



Making Your Dollars Go Further

Being awarded a Department of Labor (DOL) YouthBuild grant can assist local YouthBuild programs to attain greater financial and organizational stability. DOL YouthBuild funding supports up to forty months of programming, providing much needed stability during the period of performance. But funding is not guaranteed from one funding cycle to the next. To maximize the impact of the DOL YouthBuild grant funds, programs must consider how to build on the benefits of the initial grant award through a strategic and multi-pronged approach, which may include diversification of funding, building strong partnerships, and a strong vision for the future. When considering long-term sustainability, a planned approach must begin early in the DOL funding cycle and extend throughout the entire funding period.

Why is Sustainability Important?

Historical trends have demonstrated that some YouthBuild programs are awarded a Federal grant and run a successful YouthBuild program, only to then close or shrink substantially when the grant is not re-funded. When YouthBuild programs close due to loss of funding, it creates a gap where a much-needed local resource previously existed. When programs rely on DOL YouthBuild as their main or sole funding source, they are inhibiting the ability to entrench the program model in the community, which limits the influence of the program within the local community and reduces the stability of the organization as an employer and training and education provider for the opportunity youth in the community. Instead, program leadership must use the DOL YouthBuild funding as a seed or bridge to a sustainable future.

YouthBuild programs that are long-standing have developed a plan for not only financial sustainability, but for institutional and programmatic sustainability. Sustainability allows a program to:

- support diverse, stable partnerships that offer a broad range of funding sources and referral networks;
- demonstrate program success, both anecdotally and quantitatively, which allows a compelling case to be made for additional support;
- remain true to its mission and find new and innovative ways to better carry out the mission; and
- grow in size and quality to meet the needs of its community and stakeholders.

Asking the Right Questions for Fiscal Health

Every organization that supports a YouthBuild program must ask the following:

- Is the YouthBuild program part of the overall organizational mission?
- Does the organization have the administrative and fiscal capacity, as well as the commitment, to sustain a YouthBuild program over the years?
- Can the organization provide fundraising and development efforts to design and implement a robust sustainability plan for its YouthBuild program component?
- Does the organization and its YouthBuild program have strong partnerships in the community and beyond?

If the answer to any of these questions is no, then the chances of long-term sustainability for the YouthBuild program are substantially decreased. The first step where there is not full support for the YouthBuild program as a long-term endeavor is to address whether the YouthBuild program is a strong fit for the larger organization and assess how to ensure strong alignment, both fiscally and with the organization's mission, between the YouthBuild program and the larger organization.

If the answers are yes, then programs need to consider their long-term efforts for strengthening and sustaining the fiscal health of the YouthBuild Program. The very first step is to develop and/or assess the program's funding plan. Several examples of program funding plans can be found in the resource list at the end of this document. Overall, the plan should:

- address both short- and long-term goals of the grantee;
- be fluid and able to easily adapt to trends, funding opportunities, and emergencies (loss of a funding stream); and
- explore diverse funding streams.

It is always better to develop or assess the long-term fiscal outlook when the organization is healthy. Considering sustainability after a funding cut is stressful to staff and participants alike and most often there is no time to stop the fiscal instability created by the loss of revenue.

Once the program's strategic funding plan is in place, the two most common areas on which organizations should focus are partnership development and diversification of funding.

Partnership Development:

Partnerships with other organizations can enhance programming — often in ways that an individual organization cannot do on its own. Partnership development requires the program to both build new partnerships and assess existing partnerships to determine whether the partnership is meeting the program's current and future needs and whether expansion of an existing partnership is feasible and valuable.

Strategies:

- ❖ Look for partners in core programmatic areas:
 - ◆ A local post-secondary institution can provide educational instructors or a Master's of Social Work candidate to offer counseling or supportive services.
 - ◆ The local American Job Center may share a job developer position for placement services (link to American Job Center partnership guide).
 - ◆ Partner with another YouthBuild program for NCCER instructors.
- ❖ Partner with YouthBuild programs in the same state to develop a regular state funding stream:
 - ◆ YouthBuild programs in the same state and their organizational leadership must agree to work together to ensure alignment with achieving this funding stream.
 - ◆ Investigate which state offices have relationships with programs and/or may be a good fit for the YouthBuild program.
 - ◆ Find a champion state legislator who believes in and has knowledge of the YouthBuild model.

- ◆ Be patient. Coalition building takes time. Look to your sister programs in other states where Coalitions have been established (i.e. Massachusetts, New York, Illinois).
- ❖ Develop corporate partnerships. According to Giving USA, corporations gave over \$18 billion to nonprofits in 2016. Corporate partnerships can bring more than just funding to a program. They can also lead to in-kind donations, skills-based volunteers, job placements, and new board members. The key is finding the right partner whose goals align with the program.

When developing a corporate giving pipeline:

- ◆ Remember who your friends are: identify current and past corporate supporters;
- ◆ Identify and rank potential new partners through research, records, and personal contacts;
- ◆ Create an event for informing and cultivating prospects;
- ◆ Hold the event and assess its outcomes;
- ◆ Follow-up with contacts from the event, plan more events to engage corporations, and develop processes and procedures for partnership development; and
- ◆ Consider adding key staff from the corporate partner to the organization's Board of Directors.

Major Considerations:

- ❖ Consider how the partnership is mutually beneficial, and formalize memorandums of agreement to spell out each partner's objectives and responsibilities.
- ❖ The YouthBuild program needs to be a strong education and workforce system partner.

The Role of Data in Sustainability:

Data tells stories and using strong and comprehensive data helps to make the case for new funding and growth of existing funding.

- Use data regularly to evaluate how the program is doing.
- Compile data from local, state, and national sources that speak to the needs of opportunity youth. Data sources to consider are:
 - standard demographics (i.e. dropout rate, poverty rate, violent crime);
 - labor market data;
 - population trends (i.e. incarceration, gang involvement, government assistance);
 - health-related trends (i.e. substance use, teen pregnancy); and
 - the organization's own data demonstrating success in serving opportunity youth.

Follow the trends and funding streams in these two areas. Do your homework so you can speak the language and get seats at the table. It is critical that you leverage your partnership with the local American Job Center. YouthBuild programs should also consider:

- ◆ Attending local Workforce Development Board (WDB) meetings and getting on their agendas to present the program.
- ◆ Becoming a local member of the WDB's Standing Youth Committee, if this exists in the local area.
- ◆ Obtaining an understanding of labor market data, knowing the trends, and identifying where the training/resources are to support new and emerging industries.
- ◆ Visiting local businesses. Ask about their workforce; is YouthBuild a viable labor pipeline for them?
- ◆ Attending local meetings of Adult Basic Education

(ABE) providers. If a local meeting doesn't exist, identify what is available regionally or state-wide.

- ◆ Meeting with local post-secondary education institutions. Research their role in the local workforce system. Determine how to partner with them and how the partnership could be mutually beneficial.

Diversifying Funding:

Diversification of funding is a necessity in today's world. If the organization/program is completely dependent on government funding, then the grantee rides the wave of ever shifting state and Federal priorities. Too often, programs look to replace one million dollar grant with another, but it is much easier to develop more funding streams that can potentially fund smaller areas of programming more consistently.

Strategies:

- ❖ Engage local companies, both large and small, who have giving programs.
- ❖ Local banks and credit unions often are required to give back to their communities and may have funding to support programming, especially in areas of financial literacy.
- ❖ Look to local foundations. Go online and do research. Many communities have local funding libraries. Visit Candid.org to find foundations and funders in the local area which may support YouthBuild efforts.
- ❖ Consider hosting local fundraising events that appreciate donors and local funders, while also celebrating successful participants and attracting new donors and funders.
- ❖ Seek funding for a specific identified component of YouthBuild programming.
 - ◆ Large box stores like Home Depot or Lowes or local hardware stores/lumber businesses may provide in-kind donations or funding through their corporate giving program to support the Construction training.
 - ◆ The local public school system may provide a per student fee for providing construction training for their alternative school students.
- ❖ Develop a fee-for-service business that can both be utilized as a placement and/or training opportunity for YouthBuild participants, and provide an ongoing revenue stream for the program.
 - ◆ Do your homework — be sure that the fee-for-service business you are considering fits your organization and the community market.
 - ◆ Build a business plan.
 - ◆ Reach out to other organizations (i.e. Small Business Administration) for support and guidance. These resources can help get you started:
 - [Understanding Fee-for-Service Models](#)

Potential Fee-for-Service Opportunities:

Scan your local community to determine if there is a community need that your YouthBuild program could address above and beyond the daily operation of the program

- OSHA certified construction staff could offer training to small construction shops who need employees to be certified.
- Grantees with robust construction training can create a handyman fee-for-service business.
- A grantee with strength in educational programming might offer a night course for local community members in High School Equivalency (HSE) or Accuplacer testing.
- A grantee that specializes in serving formerly incarcerated youth could expand programming to the local jail or detention centers for contracted services.
- Grantees could contract with the state's rehabilitation offices to build wheelchair ramps for homeowners that need them.
- A Construction Plus (C+) grantee that offers training in Information Technology (IT) may contract with local organizations to create websites or offer training to populations lacking IT skills.
- A hospitality C+ grantee may offer catering services on a fee-for-service basis.

II. [Developing a Fee-for-Services Structure](#)

- ❖ Budget sufficient organizational funding to purchase the house that the YouthBuild grantee is building/rehabbing. After it is completed, the organization can sell the house, turning the sale amount back into revenue for the program, or rent the house and utilize rental income to offset some programmatic costs.
 - ◆ Develop relationships with city leadership to get surplus houses/properties donated. These are houses/properties that have been off the tax rolls, and the city would like to get them back on.
 - ◆ Work with land banks to secure a donated house/property. Land banks are governmental entities or nonprofit corporations that are focused on the conversion of vacant, abandoned, and tax delinquent properties into productive use. For more information on land banks, see [Center for Community Progress Land Banking- FAQs](#).
 - ◆ Purchase a U.S. Department of Housing and Urban Development surplus house or a foreclosure, but be sure that these properties are viable buildings (you don't want to purchase a "money pit").
 - ◆ Once you have the property, you can work with local suppliers to:
 - donate materials as in-kind;
 - hold payment of materials until after the sale of the house; and/or
 - leverage the funding to purchase the materials outright.

Major Considerations:

- ❖ Funding diversification takes time and energy:
 - ◆ Relationship building is critical.
 - ◆ Remember that each funder is focused on their relationship with the organization and may want to be prioritized as a primary funder, not realizing how many partnerships are being developed.
- ❖ Funders need to understand the scope of the work that the grantee is doing and how they can add to this work.
- ❖ Many funders are looking for new programming to fund — how can the grantee build “new” into the existing program without overreaching?
- ❖ Build capacity to match growth. Sustaining multiple funding streams and all that is required by them is not possible if administrative capacity is not also built to manage them.
- ❖ There is one caveat about diversification: DO NOT chase the money. If a funding opportunity is too far afield, the grantee runs the risk of poor performance. Once a program has failed to meet funding requirements, that funder, and potentially others, may be lost.

Rural Considerations:

One of the biggest challenges to rural communities is the lack of private and corporate philanthropic organizations. However, there are still several action steps that rural programs can take to build long-term sustainability.

- Create an asset map of partners or potential partners who are in the area. Draw a reasonable radius around the YouthBuild program and map each small business, public or non-profit agency, religious institution, public facility, and private companies within the radius. You'll

find resources and opportunities that can include mentoring partners, job exposure, internship and service opportunities, businesses to donate services or goods, and even potential work contracts that could create unrestricted revenue.

- Identify and engage the nearest community foundation.
- Cultivate individual and small business donors. Since corporate foundations are concentrated in the nation's cities, rural programs may be better off focusing on individual and small business owners rather than large corporations.
- Workplace giving programs and in-kind donations from members of a chamber of commerce may also be good strategies for rural programs to get in on corporate/business dollars.

Successful long-term sustainability requires proactive and creative thought and planning. Achieving sustainability requires intention and strategy. No single sustainability approach will ensure overall sustainability; diversity of approaches is necessary. The strategies above are some of many options available to YouthBuild grantees to make program dollars go further. Trial and error may be required to find the right combination of sustainability approaches to build program capacity, but intentional, proactive planning will ensure that the YouthBuild program becomes a community staple for years to come.

Resources:

Program Sustainability: Tips for Success: This tip sheet offers strategies for finding various funding streams and building and maintaining your program's sustainability.

GrantSpace: GrantSpace is Foundation Center's learning community for the social sector. GrantSpace provides easy-to-use, self-service tools and resources to help nonprofits worldwide become more viable grant applicants and build strong, sustainable organizations.

Sustainability Planning for the Future: This webinar presentation examines the four pillars of sustainability and considers where best to invest staff time and resources to get the most bang for your buck.

The Sustainability Framework and Assessment Tool: This is an online assessment tool to help rate the sustainability capacity of a program across eight sustainability domains. This site also contains sample sustainability plans, and resources on partnership development and fundraising.

USDA Guide to Funding Resources: This guide includes links to searchable databases offering funding opportunities from government and private sources that are available to local governments, community organizations, and individuals. It provides web links to full-text online guides and tips to assist grant writers in preparing successful proposals.

Sustainability Planning Checklist: This checklist provides examples and strategies in four important areas of sustainability planning:

- Sustainability and succession planning
- Clarifying the vision for your program moving forward
- Evaluating current partnerships and developing new ones
- Determining what resources are needed to sustain your project and building funding stability.

Leveraging New Funding and Strategic Planning for Sustainability: Webinar on diversifying funding streams for YouthBuild programs. Presenters will explore why planning for sustainability is essential and share strategies for augmenting your program with additional funding that improves outcomes while still using grants for allowable costs.