

# Progress with Purpose

WALTON FAMILY FOUNDATION'S 2021-2025 STRATEGY



NOVEMBER 2024

WALTON FAMILY  
FOUNDATION



## TO OUR GRANTEE PARTNERS,

A little over a year into my entry into the Walton Family Foundation, I am inspired by the work that all of you do, and grateful for the knowledgeable and thoughtful foundation team supporting your work. I have spent most of my career as a grantee or in close partnership with grantees and my most joyous moments this past year have been meeting some of you. I look forward to more regular touchpoints with you as I begin my second year.

Strategies and long-term goals guide our work. They help us stay focused on the most critical challenges, while also adapting to changing circumstances. As we do and learn more, we evolve our approach, adapting and refining our methods. This flexibility allows us to respond to emerging opportunities and challenges, while staying true to our vision.

We want to make sure that you—our grantee partners—have a clear understanding of those strategies: how they are set, why we fund what we fund, the progress we make, and what we learn. You may know parts of the strategies that affect your work. But you may not have the bigger picture of the foundation's overall approach or how your organization fits in. We hope that this report provides you with clarity and understanding, reinforcing our shared priorities.

Sharing our 2021-2025 strategies is an important way for us to provide our partners with a greater understanding of the thinking, progress, and lessons learned behind our work. The strategy has been in place long enough for us to explain the reasoning behind it, show promising signs of impact, and highlight any adjustments we've made. We believe that the more our grantees and others understand the *why* behind our strategies, including the influence that grantees have had on these strategies, the more effectively we can work together.

My goal is for us to continue to provide the level of insight and clarity into our strategy that is useful to you. I look forward to learning alongside you and opportunities for us to be in touch more regularly.



STEPHANIE CORNELL

EXECUTIVE DIRECTOR

WALTON FAMILY  
FOUNDATION





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# Context

The Walton Family Foundation is rooted in several generations of family, where no voice is louder than the next and different opinions are valued. Our approach to tackling some of the world's biggest problems reflects this legacy. We bring diverse perspectives to the table in order to strengthen the connections between education and lifelong opportunity; protect rivers, oceans, and the communities they support; and advance our home region of Northwest Arkansas and the Arkansas-Mississippi Delta. **A throughline in our approach is to look for bold and innovative ideas in all that we do.**

Every five years, the Walton Family Foundation staff and Walton Family Foundation Board of Directors create an updated set of strategic plans for each program area. As in previous strategies, the vision of the foundation stays consistent: **to live in a world where people can accomplish anything when they have opportunity and encouragement.** The strategies set parameters for funding decisions and support learning along the way so we can be as effective as possible.

**A theory of change—the plan for how to solve a problem—underpins the foundation's different strategies.** It is based on extensive research, input from grantee partners, and what we've learned from previous efforts. As a learning organization, we do not create a five-year strategy and just let it run its course. Instead, we continually learn from you and the data collected, adapting strategies as needed.

These common themes are woven into much of the approach and the funding decisions across the five-year strategies.



## CHAMPION COMMUNITY-DRIVEN CHANGE

We strive to ensure our efforts reflect and are informed by the voices and needs of the communities where we work. This also means we commit resources to help grantees build capacity in their organizations to effectively advance community-developed solutions.



## PRIORITIZE DIVERSITY, EQUITY AND INCLUSION

We engage diverse backgrounds and viewpoints to ensure a clear, fair, and consistent approach for every grantee. We embrace and celebrate our differences, and put our differences to work to solve global challenges.



## COLLABORATE WITH PARTNERS

No problem can be solved by one foundation, one approach, or one sector. We are building new partnerships that bring people, resources, and ideas together leveraging unique strengths.

The foundation's impact goes beyond programmatic grantmaking. Our Communications Department helps our grantee partners share their work more publicly. The Strategy, Learning, and Evaluation Department (SLED) supports our partners to engage in learning and reflection and lift up successes and lessons learned.

We also want to note that this set of five-year strategies is different from past approaches. We are looking for more ways to change systems, go deeper, and take a more comprehensive approach than we have in the past. **That is, we are focusing on more complex elements of systems change, like changing mindsets and building connections among sectors and groups that do not normally connect.**

## Walton Family Foundation's Strategy 2021-2025

> > > To learn about the strategy for your program area, you can go to Home Region, Environment, or Education sections in this document.



### Home Region

The Home Region supports communities in Northwest Arkansas and the Arkansas-Mississippi Delta.

#### OUR 2021—2025 STRATEGY

The Home Region supports two separate regions: Northwest Arkansas and the Arkansas-Mississippi Delta region. The Delta is where Sam and Helen began their life together and opened their first retail store. Northwest Arkansas is where they put down roots to raise their family and build their business.

While the two regions are separate geographically, there are common challenges. Among them are housing, education, and strengthening nonprofit organizations. In both regions, the focus is on building the overall quality of life for residents – so that people can live, work, play, and stay in their communities.





## Home Region

For **Northwest Arkansas**, past strategies largely focused on improving the quality of life by supporting the development of amenities. The purpose was to serve residents, draw people to the region, and give them reasons to stay and grow here. Those amenities included large capital projects in education, art, culture, and recreation. The foundation committed more than 10 years of support to create and develop new schools, build bike trails, and fund theaters and museums.

With those cultural assets in place, foundation staff and family members stepped back and asked, “Where can we help now?” This period coincided with explosive growth and development in Northwest Arkansas. That, in turn, led to a rapidly increasing cost of living including rising home prices. These cost increases price families out of the communities in which they work, attend school, shop, and meet their daily needs.

The 2021-2025 strategy in Northwest Arkansas, shaped by interviews with community members, research, and input from staff and Walton family members, goes beyond enhancing the region’s attractiveness. **It focuses on making it one of the most vibrant and inclusive communities in the country, where everyone has access to amenities and a good quality of life.**



By vibrant and inclusive, the foundation means that for all people living in Northwest Arkansas many options exist for a thriving quality of life, and everyone can access good education, jobs, housing, and arts and culture options.

For this strategy, the Home Region program began working in new areas including housing, public transportation, leadership development, strengthening nonprofits and better connecting local K-12 education with the needs of employers and higher education.

*To reach our goals, funding has focused on three areas:*





## 1. ECONOMIC & CULTURAL VIBRANCY

*We believe that:*

-  Supporting entrepreneurs and new businesses will diversify and strengthen the economy.
-  Strengthening key regional cultural institutions will help them connect to audiences unreached in the past and ensure everyone in the community has access.



## 2. INCLUSIVE GROWTH & SENSE OF BELONGING

*We believe that:*

-  Ensuring everyone has access to high-quality schools will help prepare students of all backgrounds for fruitful careers and lives.
-  Encouraging strong coordination among education and industry will help smooth the way from school to well-paying, in-demand jobs for people from communities that have traditionally not had access to these careers.
-  Increasing the supply of affordable housing and transportation options will ensure residents can afford to live and work in neighborhoods that facilitate economic mobility.
-  Developing shared spaces that welcome everyone will inspire a sense of belonging for all residents.

## 3. COMMUNITY LEADERSHIP & CAPACITY BUILDING

*We believe that:*

-  Supporting a diverse pipeline of emerging leaders from multiple sectors will ensure that the region's leadership reflects the communities that they serve.
-  Strengthening nonprofit organizations in areas such as leadership development and fundraising will help them foster an inclusive culture with staff and adapt to challenges.

In the **Delta** region, the foundation primarily invested in two counties over the years: Phillips County, Arkansas and Coahoma County, Mississippi. In looking ahead to its next strategy, the foundation saw an opportunity to expand its work to a third area. Foundation staff spent a year of intensive learning including more than 100 one-on-one conversations with individuals asking how the foundation could be most helpful. As a result of those conversations and additional research, the foundation's Delta work expanded to Jefferson County, Arkansas.

Jefferson County was chosen for its strong potential for growth. One key factor is local voter support for community initiatives through a local tax, showing a commitment to advancing important efforts. In addition, the county has several post-secondary educational options, which allow residents to continue college and workforce training.

We also added a new focus of work: helping people build assets personally and within their community. That means helping people buy homes and land and start new businesses.

As a result of research and conversations with the leadership of local organizations, the goal of the Delta strategy is for **Delta residents to have equitable opportunities to access resources to learn, build wealth, and lead their communities.**

*To reach those goals, funding has focused on three areas:*

## 1. EDUCATION AND YOUTH ENGAGEMENT

*We believe that:*

- Ensuring all youth have the same opportunities to obtain a high-quality education through teacher training, providing experiential learning, and ensuring more education options will help set up the next generation in the Delta region for success.

## 2. ECONOMIC ASSET BUILDING

*We believe that:*

- Supporting residents with pathways to home and land ownership and other opportunities to build and sustain wealth – such as starting new businesses – will create opportunities to stay, thrive, and lead in their communities.

## 3. COALITION AND CAPACITY BUILDING

*We believe that:*

- Identifying and strengthening the ability of local leadership to sustain work over time and participate in coalitions with other organizations helps create equitable opportunities for Delta residents.





## Progress We're Seeing

### NORTHWEST ARKANSAS

We've seen notable progress in several areas we support, particularly the number of new businesses and startups relocating to Northwest Arkansas. Data and public sentiment indicate increased accessibility and popularity of museums, arts centers, bike and walking trails, and public transportation. We are tackling big issues, and laying the groundwork for our region to respond to growing affordability challenges in housing, transportation, and infrastructure systems.

Additionally, schools with programs funded by the foundation continue to increase the number of students they serve from marginalized communities. The effort to strengthen nonprofit organizations and provide emerging leaders from diverse backgrounds with leadership development programs is also bearing fruit.

#### Here are some examples:



#### ECONOMIC AND CULTURAL VIBRANCY

- In three years, entrepreneurs have started more than 250 new businesses, and 25 startups have relocated to Northwest Arkansas, producing more than 500 new jobs. Of those, more than 60% were led by individuals from underrepresented communities. In addition, those leaders raised \$128M of start-up capital.
- The overall use of arts, culture, and recreation options is up. For example, attendance grew 20% from 2022 to 2023 among key regional organizations.

### HOME REGION'S PROGRESS ON UNIFYING PRINCIPLES



#### CHAMPION COMMUNITY-DRIVEN CHANGE

We want to better understand from residents what Northwest Arkansas needs to make housing and transportation more accessible—and hear their ideas for solutions. The foundation has funded efforts by Community Development NWA to learn what best-in-class, affordable housing looks like in downtown Bentonville. As part of this work, the nonprofit is conducting a series of listening sessions and community meetings to hear from residents about affordability and how to develop the housing that the city needs.



#### PRIORITIZE DIVERSITY, EQUITY AND INCLUSION

We have funded Entrepreneurship for All, a nonprofit that works to accelerate economic and social impact through inclusive entrepreneurship. Since its launch in 2021, it has helped launch 28 businesses in Northwest Arkansas, of which 88% are women-owned and 75% are BIPOC-owned.



#### COLLABORATE WITH PARTNERS

We have supported the establishment and growth of new coalitions and new partners. Some 50% of our grantees are new since the start of this strategy. Our grantees have raised \$4.2 million of funding from other philanthropic sources with our assistance, representing valuable relationships and resources for the region.



## INCLUSIVE GROWTH AND SENSE OF BELONGING

- Foundation-funded schools served 2,157 students in the 2022–2023 school year, and 954 (44%) were from marginalized communities. As one example of this work, Rogers Public Schools launched a new program that aims to serve students who are academically and behaviorally at risk of not completing school.
- We supported the launch of a regional housing organization, Groundwork, to build community knowledge and consensus around housing solutions. Media coverage on affordable housing grew 188% between 2021 and 2023, which can be a proxy for growth in community awareness.
- Partners planned and designed five affordable housing projects supported with foundation funding. This will total 146 new units that are affordable for working families. More than 700 additional units are in the pipeline.
- Foundation-supported transit usage has grown by 60% from 2021 to 2023. This growth was fueled by a new “on demand” service. It allows passengers to book, pay, and track their rides rather than be bound by a set bus schedule or route. As a result of this success, all four large cities in Northwest Arkansas have increased their budget allocation for transit.
- Foundation-supported programs to provide new or additional workplace skills have shown remarkable success. For example, in a healthcare reskilling program some 85% of graduates were placed in jobs three months post-graduation, with an average increase of 430% in their household income. Participants in information technology programs placed in new jobs saw an average wage increase of 85%.



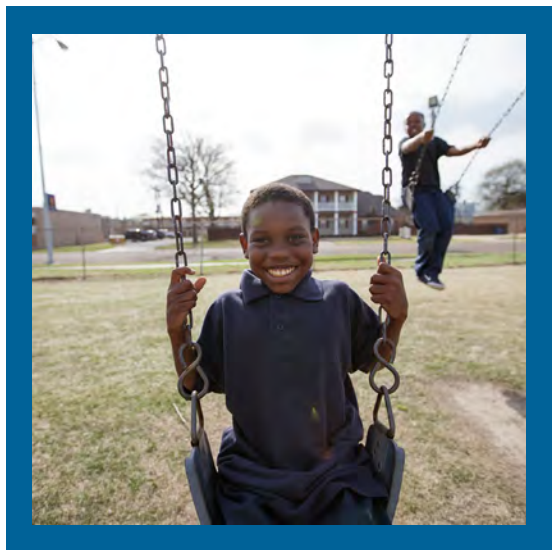
## COMMUNITY LEADERSHIP AND CAPACITY BUILDING

- 250 people participated in foundation supported leadership development programs in 2023.
- A local leadership cohort development program supported 15 local leaders.
- More than 100 organizations have participated in foundation-funded capacity building efforts. Many have participated in more than one. These include a 1.5-day grantee conference and direct support for individual grantees to engage consultants or get training.



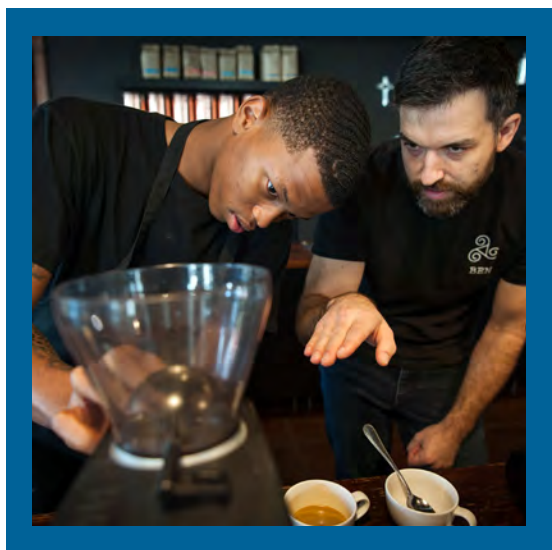
## DELTA REGION

The Delta region's strategy began a year after the Northwest Arkansas strategy, so signs of progress are still emerging. There is coalition-driven progress resulting in new career pathways and support for home ownership and small businesses. A new national funder coalition of 27 funders – such as the Michael and Susan Dell Foundation, the Verizon Foundation, Ascendium Educational Philanthropy, and the Phil Hardin Foundation – and a combined investment of \$8.7 million is also bringing increased energy and funding to the Delta.



### EDUCATION AND YOUTH ENGAGEMENT

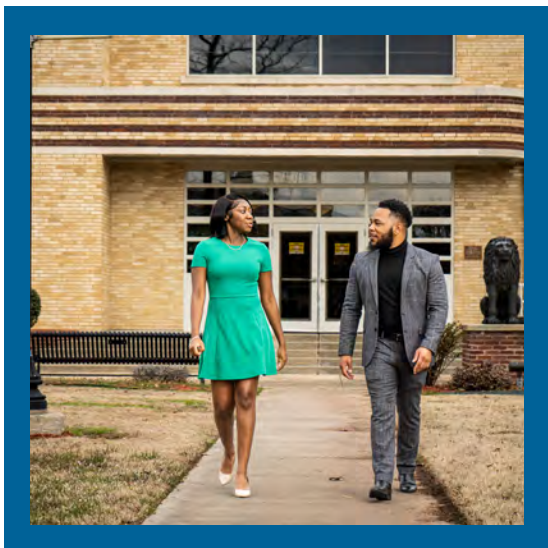
- Foundation-funded programs supported more than 350 teachers in obtaining teaching licenses and other professional development. This work resulted in 100 newly certified teachers.
- More than 1,100 youth participated in afterschool programs providing enriching experiences and learning opportunities focused on careers or further schooling. As a result, 80% of participants plan to enroll in a postsecondary program once they finish high school.



### ECONOMIC ASSET BUILDING

- 700 trade skill seekers and apprenticeship participants enrolled and/or served through new career path assistance such as training programs or certification programs.
- Nearly 100 aspiring homeowners received counseling and technical assistance.
- 700 entrepreneurs and small business owners received financial advice and technical assistance.
- Foundation funding leveraged an additional \$600,000 for workforce, housing, and small business initiatives from a mix of public and private funding sources.





## COALITION AND CAPACITY BUILDING

- Foundation investments engaged more than 100 young leaders in ongoing leadership development programs. Some 100 nonprofit leaders participated in a one-day Delta Nonprofit Convening. Both efforts resulted in participants making new connections and learning how to enhance their organizations in areas such as governance, finance, and evaluation.
- Organizations providing support to local nonprofits created new coalitions on issues like housing and workforce development. These organizations expanded the Delta Philanthropy Forum to include several new partners such as the King Foundation, the Kellogg Foundation and the Federal Reserve Bank. The purpose of the Forum is to advance a more economically resilient and racially equitable Delta region and bring more funding to the Delta region.





## What We're Learning and Where We're Making Adjustments

Changes in context or simply learning more about new areas of investment have led us to adjust in response. These changes include new state laws and shifts in local government. An important learning is that our approach requires a long game. Unlike capital projects, much of the Delta work does not have a clear finish line. This includes helping strengthen nonprofit organizations to survive and thrive and working with communities shaped by decades of unequal practices that excluded entire populations.

*These are some of our central learnings and how we're responding:*

### NORTHWEST ARKANSAS

#### Equal access to quality schools and jobs, housing, and transportation

#### Policy changes are fueling some of our initiatives and hampering others.

Significant education policy changes in 2023 support Home Region priorities like early literacy, teacher effectiveness, school choice, and career readiness. However other priorities such as teacher diversity and culturally inclusive teaching practices are limited by policy changes.

##### How we're adjusting

We're supporting policy implementation in local schools to enhance educational quality and equity. Because of these new policies, we're focused on creating more opportunities for underrepresented students, ensuring they can access and succeed in high-quality schools. Additionally, we're investing in innovative programs that aim to improve student well-being, foster positive school cultures, strengthen community connections, and leverage technology effectively in education.

#### Investing in large-scale systems change requires patience and long-term commitment.

The challenges with the region's housing affordability and transportation options can't be solved overnight, as they are part of a complex network of civic infrastructure. Over 150 new affordable housing units are under construction, but thousands more are required to meet the need. The foundation continues to test new financing models and partnerships, invite mature nonprofit housing developers to the market, and explore best practices in policy and land use to drive greater impact.

##### How we're adjusting

We are learning how to best use philanthropic dollars to develop partnerships with organizations that bring housing development and transportation expertise to the region. With experience, we better understand how to solve for regulatory hurdles while delivering high-quality, mixed-income housing development. In addition to building up the capacity of local nonprofit housing developers to deliver new housing units that are affordable to working families, we also supported the launch of Groundwork, an organization raising awareness of affordable housing challenges and advocating for solutions throughout Northwest Arkansas.

**Foundation-funded research on Career Technical Education (CTE) pathways found that low-income students have less access to CTE programming than higher-income peers. It also revealed a significant gap between the focus of CTE training and the skills and occupations employers are looking to fill.**

Our strategy initially focused on continuing support for a few existing, successful K-12 career pathway programs and starting new reskilling programs for adults.

<p><b>How we're adjusting</b></p>	<p>Based on the research findings, we are now exploring grantmaking that can support workforce training that better meets the needs of local employers. There is notable community support for career readiness programs from industry, schools, and students. This creates a significant opportunity to work toward a regional solution to these issues to better equip students for high-quality jobs.</p>
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**Emerging leaders from diverse backgrounds and strengthening nonprofit organizations**

**We heard local entrepreneurial support organizations in Northwest Arkansas were not serving minority groups well.**

<p><b>How we're adjusting</b></p>	<p>In response, we supported several initiatives from outside Northwest Arkansas. Most of these initiatives produced encouraging results in pilot phases because of hiring local staff or partnering with local organizations to implement a customized program to meet community needs.</p>
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**In our leadership development programs, we learned that professional groups were already providing leadership development opportunities.**

The pool of high-potential professionals is finite, and there are many organizations (including the region's major private sector employers) already trying to reach them and cultivate them as leaders. These individuals only have so much time to put toward leadership development, and navigating how to support them without overburdening them with training has been a challenge.

<p><b>How we're adjusting</b></p>	<p>We have shifted to focus more on supporting leadership development earlier in the pipeline, particularly high school students.</p>
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# THE DELTA

## Education and youth engagement and economic asset building

**In small communities, economic development remains challenging with the departure of local residents from the Delta region.**

<p><b>How we're adjusting</b></p>	<p>Since the Delta region is a broad geography with shared challenges, we are focusing on bringing multistate coalitions together to leverage talent, networks, and learning in support of regional opportunities, while also sharing stories of success. We are acting as trusted facilitators for other funders who want to invest in the region. We are engaged in broader outreach than we have in the past, including attending national philanthropic conferences to highlight the promising economic work that is happening.</p>
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## Coalition and capacity building

**A priority for this strategy is establishing closer relationships with the region's underrepresented communities, which has required new partnerships and approaches.** We have learned that many of these organizations are smaller or have more limited capacity so helping them grow quickly, in part to take advantage of foundation and federal funding, has been difficult. This is in part because the region has few organizations that can provide such support to small nonprofits.

<p><b>How we're adjusting</b></p>	<p>In response, we brought in national organizations with track records of working well with local partners.</p>
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# Questions We're Thinking About as We Look Ahead

*How can we nurture a dynamic and diversified economy by addressing workforce ecosystem gaps and supporting entrepreneurs in order to provide good jobs and career opportunities, cultivate skillsets in the current and future workforce, and enable residents to reach their fullest potential and contribute to regional growth?*

*How can we support local communities in planning and implementing new physical and social infrastructure to foster vibrant and inclusive places during a period of regional growth?*

*With a growing coalition of funders, how can we accelerate opportunity in the Delta, including in the areas of education and youth engagement, and economic asset building for individuals and families?*





## Environment

The Environment program seeks to protect rivers, oceans, and the communities they support. Our primary focus is on North America, specifically the Mississippi River and Colorado River Basin, but we also work on improving fisheries around the world that supply the North American market.

### OUR 2021—2025 STRATEGY

Our foundation's focus on the environment grew out of Sam and Helen Walton's deep connection to the outdoors. Our founders passed down their love of hiking, camping trips, and visiting national parks across the country to their children and grandchildren. With the family's commitment to protecting and restoring the environment as a starting point, we felt we could make the biggest impact through protecting water resources. Throughout our approach, an enduring theme is the importance of Earth's resources as a connection between people and nature.

Our work spans both fresh water and ocean ecosystems. In the freshwater program, we partner with farmers, businesses, conservation organizations, and communities to reduce pollution and conserve water in rivers and streams. Through our Oceans program, we work with communities, businesses, and environmental organizations to prevent overfishing, and ensure that enough fish remain in the water for future generations while protecting community livelihoods.

As we began planning our 2021-2025 strategy, we could see considerable progress from philanthropic investments in sustainable seafood practices, water conservation in the Colorado River Basin, and planting cover crops to decrease nitrogen runoff in the Mississippi river, among other areas. At the same time, we understood that the effect of climate change could eclipse our gains.





Climate change directly impacts access to safe and available water. It causes more extreme temperature and weather, such as droughts and floods. It triggers more nutrient runoff into water and brings more algal blooms that harm the ecosystem. Climate change is also heating up and acidifying the oceans, which threatens fisheries and the communities that rely on them.

Some of the challenges facing our work include the significant stress that agriculture places on water resources and ecosystems. Agriculture is responsible for 78% of water pollution in rivers and oceans, and 70% of freshwater withdrawals. A growing worldwide population and demand for protein will exacerbate the impacts of agriculture on water. While the U.S. has dramatically reduced overfishing in domestic waters, many fisheries worldwide remain poorly managed.

Nature, meanwhile, has solutions to our changing climate, and we would do well to learn more about them.

**With this backdrop, the strategy for the Environment program focuses on sustainable fisheries and improving water quality and availability through climate-resilient approaches and water resource management.**

The current strategy is different from previous ones in that for the first time, we are responding directly to the impacts of climate change on water resources. More specifically, we are supporting grantees to lead the way on how we can protect and restore rivers and oceans so they can be more resilient to climate change.

We've also increased our efforts to engage with communities that are located closest to the places suffering the worst of environmental degradation in our geographies. Additionally, we are placing further emphasis on ensuring diverse voices are represented and influential in environmental work. Environmental decision-making has a poor track record of including historically marginalized voices. In this strategy, we seek to directly fund organizations that represent these voices and others that have not received support in the past.

Finally, in the past our Mississippi River, Colorado River, and Oceans work was largely separate from one another. With the three unified principles of championing community-driven change, prioritizing diversity, equity, and inclusion, and collaborating with partners, we are working together more closely to share what we are doing in each initiative and learn from one another.

*To reach our goals, funding has focused on four areas:*

## DRIVE INNOVATION THROUGH NATURE-BASED SOLUTIONS, TECHNOLOGY, AND DATA

*We believe that:*



If we test innovative approaches to water and fisheries management, including technology, data, and nature-based solutions (i.e., harnessing the power of ecosystems to benefit people, nature, and the climate) then these practices and tools can expand to more places and people by using markets and policy.

## PROMOTE MARKET SYSTEMS FOR SUSTAINABILITY BY INCREASING THE DEMAND AND BUILDING THE SUPPLY

*We believe that:*



If companies increase their demand and incentives for sustainably produced seafood and agricultural products then fishers and farmers will see the demand and adopt more sustainable practices while also getting an economic benefit. When fishers and farmers adopt sustainable practices, it leads to sustainable fisheries and improved water quality and watershed health.

## PROMOTE IMPROVED WATER QUALITY AND AVAILABILITY

*We believe that:*



If local, state, and federal policies provide incentives for nature-based solutions, climate-smart agriculture, and improved fisheries and water management then companies, fishers, and farmers will be more likely to employ practices that have environmental benefits.

## SUPPORT ORGANIZATIONS REPRESENTING COMMUNITIES MOST AFFECTED BY ENVIRONMENTAL CHANGE

*We believe that:*



If we increase funding to and build the strength of those most affected by environmental change, then we will see long-lasting results that will continue beyond our investments.



## Progress We're Seeing

We are seeing progress in the face of continuing climate change. That includes groundbreaking for the country's largest natural infrastructure project and the most significant consultation in history between the federal government and Tribes in the Colorado River basin on river management.

Here are some examples:



### DRIVE INNOVATION THROUGH NATURE-BASED SOLUTIONS AND TECHNOLOGY AND DATA

- We were an early funder of OpenET and what has become Regrow Agriculture. Both technologies use the best available science and data to solve a previously daunting problem: how to understand changes in resource use over an extremely vast landscape. While these two organizations have different business models, both use satellite data to efficiently synthesize changes over time and provide those data to decision-makers.
- In particular, OpenET uses satellite imagery to give water managers and water users information about how much water their agricultural crops are consuming so that they can manage their land and water resources more effectively. OpenET data gives farmers information on when they are irrigating their fields with too much or too little water. This tool provides faster, more accurate, and less expensive information so that they can better manage in real time—reducing water waste and costs for farmers and helping to leave more water in the river for fish and wildlife.

## ENVIRONMENT'S PROGRESS ON UNIFYING PRINCIPLES



### CHAMPION COMMUNITY-DRIVEN CHANGE

In the Baja Peninsula, Mexican fishers are addressing illegal, unreported, and unregulated fishing. The Buzos and Pescadores cooperative operates three satellite radars to monitor waters with valuable resources like abalone and red lobster. By curbing illegal fishing, fishers help sustain fish stocks and support local livelihoods in Mexico.



### PRIORITIZE DIVERSITY, EQUITY AND INCLUSION

Underrepresented communities bear the brunt of climate change and environmental degradation yet often lack a voice in the environmental movement. Anthropocene Alliance supports leaders, especially from these communities, empowering them to engage in public processes starting locally.



### COLLABORATE WITH PARTNERS

Historically, Tribes have not been included in critical decisions on Colorado Basin river management. To give Tribal leaders a voice in future water and river management, we fund the Tribal Water Initiative, fostering connections among Tribes and key partners in the Basin.





## PROMOTE MARKET SYSTEMS FOR SUSTAINABILITY BY INCREASING THE DEMAND AND BUILDING THE SUPPLY

- Most major companies have made commitments to buying fish from sustainable fisheries but there is more work to be done to move from making commitments to improving fisheries management in the water.
- Companies in the fisheries industry are working together to advocate for and support sustainable fisheries and tackle shared challenges, such as resource sustainability and regulatory compliance. By working together, they can develop industry-wide solutions that benefit the sector as a whole and drive broader progress toward sustainability.



## ADVOCATE FOR POLICIES THAT PROMOTE IMPROVED WATER QUALITY AND AVAILABILITY

- We are seeing the federal government increasingly support nature-based solutions as a way to increase resilience for water resources and for communities.
- With funding from the federal Inflation Reduction Act, the Bureau of Land Management announced \$28 million for conservation and restoration on public lands. Of that, \$18.8 million is going to our grantees The Nature Conservancy and Trout Unlimited to implement large-scale restoration projects on and along the Colorado River.
- We have reason to be optimistic that climate-smart practices like cover crops are poised to move beyond early adopters, buttressed by recent federal investments and corporate commitments. Demonstration projects we have funded to show how cover crops decrease nitrogen runoff are yielding broader interest. The USDA's \$3.1 billion investment in climate-smart commodities is expected to result in cover crop increases over the next several years. Additionally, policy improvements mean that some farmers adopting cover crops can receive discounts to their crop insurance, which increases the incentive and encourages new adopters.
- For the first time, in 2023 the federal government set up a process to meet regularly with all 30 federally recognized Tribes, and all seven states in the Colorado River Basin to discuss the future of the Colorado River. The rules governing the Colorado River Basin expire in 2026 and this will be the first time that Tribes will have this kind of coordinated and substantive input into how the Colorado River is managed. This is a monumental step for the federal government and the basin states to include Tribes at the decision-making table. We have been funding capacity of Tribal nations so that they can advocate for their interests, and this approach has seen some success.



## SUPPORT ORGANIZATIONS REPRESENTING COMMUNITIES MOST AFFECTED BY ENVIRONMENTAL CHANGE

- More than one-third of our budget now reaches community-based organizations, an increase from less than 10% of funding in the past.

## What We’re Learning and Where We’re Making Adjustments

Since we started this strategy, we have had some huge, unexpected challenges as well as successes. Recent Supreme Court rulings have the potential to drastically curtail decades of wetlands protection. Wetlands are nature’s sponges. They help mitigate both droughts and floods by absorbing water and releasing it slowly while treating the water by removing pollutants like nitrogen and phosphorus. Meanwhile recent federal funding has dramatically increased money available for water resiliency. We need to find new potential avenues to protect wetlands and a role in helping small organizations take advantage of this important source of funds.

*How we’re responding to major changes in the context of our work:*

### Promote efforts that improve water quality and availability

In the U.S., recent and pending Supreme Court decisions have significant implications for the success of freshwater and oceans protection and restoration opportunities. The 2023 Sackett vs. EPA decision especially threatens wetland restoration and protection efforts. It paves the way for private landowners to fill in or otherwise destroy wetlands that had been regulated by the Clean Water Act.

This decision leaves 60 percent of all wetlands unprotected and has an enormous impact on water quality and quantity. It significantly threatens progress on the foundation’s priorities to increase wetland acres.

How we’re adjusting

We are pivoting to work in states with a broader focus on restoring water protection. We are increasing awareness about the threat to the wetlands, as well as the importance of wetlands for resilience to drought, water quality, and for coastal communities.

### Support organizations representing communities most affected by environmental change

The Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA) provided a large and unexpected source of funding, but that funding could potentially bypass smaller community-based organizations with low capacity to access these funds.

How we’re adjusting

We are working with organizations in communities traditionally left out of such opportunities to help them take advantage of this time-limited funding.

For example, we are helping them to prepare “shovel-worthy” projects that can demonstrate the effectiveness of nature-based solutions to combat the effects of climate change. Shovel-worthy projects are those that have the potential to demonstrate the value of new approaches but may need support to go through planning and permitting and secure funding to proceed.

## Drive innovation through nature-based solutions and technology and data

Climate change is no longer a future threat; many parts of the world are experiencing the effects today. The Colorado River Basin is in the midst of a two-decade mega drought making the climate hotter and drier. Because of this quickening crisis, the federal government required Colorado River states to conserve up to 4 million acre-feet of water and provided billions of dollars to do so. This included providing \$4 billion to the Bureau of Reclamation (an agency in the U.S. Department of the Interior that oversees water resource management) to combat drought in the Colorado River Basin, particularly in the Lower Basin.

How we're adjusting

With the federal government addressing our goal of reduced water use in the Colorado River Basin, we shifted our energy to improving watershed health and protecting flows in rivers on public land managed by the Bureau of Land Management, which oversees about 60% of the land in the Western United States.

## Promote market systems for sustainability by increasing the demand and building the supply

After more than a decade of progress in helping secure sustainable fisheries commitments, we are seeing the impact of supply chain commitments slow. Part of the reason is that Marine Stewardship Council (MSC) certifications have primarily reached large-scale fisheries, many of which were already many of which were already well managed. But global production is split equally between large and small-scale fisheries. The latter are more concentrated in the Global South, have less support to change practices, are often not managed, and require more individuals to change behavior (i.e., millions of fishers vs. dozens of fishing companies). In addition, large companies that have made commitments on seafood and other environmental metrics may think their work is done but warming waters are adding new threats to species and fishing communities.

How we're adjusting

We are adapting by looking for opportunities to connect to what we call the three Cs: climate, community, and calories. By that we mean, help improve collaboration among funders and organizations working on creating climate-resilient food systems to show how sustainable fisheries can be part of the solution. We are also partnering with local community organizations to understand the incentives that will make a difference to small fisheries and focusing on the fact that these fisheries can continue to provide healthy food to people around the world to address hunger while also improving ocean health.



# Questions We're Thinking About as We Look Ahead

*What role can we play to ensure that this once-in-a-generation influx of federal funding will be implemented well and accessed by organizations that are connected to communities?*

*How can we increase adoption of nature-based solutions in all the places that we work to help long-term ecosystem health and resilience?*

*Why are we seeing less progress in our work to promote and implement corporate commitments and what does that mean for our future work?*





## Education

The Education program envisions a country where all children, especially those most in need, are thriving academically and socially and are supported in finding their unique path to the careers and lives they choose.

### OUR 2021—2025 STRATEGY

Our focus on education stems from an abiding belief in Sam and Helen Walton's ideal that there is no limit to what people can accomplish with opportunity and encouragement. We seek to put the American Dream within reach for more children by increasing access to a high-quality K-12 education.

Over the last three decades, we've witnessed incredible advancements made by our grantees and partners: creating thousands of high-quality schools and educational experiences, enacting student-centered policies, developing and supporting classroom teachers and school leaders, and helping families be champions for their children's futures. While meaningful progress has been made, our K-12 education system still tolerates an uneven distribution of resources, which for many children exacerbates downward mobility. Far too many students, especially those most in need, lack access to the education and experiences that propel upward mobility. This is the fundamental challenge that inspires our work.

As our 2021-2025 strategy was launched, COVID-19 coursed through towns and cities across America. The pandemic cast the urgency of our efforts in a new light. Classrooms shifted to remote learning, students lost access to basic services and resources, and the community and stability that so many families rely on from schools was disrupted. It became clear that our school system was entirely unprepared to meet the moment of the pandemic. The disruption exposed significant disparities in the quality of education and support students received.



A few years later, we continue to learn more about the long-term effects of COVID-19 on youth. Research supported by the foundation provides critical insights. Students fell months behind academically, with even greater losses for students in low-income communities and students of color. Today, we know the pandemic erased two decades of progress in reading and math, more students than ever are chronically absent from school and anxiety, depression, and stress are widespread. The negative implications of learning loss could follow young people for the rest of their lives, affecting how much money they make, their mental health, and their relationships.

Engaging with new and longstanding partners, we heard overwhelming agreement that this was a moment to push forward to reimagine education – to be more personalized, relevant, and rigorous. More than 75% of teachers said they planned to change the way they teach as a result of the pandemic. Two-thirds of parents think schools are not preparing students to be adaptable and resilient in a rapidly changing world. Most Gen Z middle and high school students say their schools do not prepare them for the workforce.

Shocking learning loss and renewed energy to reimagine education created an opportunity to accelerate support for new interventions and innovations in schools, districts, and states. Alongside our partners, we are working to address pandemic learning loss while investing to create long-term education change.

Our vision in 2021-2025 has been to increase access to high-quality K-12 education that puts opportunity and a self-determined life in reach for children, especially those most in need.

*To achieve this vision, our funding has focused on three areas:*

1. INCREASE ACHIEVEMENT AND OPPORTUNITY FOR STUDENTS

*We believe that:*

- Education is the engine of opportunity and a child’s best chance at achieving the American Dream. More children need access to great schools.

2. FOSTER COALITIONS TO ADVANCE K-12 POLICIES THAT SUPPORT THRIVING YOUTH

*We believe that:*

- Well-designed policies and strong policy implementation will create conditions so more young people have a promising educational future.

3. ACCELERATE BREAKTHROUGH INNOVATION TO ADDRESS CRITICAL CHALLENGES IN EDUCATION

*We believe that:*

- When educators have access to high-quality instructional materials and rigorous teaching tools, they can more effectively support student learning, maximize their time, and strengthen teacher-student relationships.



## Progress We're Seeing

Students, teachers and school leaders, families, and education entrepreneurs are lighting the path – showing how progress is possible. They are adapting and evolving to accelerate learning and create better conditions for youth.

Here are some examples:



### INCREASE ACHIEVEMENT AND OPPORTUNITY FOR STUDENTS

#### Charter Schools

- Since the beginning of 2021, foundation grants helped start 278 new, high-quality charter schools. This work relied on deep partnerships with organizations including Charter School Growth Fund, City Fund, KIPP Public Schools, NewSchools, and Building Excellent Schools.
- The Equitable Facilities Fund, a nonprofit social impact fund launched in 2018, reached an important milestone: distributing \$1 billion in loans to 156 public school campuses in 19 states serving more than 70,000 students.

#### Communities

- In the earliest days of the pandemic, we provided educators with resources they could flexibly use to best meet the needs of students. These COVID-19 investment funds reached more than 800,000 children and 35,000 households
- We are piloting a Community Funding Accelerator (CFA) to help communities apply for competitive federal grants to address K-12 education challenges for students most in need. More than 25 communities applied for \$320 million in federal funding to redesign high schools, expand STEM programs, and increase career pathways. With CFA's support, the DC Office of the State

## EDUCATION'S PROGRESS ON UNIFYING PRINCIPLES



### CHAMPION COMMUNITY-DRIVEN CHANGE

The parent-led local nonprofit Oakland Reach addressed gaps and learning loss in the earliest days of the pandemic through tutoring, enrichment activities, and programming for whole families. Today, in partnership with the local district, their offerings have grown in both size and reach. Now, Oakland Reach helps community-based organizations across the country adapt its model to serve local needs.



### PRIORITIZE DIVERSITY, EQUITY AND INCLUSION

Teachers recruited, trained and supported by our grantees are 4X more diverse than national averages. This means that students of color have more access to educators and leaders who share their backgrounds and experiences – a key factor in increasing student achievement.



### COLLABORATE WITH PARTNERS

Since 2021, 60% of Education program grantees are new partners. These partners are educators launching new schools, entrepreneurs developing new learning tools and local leaders establishing intermediary organizations to best serve their communities. We are learning from their expertise and experience, given their proximity to both the challenges of their constituents and the solutions with impact.



Superintendent of Education received \$4.1M to grow the District’s Advanced Technical Center, offering dual-credit courses in industries such as healthcare and cybersecurity. In the next five years, more than 1,400 students are expected to take part in the program. Communities in Colorado and Indiana will receive millions of dollars from the US Economic Development Administration to implement regional economic growth plans that include giving more students access to high-quality, career-connected learning experiences.

### Reinventing High School

- In cities, rural communities, and everywhere in-between, students need better pathways to the careers of the future, and to secure and fulfilling lives. Catalyze Challenge, a grants program supported by the foundation and many other education philanthropies, invested in more than 60 career-connected learning models, providing resources and technical assistance for these organizations. As a result, more than 60,000 students will explore jobs and careers during their K-12 education. With support from Catalyze Challenge, New Orleans-based Collegiate Academies created the Next Level NOLA initiative, a program that will help high school seniors graduate with an average of 21 college credits and 165 hours of work-based learning.





## FOSTER COALITIONS TO ADVANCE K-12 POLICIES THAT SUPPORT THRIVING YOUTH

- Grantees executed awareness, education, and advocacy campaigns to ensure resources reached the schools, teachers, and students in their communities most in need as the impact of COVID spread. Policies adopted in Alabama are designed to increase access to evidence-based reading instruction. Tennessee expanded tutoring services. In Indiana and Florida, students will have stronger literacy instruction, including more reading coaches.



## ACCELERATE BREAKTHROUGH INNOVATION TO ADDRESS CRITICAL CHALLENGES IN EDUCATION

- We have supported thousands of new tools and solutions to address pandemic learning loss, improve literacy and math learning, and personalize classroom instruction. One such solution is Magpie Literacy, a technology-enabled curriculum and tools to enhance K-8 literacy instruction. Educators that use Magpie Literacy can deliver high-quality instruction in areas like decoding and phonics, and have more time to personalize learning for unique student needs. With only a third of 4th graders reading at grade level, putting more high-quality tools into the hands of educators is critical.
- Leaders in 13 states adopted or are incorporating high-quality curricula, which in turn gives educators in 37,000+ schools better materials and resources to accelerate student learning.





## What We're Learning and Where We're Making Adjustments

Our 2021-2025 strategy provided an aspirational and flexible framework to meet the moment, but naturally a few areas of our grantmaking are evolving.

*These are some of our learnings and how we're responding.*

### Increase achievement and opportunity for students

Less than half of Gen Z students say their schools provide practical opportunities to prepare them to enter the workforce. Only 44% report feeling prepared for their future. If our K-12 schools were providing all young people what they uniquely need, this would not be their reality.

It's not the reality at Alabama Aerospace and Aviation High School, where students can graduate with professional certificates like Aviation Manufacturing along with college credits. It's not the reality at Nurses Middle College in Rhode Island, where juniors and seniors work as medical assistants and earn college credits for their nursing degrees. And it's not the reality at Comp Sci High in the Bronx, where students pick a "major" in high school with options like computer science and graphic design.

These high schools prioritize career exposure and skill building so graduates are prepared for the next step, whatever that may be. Given Gen Z's appetite for real-world, engaging learning experiences, we believe more young people should have access to schools like these.

#### How we're adjusting

With a better understanding of the challenge and solutions, we are supporting partners who have ideas about how to reinvent high school. Our goal is to expand access to meaningful, rigorous academic and work experiences that help young people improve their futures.



## Foster coalitions to advance K-12 policies that support thriving youth

Important policies have been enacted to address learning loss, but implementation of these policies remains challenging.

### How we're adjusting

We are dedicating more resources to policy implementation at a moment when – more than ever – there is need for effective, large-scale solutions and academic interventions to improve education.

## Accelerate breakthrough innovation to address critical challenges in education

New approaches in education – such as advances in artificial intelligence (AI) and the adoption of more collaborative staffing and teaching models – present unique opportunities as the demands placed on teachers, and the needs of their students, have grown. Consider that 75% of teachers report actively integrating new technologies into their classrooms to enhance learning. Nearly 50% report using AI for their jobs at least weekly. More than 70% express a desire for more collaborative and dynamic work environments.

### How we're adjusting

It is more important than ever to get the right tools in the hands of educators at scale. That is why we are making grants to create solutions to help teachers be more effective and efficient, while providing more personalized learning experiences for students. Organizations like Khan Academy are already realizing this vision for thousands of educators across the country. We are also supporting implementation efforts to ensure these academic interventions and improvements can be embedded and sustained in classrooms.





# Questions We're Thinking About as We Look Ahead

*How can high school be reinvented to help more young people thrive – academically, socially, and financially – in their future?*

*What more can we do to support bold state leaders to harness policy and align resources to accelerate learning?*

*In what ways can we ensure teachers have the tools to most effectively support student learning?*

*What role can technological advancements play in providing additional support to students in need?*





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