

# Stanford SOCIAL INNOVATION<sup>Review</sup>

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***MacArthur Foundation Supplement***  
**The Need to Double Down**  
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# The Need to Double Down

Big bets can make a big difference, but only if they catalyze interest and follow-up investment in the problems they seek to address.

BY MICHAEL FEIGELSON & ELVIRA THISSEN

**E**ven before the 100&Change deadline for applications had passed, the Bernard van Leer Foundation launched a response to the Syrian crisis with grants to the International Rescue Committee (IRC) and Sesame Workshop. Foundation Executive Director Michael Feigelson and Representative Refugee Response Elvira Thissen thus had an intimate view of the 100&Change process and its effect on Sesame Street, the IRC, and funders supporting young children affected by the Syrian war and other crises around the world.

Sesame Seeds was created to restore hope for a generation of children growing up amid violent conflict. The program's selection as the \$100 million recipient of 100&Change also offers an opportunity to place the needs of the youngest refugees on the humanitarian map everywhere. However, this will happen only if the grant can motivate old and new donors alike to invest more. This is not a given. In fact, the opposite could happen. Additional philanthropic investment can make a meaningful difference, but it means that now—more than ever—foundations need to step up, dream big, and take risks.

## THE WORLD BEFORE 100&CHANGE

Our foundation has been focused on early childhood development since 1964. For the first three-plus decades, it was a lonely endeavor. The widespread belief that babies live in a buzz of confusion made it hard to convince policy makers and philanthropists to invest. Today, evidence from neuroscience, public health, education, and economics has demonstrated that babies and toddlers are anything but con-

fused. When surrounded by supportive families and communities, they can process information and learn faster than any other group of human beings. Every second, their brains make one million new neural connections setting the foundation for a lifetime of learning and health.

As this evidence has emerged, there has been a flood of interest. Early childhood development is now central to the United Nations' 17 Sustainable Development Goals. From Singapore to Chile, Bangladesh to Germany, South Africa to Mozambique, countries are prioritizing early childhood. World Bank investments in babies and toddlers more than doubled between 2012 and 2017. At the G20 summit this December in Buenos Aires, we will hopefully see a declaration supporting early-years investment signed by the leaders of the world's most powerful economies.

And yet, when we launched a new initiative focused on Syrian refugees at the end of 2016, it felt like going back in time. Despite approximately 811,000 Syrian children under the age of 5 living in neighboring countries, early childhood development was getting very little attention. Critical services for pregnant women, babies, and toddlers—health care, food, water, shelter, and sanitation—remained significantly underfunded. Some preschool education was starting to be provided, but support for maternal mental health, parent coaching, and childcare was limited to small pilots, most of which were running out of funding. As the strategy was developed for No Lost Generation—an ambitious advocacy platform focused on children affected by conflict in the region—no one articulated the need for goals explicitly focused on babies, toddlers, and their families.

## AN INITIAL LEAP OF FAITH

Building on our experiences working in Colombia with displaced communities, in refugee camps on the Thailand-Myanmar border, and in Central

America through the civil wars of the 1990s, we launched our Syria response initiative with initial grants—cofunded by the Open Society Foundations—to the IRC and Sesame Workshop. In parallel, we began an effort—now known as the Moving Minds Alliance—to organize a group of foundations to work together to build the case for early childhood development in crisis contexts. (Members of the Moving Minds Alliance include the Open Society Foundations, the ELMA Philanthropies, Comic Relief, the Vitol Foundation, the Jacobs Foundation, Porticus, and the Bernard van Leer Foundation.)

In the background, our Sesame Street and IRC colleagues submitted their application and slowly progressed through the 100&Change application process. We wrote letters and reviewed iterations of their proposal. We cheered them on as they ran a marathon in Amman, Jordan, in support of the project. We knew the chance of winning was remote and viewed the process as useful learning while we searched for ways to bring their pilot programs to greater numbers of children and families.

Then they found themselves in the final four. Suddenly, it seemed real.

Days before they made their final pitch in Chicago, we had a board meeting in which we recommended a new grant of nearly €900,000 (\$1,050,000) to the IRC to follow up on the initial pilot project. The discussion with trustees centered on the fact that there was no confirmed cofinancing and our funding could cover only about half of the project cost. We decided to take the risk. Within a few weeks, the MacArthur Foundation made its announcement. This changed the conversation.

## THREE STAGES OF RESPONSE

**Stage 1: Elation.** A week before the announcement, we had conversations with colleagues at

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the IRC that indicated they already knew the outcome but could not tell us. The giggling and giddy tone of the conversations, however, raised our hopes. For the first time, we were fully and unabashedly expecting them to win.

The formal announcement of Sesame Seeds receiving the \$100 million grant was followed by a flurry of e-mails from across the world. *Sesame Street*'s photogenic Muppets began to make appearances in places like *Foreign Policy*, *The New York Times*, and *Mashable*. Each publication found a different angle. Some focused on the potential long-term benefits of the program to societal cohesion. Others highlighted how this grant would help make sure a generation did not lose out on critical years of education.

Conversations with major humanitarian agencies and donors began to require less introduction. It was noticeably easier to explain why we were focused on this issue and to describe what kinds of projects we wanted to promote.

We were elated. It felt like years of progress in a matter of months.

**Stage 2: Fear.** One of the things that inspired us to support Sesame Workshop and the IRC early on was that they were willing to announce their unique, bold partnership without any confirmed funding. Fear of failure often inhibits the ability to dream, and especially to share bold, ambitious dreams with others. We found their audacity compelling.

The implementation of dreams, however, is an entirely different matter.

After the award, the reality of the implementation challenges became increasingly apparent. The fact that the grant represented the largest-ever injection of funds into this kind of project in a crisis setting added to the pressure. If this was going to be a transformative example for the humanitarian sector, success in delivery had to be the number one priority.

Another major concern was that the announcement would crowd out as many stakeholders as it would inspire to join. Would the prize push foundations with smaller budgets away? Would it help or hinder collaboration with other implementing agencies needed for success? Would it give the impression that the issue was now mainstream, therefore pushing away funders with the kind of risk capital that the field would still need for years to come?

**Stage 3: Recalibration.** There is an optical effect in experimental psychology called the Ebbinghaus illusion that demonstrates how context affects our perception of size. At first, the 100&Change announcement seemed

enormous given the absence of early childhood projects of this scale in humanitarian settings. Media coverage, coupled with the unprecedented nature of the award, magnified the sense of size, which led to the initial elation and subsequent feelings of fear.

But, from a coldly objective perspective, the grant is not *that* big. One hundred million dollars over five years, funding work in Syria, Iraq, Jordan, and Lebanon, is equivalent to \$5 million per year per country. Taking this one step further, we estimate that worldwide there are 22 million children under the age of 5 and five million pregnant women in need of humanitarian support and protection. Yet, in 2016, only one-third of active humanitarian response plans worldwide mentioned early childhood development as an explicit priority. This is despite the fact that globally the average length of protracted displacement is 20 years.

The more we zoom out, the smaller the award looks. So can \$100 million actually shift the humanitarian landscape? The answer: Obviously not. But that is the wrong question to ask. The right question? How do we capitalize on the energy brought forward by 100&Change to help shift the humanitarian landscape and raise the kind of capital needed such that this kind of project becomes the expectation in all humanitarian response, not a reason for celebration?

The process of recalibration has accelerated our thinking, resulting in three takeaways:

- **Stay close.** The first priority for all those wanting to see the youngest refugees better served is to ensure that Sesame Seeds succeeds. To their credit, the MacArthur Foundation staff will be the first to recognize that its grant is only a first step, and it has also reminded us that the grant does not come with a full-fledged engagement in the field of early childhood development or humanitarian assistance. Other funders will need to step in as unforeseen challenges and opportunities emerge. Several already have (Bezos Family Foundation, The ELMA Relief Foundation).
- **Set more ambitious goals.** When we started, we might have envisioned this as success—a large new donor committing to a project of this size. Instead, we have been forced to think bigger. First, there is great risk in leaning too heavily on one seminal example—we need more. Second, the energy created by 100&Change can inspire others to make similar commitments, but that energy will not last forever.

As a result, we have begun to ask how we might use our relatively modest capital to help mobilize the resources to stand up early childhood initiatives of a similar scale in crisis settings across the world.

- **Build a shared story.** Like all people, the families affected by disaster and conflict are concerned with shelter, food, health care, and security. We need to make sure these needs are met every day. But like all people, they long for more. They want their children to get a fair start in life. They want to have some control over their lives. They want their children to thrive. They want their children to experience joy. Sesame Seeds—and the similar projects we hope will follow—can provide the basis for describing what the humanitarian response of the future should look like. As these stories emerge, we need to repeat them so frequently that no one can remember when they were exceptional. Part of our recalibration may mean shifting more of our time and money to the task of helping build and tell this shared story—one that is not about a specific project or organization, but about a wave of unstoppable change occurring across the world.

#### THE HIDDEN VALUE OF 100&CHANGE: HELPING PEOPLE DREAM BIG AND THINK DIFFERENTLY

The value of large grants depends on the size of the problem and the maturity of the field. That is what determines how big an Ebbinghaus illusion \$100 million can create.

Sometimes \$100 million might actually solve a problem once and for all.

In other cases, \$100 million might be enough to remove a well-defined obstacle that would allow for the rest of the system to function more effectively.

In this case, we have a large, seemingly intractable, global problem that few have attempted to tackle. It will not be solved quickly or easily—and certainly not for \$100 million. However, what the award can and has done is help people dream big and think differently.

Leaders from Sesame Workshop and the IRC indicated that without the promise of the prize, they would never have spent the time to think through what an early childhood project of this scale would look like. Today, they are wondering whether a bold vision combined with a clear plan might drive the funding instead of the other way around.

We are of course biased, but—in our opinion—this kind of help is a great value for the money. ☒