

INTERIM REPORT – HIGHLIGHTS

ASSESSMENT OF YOUTH, I.N.C. PROGRAMS TO STRENGTHEN YOUTH-SERVING NONPROFIT ORGANIZATIONS

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Youth, I.N.C. strives to improve the lives of America's youth by mentoring and empowering nonprofit organizations (NPOs) serving young people. It attempts to build the capacity of youth NPOs by providing training and support in developing fundraising campaigns; creating unique fundraising and awareness opportunities; providing board management and development training; mobilizing support from the financial, entertainment and information technology sectors; and building a network of youth organizations. This first report of The Urban Institute's assessment of Youth, I.N.C. describes findings from telephone interviews with directors of 12 New York City nonprofit organizations. All participated in the New York Celebration fundraising event in 2000, 2001, and/or 2002; five also received board management and development assistance.

THE ORGANIZATIONS WE INTERVIEWED

Thirty-two youth-serving nonprofit organizations have participated in at least one Celebration event since Youth, I.N.C. began in 1995, of which 22 participated for at least one year between 2000 and 2002. We selected 12 of these organizations for in-depth exploration. Most were established in the 1980s or 1990s, but two are very young, only beginning to serve children in 2001. Most serve only school-age children and youth, but four offer some services to family members and other adults. They range in size from serving under 50 to over 6,000 people a year, and have budgets ranging from under \$200,000 (two organizations) to over \$1 million (three organizations). Paid staff size ranges from fewer than five (five organizations) to more than 100 (one organization). Many have very large volunteer corps that support their mentoring and literacy work with children.

START-UP AND EARLY PROGRAM EXPERIENCES

Directors of participating organizations gave a number of reasons for their initial interest in and eventual decision to work with Youth, I.N.C. (Exhibit 4). Among the main reasons for initially wanting to work with Youth, I.N.C. were the following (the first three were the most commonly cited):

- Youth, I.N.C. provides an opportunity for the organization to raise funds from new sources.
- Working with Youth, I.N.C. to raise money through Celebration is low cost to the organizations and poses little (if any) risk. Several organizations noted that they had no up-front costs. Further, the percentage they owed to Youth, I.N.C. was low compared to the probable ratio of income to expenses from staging their own event. Some directors noted that they knew of special event fundraising that took a lot of organizational time yet whose income did not even cover expenses.
- Several directors said they wanted to learn new methods for fundraising, and Youth, I.N.C. provided an ideal low-risk opportunity for both learning new methods and testing them. Organizations did not have staff time or expertise to plan and execute their own special fundraising events. Youth, I.N.C. brought experienced staff to the

- challenge of staging the event, allowing the organizations to piggyback their fundraising on Youth, I.N.C.'s technical work of putting on the event.
- Staff and/or board had heard “good things” from other participating organizations about Youth, I.N.C. and about the Youth, I.N.C. staff. The message was that working with Youth, I.N.C. had helped to improve their fundraising capabilities and organizational capacity.
 - The technical direction, written materials, and ongoing help (e.g., workshops, project manual, checklists, and 1-on-1 support) offered by Youth, I.N.C. was attractive. Organizations liked the fact that Youth, I.N.C. would provide training and support tailored to each organization’s needs (especially if they faltered).

FUNDRAISING PERFORMANCE

Most organizations working with Youth, I.N.C. do so because they need money. Eleven of the 12 directors interviewed described Youth, I.N.C.'s training in the area of fundraising as excellent. Actual fundraising performance reflects a combination of organizational capacity and commitment. Two organizations account for about 70 percent of funds raised (1995-2002); 10 organizations account for 90 percent. The 15 organizations raising the least money accounted for just under 2 percent of all funds raised. Many of these were part of Celebration for just one or two years, and never really committed themselves to following the steps needed to raise private money. Greater attention in recent years to establishing and following criteria for selecting organizations to participate in Celebration has resulted in increases over the most recent three years in the median amount raised—from \$4,600 in 2000 to \$10,050 in 2001 to \$16,750 in 2002. These increases suggest that Youth, I.N.C. staff are getting better at picking organizations that can profit from the experience and discouraging those who are not ready.

BOARD DEVELOPMENT

Ten of the 12 organizations interviewed participated in the workshops on board development offered as part of the Celebration monthly seminar series. Five also received 1-on-1 consultation on board development and strategic planning. All described these experiences as excellent. Most directors felt the board training they received affected their board in positive ways, especially if they received 1-on-1 consultation.

- Board composition – Several directors who received connections to new board members felt that Youth, I.N.C.'s impact was substantial. Two directors who went out and recruited people based on Youth, I.N.C. advice on how to do it also felt the impact was substantial. Others said either that they had not felt the impact yet, or that it was too soon to tell. Most of the latter had not received the 1-on-1 consultation.
- Board development – Those who got 1-on-1 consultation said “substantial,” although for one director this was anticipated rather than actual because his organization had not yet received a final plan. Another respondent said that her organization had not had a board

of its own before participating in Youth, I.N.C., and that participation was responsible for recognition that one was needed (and now exists).

- Board organization—Most of the organizations that received 1-on-1 consultation have new, or newly functional, committee/work structures for their board.
- Fundraising skills – Most directors said that working with Youth, I.N.C. had substantially increased their board’s fundraising skills. Participation “got people focused on opportunities,” “got people galvanized,” and the board “has a new ‘can-do’ attitude.”
- Other effects – Several directors spoke of how their board “got it,” saw a new vision of what they could accomplish, perceived that they could achieve their goals, and understood their roles in a new way. Participation resulted in board “buy-in” and new enthusiasm and commitment.

Several directors interviewed are still facing difficulties with their board, however. Issues ranged from board members’ disinterest to their anxiety about fundraising to issues of board functioning in non-fundraising matters.

Overall Effectiveness of Youth I.N.C. Participation

Experiences of the directors we interviewed attest to the effectiveness of Youth, I.N.C.’s service offerings (although directors probably do not have a clear idea of the arrangements through which Youth, I.N.C. is able to make these available).¹ Whether asked about fundraising or board-related training, the directors who had prior training experiences said that Youth, I.N.C. was different, and more effective.

- Eight of 12 directors had received some pre-Youth, I.N.C. training related to fundraising, mostly through workshops offered by organizations such as Cause Effective. One or two directors also had fundraising training as part of graduate education (e.g., in an MBA program).
 - ✓ Seven of the 8 with prior fundraising training said that Youth, I.N.C.’s training was more effective. It was more practical because it was tied to an actual event. Summarizing different comments, people said the Youth, I.N.C. training was more entrepreneurial, had more of a can-do attitude, was more practical.
 - ✓ People commented particularly about the helpfulness of Youth, I.N.C. staff. They were “more helpful, more responsive, good follow-through, good materials, and the nagging helped.”
- Organizations, and even directors, were less likely to have had pre-Youth, I.N.C. board development training or consultation. Three directors had taken board development

¹ Ideally, we would have comparison organizations and comparison experiences on which to base this type of statement. We do not have such comparisons for this inquiry, and thus must rely on the reports and perceptions of the Executive Directors receiving Youth, I.N.C. services.

workshops, and one organization had held a board retreat for strategic planning and worked with a consultant to enhance board recruitment.

- ✓ They anticipate that the effect increase and bear fruit in the coming years.
- ✓ *Contacts* are the most critical difference between Youth, I.N.C. and previous experiences in the domain of board development. *Nowhere else* could these organizations have acquired for their boards the types of new members that Youth, I.N.C. has been able to introduce them to and help with negotiations.

CONCLUSIONS AND IMPLICATIONS

In the world of nonprofit agencies serving children, Youth I.N.C. has created a niche for itself, offering training and technical assistance in the arena of raising financial support from private donors. Many small and medium-sized nonprofit agencies desperately need additional resources, and this type of training can help them get what they need. There is no question that Youth, I.N.C. has helped some organizations establish a viable approach to raising funds from private individuals, judging from our interviews with directors of organizations that worked with Youth, I.N.C. to raise funds through Celebration.

Our interviews also made clear that many of the same agencies needing to learn what Youth I.N.C. has to teach may not be in the best position to take advantage of the opportunity Youth I.N.C. offers. Over the years since Youth I.N.C. staged the first Celebration in New York in 1995:

- A few organizations have taken all lessons to heart, applied them, and seen their fundraising from Celebration increase steadily (iMentor, DOME, ENACT) and/or stay high even though there is fluctuation from year to year (Everybody Wins!, Stacy Joy).
- This, however, is not the rule.
- Some organizations were not able to sustain increased fundraising. Several factors appear to be operating in these organizations, singly or in combination
- Some were not mature enough as organizations when they started with Youth, I.N.C. Several (not all) that were in their first year of serving children did not have enough staff or attention to devote to fundraising, although they needed the money.
- Some directors could not recruit appropriate members for either their board or a Celebration-specific fundraising committee.
- Some relied on a single person who had either connections or determination; when that person left the fundraising performance suffered drastically.
- Some organizations were not “right” for Youth, I.N.C., or not “right” yet.
- Some were not independent entities (e.g., Bronx Community Services; Foundation for Cardinal Spellman High School). Rather, they were components of larger organizations, did not have access to the overall board, and could not or were not permitted to develop a board specific to the fundraising task.

- Some did not have anyone who was really able or willing to do what needed to be done. Many of these were from the early days of Celebration, but not all.
- Some were too small, with no one but the Executive Director to do the work, and/or they did not have functioning boards, or had boards that did not think fundraising was their business and responsibility.

We draw from our interviews the conclusion that agency selection is the key to Youth, I.N.C.'s successes, and to its failures. Proper selection is difficult because Youth, I.N.C.'s help is needed most by organizations with little experience raising private dollars. But these are also the organizations that find it hardest to translate theory into action, and into their own successes. Youth, I.N.C. seeks organizations that are not big enough, or experienced enough, to mount their own fundraising events. But among small and medium-sized organizations, Youth, I.N.C. needs those that have *some* capacity in their staff and directors, and *some* capacity and *considerable potential* in their boards of directors.

When the current Associate Executive Director began working with Youth, I.N.C. in 2000, she analyzed past successes and program dropouts in an effort to determine characteristics of organizations that boded well for their ability to profit from involvement with Youth, I.N.C. These characteristics included size, level of interest, presence of support staff, and fiscal responsibility. Applying these criteria has probably resulted in better choices during the past three years of which new organizations to accept into Youth, I.N.C. activities. Although some problems remain, it is possible to see some of the problems as new opportunities. For example:

- Some very young, or newly revived, organizations probably would be good candidates for participating in Celebration-related fundraising in one or two years—but they need help with certain things *before* they are ready for Celebration. Examples include CampInteractive, B.E.L.L., and Creative Arts Workshops. Even Cornerstone, although it has participated for five years and has received 1-on-1 board building consultation, is not yet at the stage of steadily increasing its fundraising performance.
 - ✓ One could decide that such organizations should be asked to wait until they achieve a certain level of organizational functioning before joining Celebration;
 - ✓ Alternatively, Youth, I.N.C. could include them in some type of preliminary status (as “apprentice,” “observer,” “trainee,” etc.) and *develop new program offerings* to help them build the capacity to take advantage of Celebration. Several Directors who have worked with Youth, I.N.C. for more than one year said they treated their first year as a “dry run” anyway. Instead of allowing this approach to continue in an informal way, Youth, I.N.C. could formalize it and make a deliberate effort to help such fledgling organizations increase their capacity before plunging into a large fundraising effort such as Celebration.
- Two organizations appear to have worked out well even during their first year—Friends of the Children and Brooklyn Music School. The latter is the oldest organization among those currently involved in Youth, I.N.C. (established in 1912); the former is one of the youngest (first started serving children in 2001). They are very different organizations,

but something can be learned about the elements that appear to have led to their early success and probable future improvement.

- ✓ Both have very knowledgeable and experienced Executive Directors. They have done fundraising in the past, even if not for these organizations.
 - ❖ One Director recognized the need for a strong board as a precondition for beginning to offer services, and took a year to establish his board and program directions before beginning to serve kids. He incorporated with three board members, and grew to eight or nine at the time he started serving children and signed up for Youth, I.N.C. He appears to have an eye for who will make a good board member, as all are active and two are already capitalizing on the Youth, I.N.C. learning experience to plan a golf tournament fundraiser for the spring.
 - ❖ One Director recognized that her board needed drastic overhaul, but also that it included people with serious connections to money, as well as other skills she needed (e.g., real estate, to manage the five buildings owned by the program). She has worked with interested board members to increase their commitment to private fundraising as well as to board development. And she has and is able to use political connections and the goodwill toward the school in the community to parley for capital funds, annual campaign funds, and other benefits.
- Youth, I.N.C. might think about some other types of service offerings that nonprofits serving children could use. Two that appear relevant based on our interviews are campaigns to raise endowment, and capital campaigns. Several of the Directors we interviewed had needed to raise capital funds in the past year, to renovate buildings. They went to public sources for these funds, not to private ones. There may be a market for learning how to do fundraising for capital projects.
- In developing new products, it will be important for Youth, I.N.C. to maintain its hands-on, practical, learn-by-doing approach. Just offering workshops and didactic approaches, without having the opportunity to try it out in practice, will not differentiate Youth, I.N.C. from other organizations that offer to teach nonprofits how to run themselves better.

In conclusion, Youth, I.N.C. offers a unique product, and one that many small nonprofits serving children need. Unfortunately, the organizations may need help so much that they are not in a position to take advantage of what Youth, I.N.C. offers. Youth, I.N.C. wants to approach foundations to fund its work. One of the things that Youth, I.N.C. can offer, that foundations would find worth funding, is strong mentoring starting when the organizations still need to build themselves to the point of being able to do private fundraising. This would be a new Youth, I.N.C. “product,” and one that could enhance the ultimate value of the fundraising and board building training that the organization now offers.