

Advancing Social Innovation in Government: Investing in Community Solutions Introductory Remarks by Andrew Wolk

Thank you, Representative Moran, for your remarks and your leadership on these important issues.

Good morning, and thank you so much for being here. I'm Andrew Wolk, the founder and CEO of Root Cause. We are a nonprofit organization that supports social innovators and social impact investors to advance enduring solutions to social problems. Today's event is hosted by our Public Innovators initiative, a non-partisan initiative that supports a new wave of government leaders at the city, state, and federal levels who are interested in advancing social innovation. We do this through institution building, profiling government leaders, and encouraging knowledge sharing and community building – and today is an example of that.

Today is a very important day in our pursuit to advance social innovation in government. Why? Because it is one of first times we are deliberately bringing innovators and government together in a candid conversation about how to work together more closely and effectively. While there are early signs in Washington and in some states across the nation that such collaboration is underway, today is about expanding the dialogue and broadening the community.

But, before we begin our exciting agenda, I wanted to set the context for the morning.

I think we can all agree the United States and the world are at an inflection point. We are not only coming out of one of the worst recessions we have ever seen, but it is more clear than ever that many of the social problems that have persisted over time will have to also be dealt with head-on in order for us to reach new heights of prosperity. To develop great industries, we will also need to better educate our children, keep our citizens healthier, and develop a better-trained workforce. Government cannot do it alone. This means we will need greater coordination between the three sectors – public, private, nonprofit – with a particular attention towards advancing social innovation.

Why, you may ask? Well, in the United States, the federal government alone spends more than \$1 trillion per year, by conservative estimates, to provide direct benefits to constituents, award service grants and contracts to nonprofit and private service providers, and employ government agency staff.¹ State and local government dedicate their own funds, making the pool even larger. And the generosity of Americans as individuals or foundations is seen in their contributions of more than \$307 billion to charity in 2008 to support the missions of nonprofit organizations.²

¹ US Census Bureau, "Consolidated Federal Funds Report for Fiscal Year 2008," (July 2008): <http://www.census.gov/prod/2009pubs/cffr-08.pdf>

² Giving USA, "U.S. charitable giving estimated to be \$307.65 billion in 2008," http://www.givingusa.org/press_releases/gusa/GivingReaches300billion.pdf

Yet, we are not always using those resources in a way that will provide the best “social return” on the investments we make in addressing social problems. For example:

- Between 2000 and 2008, the number of people in poverty increased from 33 million to 38 million³
- Between 2000 and 2007, the number of young people between the ages of 18-24 who are not attending school, not working and have no degree beyond high school increased from 3.4 million to 4.4 million⁴
- The prevalence of obesity has more than doubled from 11.6% of the population in 1990 to 26.3% of the population in 2008⁵

At the same time, over the past 25 years, the total number of nonprofit organizations has approximately doubled. Currently, close to 1.4 million tax-exempt organizations are registered with the Internal Revenue Service. Part of this phenomenon has to do with the fact that government has outsourced many services to the nonprofit sector. **Yet, although nonprofits throughout the country have begun to deliver innovative solutions with proven results, funding to nonprofits is not currently tied to proven results and we are not supporting and spreading the existing solutions that nonprofits across this nation are demonstrating in their local communities. As a nation, we have not developed an approach to encourage what is increasingly being called social innovation – the process of developing, testing, honing, and spreading transformative approaches to pressing social issues.**

This is not something new for government. The promise of encouraging social innovation and supporting organizations with the best results can be seen in the tradition of innovation in the private sector for which the United States is known. The U.S. federal government has long provided incentives to encourage such entrepreneurship and innovation, thus enabling the birth of great companies that spawned entire industries and promoted the growth of our economy. The federal government’s establishment of the Federal Reserve (1913), Securities and Exchange Commission (1934), and the Small Business Administration (1953), in addition to a multitude of R&D and other tax incentives for business, all provide examples of government leadership that has encouraged innovation and entrepreneurship.

A commitment like this to advancing social innovation would lead to a shifted role for government, one that forms a new contract with the people on the ground who create the solutions – and that would streamline the flow of capital to the best models.

Which brings us to today, where we are joined by innovative nonprofits as well as some early adopters in government who seek ways to advance social innovation. At Root Cause, we call them

³ Annie E. Casey Foundation, “How Are Our Kids Doing?” (2009): <http://www.datacenter.kidscount.org/>

⁴ Ibid.

⁵ United Health Foundation, “National Changes Since 1990,” *America’s Health Rankings*, <http://www.americashealthrankings.org/2008/1990nat.html#Graph4>



Advancing Innovation for Social Impact

Public Innovators: government officials that reward exceptional performance, spread successful approaches, and catalyze public-private partnerships.

In our first panel, we will hear from four social innovators representing innovative solutions to issues in healthcare, workforce development, education, and poverty, and we will hear about how government can help them accelerate social impact.

In our second panel, we will hear from public innovators in Congress, people working in federal agencies, and a state government official to hear the early ways they are advancing social innovation and what they think innovative nonprofits can do to help them move this agenda forward.

There will be time for Q and A, as well as time between each panel and at the end of the event to get to know each other a bit more.

One last point: I think one of the beauties of the social innovation agenda is that it is in no way a partisan issue; it marries a progressive interest in focusing on societal challenges with a conservative interest in market driven approaches and resource utilization. This is another way of saying, an “investing in what works” mindset.

With that, let’s begin our first panel...will the innovators please join me.