

Z. SMITH REYNOLDS FOUNDATION

# ALL FOR NC



**North Carolina is a state of great promise.** Millions of diverse experiences and opinions are shaping our state and our communities in different ways—sometimes complementary, sometimes counter, and always complex. Add in the forces of economics, technology, politics, and culture, and it may seem impossible to predict where we'll end up.

But we can't allow our future to unfold by default; we need to claim and shape it in ways that include all North Carolinians.

Adhering to enduring values like fairness, dignity, integrity, and equity will help us make sure that the changes happening in North Carolina are changes that benefit everyone.

**We hope you will join us** in creating a better North Carolina for all. We will do it together—for ourselves, our families, our communities—and all for NC.

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CHAPTER 1

# HISTORY

*Our Story, Past to Present*

From the very beginning, we've given our all for North Carolina.

Since the **Z. Smith Reynolds Foundation** was first established in 1936, we've made it a point to think critically about the needs and opportunities of North Carolina's communities, and to willingly address issues that others may not.

Our strategies have changed over the years, but our commitment to our mission and core values has remained constant.

**The Z. Smith Reynolds Foundation** has been a catalyst for positive change in North Carolina, with a long and rich history of bold, forward-thinking vision and action. Our mission is to improve the quality of life for all North Carolinians.



## OUR MISSION

ZSR is dedicated to improving the quality of life for all North Carolinians.

## OUR STORY

**For 80 years**, the Z. Smith Reynolds Foundation has been a catalyst for positive change in North Carolina, with a long and rich history of bold, forward-thinking vision and action to improve the quality of life for all North Carolinians.

### THE EARLY YEARS 1936-1960s

**From its earliest years**, the Foundation always has strived to respond to the changing needs of the state.

ZSR made its first grant to the NC State Health Department in 1937 for \$100,000 to eradicate venereal disease—a growing issue that remained largely in the shadows during that time. This 10-year grant was a collaboration between public and private health agencies, and with communities, which resulted in greater public awareness and more widespread control over venereal disease.

The Foundation also exhibited tremendous foresight when it helped move Wake Forest University to Winston-Salem in 1956. In the years since, the University has become a nationally-renowned institution and serves as an important economic driver for Winston-Salem and the Piedmont Triad.

In the early 1960's, ZSR joined Governor Terry Sanford, along with the Ford Foundation and Mary Reynolds Babcock Foundation, to respond to another state need through its leadership role with the North Carolina Fund—an effort designed to decrease poverty in communities across the state. The Fund amplified the voices of low-income people in decision-making processes in their communities, helped the state coordinate resources to provide

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for more effective services and opportunities for low-income individuals, and increased the public's understanding of poverty. The Fund invested in the State Board of Education to experiment with better ways of teaching. It also led to the establishment of several new institutions, some of which are still in existence today.

### **FOCUS FOR A GROWING STATE** 1970s-present

**As the nonprofit sector** began growing by the mid-1970s, the Foundation explored how it could make the most impact with its limited resources. Trustees began to develop more strategic grantmaking efforts that would help build an even stronger, more cohesive state by investing in people, communities, and systemic change.

In the 1980s, to further target its investments, the Foundation developed five focus areas which, while they have evolved over time, are known today as Community Economic Development, Environment, Public Education, Social Justice and Equity, and Strengthening Democracy. These focus areas, alongside the Foundation's mission and core values, have heavily shaped the Foundation's work for approximately 30 years.

The Foundation also has a long tradition of playing a convening and connecting role—across issues, geographies, and identities. In addition, listening and learning from individuals, groups, and communities across the state has always been a crucial mechanism for informing the Foundation's grantmaking and other work.

As of December 31, 2016, the Foundation has invested more than \$553 million into the state of North Carolina. While the Foundation has adopted different approaches over the years to respond to the state's changes, we have always focused on the work our founding Trustees set in motion 80 years ago—to move all of North Carolina forward.

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CHAPTER 2

# JOURNEY

*Informing Our Work With a Strategic Assessment*

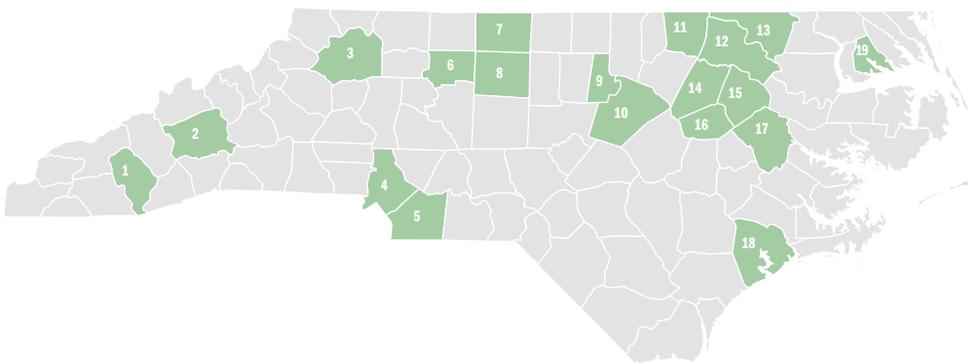
Claiming opportunity in the face of change necessitates ongoing learning and a willingness to evolve—for individuals, communities and institutions, including ZSR.

**North Carolina is undergoing significant change.** Small towns are evolving, cities are expanding, demographics are shifting, and technology is playing a vital role in the way people are learning, interacting, and doing business. And while there are likely many more unknown and unanticipated changes to come, we believe that great opportunity lies ahead.



## MO WANTS TO KNOW

**In May 2016**, with a new Executive Director Maurice “Mo” Green at the helm, ZSR embarked on a yearlong strategic assessment and planning process to learn more about the changes and trends happening across our state and to examine and evaluate our current approach to grantmaking and broader work. We set out on an extensive listening and learning tour called *Mo Wants To Know*.



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### COUNTIES VISITED

- 1) Jackson County
  - 2) Buncombe County
  - 3) Wilkes County
  - 4) Mecklenburg County
  - 5) Union County
  - 6) Forsyth County
  - 7) Rockingham County
  - 8) Guilford County
  - 9) Durham County
  - 10) Wake County
  - 11) Warren County
  - 12) Halifax County
  - 13) Northampton County
  - 14) Nash County
  - 15) Edgecombe County
  - 16) Wilson County
  - 17) Pitt County
  - 18) Onslow County
  - 19) Perquimans County
- 

**For more information** and for detailed reports, visit [our microsite](#).

**We met with community leaders**, business leaders, nonprofit leaders, government officials, faith leaders, educational leaders, entrepreneurs, members of the military, youth, and more. These diverse and dynamic leaders and residents from rural and urban communities—from the North Carolina coast to the Qualla Boundary—shared with us not only their fears and concerns, but also the passion and vision they had for their communities.

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**In addition to our *Mo Wants To Know* tour**, we studied the philanthropic landscape of North Carolina, examined how our state has changed in recent years, convened a group of data experts, and engaged our grantees and Community Leadership Council along the way.

Last but not least, we invited all North Carolinians to connect with us online to share their game changing ideas for making our state a better place.





CHAPTER 3

# LEARNING

*What We Heard From North Carolinians*

During our yearlong process, we examined data that intrigued us and heard stories that inspired us.

**Almost all of them had** to do with the fact that North Carolina has been through significant change over the past 20 to 30 years. Yet, despite the changes, what also became clear is that the mission and values upon which the Foundation has stood for eight decades are as important as ever for shaping a positive future that includes every North Carolinian.

## WHAT WE HEARD

1

### PEOPLE FEEL UNCERTAIN ABOUT THE FUTURE.

Rapid and sometimes volatile changes in technology, demographics, growth, economics, politics, and public education (just to name a few), are causing many North Carolinians to feel unsure about what's next for their families, their communities, and the state. In times of great uncertainty, the Foundation's ability to remain adaptive and flexible is key.

2

### ZSR HAS A DUAL ROLE TO PLAY.

The Foundation always has served North Carolina as a statewide funder, working at both the state level and in communities. People across the state confirmed the need for us to continue playing a role at both levels, as opposed to putting all of our eggs in one basket.

3

### NORTH CAROLINIANS DESIRE DEEPER CONNECTION.

While technology is connecting people more easily and faster than ever before, people crave a deeper, more personal connection within their communities—one that fosters greater understanding and belonging. As the world becomes increasingly polarized, we all want to find avenues to build meaningful relationships with others.



4

#### **RACIAL EQUITY IS CRITICAL.**

Equity is a longstanding value of the Foundation. Racial equity explicitly acknowledges the impact of structural racism on the distribution of resources, opportunities, and burdens in society, and ZSR proactively looks for ways to mitigate the effects of systemic and structural racism. Over the past year, we heard the desire for the Foundation to continue to play a leadership role in promoting racial equity and to find additional ways to support individuals, communities, and institutions engaged in the vital work of making our state a more equitable place to live and work.

5

#### **WE CANNOT HAVE A ONE-SIZE-FITS-ALL APPROACH.**

Our communities are rich with ideas and innovation, often despite scarcity of resources, and are home to many individuals who are committed to making their community a thriving place to live and work. However, North Carolina's communities are not all changing in the same ways, and we heard that our community investments must be grounded in the context of each place.

## ADDITIONAL LEARNING

**In addition, there were a multitude of other themes and issues that surfaced as we traveled across the state, including:**

- Broadband and access to information are key, and often lacking.
- County lines pose regional challenges relative to how people live, work, and move in the 21st century.
- There is a mismatch between available jobs and available workers.
- Health and human service needs (especially affordable housing, mental health, and substance abuse recovery) are not being met sufficiently in all parts of the state.
- Structural racism and internalized oppression still persist.
- Population shifts (decline, growth, and demographics) are having differentiated impacts on communities.
- Dynamic local leadership matters deeply to local outcomes.
- Public education is vital, but also must continue to evolve.
- Political leadership is not reflective of changes in demographics.
- New strategies to connect urban and non-urban economic development are needed.
- Small town economic development and downtown revitalization are critical to retaining people, including youth.



CHAPTER 4

# EMERGING DIRECTION

*Shaping North Carolina's Future—With You*

**What we heard** from so many North Carolinians over the past year has informed, and will continue to shape, our path forward.

We've also realized that a traditional "strategic plan" is too static to keep pace with our need for adaptability, flexibility, and fluid investment in order to provide the most value for North Carolinians.

**Thus, we have developed** an "emerging direction" that will continue to evolve over the next 12–18 months.

## OUR EMERGING DIRECTION

The Foundation's emerging direction is to improve the quality of life for all North Carolinians, now and for generations to come, through three strategies:



A state-level strategy to support structural and systemic changes at the state level.

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A community-based strategy that will primarily support collaborative problem-solving efforts in local communities.

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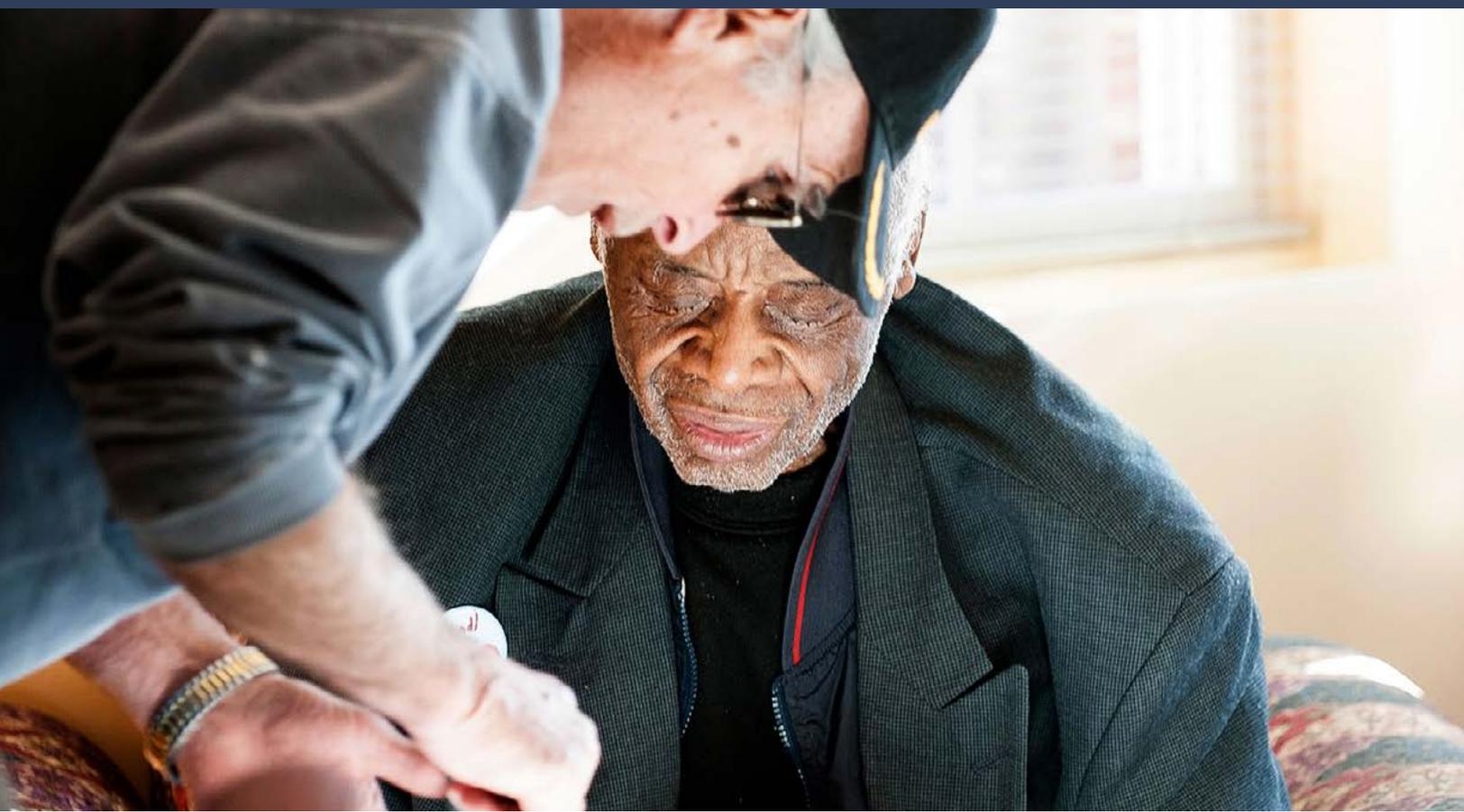


An exploratory, visionary ideas strategy that will allow us to invest in unconventional, singular, or higher-risk ideas that have transformative potential, but may require different or more flexible philanthropic approaches.

### Across these strategies, we seek to:

- continually adapt to a changing North Carolina
- facilitate greater connection among grantees and issues
- employ a racial equity lens
- provide new opportunities to partner with people from across the state

Our trustees also have committed to augmenting our relationship with our hometown of Winston-Salem/Forsyth County.



## WHAT'S DIFFERENT FROM OUR PREVIOUS WORK?

**Our emerging direction** moves us away from having all of our work guided by our current five focus areas. As the new strategies are further developed, there may be areas of emphasis that guide part of our work. In particular, our community-based funding will not be driven by a set of focus areas, but rather by local voices seeking to find collaborative solutions to local problems. Our exploratory, visionary ideas strategy will provide an intentional avenue for experimentation and flexibility, which is fundamental to being adaptive.

**We will further develop** these three strategies over the next 12 to 18 months. We anticipate that each of the three strategies will be implemented on individual timelines. We will keep you informed as we develop more details.

## WHAT STAYS THE SAME?

Above all else, we will maintain our steadfast commitment to our mission, to improve the quality of life for all North Carolinians, and to our core values, which include:

<p><b>STEWARDSHIP</b></p> <p>We honor our history of accountability, fiscal responsibility, and purpose-driven grantmaking by balancing the needs and opportunities of today with the challenges of tomorrow.</p>	<p><b>INTEGRITY</b></p> <p>We strive for honesty, humility, and openness in our work and seek to act in alignment with our values in all that we do.</p>
<p><b>FAIRNESS &amp; JUSTICE</b></p> <p>We believe that all people should be treated fairly and with respect. We support the dismantling of systems and structures that limit opportunities for individuals, groups, and communities to reach their full potential.</p>	<p><b>DIGNITY &amp; EQUITY</b></p> <p>We value and respect the dignity of all and are committed to equity, diversity, and inclusion. We celebrate the unique attributes, characteristics, and perspectives of every individual.</p>
<p><b>CIVIC PARTICIPATION</b></p> <p>We believe that civic life and a healthy democracy depend on an informed and involved populace that is able to exercise its individual rights and come together for a common purpose.</p>	<p><b>EXCELLENCE</b></p> <p>We strive for organizational excellence and continuous opportunities to learn. We seek out best practices and innovative, cutting-edge ideas for our institutions, grantees, partner organizations, and communities across North Carolina.</p>
<p><b>SUSTAINABILITY</b></p> <p>We encourage the cultivation of resilient, vibrant communities and a clean, healthy environment by empowering people and safeguarding our natural resources.</p>	<p><b>COLLABORATION</b></p> <p>We strive to establish and support collaborative partnerships across the state, including with our grantees, to work toward solutions addressing the challenges facing North Carolinians and their communities.</p>

*In addition we will continue to employ a mix of proactive and responsive grantmaking, focus on systemic change, serve as a convener and connector, and listen and learn from individuals, groups, and communities to co-create positive change.*





## CHANGES TO UPCOMING GRANT CYCLES

**Our upcoming fall 2017 grant cycle** will mark the beginning of the Foundation's transition and will be the last grant cycle based on our current focus area descriptions. Therefore, ZSR Trustees have made the decision that ZSR's fall 2017 grant cycle will be closed and by invitation-only. We will not have a traditional spring 2018 grant cycle so that we can focus on the development and implementation of ZSR's new emerging direction.

**North Carolina is a state of tremendous promise.** ZSR has a long tradition of partnering with residents from across all parts of the state who share our commitment to making this a thriving place to live and work, and we will continue to rely on the ingenuity of North Carolinians to develop ideas and solutions that can lead the state forward.

We will do it together—for ourselves, our families, our communities—and all for NC.

Z. Smith Reynolds  

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FOUNDATION

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**VISIT:** [all-for-nc.zsr.org](http://all-for-nc.zsr.org)