Reloading with Powerful Potential

Dear Donors, Supporters and Friends,

Fall is a great season at Arbor Brothers (and not just because our color scheme is momentarily apropos). While the world goes back to school, we get back into the swing of capacity-building projects with grantees—the heart of our work.

With four great orgs "graduating" this summer after three years with us, we needed to reload the portfolio before digging in. After a very competitive two-month process, we were thrilled by the options in our finalist pool. Our board ultimately selected three very promising new grantees and our first-ever alumni partner, All Our Kin (with whom we are re-engaging after a three year hiatus).

Bottom line? We are as convinced as ever that our grantees are *effectively and efficiently* empowering our less fortunate neighbors from cradle to career.

As always, we'll endeavor to be **substantive, candid and brief**. We look forward to hearing your feedback!

Best,

arborbrothers
engaged philanthropy

Arbor Brothers finds, funds and supports the most promising early-stage education and workforce development nonprofits in the New York tri-state area.

2017 Selection Process

35 Applicants

Application Scoring

15 Semi-finalists

Mgmt. Interviews

9 Finalists

Site Visits

4 New Grantees

We ran an "open" application process this year, received **160 letters of inquiry** and invited 35 orgs to submit full applications.

Beyond capacity-building support, grantees receive unrestricted funding which increases from **$60k to $110k** over our three-year investment, scaling alongside our confidence in their impact.

Our portfolio now includes **five** returning stalwarts…

… **three** fresh entrants…

… and our **first alumni** grantee!

POWER OF TWO

CARA — College Access: Research & Action — Creating Post-Secondary Pathways

The Brotherhood / SisterSol

ScriptEd >_

ROOTS & WINGS

CCCP

BEAM — Bridge to Enter Advanced Mathematics

Hudson Link for Higher Education in Prison

ALL OUR KIN

[click logos for details]

Grantee Spotlight: COOP

COOP *("ko-op")* propels underemployed, under-represented college grads into upwardly mobile careers in the digital economy through a sixteen-week apprenticeship and ongoing alumni engagement.

Overview

- Founded in 2014
- Budget: $720k (FY17)
- 5 FTE
- COOP has trained 31 cohorts of 425 apprentices in NYC & San Francisco to-date

Learn more at
coop.cx

Cohort Model

Cohorts are led by teams of COOP alumni captains, all currently working in the digital field, who facilitate evening workshops consisting of:

- **100 hours** of <u>hard skills</u> training (excel, web analytics, search optimization & paid social)

- **50 hours** of <u>soft skills</u> training (professional networking & career navigation)

- **50 hours** of <u>job search</u> training (cover letters/resumes, LinkedIn & interviewing)

Graduates leverage the COOP network of 70+ employer partners, including Google and Publicis, to secure employment.

Outcomes

- **Employment Status:** 81% of alumni are fully-employed after 6 months

- **Wage Increases:** Avg income rises from $15k to $45k after 1 year & $60k after 2 years

- **ROI:** As illustrated on the next page, for every one-time $1 investment, COOP creates a permanent $9 increase in a graduate's salary

One Way to Estimate Nonprofit Efficiency

In his canonical business book [Good to Great](), Jim Collins posits that every high-performing organization must define and pursue a fundamental driver of value – profit per customer, for example. For social enterprises, whose "profit" is often a hard-to-value social good, is defining this key ratio possible? Can it be used to evaluate the relative efficiency of nonprofits? Our answer is … sometimes.

Because of their highly-quantifiable outcomes, this methodology happens to be very helpful in evaluating workforce organizations. To illustrate some of the thinking that went into our selection of [COOP](), a new grantee in that space, we've decided to pull back the curtain and share an example of our calculations.

WONK WARNING!

skip this page if you eschew detail

Cost per Outcome*
(generalized)

How much does it cost an organization to create a given positive outcome?

$$\frac{\text{Total cost to serve}}{\text{Total \# of successful outcomes}}$$

Should include all administrative costs as well as program expenses. Time frame should be duration of service, not just one year.

Should include only the outcomes meeting a specific minimum standard. E.g. in a college persistence program, this is the number of eventual graduates, not participants.

Cost per Outcome**
(workforce development)

How much does it cost to create a dollar of "permanent" wage gains for trainees?

$$\frac{\text{Fully-loaded cost per placed graduate}}{\text{Wage delta per placed graduate}} \underset{\substack{\text{for} \\ \text{COOP}}}{\cong} \frac{\dfrac{\$3k \text{ per participant}}{95\% \text{ complete x } 80\% \text{ placed}}}{\$50k \text{ avg exit wage} - \$15k \text{ avg start wage}} \cong \begin{array}{c}\$0.11 \text{ to} \\ \text{create a } \$1 \\ \text{permanent} \\ \text{wage increase}\end{array}$$

Definitions

- Fully-loaded cost per placed graduate: (program costs + overhead) ÷ starting participants ÷ training completion rate ÷ job placement rate
- Wage delta per placed graduate: average wages (over two years, post-program) of all graduates placed in full-time jobs minus average wages at start

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* We are skipping many layers of caveats for simplicity – [here]() is a slightly deeper overview of our approach. FWIW, we see these calculations not as conclusive on their own, but as a helpful lens for analysis.

** This cost per outcome estimate for COOP is rough, but we believe it is directionally correct and extraordinarily compelling relative to other workforce orgs we've looked into.

Reflecting Back, Looking Ahead

We Blew It!

(lessons learned the hard way)

As with every young organization, we are making some mistakes as we grow. By acknowledging and reflecting upon them, we hope to avoid making similar oversights in the future.

1. **You Can't Rush the Trust-building Process.** We periodically engage with potential grantees on short-term projects. This summer we undertook one such project, and it did not go as well as we hoped. We set reasonable goals, but agreed to push the pace to meet tight external deadlines. This forced rapid decision-making without first building trust in our guidance and process. This ultimately resulted in mutual frustration and strategic conclusions that may not stick.

   We pride ourselves on setting and meeting high standards with our partners, but must always remember it's the trust we establish that allows us to collaborate effectively and move swiftly.

2. **Your Interns Should Probably Be Human.** As much as we love Bonnie, she'd likely add more to the team if she had opposable thumbs and/or verbal reasoning skills.

Grantees Up Close

Meet the Grantees

The Arbor Brothers family of supporters assembled in November to meet the new portfolio orgs, reconnect with returning grantees, and strengthen our communal bond. Great times!

CARA Youth Leader Afridah with CARA Co-ED Lori Chajet after Afridah's inspiring address

News from Our Network

- Congratulations to All Our Kin's CEO Jessica Sager, who was recently awarded a prestigious Ashoka Fellowship!

- 'Tis the season for inspiring grantee videos. Check 'em out:

  - 3-minute PBS profile on grantee Roots & Wings

  - Alum New Heights produced this gorgeous 2-minute video on teamwork

  - 5-minute explanation of new grantee BEAM Math's programming and impact

Please feel free to contact us for any additional information:

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