

# **AmeriCorps Alums**

## **A Pathway to Vibrancy and Viability**

### **An Impact and Sustainability Case for Investment**

*“We have a leadership deficit, a talent deficit, when it comes to replacing so many who are running these community based organizations right now. I can’t think of a better pipeline than (AmeriCorps) to engage these folks, to expose them initially to public service...to let them learn about putting their values and their mission to work back for the community.”*

- Janet Murguia, President and CEO, National Council of La Raza, 2006

#### **Executive Summary:**

AmeriCorps Alums is the leading alumni network for national service in America. We inspire, equip and engage national service alumni to fully realize their potential as change agents and civic leaders in communities. AmeriCorps Alums creates a force for change in America’s communities by empowering national service alumni with the tools and resources they need for a lifetime of civic leadership.

The passage of the Edward M Kennedy Serve America Act places AmeriCorps on a pathway for dramatic growth and scale in the coming decade. In its first 15 years, AmeriCorps has produced about half-a-million alumni, and those ranks will double in the next five years—reaching over one million AmeriCorps alumni in communities by 2014.

And over the past decade AmeriCorps alumni have proven to possess critically valuable attitudes, skills, and experience that can be put into service of solving some of our nation’s toughest challenges.

Beginning in 2010, AmeriCorps Alums is implementing a new strategic direction to deliver on the need for community-based and nonprofit sector leadership and talent. AmeriCorps Alums is uniquely positioned to capitalize on the new opportunity presented in the scaling of national service to connect, equip, and engage the value of national service alumni to lead social change in communities. Furthermore, AmeriCorps Alums is positioned to build an operating model based on this new threshold of scale that can support a self-sustaining social change enterprise into the future.

**We are seeking mission-aligned capital partners to invest \$500,000 in the capacity to implement an impact and sustainability plan that will continue to mobilize the 1 million and growing AmeriCorps alumni, continuing to create positive impact in service to our nation.**

#### **Partnership With AmeriCorps Alums:**

- Cultivates the next generation of leaders for the social purpose sector;
- Will enable millions of hours of continued service leadership to community by thousands of dedicated and experienced national service alumni;
- Creates a robust and sustainable new business line for the civic change portfolio of Points of Light Institute.

This case explains the unique moment of opportunity to build upon the success of AmeriCorps Alums in preparation to capitalize on the expansion of national service so that those who serve can continue to make an impact in our communities and country, while equipping them with the tools to do so.

### About the Dynamic AmeriCorps Alumni Demographic

Since 1994, 500,000 Americans have completed a term of AmeriCorps service. 77% of AmeriCorps participants are under the age of 30, so more than 85% of the current marketplace of alumni is between the ages of 25 and 40. 73% of AmeriCorps participants have completed or had some college experience, and the educational benefits of service commonly support this cohort’s completion of post-secondary education or attainment of graduate education.

A recent scientific, longitudinal study of AmeriCorps alumni reveals that these individuals are a powerful force for social change as a result of their service. Alumni are more knowledgeable of community, civic, and social issues than the average population; a large plurality continue careers in social purpose fields (including, but not limited to, the nonprofit sector); and alumni report higher levels of aptitude, attitudes, and behaviors related to civic engagement, like volunteering, philanthropic giving, organizing community activities, voting, etc. than the general population.

Through the Edward M Kennedy Serve America Act, Congress put AmeriCorps on an aggressive growth trajectory by setting a goal of 250,000 members by 2017. Following this phased growth authorized in the Act, AmeriCorps alumni will double their ranks at three times the pace of the past 15 years—reaching 1million members by 2014 and 2 million by 2020.

*Conservative Estimates of AmeriCorps Alumni Growth*

Fiscal Year	Projected Authorization	Projected Enrollment (Efficiency Rate)	Projected Completion (Graduation Rate)
2010:	85,000	78,200 (92%)	62,560 (80%)
2011:	115,000	108,100 (94%)	88,642 (82%)
2012:	140,000	131,600 (94%)	107,912 (82%)
2013:	170,000	163,200 (96%)	130,560 (82%)
2014:	200,000	180,000 (90%)	153,000 (85%)
<b>TOTALS</b>	<b>710,000</b>	<b>661,100</b>	<b>542,674 new alumni in 5 years</b>

### About AmeriCorps Alums: Background

AmeriCorps’s founding in 1994 was naturally followed by the powerful vision that the legions of experienced alumni of national service could be a force for continued leadership and change in society. Over its first decade, at least three separate efforts were made to build a robust alumni organization.



In 2004, AmeriCorps Alums and HandsOn Network formed a strategic alliance to support the continued service and civic engagement of alumni, leveraging the community infrastructure of HandsOn affiliates across the country and more intentionally bridging national service with community service. AmeriCorps Alums is now an initiative of the Civic Incubator at the Points of Light Institute. As part of Points of Light, AmeriCorps Alums is a differentiated delivery channel for achieving the parent enterprise’s vision of every person discovering their power to change the world. Indeed, AmeriCorps alumni hold the promise to serve as the leadership vanguard for change in communities, which is a key element of the organization’s strategic focus for the coming years.

## **About AmeriCorps Alums: Accomplishments to Date**

Today, AmeriCorps Alums enjoys a powerful foundation of support, infrastructure, and accomplishments upon which to build:

- AmeriCorpsAlums.Org is an **award-winning online enterprise platform** supporting over 60,000 members with social networking, mobilization, donor cultivation, and e-commerce tools.
- A national **network of more than 200 local chapters** provides networking, training, and service opportunities to alumni and supports local national and community service with leadership, recruitment, and mentoring activities, connected to area programs and organizations.
- AmeriCorps Alums provided **high-impact thought leadership and advocacy** in the successful effort to establish a National Service Alumni Reserve Corps through the Edward M Kennedy Serve America Act and the pending legislation to make the Educational Award tax-free.
- Earned income and unrestricted individual giving represent 40% of the organization's revenue with **significant opportunities for business growth** that accompanies the expansion of AmeriCorps. Piloted earned income "field-building partnerships" were extremely successful because in addition to revenue they yielded new alumni members in bulk and fruitful longterm relationships with strong AmeriCorps programs.

## **Why Now? Making Key Shifts in Strategy**

Beginning in FY2010 AmeriCorps Alums will implement a mission-driven business plan that aims to build a sustainable and self-sufficient organization by FY2013 and more rigorously focus on supporting the continued civic leadership of thousands of national service alumni. The business plan is the result of a strategic review undertaken by the organization in the fall of 2009. As a result of that review, AmeriCorps Alums is making three key changes to its strategy.

### Preparing for the Shifts:

AmeriCorps Alums is currently changing business practices to adequately prepare and "get the house in order" in order to be successful at the new strategy.

- Better data systems: cleaned up alumni records, conducted extensive outreach and transferred to Salesforce Contact Management System.
- Enhanced communication: conducted rebranding campaign, focused messaging and overhauled website content to only include focus areas and new strategy.
- "Cut out the fat": Decisively selected target market and focused programming so limited time and capacity is spent on the people who need us most and doing what we do best.
- Cutting edge technology: Completely redesigning technology using POLI's Salesforce web platform for national and local chapter sites. Piloting cutting edge tech platform that would foster alumni impact and self organizing tools including advocacy.

### Three Major Strategy Shifts:

#### **1. A more focused program and a more focused organizational narrative.**

AmeriCorps Alums will rigorously pursue a new **mission-focus on leadership development**, to meet a pressing sector need and deliver value to alumni. Leaders and researchers in philanthropy and the nonprofit sector consider cultivating talent and leadership for the field a critical need for the future. AmeriCorps Alums' mission-focus on providing value in the leadership development of national service alumni will make it an important contributor to the sector. Moreover, this focus complements AmeriCorps Alums' differentiated place within the Points of Light Institute's portfolio.

#### **2. Shift to cultivate champions, instead of customers.**

Research done during the review period revealed that alumni could not clearly articulate the value in the dues-based membership model in which AmeriCorps Alums was organized--severely limiting the

reach of the organization. Alumni implicitly weighed the value of benefits and services against the membership dues. As a consequence the organization focused inordinate and mission-diverted energy and time on securing membership benefits like discounts. AmeriCorps Alums is making the important shift to a **movement-building message and strategy**, from an exclusive membership association. Focused energy on alumni micro-giving is expected to yield impressive results in the longterm. In addition, appealing to both alumni and other friends of AmeriCorps as the “charity of choice” for supporting national service as a cause and a movement, this strategy will enable the organization to focus efforts on its leadership development mission.

### 3. Realize scale as a strategic advantage

Leveraging the accelerated growth in national service, AmeriCorps Alums will aim to acquire and **cultivate ALL alumni** completing their term of service through a new technology capability and a new data sharing agreement with the Corporation. Capitalizing on and manifesting scale is the key to the business plan and a sustainable future. Research shows that donors engaged in small online giving campaigns are as much as four-times more likely to repeat in giving and engage others in a campaign. New social media platforms and a capability to solicit a marketplace of 1million alumni and other supporters will remove friction in the marketplace for scaled individual giving for the organization.

### Highlighted Programming and Our Anticipated Impact

AmeriCorps alums will offer a continuum of engagement services to alumni beginning with easy connection points and identity building for the largest market segment of loosely engaged alumni to more meaningful and impactful engagement to the top notch alumni segment.

#### Critical Emphasis: Connect. Equip. Engage

- Connect like-minded alumni to each other through the web and to their identity and pride in AmeriCorps service through offering branded gear.
- Equip alumni with skills and resources to be effective leaders through low cost higher education opportunities in the field of public service.
- Equip alumni with experiential and skill building leadership development opportunities through our leadership programming/partnerships.
- Mobilize through meaningful and impactful volunteer opportunities at Hands on Affiliate-alumni chapter partnerships and through new technology that better connects alumni with similar interest areas.

#### Projected Leadership Development Focus Areas:

- Place alumni in leading, high impact nonprofit and government organizations to shadow leaders
- Coordinate 9-12 month fellowships for top notch alumni at leading impactful public service institutions (nonprofit, gov, higher education).
- Help engage as leaders with AmeriCorps specifically (national service leaders) and with our internal network of alumni chapters.
- Publish list of top 100 civic leaders (who’s who in nonprofit execs, corporate, public office positions, social entrepreneurs).
- Partner with institutions of higher education to provide access to low-cost graduate school in public service type fields of study.
- Connecting alumni to each other to build strong professional network

## Plan for Sustainability

AmeriCorps' exponential growth path as a result of the Serve America Act creates an opportunity for which AmeriCorps Alums is uniquely positioned to leverage and meet its goals of self-sufficiency by 2012. The business sustainability plan is built upon three core revenue categories:

- **Alumni and Friends: The "Charity of Choice" for National Service as a Movement.** The growth of AmeriCorps will rapidly scale the marketplace of alumni who identify with the brand. Technology will enable efficient collection and communication with alumni who are increasingly tech savvy. These online tools enable powerful new platforms for micro-giving--generating substantial returns at scale. Modest returns of 2 to 4% giving rates at average gifts of \$10 will create a primary revenue channel for unrestricted resources to support the organization.
- **Earned Income: Field building services and cause partnerships.** The demographic profile of the growing AmeriCorps alumni constituency is an attractive market for businesses like financial services, retailers, and social brands. Correspondently, a critical mass phenomenon of AmeriCorps in states and national organizations are causing program directors to turn attention to organizing and supporting these alumni. These earned-income partnerships with the national service field and corporations interested in our alumni market come with the added benefit of supporting the leadership and continued service mission of the organization.
- **Contributed Revenue: Philanthropic Interest in Sector Effectiveness and Leadership.** Targeted partnerships with philanthropy that is funding nonprofit leadership development will enable AmeriCorps Alums to provide differentiated value to its alumni in their pursuit of careers in social purpose fields and leadership opportunities in community-based settings.

AmeriCorps Alums sustainability plan intentionally minimizes the dependence on restricted program-related sponsorships. These philanthropic gifts will be focused on the leadership development programming of the organization while earned income and unrestricted gifts can support the overall capacity of the organization to continue managed growth associated with the growth of the alumni marketplace.

### Investing in the Plan:

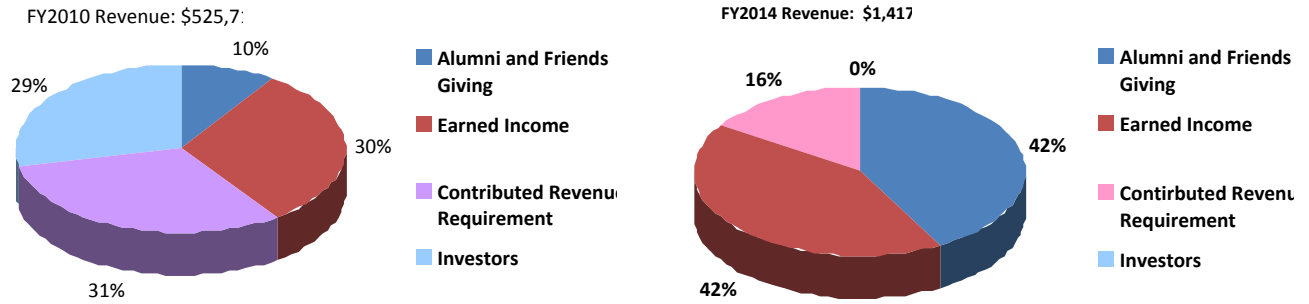
AmeriCorps Alums is seeking \$500,000 in investment capital over the next 30 months to leverage this unique moment of opportunity to pursue scale and sustainability. Our scaling partners will differ from more typical contributors or donors in three important ways:

- Investment capital is dedicated to establishing the systems and partnerships for scale and future business development--not program/service delivery.
- Investments may be structured in debt or equity formats tied to specific business lines outlined in the plan.
- Capital distributions may be tied to operational performance milestones of the plan rather than programmatic outputs or outcomes.

Key areas for capacity-building include:

- **Technology:** Building the technology platform and data management infrastructure to cultivate 1 million prospective alumni donors.
- **Dedicated Talent for Business Development:** Staff to cultivate and service the growing alumni-related market in states and national AmeriCorps programs.
- **Outreach and Marketing:** A public campaign to find and highlight national service alumni leading change in their communities.

*Evolution of Revenue Blend: 2010 to 2014*



**Conclusion:**

AmeriCorps Alums has an opportunity to cement its leadership by focusing on delivering a set of narrowly defined, highly valuable services to a rapidly expanding target audience. By declaring itself to be, first and foremost, about serving national service alumni so that they may serve communities, the organization can focus exclusively on activities that deliver value to alumni (that a large group of alumni would be willing to join the organization in order to receive) and that create social change.

As the membership base grows and the organization’s effectiveness is more apparent, additional revenue opportunities will present themselves creating a virtuous cycle where revenues support high performing mission-aligned achievements, that motivate others to achieve, that increase the membership base, and that generate more revenue. Investing in the capacity pathway in AmeriCorps Alums’ business plan will establish a sustainable platform to “fully realize the potential of national service alumni as leaders in communities”.