

BIG

SMALL FOUNDATIONS

WINS

A Guide to Making Smart Choices
about Grantmaking for Vulnerable Youth

from



Youth Transition Funders Group


April 2013

What does it take to *really* make an impact?

How can we use our limited resources to make a meaningful difference?

WE HEAR THESE QUESTIONS A LOT.

Sometimes it's from a board member of a small family foundation where the family members do all the work themselves. Sometimes it's from a program director of a local or community foundation. All feel their limitations — no staffs, small staffs, and/or small endowments — and want to make their grants count.



Deep pockets and large staffs are not prerequisites for making impactful investments.

You don't have to be The Annie E. Casey Foundation, the Carnegie Corporation of New York, or The Charles Stewart Mott Foundation to make a big difference. The most successful programs are not always launched by national philanthropies.

While our large foundation members often set a high bar, we also find big wins from the small foundations in our network. Deep pockets and large staffs are not prerequisites for impactful investments.

Recognize the advantages a small foundation might have: *Flexibility* — you can respond faster, sense, and adapt to change more easily. *Street Cred* — there's a big advantage to being local as opposed to national.

You can be perceived as being closer to the ground, having more credibility, and caring more because you're part of the same community. You can probably open doors that a large national foundation cannot. *Simplicity* — your grant application processes are probably much easier on your grantees than those of a large foundation.

Our small foundation members have found that these advantages—coupled with identifying the right players, putting together a solid planning and implementation team, and honing in on the best foundation-specific investment strategies—can counter any limits related to endowments, time, and personnel. Big visions and big ideas can come from anywhere.

The truth is that the need is so great and so crucial to the well-being of our nation that no single foundation, no matter how big, can mend it — nor can any single great leader. Even a powerful grassroots community movement alone cannot bring about the pervasive change our vulnerable youth need. True transformation takes *many* efforts on all fronts. This guide will give you tried-and-true tools for building a strategic and effective grantmaking program on your own. It also contains tips and examples to help you consider ways to leverage your investments.

ABOUT YTFG: Founded in 2001, the Youth Transition Funders Group is a network of grantmakers whose mission is to help all youth make a successful transition to adulthood by age 25. Learn more about us at www.ytfg.org.

ABOUT THIS GUIDE: YTFG set out to document the attributes of successful youth transition grantmaking at small foundations. We interviewed our members, fellow grantmakers, philanthropic advisors, and key partners. We researched and reviewed publications, articles, and case studies, analyzing the grantmaking strategies of small private, community, and family philanthropies with limited to no staff. **This guide shares what we, the Youth Transition Funders Group, along with those in our network, have learned about how small foundations can make the most impact on improving the odds for our most vulnerable youth.**



MAKING THE CASE:

WHY INVESTING IN VULNERABLE YOUTH IS IMPORTANT

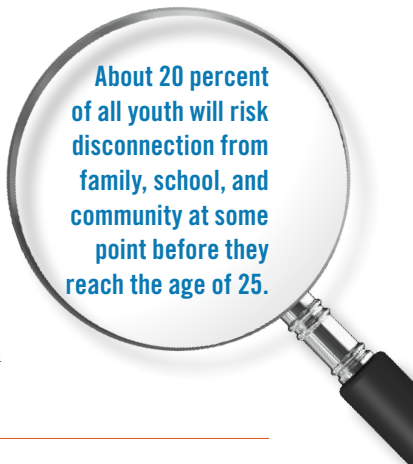
The transition to adulthood is getting tougher for all young people. The costs of education are higher than ever. Housing costs are often prohibitive, and the competition for jobs is brutal. Almost all youth require support until they have connected successfully with the labor force, which generally does not occur until their mid-twenties. Most young adults experience detours on the road to economic independence, including periods of unemployment and interruptions in their education. Youth with the necessary support, both emotional and financial, are more likely to make a successful transition.

YOUNG PEOPLE ARE SLIPPING THROUGH THE CRACKS

However, the institutions charged with this transition have let young people slip through the cracks. Every nine seconds a student drops out of school, and our nation's schools are failing to graduate a third of all students and about half of all students of color. Approximately 27,000 youth age out of foster care each year, many of them unprepared for the challenges of adulthood. Former foster care youth are four times more likely to be homeless than the general population. Nearly 100,000 youth, a disproportionate number of whom are young people of color, are held in the justice system every day, often isolated from their families and communities.

All told, about 20 percent of all youth will risk disconnection from the three most important support systems in a young person's life—family, school, and

community—at some point before they reach the age of 25. An estimated five to seven percent will reach age 25 without connecting in a meaningful way to employment and social support systems, leaving them in danger of becoming an entrenched underclass in American society.¹



¹ FOR MORE INFORMATION

The Economic Value of Opportunity Youth (2012)

http://www.serve.gov/new-images/council/pdf/econ_value_opportunity_youth.pdf

State of America's Children: Juvenile Justice (2011)

<http://www.childrensdefense.org/child-research-data-publications/state-of-americas-children-2011/pdfs/jj.pdf>

Midwest Evaluation of the Adult Functioning of Former Foster Youth: Outcomes at Ages 23 and 24 (2010)

http://www.chapinhall.org/sites/default/files/Midwest_Study_Age_23_24.pdf

The social and economic costs of failing to address the needs of disconnected youth far outweigh the investments necessary to reduce the number of youth who have or will become disconnected. Our society has to develop ways to address the challenges of both those at risk of disconnection and those who become disconnected as young adults.

AS THE NEED INCREASES, FUNDERS OFTEN FOCUS ELSEWHERE



Traditional public policy has often resulted in programs that fracture, rather than mend, young people's connections to communities.

Grantmakers are often uninterested in, or unaware of, the needs of older youth — especially youth affected by an interrupted education, teen pregnancy, or involvement in public systems of care. Funding from private philanthropists and from state and federal programs is either flat or decreasing. Efforts to encourage deep-pocket investments in the issues of older youth receive a mixed response, because

traditional public policy regarding older youth has often resulted in programs that fracture, rather than mend, young people's connections to communities.

Despite the recent buzz around “opportunity youth,” recent philanthropic trends have tended towards early childhood investment and education. Grantmakers with limited resources have invested more heavily in services for young children in the hopes of achieving sustainable, long-term change and have focused on individual programs rather than supporting systemic change. While investing in early childhood development and in older youth are often seen as the opposite ends of a spectrum, they are actually complementary. Vulnerable older youth are likely to be the parents of the next generation of vulnerable children.

A youth grantmaking program that addresses key transition points and keeps older youth connected to their families, communities, and schools is essential in building the safety nets to ensure quality, coordinated services for all youth.



WHAT IT TAKES:

DEVELOPING A SUCCESSFUL GRANTMAKING PROGRAM

Outcomes and impact depend not only on dollars spent, but also on successfully leveraging relationships, influencing the field, and supporting innovation. YTFG has witnessed some best practices for grantmakers who seek the maximum impact from their investments. Small staffing does not need to be a hurdle. The key is to develop a niche, be consistent, and know how to continually advance your work.

GETTING STARTED

As with developing all good ideas and passions, a successful grantmaking program needs a plan. The plan should be detailed enough to move the project forward, but broad enough to allow time and space for innovation, setbacks, and the reality of incorporating lessons learned along the way.

Here's how to get started:

- It seems obvious but is worth restating: **Identify people, places, and organizations that are taking the lead on your issue.** Get *out* of your geographic silo. Pick up the phone.
- **Get a handle on the big-picture environment** in the communities you hope to impact, and share this research with your board or the key decision makers at your foundation.
- **Be honest with yourself about what resources you can put behind the issue.** Define resources broadly. Be sure to consider time, money, political cover, and convening power.
- **Claim a niche.** Understand how your framing, analysis, and preferred solutions around an issue fit into an overall strategy. Collaborate with other organizations across diverse strategies and learn to manage complementary partnerships rather than co-fund the same projects. Be picky about your grantmaking. If you want to make a difference, do not fund all over the map. Success is defined by claiming a niche and leveraging it, irrespective of the issue area.
- **Identify key partners**, what they bring to the table,

how to leverage opportunities, and the potential level of partnership. Ongoing involvement and maintaining relationships will be absolutely critical to this endeavor.

- **Develop a clear road map** with established inputs and expected outcomes that remains nimble enough to withstand mid-course corrections.

MAKING SMART CHOICES

If you are like most funders, you want to avoid those one-off grants that don't produce effective outcomes. While every individual grant may not be a big win, you can develop a comprehensive grantmaking portfolio that maximizes grant dollars, drives change, and tackles hard issues with significant impact. Approaches to grantmaking will always vary. However, in over a decade of working with foundations at YTFG, we've gleaned this key lesson: successful grantmaking is about making smart choices.



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What's a smart choice? We posed the question to funders in our network, irrespective of size. In a crowded field of grantmaking options to help youth in transition to adulthood, these recommendations for grantmakers at small foundations stand out:

- **Help communities clarify the problem.** Although we've made great strides with national and state-level data that track the outcomes of our most vulnerable

youth, most of the data related to youth in transition at the local level are unavailable, either because they have not been compiled or are inaccessible to the public. Small foundations can help their communities assess what data are available and determine if new data and analysis are needed. You can fund projects that support research on critical issues, with an eye towards research that highlights the issue and informs the solution. In an ideal world, the lessons learned from research and evaluation translate into good policy, practice, and interventions that support the success of vulnerable youth.

- **Communicate effective solutions.** Small foundations can help lead the charge in making use of strategic communication channels to lift up what works. The philanthropic sector needs to get serious about not just making the case for the vulnerable youth agenda, but also conveying the message through words and media that inform and shift the nature of the dialogue in the public square. Don't be shy about making communications and public awareness building integral parts of your grantmaking program.
- **Collaborate with other funders.** Grantees are not the only ones who need to stay connected to be successful in their work—funders need to as well. You should consider the benefits of reaching out to other like-minded funders in a proactive, consistent way. Beyond the value of building professional relationships, philanthropic affinity groups and funders' networks enhance learning, information-sharing, and peer dialogue while providing opportunities to leverage investments in coordination with other grantmakers. Collaboration helps ensure philanthropic programs stay the course, even in light of shifting priorities at individual foundations. Here's an added plus for small foundations partnering with larger foundations: the collaboration often lends credibility to your work.
- **Take advantage of your convening power.** Information-sharing and peer dialogue matter, especially for decision makers inundated with new reports, constituent demands, and multiple priorities to address. Budget resources to convene stakeholders across political affiliations, organizational roles, and geographic locations to make sure decision makers have the best information and access to key individuals to stay updated on what works. Face-to-face convenings encourage a community of practice that can be essential for taking proven solutions to scale.

- **Improve cross-systems coordination and alliance building.** You should think strategically about how your grants help build infrastructure for cross-systems and multi-agency coordination. If critical stakeholders have not stayed connected or worked together before, your foundation can often play a role in building that capacity on the ground. Cross-systems coordination and alliance building are critical for all youth, but especially for youth affected by multiple systems of care.
- **Invest in demonstration projects.** Do you want to tackle policy, but you are concerned about the level of investment required? If you have data that suggest policy changes can improve youth outcomes, consider funding a small-scale demonstration project to test promising models in communities. Innovation



often happens from the ground up. Examples of cities and states that have been able to tackle challenges, implement better policies, and improve outcomes for youth are legion. Plus, local and state efforts sometimes become beacons for improvements in

federal policies and legislation. Communicating the successes of promising models in pilot communities can influence policy and practice through replication.

- **Support effective implementation of existing policies, particularly at the state and local levels.** If you have reservations about taking on policy issues, *but are interested in policy solutions*, there are opportunities for high-impact investments in policy adoption and implementation. Indeed, foundations are often optimally poised to strengthen implementation and coordination efforts at the state and local levels for reasons discussed in the small foundation examples below. Consider funding efforts with a comprehensive view of the policy and implementation process and target your grantmaking appropriately.

CASE STUDIES:

EXAMPLES OF BIG WINS BY SMALL FOUNDATIONS

Grantmaking recommendations can help you organize your strategies and resources, but sometimes what you really need are examples that provide a first-hand look at how diverse foundations have achieved results in a real-world setting. Every success in the field of vulnerable youth is one we all share, and the opportunities for takeaway lessons should never be overlooked.

One way to keep that conversation going and spread information quickly is through case studies like those featured in our online toolkit. While there are many more successful foundations than we have the pages to cover, this cross-section of foundations—based out of Connecticut, California, and Florida—provides a good idea of what can happen when small foundations go for big wins in a strategic way.



THE TOW FOUNDATION CONNECTICUT

The Tow Foundation has helped reform the way Connecticut views

Key to The Tow Foundation's success is being open to strategies that are unfamiliar and even uncomfortable at first, such as funding advocacy.

its contribution to make lasting changes at the policy level. Much of the foundation's success is due to focused giving, taking the time to generate relationships with those already in the field, and encouraging staff to take a more personal and vested interest in outcomes.

and treats its vulnerable youth. By targeting its funds and people on a key issue—juvenile justice—it was able to leverage

THE WALTER S. JOHNSON FOUNDATION CALIFORNIA

The Walter S. Johnson Foundation takes partnerships to the next level.

One of the Walter S. Johnson Foundation's strategies for making its investments more effective is to find a larger foundation working in the same area, then looking for a gap to fill.

As a small foundation, it is not possible for it to tackle large issues on its own. That is why, instead of re-inventing the wheel, the foundation looks instead

for the perfect place to play a supportive role. Its involvement in the California Connected by 25 Initiative (CC25I) arose from its approach of finding big foundation partnerships and targeting gaps where strategic efforts could make the biggest impact.

ECKERD FAMILY FOUNDATION FLORIDA

The Eckerd Family Foundation, a

Eckerd Family Foundation saw Cby25™ as a laboratory. The goal was to get the program up and running, track the data to prove or disprove the concept, and, if successful, get the systems to assume responsibility for it.

Florida-based spend-down foundation, is unique in that it had a strict time limit on its giving plan. Its sunset year was 2012. This means that instead of looking for programs to

fund, the foundation had an eye on self-sustaining, collaborative philanthropy right from the start. Cby25™ is the Eckerd Family Foundation's gift to the state of Florida, which continues to support youth transitioning out of foster care even after the foundation closed its doors.

GO HERE FOR
CASE STUDIES.



WHAT'S NEXT?

FIGURING OUT YOUR NEXT MOVE

Grantmakers in all fields affecting disconnected youth can align their efforts, share strategies and knowledge, and coordinate investments. We can also capitalize on each other's expertise, avoid duplication of effort, and expand opportunities to build upon one another's work.

As this guide outlines, small foundations are in a unique position to help philanthropy improve outcomes for youth in transition to adulthood. We've witnessed great successes at small foundations, but there is much more to do.

If you are interested in learning more, we encourage you to download our series of in-depth grantmaking guides available on our website (right sidebar). These guides offer a deeper dive on key investment strategies for multiple pathways to graduation, aging out of foster care, teen parenting, juvenile justice reform, and youth partnerships that can be helpful as you chart your foundation's course.

Email us at connectedby25@ytfg.org to receive a courtesy list of consultants who have helped our member foundations develop strategies to strengthen their grantmaking in this area.

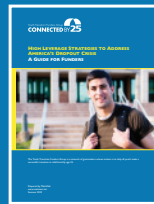
We also invite you to simply reach out to us and tap into our network to learn more about how small foundations can experience "big wins" on behalf of our nation's most vulnerable youth.



ADDITIONAL GUIDES FOR FUNDERS



**Connected by 25:
Effective Policy Solutions
for Vulnerable Youth (2010)**



**High Leverage Strategies to Address
America's Dropout Crisis
A Guide for Funders (2010)**



**Checklist for Funders
Investing in Youth Transitioning
from Foster Care (2011)**



**A Guide to Engaging
Alumni of Foster Care in
Funder Collaboratives (2011)**



**Juvenile Justice Reform
A Blueprint (2012)**