

21. Financing Start-Ups, and Earning a Return on Investment

One enormous advantage which CLP's college-based approach has over training programs is that Community Change Studies programs can become financially self-sustaining as they become regular parts of a college curriculum. Like other community college and public university programs, they then benefit directly from the annual state and federal funding their institutions receive; and their students become eligible for Pell grants, scholarships, student loans, Work Study and other financial support.

For this reason, all the CLP programs are now or soon will become self-sufficient and sustainable financially over the long-run, with their faculty and adjuncts paid by the colleges, and their students eligible for financial support. This is in dramatic contrast to the experience nonprofit networks, organizations and associations have in trying to sustain training programs: very unfortunately, these groups find it virtually impossible to attract funding to sustain a regular weekend or longer training program year after year. With this stronger financial base, college-based programs can reach cohorts of students year after year and thus have a multiplier effect.

With this continuity of funding, 2-4 year college-based programs can offer far greater breadth and depth than short training courses, and they can transfer hard skills **IF** they include strong experiential learning components. What's more, unlike training programs, colleges offer College Certificates and Degrees which are invaluable in finding family-supporting jobs and becoming upwardly mobile.

It is, however, tremendously helpful to have initial outside funding to cover the initial 1-2 year planning and start-up period. That early phase demands focused attention and a great deal of work by one or two people who can invest substantial time in building the knowledge, relationships, plans, and initial agreements needed to launch a program. While in some cases, someone on the faculty or in a nonprofit finds a way to commit sufficient time to staffing and leading this process even without outside money, CLP's experience demonstrates that **a two-year initial investment of outside funding can lead to both more**

rapid progress and a greater chance of success in creating a sustainable educational program.

Several CLP sites have benefitted from receiving sufficient initial funding to support a team of two part-time people to collaborate in leading the planning, exploration, organizing and start-up process. Ideally, one is an adjunct or regular faculty-member who is approved for released time from their usual teaching load so they can concentrate on working within the college in helping design and build the program; and the other team-member is a person with great experience and credibility in marginalized communities who can help assure those communities have a strong voice and impact in the planning. Both must share a commitment to creating a genuine community+college partnership and a Degree or Certificate program in Community Change Studies.

Typically, the cost of that staffing and basic support approximates \$250,000 over two years.

If the launch is successful, this investment leads to an extraordinary return on investment (ROI). Assuming 25 students in a full-time cohort at a community college, and the education value (the annual cost for the college of providing the education) is \$9000 per student per year¹². As the chart below indicates, **the ROI on a \$250,000 planning and start-up grant would be \$1.278 million over 6 years, or more than 5 times the original investment. At the end of 10 years, the education value would total \$3,078,000, over 12 times the original investment.**

What's more, those figures do not reflect the **enormous social value** of expanding the skilled workforce working to improve opportunities and conditions in vulnerable communities. The following chart monetizes and includes estimates of the value of the social benefits of developing and deploying this expert workforce to work on America's central social issues.

¹² The Lumina Foundation's issue paper on College Costs and Prices estimates that \$9000 per year is the total cost to community colleges of educating a full-time student. They estimate the full cost of university education as \$14,000 per year.

² These figures assume 2 planning years with no students, and only 15 students enrolled in the third year when the program begins, growing to 25 students each year in later years.

Return on Investment

Number of Years	2 Years	6 Years	10 Years
Total Philanthropic Investment	\$250,000	\$250,000	\$250,000
Number of Graduates	0	65	165
Public Investment; Educational Value per Student ¹	\$0	65 x \$18,000= \$1,170,000	165 x \$18,000= \$2,970,000
Return on Philanthropic Investment	None during planning period	468% over 6 years	1188% over 10 years
Social Value ² of Change Agents' Careers over 30 years		\$73.2 million over 30 years	\$186 million over 30 years

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² The "social value" is projected at an extremely low figure: it assumes each change agent contributes \$37,500 a year to society, and works for 30 years. The social value of each Change Agent's service is \$1,125,000.

Ongoing outside support – When possible, it may be necessary to raise outside funding to temporarily subsidize **introduction of a new course** as it may have difficulty recruiting many students until it's well-established and well-known to students, guidance counselors and faculty in other departments.

Some CLP sites have succeeded in raising funds from outside sources, the college, or College Work Study funds to **employ a Student Coordinator** to assist with outreach and student recruitment into the program, arranging mentors and counselling for students. This provides major relief for overly busy faculty and has proven invaluable for the students and the programs. A cost/benefit analysis would help faculty convince college administrators to include this position in the annual budget.

The ongoing annual budget for the program must also provide sufficient continuing funding to provide **financial support for the community partners for their work.**