

Scaling Build Grants helped some organizations substantially increase the reach of their programming efforts. Increased staff capacity allowed organizations to offer programs to more participants while also broadening their audiences or program offerings. Some organizations described significant audience growth. One grantee reported growing by nearly 6,000 participants, while another grew by 20% (nearly 1,500 participants) in the first year of its Scaling Build Grant. Other grantees reported smaller gains or appeared to have lower participation rates in some programs over the course of their grants. These decreases are likely, at least in part, the result of the COVID-19 pandemic disrupting participation, particularly for in-person events.

Virtual engagement formed a key part of some organizations' growth strategies - allowing grantees to expand their audiences with a less burdensome financial toll. One grantee invested in social media content, resulting in a significant increase in the number of people who signed up for their email list, a first step toward deeper engagement with the organization. Overall, grantees reported that their growth had largely matched their initial goals with the Scaling Build Grant. However, it is too early in the reporting process for Third Plateau to validate sustainable growth trends, as more projected goals than actuals have been reported to date.

Grantees improved internal infrastructure by using funds to update operational systems and processes. Grantees invested in a variety of internal supports to better position themselves for growth. They invested in databases, staff for finance and human resources, and marketing tools. Grantees utilized consultants to identify and support specific infrastructure needs. In some cases organizations prioritized consultants or term-limited staff over full-time staff to avoid a significant budget shortfall in anticipation of the Scaling Build Grant coming to an end.

Capacity Build Grants create the strong foundation necessary for organizations to scale. Grantees appreciated funds provided for strategic planning or evaluations. These foundational processes highlighted new growth areas for grantees which they could then address with the scaling grant funding. This process also offered grantees an opportunity to align with JJF staff on metrics and goals for future growth. Grantees also shared that these grants provided an opportunity to develop or deepen a relationship with JJF before moving into a scaling phase.

• **Build Grant Strategy Challenges**

This section outlines the various challenges grantees faced while building-up internal infrastructure and pursuing large-scale growth. Some of these challenges stemmed from the structure of the grant, while others arose during implementation. Grantees named grant timelines, COVID, unexpected needs that come with staff growth, and the lack of clarity around post-Build opportunities as challenges to meeting established growth goals and future organizational financial sustainability. Many of the identified challenges in this section are not unique to the Build grantee experience but are common issues for organizations observed across the nonprofit ecosystem.

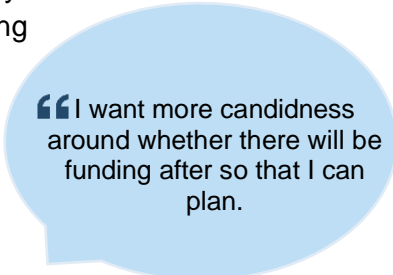
Challenges with the Build Grant Structure

The structure of the Build strategy created challenges for grantees as they attempted to reach their goals. The Scaling Build Grant timeline, while longer than many grants, still felt too short to achieve sustainable growth. Grantees also expressed concerns about the disbursement schedule, which sometimes complicated scaling efforts. Grantees also desired more transparent communication about the potential for additional funding opportunities through JJF.

Grantees reported that the grant timeline is too short to achieve sustainable growth. While grantees appreciated the multiyear commitment of the Scaling Build Grant, they still reported that hiring and onboarding new staff and developing sustainable funding sources took longer than expected. Even when grantees felt they had largely accomplished their goals, they believed they needed more time or resources needed to develop sustained funding sources to support these new gains.

Grantees grew frustrated with the grant disbursement schedule and structure. While JJF intended for the grants to decrease over time to wean grantees off of the foundation as a primary funder, some grantees reported that the declining nature of the grant disbursement schedule was an obstacle for growth plan implementation. This was exacerbated by inflation as funds lost value throughout the process. Additionally, other grantees reported cash flow challenges due to the timing of the grant. For example, one grantee reported that their fiscal year ends in December while the Build funds come in months later, creating lower cash flow for the first few months of the year. Another grantee reported that an increasing rather than a decreasing grant would have helped them achieve their goals more effectively. In contrast, other grantees struggled to build up their teams fast enough in the first year and reported that having more capital dispersed earlier in the process would have helped them hire more quickly, giving the team greater bandwidth early on.

Grantees desired more transparent communication about opportunities for additional support. Grantees expressed a desire for more explicit communication about how they could appropriately engage with the leadership at JJF. While they developed trusting relationships with their program officers, they were unsure if they could also develop connections with JJF's president and members of its board. Grantees viewed these connections as important to maintaining their relationship with JJF as a whole but were uncertain how to proceed in the absence of clear guidance or structures.



“I want more candidness around whether there will be funding after so that I can plan.”

In addition, while program officers communicated that the Scaling Build Grant would be a one-time investment and that they would not continue to fund these organizations in perpetuity, grantees still expressed concern about the uncertainty of post-Build JJF funding opportunities. Many wanted to know for certain what their options were so they could better plan for the future. One grantee said that they “want transparency - we can't plan for the future without [JJF].”

Challenges with Build Grant Process and Implementation

As grantees pursued their goals through Build Grants, they faced challenges as they attempted to hire new staff and negotiated tradeoffs between reach and depth while growing programs. Grantees also reported concerns about the sustainability of their scaling investments, which had significantly raised their annual budgets.

Grantees experienced unexpected growing pains. Scaling Build Grants helped create the conditions for organizations to significantly increase their full-time staff size within a relatively short period. Grantees reported unexpected challenges around hiring, supervision, and navigating culture change as they onboarded new staff. One grantee noted that “doubling staff and adopting new systems is really intense in the short-term. We spend tons of time in meetings with all staff, helping to move things forward.” One organization reported that they ended up having to hire multiple people for a single position due to a lack of fit, while another grantee spoke about how unprepared the existing staff were to take on supervision roles for so many new hires. While they are now working to offer professional development for supervision, the grantee wished they had known to budget for this shift beforehand. External factors, such as the pandemic and the move to remote work, added additional difficulty to the onboarding process for new staff. Organizations needed to learn how to build and maintain a healthy workplace culture amidst so much remote growth.

Grantees had to make tradeoffs between breadth and depth. Grantees navigated tensions between increasing their reach and deepening the quality of their current work. While they increased the total number of program participants, they remain uncertain about the extent to which the Build Grant supports deepening engagement with participants. For some leaders, this uncertainty created concerns for future JJF funding opportunities, as they did not know how JJF would view a substantial increase in deep engagement versus increases in less intensive engagement.

“There is a looming deadline and a cliff - they might fund us but might not.”

Grantees reported significant concerns about future financial sustainability. Scaling grants required organizations to significantly increase their yearly budget over multiple years. This was a common point of anxiety for grantees as they raised concerns about their ability to fundraise to meet these new budgets once the JJF grant ends. If unable to maintain existing budgets, they were unsure if they could maintain their expanded programmatic offerings with a smaller budget or potentially fewer staff members. One grantee shared, “the Build model works. It falls apart at the cliff.”

Grantees shared that any fundraising benefits from the organization’s increase in reputation took much longer than expected to materialize. Rather than gaining significant additional funds in the first year, it took 2-3 years for this increased credibility to result in new fundraising dollars. In addition to the budgetary challenges organizations face as the grants wind down, financial sustainability concerns have also created stress for organizational leaders. One described the Scaling Build Grant as “nerve-wracking” because of future financial sustainability concerns. Another shared, “when our monthly operating expenses double [and] when resources lag behind us, it puts pressure on us.” This challenge results in

organizations spending significant time, energy, and resources fundraising, diverting focus away from the implementation of other aspects of their strategic growth plans.

COVID-19 had a significant impact on funding, onboarding, and program execution. Grantees who received funds before and during COVID-19 reported challenges from the pandemic. The economic uncertainty that came with COVID-19, followed by significant inflation, both reduced the monetary value of Build Grants and created more uncertainty regarding their future value. At the same time, grantees were grateful that JJF maintained their grants during the pandemic, especially those that had to pause programming due to pandemic restrictions. Grantees viewed maintaining funding as a strong show of support during the pandemic.

COVID-19 also impacted programming, particularly for organizations whose primary interventions required in-person connection. Social distancing delayed programmatic growth or the implementation of new in-person programs for these organizations. Still, some grantees reported that the pandemic increased demand for their virtual services, supporting their growth. In particular, grantees with significant web presence before COVID-19 felt that the pandemic increased participant engagement.

• **Considerations for Future Planning**

The evaluation surfaced many potential opportunities to improve the grant impact and continue to effectively support grantees. The considerations below reflect recommendations from grantees, field-wide best practices in capacity building grantmaking, and Third Plateau's synthesis and insights.

Adapt the grant's length and disbursement structure. JJF could adjust the length and financial structure of the grant to better meet grantee needs. Increasing the duration of the grant and/or tailoring the grant term to individual grantees may enable JJF to better position organizations for sustainable scaling. This sustainability challenge is common among both capacity-building and scaling grants. Ford's BUILD grant created similar challenges for grantees despite five years of continuous support. Evaluators recommended that Ford both extend its engagement to seven or more years to slowly reduce funding dependence and give even more time to organizations undergoing leadership transitions or other challenges.⁵ JJF could review its commitment to decreasing the grant and instead work with organizations to plan a disbursement schedule that best suits their needs.

Increase communication and transparency surrounding Build Grants and additional grant opportunities. JJF could cultivate a common language around Build Grants and JJF processes with grantees to align on the support JJF can offer and the reasons behind those norms. It could create spaces for grantees to learn about how JJF staff discuss grant opportunities with its board, and under what circumstances grantees can make presentations or receive introductions to board members. JJF might share clear guidelines for if and how grantees interact with JJF board members, leadership, and other staff members. It could also provide a clear sense of what opportunities, if any, exist at JJF for grantees post-Build Grant, and what non-monetary resources (e.g., convening, networking, expertise) JJF staff

⁵ Raphaëlle Bisiaux, Ron Dwyer-Voss, Maggie Bangser, Susana Morales, Anthony Boateng, Florian Poli, "[Final Report: BUILD Developmental Evaluation](#)," Niras, March 2022.