Think Differently!

Securing Sustainable Funding for Expanded Learning Programs

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Whether your program reaches its potential depends on two things: The extent to which it achieves a high level of quality and the degree to which it becomes financially sustainable. The stakes are high. The outcome depends on your ability, and willingness, to think more strategically, work more collaboratively and act more intentionally than ever before.

Based on 26 years of experience working with hundreds of expanded learning programs and emerging public/private partnerships, I've learned what works and what doesn't. This article offers a step-by-step approach to securing balanced, diversified and sustainable funding. It's fiscally prudent, socially responsible and politically sound – and it has a proven record of success in urban and rural communities throughout the United States.

STEP 1: THINK DIFFERENTLY! The value of your program may be obvious to you and to everyone else who's directly involved with it – but it may not be at all clear to anyone else. People see the world through the lens of their past experiences and perceptions, and the concept of comprehensive expanded learning programs is still relatively new.

Say the words *afterschool program* and you'll elicit a lot of different images – and they'll come up short of what your program is really doing and the impact it's really having. Talk to folks about what your program does, how it's structured, how many hours it operates and what activities are offered, and their eyes will glaze over. Tell them about the difference it's making and the impact it's having, and they'll want to learn more!

It's up to you to intrigue people, not just inform them!

For starters, your program provides children with a safe environment during the hours they're most at risk – and it helps students improve their academic performance and strengthen their social and emotional skills. It offers young people opportunities and experiences that would otherwise be prohibitively expensive. It reconnects neighborhoods with schools. And it helps parents become better partners in their children's education.

These are incredibly important and undeniably valuable, and they make outstanding message points. But they still don't speak loudly or clearly enough. And they don't set your program apart from what other organizations in your community may be doing – or people think they are doing. What will get people's attention is the financial impact your program is having and the tangible benefits it's providing. Your program almost undoubtedly:

- Brings millions of dollars of outside funding into cities, counties and school districts and generates millions of dollars in cost-savings,
- Contributes to local economies by creating hundreds of jobs and increasing workplace productivity for parents who children and enrolled,
- Saves low-income families millions of dollars in childcare expenses and contributes to their financially self-sufficiency; and
- Produces a 1,000 percent or more return on investments.

This is huge! And it's overlooked all the time. If you've missed the opportunity to share these things about your program, don't let it be a lost opportunity. Follow the steps below and you'll be well on your way to securing the funding you need to support both the quality and sustainability of your program.

STEP 2: DETERMINE HOW MUCH REVENUE YOUR PROGRAM HAS GENERATED. It's likely that your program has brought millions of dollars into your community. It's up to you to determine the actual amount. Start by adding up the numbers for each year your program has been in existence. For example, if your program began five years ago and you've had California's Afterschool Education and Safety (ASES) funding for 10 sites all of these years at $112,500 per site and 21st Century Community Learning Centers federal support for four years at $50,000/year, you've already brought more than $7.6 million into your community.

Combine this with any other outside federal, private foundation and/or corporate grants you may have secured and the bottom line will be considerably higher. These are dollars that would not otherwise be available locally – and they count in a big way!

Depending on the size of your program, the length of time its years of operation and the sources of external funding you've secured, it's extremely unlikely that other organizations serving students during the out-of-school time hours have made this kind of money available to your community. Since public expenditures are a matter of public record, it's easy enough to find out. It's important to use this information to demonstrate that your program is exceptional in its ability to *generate* revenue.

This money has provided concrete benefits to your community in many ways, two of which should be documented. First, calculate the approximate total number of students who have been *enrolled since the time your program began*, no matter how long they attended. The number will undoubtedly be much larger than you thought. Second, if you began with five sites and now have 20, that's a 400 percent increase. You've provided invaluable services to an *increasing* number of low-income children and their families at little or no cost to local taxpayers. Summarize the information you gather in this way:

Over the last five years, our program has brought millions of dollars into low-income neighborhoods in our community and made a difference in the lives of more than 10,000 children and their families.

STEP 3: IDENTIFY THE COST SAVINGS TO SCHOOLS. Everyone in your community is concerned about the quality of education, attendance during the school day, student academic performance and dropout rates – especially in high poverty areas and low performing schools. It's more important than ever for you to identify the ways in which your program is contributing this. In an increasing number of cases, principals are crediting expanded learning programs with making a real difference in helping their schools and districts achieve their goals.

Determine how much improvement has occurred by accessing student attendance school dropout records at the school sites where your program is located. Increased attendance can amount to tens of thousands of dollars or more annually, as can a decline in students dropping out of school. If you haven't done so already, survey principals, classroom teachers and parents about student attendance, grades, dropout rates, enthusiasm for learning, acquisition of 21st Century skills and behavior. Depending on what you discover, summarize your findings in the following way:

Three-quarters of the students in our program are attending school more regularly, performing better academically and acquiring the skills they need to succeed in school and in life.

Most education research shows that students who are not appropriately fluent English-language readers by the end of the second grade have serious literacy challenges as adults. The additional support provided in your program helps them develop and strengthen their skills more quickly than would otherwise be possible. If you have a significant number of English Language Learners at your sites, work with principals, teachers and academic coaches to determine the contribution your program has made.

In addition to the educational benefits your program is providing, it's also likely to be contributing to significant cost savings through a reduction in school vandalism. It's important to find out what these savings are since they can have a serious financial impact. And one incident of serious vandalism can cost districts well over what it costs your program to operate for a year. Work with district and site officials to identify the actual figures to the extent possible.

STEP 4: IDENTIFY THE FINANCIAL BENEFITS TO YOUR CITY. The financial well-being of your city depends on several factors, not the least of which are employment opportunities, workplace productivity and the availability of affordable childcare. Unemployment negatively impacts the tax base and increases demands on social services. Your program is helping to counteract this by providing jobs that would not otherwise be available. Bringing employment opportunities into your community matters.

There are two ways to demonstrate the impact of your program on employment. If your program has expanded over the years, calculate the number of jobs that have been created since its inception. If you began with three sites and 20 staff, and now have 25 sites and 200 staff, this is a huge increase. The greater the number of sites, the larger the impact on your community's economic vitality. Next, review your records and add up the *total* number of individuals who have worked in your program in any capacity since it began, no matter how long they stayed with you. You may be surprised at how large this number is – and pleased to note that this is the only time that staff turn-over can work to your advantage! Depending on what you find, summarize the data in this way:

Since 2010, our program has providing meaningful employment for more than 2,200 community members.

Next, calculate the impact your program is having on workplace productivity – a leading indicator of local economic vitality. A number of surveys show that productivity increases and absenteeism decreases when children consistently attend afterschool programs. There's a simple explanation: When parents don't spend their time worrying about where their children are or what they're up to, they're much more focused on their work and much less likely to take time off to deal with emergencies. This contributes to the bottom line in every workplace environment.

Assessing the impact of your program in this area is easier than you might think. It can be done through a one-line questionnaire that takes just a minute to administer to a random sample of employed parents or other primary caregivers when they pick up their children at the end of the day.

A yes or no answer to the following question will give you the data you'll need to make the connection between your program and workplace productivity: *I've gotten more done at work since my son or daughter has been in this program.* Typically, the response is overwhelmingly positive. Use the information you get to support a statement like this:

Ninety-eight percent of the parents of the students in our program report that they are more productive at work during the afternoon hours.

It's equally important to identify childcare cost savings. One of the greatest challenges to employment is the prohibitive cost of childcare. If your program is offered free of charge, which it probably is, it can eliminate this barrier. Childcare expenses average between $3,500 and $4,500 a year for school-age children. Although it's obvious that low-income families are not in a position to incur these kinds of costs, it's also clear that free childcare makes it possible for single parents, and women in particular, to enter and remain in the labor force, build their personal and professional skills and become financially self-sufficient.

In tough economic times, the importance of free childcare as a means to employment is all the more critical. Beyond this, the childcare savings that accrue to low-income families increases their discretionary income – most of which is spent in local neighborhoods and contributes to local sales taxes.

To determine the approximate savings in your community, multiply the number of students who have been enrolled in your program by the average cost of school-age childcare. For example, if your program has had 10 sites serving 100 students each for the past five years the calculation looks like this: 1,000 students x 5 years x $3,500/year (the annual childcare cost) = $17.5 million. Once you've determined the actual amount, summarize it in the following way:

By offering our program free of charge, low-income families have benefited from more than $17 million in childcare savings, and many have been able to enter and remain in the workforce.

Once you've done this, look at the cost savings that result from decreases in juvenile crime, gang involvement and other negative and costly behaviors. Students enrolled in your program are undoubtedly learning to make better choices, solve problems more effectively, become more successful in school and focus more on their future. As this happens, the likelihood that they will become involved in gang and other activities that can lead to juvenile crime and incarceration measurably declines. While your program isn't the only answer to these problems, it clearly makes a difference.

The average public expense incurred from the time a crime is committed by a young person to the end of a one-year incarceration in a juvenile detention hall is $70,000 – or 40 to 50 times more than what it costs for the same child or young person to attend your program for a year. If your program keeps just two or three young people from entering the juvenile justice system, it will more than pay for itself in the short-term and save your community countless dollars over time.

Find out what the actual costs are in your own community and work with sheriffs' and police departments, district attorneys' offices and other law enforcement agencies to determine the impact your program is having on reducing juvenile crime. Summarize your findings in this way:

Since our program began, juvenile crime and gang involvement in the neighborhoods where our sites are located has dropped by 18 percent and saved our community millions of dollars.

STEP 5: DETERMINE THE DIFFERENCE YOU'VE MADE IN YOUR COUNTY. Students in your program are also much less likely to be become involved with substance abuse, tobacco use and sexual behavior than are their peers. According to the U.S. Department of Health and Human Services, most children make up their minds about whether to engage in drugs, alcohol, tobacco and vaping use by the time they're nine years old. Middle school sexual behavior has increased dramatically in the last few years and all too often results in teen pregnancy, sexually transmitted diseases and long-term psychological problems. All of these behaviors contribute to significant costs to counties and many can be prevented.

If nothing else, your program seriously limits the opportunities students might otherwise have to engage in these activities. More importantly, it's helping children and young people acquire the skills, self-esteem and self-confidence they need to make choices that support rather than hurt their health and well-being.

Talk to principals, counselors and teachers and conduct student and parent surveys. The chances are very good that the behavior of at least some of the students attending your program has dramatically improved and that the risks have greatly declined. Summarize what you find in the following way:

Students in our program are making healthy choices that are contributing to a decrease in substance and tobacco use and sexual behavior and saving taxpayers hundreds of thousands of dollars.

Keep in mind that children and young adolescents who are unsupervised between the time school is out and 6:00pm aren't just more likely to become engaged in inappropriate behavior, they're also disproportionately likely to be *victims* of crimes and accidents. The greater the number of students who participate in your program, the fewer will be placed in harm's way – another reason to enroll as many students as possible!

While safety is obviously the most important factor, cost savings shouldn't be overlooked. Hospital and emergency room visits, child protective services interventions, counseling sessions and other services run up taxpayer expenses in a big way – especially when a large percentage of low-income families are uninsured or underinsured. Evidence for this can be obtained from county offices and parent surveys. Use it to make your case.

Equally importantly, the American Academy of Pediatrics reports that overweight is the most common medical condition in six to 11 year-olds – and getting worse. Poor nutrition and sedentary lifestyles cause serious health problems, lower self-esteem, negatively impact student academic performance and lead to social and psychological problems.

If this pattern continues into adulthood, as it usually does, it will lead to an unprecedented rate of premature death and disability, diminished workplace productivity and serious financial repercussions for families, insurers, healthcare providers and our society. Your program is very likely to be making a difference by offering ways for students to be engaged in regular physical activity and acquire healthier eating habits. Once you've identified the impact your program is having, frame it in this way:

By helping children and young people become more physically fit and nutritionally aware, our program is helping combat the childhood obesity crisis and saving our community countless dollars in long-term medical costs.

STEP 6: SUMMARIZE YOUR FINDINGS IN AN EXECUTIVE SUMMARY. Once you've gathered as much of this information as you can, there's a lot you can do to be sure that potential funders are aware of and excited about your program and begin to see it as a go-to place for making financial investments. One of the most important tools for doing this is an Executive Summary. Although this is often thought of as an abbreviated form of a longer document, it doesn't have to be – limit what you write to one page if possible, and two pages at most.

An Executive Summary is very different from a newsletter or an annual report. It's not about describing your program – it's about powerfully and succinctly conveying the impact your program is having in areas that are the most important to community leaders who have a wide circle of professional and personal influence, and to potential grantmakers who want to know that your program is really making a difference.

The easiest way to approach writing this document is to focus on key message points. Begin with a powerful introductory paragraph and then use the message points highlighted earlier as the topic sentences for each subsequent paragraph. Tailor the examples below to reflect the evidence you uncover and follow each one with three or four sentences that are captivating enough to motivate the reader to want to learn more.

The first and last paragraphs should stand out – the first should capture the readers' attention and the last should make them eager to learn more. The following are examples of powerful topic sentences that have been used in programs we have worked with and that have secured significant funding as a result:

1. Over the last eight years, our program has brought millions of dollars into 20 low-income neighborhoods in our community and made a difference in the lives of more than 14,000 children.
2. Three-quarters of the students in our program are attending school more regularly, doing better academically and developing more positive social skills.
3. Since 2012, our program has provided meaningful employment for more than 600 community members.
4. Ninety-seven percent of the parents of children in our program are more productive at work during the afternoon hours.
5. By offering our program free of charge, low-income families have benefited from more than $10 million in childcare savings and been able to enter and remain in the workforce.
6. Since our program began, juvenile crime and gang involvement in the neighborhoods where our sites are located has dropped by 18 percent, saving our community hundreds of thousands of dollars.
7. The eating habits and physical activity of students in our program are improving, contributing to their health and well-being, helping our community combat the childhood obesity crisis and saving us millions of dollars in future medical costs.

Although it's likely to take time to develop this document, it will pay enormous dividends after you've completed it. Written well, your Executive Summary will serve as a boiler plate for almost all of your fund development efforts, from approaching public officials to writing grants and holding fundraising events. And, if you're like so many of the programs we've worked with, you'll be amazed by the results!

STEP 7: DETERMINE HOW MUCH FUNDING YOU'LL NEED OVER TIME. Before you can ask for funding, you'll have to determine how much you'll need – not just now, but over time. Although this may seem obvious, very few programs actually do a thorough analysis and many simply guess. Don't let this happen to you. The financial security of your program hinges on having enough money to support its *operating* costs into the foreseeable future – and the future is closer than you think!

It's up to you to systematically build a solid funding base. This should come from a variety of sources. The most important characteristics of *core* funding are that it lasts at least five years or more and it can be used to cover operating costs. If you don't already have federal or state funding, make it a priority to apply as soon as you have the opportunity.
If your program is located in California, and you have *Afterschool Education and Safety* (ASES) funding, you're off to a good start. The fact that this source is on-going is huge. Just keep in mind that it was never designed to cover all of your expenses. The real cost of developing and maintaining a high-quality program is at least a third higher, if not more.

Although additional financial support can come from a variety of sources, doing anything other than securing it in cash is almost always a serious mistake. Relying on in-kind contributions won't work because most of the real expenses in your program are in wages. This doesn't mean in-kind donations aren't important, it simply means that they should be reserved for program enhancements, not for ongoing operating costs.

No matter where your program is located, do your best to create and take advantage of the potential for creating an economy of scale. This will enable you to do more with less – something that is critically important to potential funders. There are two ways to achieve this. The first is by increasing the number of sites. The second is by increasing the number of students at each site. In both cases, doing this will significantly improve the ability of your program to meet the needs of children and families in your community *and* reduce the per capita cost for each youngster who attends.

The calculation is simple. If your program has 10 sites, serves 1,000 elementary school students and your current budget is $1.5 million, the cost per child is $1,500 a year, or just over eight dollars a day. If you double the number of sites, your program's total budget will increase, but not by as much as you may think. The cost per student is likely to be about $1,300 a year.

Economy of scale also works by increasing the number of students at each of your sites. Taking into account differences in program cost depending on location and other factors, it's likely that on average you'll need approximately $134,500 to cover the costs of a quality program at an elementary school site with 100 students that operates five days a week, at least three hours a day for 180 days. A middle school program with the same number of students will run about $180,000.

STEP 8: FOCUS ON SECURING BALANCED AND DIVERSIFIED FUNDING. To be financially sustainable, your program will have to secure funding that's balanced and diversified. A secure portfolio reflects a combination of federal, state and local sources and includes a mix of funding streams within each of these categories. Make it your goal to achieve this.

SAMPLE FUNDING SCENARIOS
Based on a recommended annual elementary school site budget of $134,500

SOURCE	SCENARIO 1	SCENARIO 2	SCENARIO 3
City	0	5,000 in-kind*	8,000
County	5,000 in-kind*	5,000 in-kind*	8,000
School District	10,000 In-kind*	5,000	8,000
Foundations	20,000	14,000	8,000
Corporations	0	2,000	8,000
Fundraising events	5,000	500	0
State funding	0	112,500	112,500
Federal funding	75,000	0	25,000
Other sources	0	0	0
TOTAL REVENUE	100,000	134,500	177,500
OPERATING COSTS	134,500	134,500	134,500
BALANCE	**(34,500)**	**0**	**43,000**

*In-kind should be noted but not included as revenue needed for operating costs.

Scenario 1: All too many programs have learned the hard way that depending almost exclusively on 21st Century Community Learning Centers dollars is a strategy that may work in the short-term, but it never works in the long run. It may be possible to keep the doors open until the grant cycle is done, but the program's future is tenuous at best. There is a real likelihood that the number of students will have to be reduced, the quality of the program will decline and the ability of the program to raise money in the future will be inadequate.

Scenario 2: In this scenario, funding is sufficient to meet current operating requirements. However, there is no contingency fund available for meeting hidden or unanticipated expenses and/or strengthening program quality. And, when any of the grants other than ASES end the program will face a deficit that will have to be made up for through other sources. The long-term financial viability of the program depends entirely on its ability to do this successfully.

Scenario 3: Funding is balanced, diversified and sustainable. Although federal funding will run out at some point, the program will continue to be financially solvent. Moreover, the strategic uses to which federal dollars are put can have a positive impact on attracting other sources of financial support when this cycle is completed. Enhancement money is available for value-added program components, including additional staff training and development, supplies, special events, parent/community outreach and potential increases in local minimum wage levels.

STEP 9: USE THE 20 PERCENT RULE TO ATTRACT LOCAL FUNDERS. Securing diversified local investments should be your goal – and the strategies laid out below will make it possible for you to achieve it. The focus is on what policy-makers care about most – the *impact* your program is having in the areas of greatest concern to them. If you're like many of the fiscal agents, program directors and members of leadership teams we've worked with over the years, this will make all the difference in securing adequate, long-term investments.

The 20 percent rule is a formula for securing this funding. In simple terms, it means getting your city, county, school district and local foundations and corporations to commit to funding 20 percent each of the *local* revenue required, or $8,000 (using the example provided earlier.

This formula makes sense – and it works. It pays immediate and ongoing returns to investors. It's equitable and affordable and it produces significant economic efficiencies. Investing in your program is fiscally prudent, politically attractive and socially responsible. It has a proven record of success. And, most importantly, it provides a solid foundation for to ensure your program's long-term financial security.

By leveraging their investments, school districts, cities, counties, special districts, corporations and foundations can realize a return on their money that often exceeds the cost of doing business in other ways by as much as 2,000 percent or more. The short-term value is in outside revenue generation and cost savings. The long-term value is in the increasing number of children and young people who become healthy, productive adults and contributing members of their communities. In combination, these are powerful incentives for funding your program.

STEP 10: FIND A CHAMPION AND CREATE A GUIDING TEAM. Once you've completed your Executive Summary, send copies to community leaders including mayors and city council members, county executives and department heads, school district superintendents and school board members, chief executive officers of community-based organizations and foundation program officers and local newspaper and magazine editors.

Be sure not to forget television networks and access television stations, corporations and businesses, the district offices of your statewide elected officials and congressional representatives, principals at school sites where your program is located, and your own leadership team members and site directors. Keep the original on hand as a boiler plate for grant writing.

Moving from making the case in writing to convincing potential investors to commit funds will depend largely on developing positive relationships with individuals who have the ability *and* authority to make financial commitments on behalf of their organizations, agencies and departments – or can influence others to make these commitments. Once recipients have a reasonable amount of time to read it, follow up with a call requesting a ten-minute meeting to continue to lay the groundwork. Keep in mind that this is not about asking for funding – this will come later. There are three purposes to this meeting. It will give you:

1. An opportunity to begin to develop or strengthen personal relationships,
2. A chance to reiterate in person what you've already presented in writing, and
3. A way to determine who might be interested in becoming a champion or a part of your guiding team – a group of individuals who are willing to help you bring in funders.

Be selective about who you pursue as a champion or member of your guiding team. These should be people with exceptional credibility, skills, knowledge, connections, influence, decision-making authority and access to financial resources. To the extent possible, build a team that includes the mayor or a city council member, a school board member, the district superintendent, a corporate community relations director or community foundation program officer, a member of the county board of supervisors or executive team and a prominent member of the business community.

If you have any doubt about the importance of this, keep this in mind: *The messenger is often as important as the message.*

- When a mayor tells city council members that investing in your program *leverages* state and federal funding and brings in millions of dollars of outside money into their community, it has a real impact.
- When a county supervisor engages department heads in conversations about how your program creates jobs, increases workplace productivity, reduces childcare costs and stimulates local economic development, it matters.

- When a school district superintendent discusses the way your program reduces school vandalism, grade retention, neighborhood crimes, absences during the school day and drop out rates, board members pay attention.
- When a corporate community relations director or foundation program officer talks with his or her associates about the way your program strengthens problem solving, decision-making, critical thinking and communication skills in children, young people and staff members, people listen.

All of this work, from assessing the impact your program has had and is having on your community to writing an Executive Summary, creating a guiding team and taking community leaders on site visits, is designed to convince decision makers to:

- Invest 20 percent of the total amount of *local* funding that your program will need to ensure its financial sustainability, and
- Persuade their colleagues on the city council, school board, county board of supervisors and corporate and foundation boards to approve the expenditure.

Once the groundwork has been laid, it will be time to make one additional thing crystal clear: By pooling their resources, each investor will automatically leverage five times that amount locally and, by combining this with state and federal funding the return on their investments will be even greater. In any era when both the public and private sectors are asked to do more with less, this kind of return on an investment is compelling.

Timing is everything. Be sure that all of this has happened *before* you make a formal presentation to decision makers. It's critically important to know to the extent possible what the outcome of the vote will be, and that it will be favorable. If you aren't sure, continue to work with members of your guiding team until you, and they, are confident about a positive outcome. If you act too soon, you will be putting everything at risk and you may not get another chance.

Once you have at least one local investor, the likelihood of additional investors coming in increases dramatically – and very often happens quickly. You'll also be much better positioned to demonstrate to state and federal funders, and to foundations you may be approaching for grants, that your program's financial base is balanced, diversified and sustainable. Given that many funders have invested in programs that have not lived up to their expectations, this will set your program apart in a dramatic way – and it counts!

Finally, no matter how successful you are in developing and executing your plan, don't ever forget that it's a living strategy and one that needs to be reviewed and updated regularly. Be open to new ideas and new approaches if they make sense. Listen to what community leaders have to say and respond to them appropriately and quickly. You can, and will, position you program to be the go-to place in your community – and you'll secure the funding that will ensure your program's long-term financial viability and sustainability!