

David Clunie 40:35

Sure, make investments and be very specific about what kind of return you want. I think about some of our partners like IFF, a CDFI out of Chicago that has extremely strong performance on their real estate investments. They've been building capacity for nonprofits, but their capital stack is getting more and more interesting, and I think with all of their investors, they can look to what their ROI has been. And even purpose-related investments in philanthropy that has an expected return, I think we can look at ways to de-risk, as I talked about, but I think it's having a very brass tacks conversation about what outcomes you're trying to drive and showing examples of where that has worked and being able to align investments toward those outcomes.

Rachel Reilly 41:16

Yep, absolutely. Roma?

Roma Kaundal 41:18

So the advice I usually give is understand deeply the expertise that you bring to the philanthropy that you want to consider. Where you have expertise often allows you to have more skin in the game, but also you have something than just the dollars or what you're bringing to it. And then I would say go and find the people who are doing that really well. And go and find the people who are locally more proximate to those problems than you are, because often I think we try to think about what's the new venture organization I can create? There are people who have been in these different fields for decades, and they have lots of outcomes and research and data already there. And so go and find those change-makers and invest in them and see how you can partner with them or collaborate with them to scale the impact that they're already having.

Rachel Reilly 42:09

That's great. Terri?

Terri Ludwig 42:12

Yeah. I would just say I love what's already been said, and I would just add that keeping your eye on what

works. And what really drives outcomes. And I think so many times funding goes to programs that maybe have some outputs, and it's kind of building on what you're saying, but to really focus on what are the outcomes you're driving for, be patient with the money going towards those, but keep that continuous improvement mindset to get to the real outcomes. And I think there's studies, I don't know if the—actually, Raj Chetty, some of you guys know him. He's an academic who has been looking at what's the longitudinal effect of some workforce training programs. We know some of that works. You have to see really what works, what increases wages, do those jobs stick over time? There's a lot of data out there, and there's a lot of good we can do by following just what works already.

Rachel Reilly 43:08

Yeah. Excellent. Carla, final word.

Carla Thompson Payton 43:09

Work with unconventional partners, new partners. If you find yourself in a room and you know 75 percent or more of the people in the room, you're not in the right room. When you walk into a room, you should at least not know 50 percent of the people in the room so that you can continue to expand your partnership. And I would challenge you to get into uncomfortable spaces where you're no longer the expert in the room and find some new experts, because the only way that we're going to actually have sustainable change, if we debunk many of the ways in which we operate, and we do that when we're challenged. And so be open to the challenge, meet new people, try new things, and reformulate what is risk, redefine it.

Rachel Reilly 43:52

Awesome. Such great advice across the board. Everyone, please join me in thanking our panel, Carla, Terri, Roma, and David.

Disclaimer: This transcript was reviewed by individuals for accuracy and serves as a reference. However, it may still contain errors or omissions. Please verify any critical information independently.