



AmeriCorps Alums

Business Plan

AmeriCorps Alums is 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 1Million and growing AmeriCorps alumni, continuing to create positive impact in service to our nation.

Contents



Overview

Financial Objectives

Evolution of Revenue

Mission-Focused Business Plan

- Line 1: Individual Giving
 - Alumni Giving
 - National Service Champions
- Line 2: Earned Income
 - Field-building Services
 - Cause Partnerships
- Line 3: Contributed Revenue
 - Philanthropic Gifts

Pro Forma Financials

Financial Objectives



Investment Capital Needs: \$500,000 over 3 years

Financial Objectives of Investment Capital:

- revenue-expense neutral by 2012
- 90% of Revenue from earned income and unrestricted individual giving by 2014

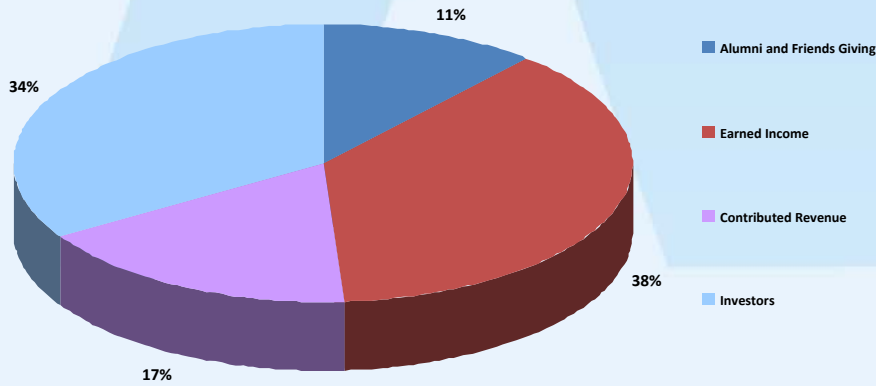
Financial Indicators:

- Alums begins FY2010 with 40% of its revenue generated/earned from future sources.
- In FY2012, Alums will become profitable, but still reliant on some amount of contributed revenue from foundation or corporate sponsorship sources.
- By FY2014, AmeriCorps Alums will be 100% independent of operational reliance on contributed revenue.

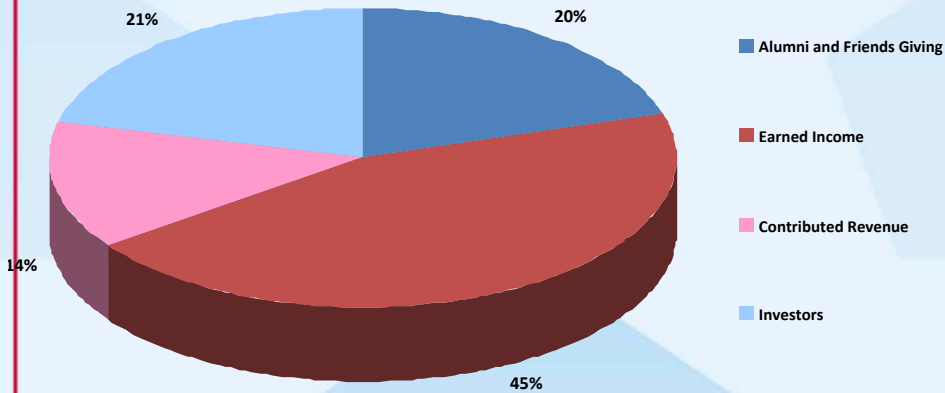
Evolution of Revenue Model FY2010, FY2012, FY2014



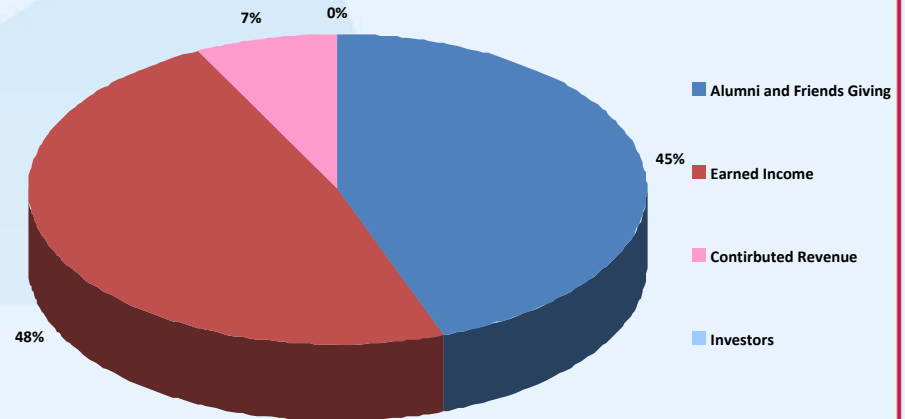
FY2010 Revenue: \$441,000



FY2012 Revenue: \$712,153



FY2014 Revenue: \$1,335,291





Business Plan

Capitalizing on Scale: 3 Part Revenue Model



AmeriCorps's exponential growth path as a result of the Serve America Act creates a new opportunity for which AmeriCorps Alums is uniquely positioned to take advantage.

Unrestricted Individual Giving

- **Alumni Giving:** A micro-giving strategy appealing to interest in supporting the national service movement.
- **Friends of AmeriCorps Alums:** Appealing to champions and legacy supporters of national service movement.

Earned Income

- **Field Building Services:** Mission-aligned business serving states and programs with new volume of alumni.
- **Cause Partnerships and Brand Licensing:** Corporations who support service and attracted to the 1 million+ alumni market.

Program-Aligned Contributions

- Corporate and Foundation philanthropy supporting the leadership mission of AmeriCorps alumni.

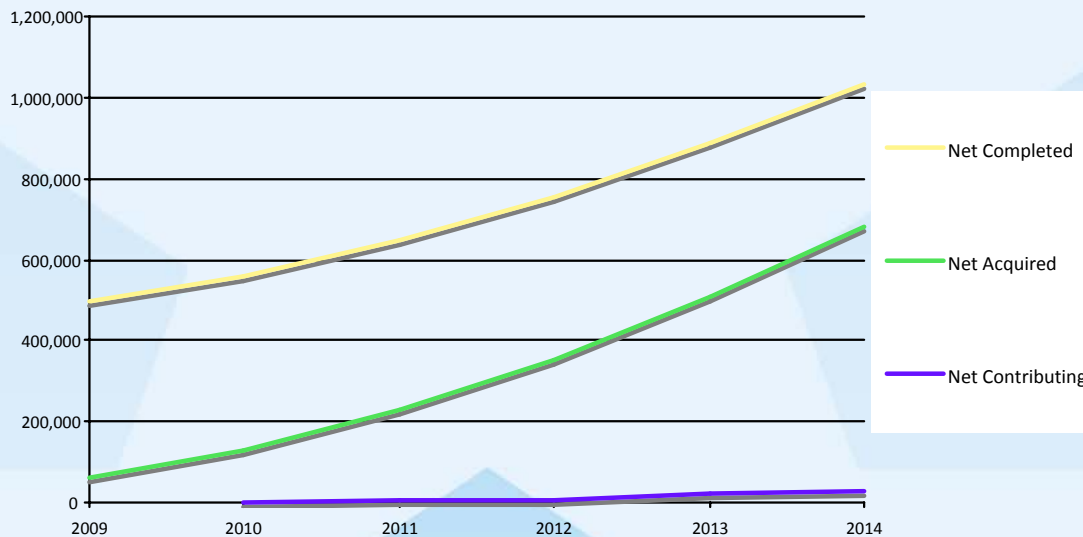
Individual Gifts Alumni Giving



Strategic Opportunity:

- 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.
- Online tools enable powerful new platforms for micro-giving--generating substantial returns at scale.

AmeriCorps Alumni Market Dynamics



Assumptions:

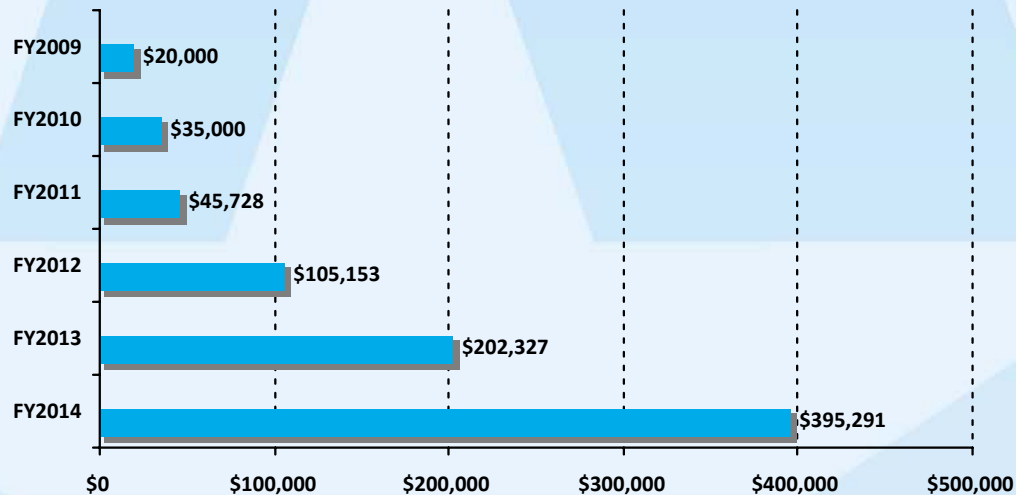
- **Enrollment and Completion Rates:** Recent underperformance in enrollment and attrition rates built in to the model.
- **Capturing new alums:** Reaching every alumni is central to the new strategy. The model assumes meeting this performance target of 100% acquisition by 2013 and builds incrementally beginning with 70% acquisition in 2010.
- **Acquisition of pre-2009 alums:** Finding older alumni is not critical to the strategy. Our goal is to reach and engage 20% of pre-2009 alumni by 2013. This model averages 5% acquisition per year to reach this 20% target by 2013.
- **Giving Rates:** Studies of direct mail and more recent online giving campaigns suggest a 3-5% participation rate.

For a more detailed explanation of the marketplace of AmeriCorps participation, including historical data on enrollment and completion rates, see addendum.

Individual Gifts: Alumni Giving



Alumni Giving Gross Revenue



- Pilots and experiments with online giving campaigns while building the dataset and technology infrastructure for first three years will yield modest returns (2-4%).
- In FY2013, we aim to have 100% acquisition rates of all graduation alumni, and a total distribution reach of over 500,000 alumni.
- Transaction rates in the out-years of 3 - 4%, at a conservative \$10 gift average, based on best practice in direct mail and early evidence of online giving campaigns
- High Interest alumni will be cultivated for a separate Champions' Circle giving strategy (Business Line 4)

Strategic Sustainability Objectives:

- Generate an average annual gift of \$25 through online giving campaigns
- By 2014 (5 years) represent the largest source of revenue for the organization--an unrestricted source.
- Provide a 15% net revenue to POLI by 2014.

Individual Giving Friends Of AmeriCorps Alums



Strategic Opportunity:

- AmeriCorps is becoming a strong national institution, built upon a legacy of steadfast leadership from many influential Americans
- AmeriCorps Alums is uniquely positioned to become the “charity of choice” for those interested in supporting the “cause” of national service, writ large.
- AmeriCorps Alums enjoys the support of a strong and growing cadre of “Friends of Alums” who seek an outlet to remain involved and connected to one another.

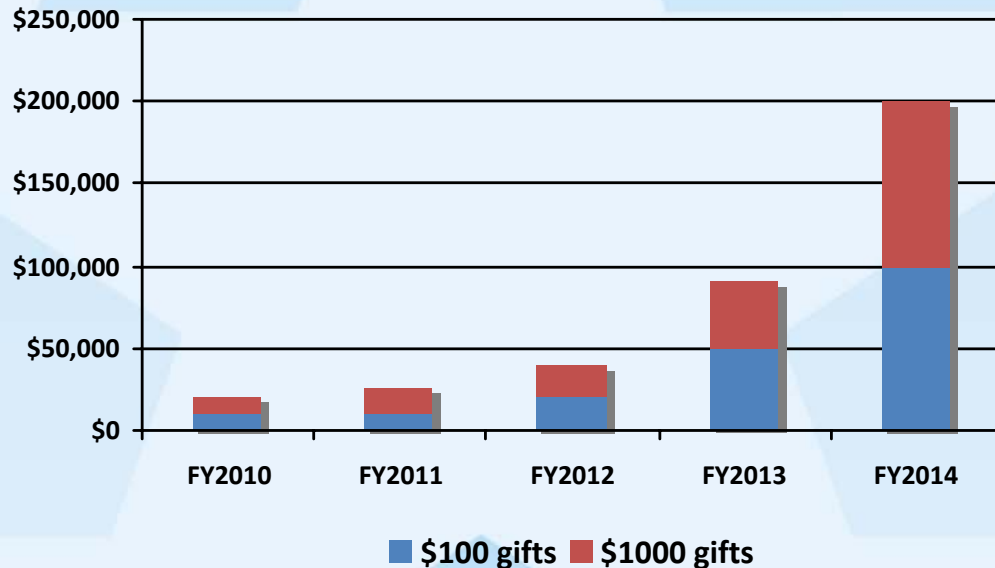
Historical success upon which to build

- An annual Washington fundraising event generates at least \$50,000 and helps maintain involvement and build affinity from a crucial community of supporters.
- An endowed Eli Segal Award has attracted substantial individual giving levels in honor of the founder of AmeriCorps.
- AmeriCorps Alums enjoys the support of a strong and growing cadre of “Friends of Alums” who seek an outlet to remain involved and connected to one another.

Individual Giving Friends Of AmeriCorps Alums



Major Gifts Revenue



Strategic Sustainability Objectives:

- Major Gifts activities self-sufficient and support major recognition event in Washington by FY2013
- Cultivate a champions network of 100 \$1000+ donors by FY2014 who are active advocates and advisors for the organization.

Earned Income Field-building Services

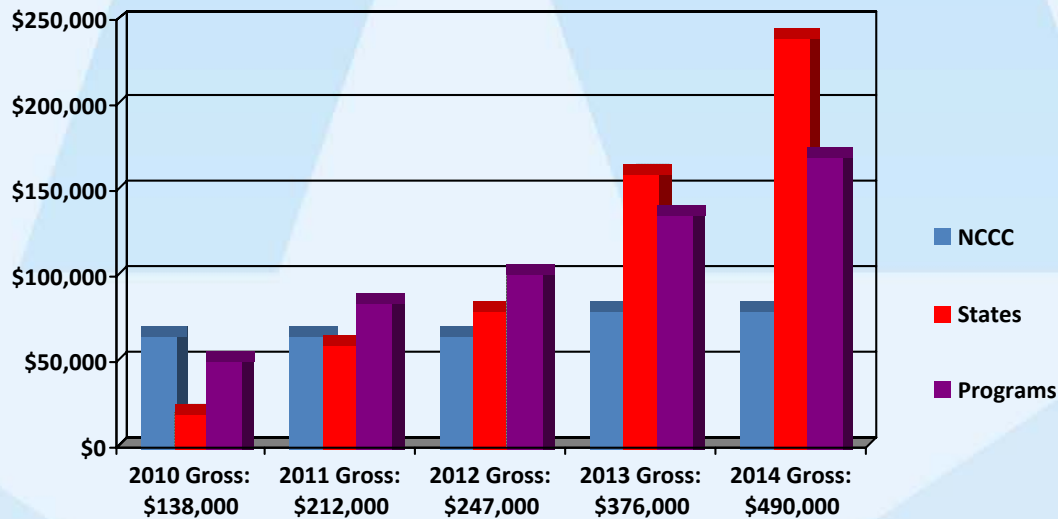


Strategic Opportunity:

- Alums contracts currently generate a net revenue of 20%, on average, that goes to support other activities of the organization (35% of total organizational revenue).
- Congress is providing a 50% increase (Net: \$6M) in states' administration funding, from which these resources typically come. **Supporting alumni activities identified as a top 3 priority for this expanded capacity by 78% of commissions.**
- *Critical Mass Phenomenon:* AmeriCorps' dramatic growth--some states expecting to double membership in two years--will create a tipping point of demand for states and programs to invest in alumni support.

Earned Income Field-building Services

Revenue: Field-Building Services



- States represent the largest market for growth--over time representing the largest source of revenue from these activities.
- Model assumes conservative growth in national program contracts and 12 state contracts (24% of the market) by 2014.
- Opportunities for innovation include revenue sharing arrangements with states and programs could grow this business line.

Strategic Sustainability Objectives:

- Business line supports its own expanded sales and servicing activities by 2012.
- Net revenue reinvests in the leadership development, recognition and communications activities of the organization.
- Provide a 10% net revenue to POLI by 2014.

Earned Income: Cause-Related Partnerships



Strategic Opportunity:

- The demographic profile of the growing AmeriCorps alumni constituency is an attractive market for businesses like financial services, retailers, and social brands.
- *Service is the New Green:* The public profile of service and volunteering is increasing the level of corporate interest.
- As an example, AmeriCorps Alums current cause marketing deal with Bank of America is projected to **triple in value as a result of successfully executing the new strategy.**

Case study: Bank of America Affinity Program

Bank of America offers AmeriCorps alumni a checking account and branded debit card which provides them extra savings as compared to the typical "Keep the Change" program participant. Bank of America annually matches their savings up to a maximum total match of \$250 per year along other special promotions benefiting alumni financially.

- AmeriCorps Alums receives \$10 for every new account opened under the program. For every "converted" account, meaning a BOA customer who moved over to this program, Alums receives \$5. Every year that these alumni keep their checking account open, Alums receives \$5 per account, per year.
- In the first year of this program, with little promotion, about 4000 new accounts were opened or converted.

Contributed Revenue and Program Sponsorships



Strategic Opportunity:

Nonprofit effectiveness and next-generation leadership development are both major emphasis areas for America's philanthropy.

Sponsorship Opportunities

- Alumni Leaders Fellowship Program / Alumni Leaders Shadow Program
- Annual Top 100 Civic Leader List
- Events: National AmeriCorps Week outreach campaign to increase alumni base, National Conference on Volunteering and Service Alumni Off-site Reception

Pro Forma Financials



Pro Forma Change in Net Assets

	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>
Revenue					
INDIVIDUAL GIVING	50,000	70,728	145,153	292,327	595,291
EARNED INCOME	166,000	260,000	317,000	496,000	640,000
CONTRIBUTED REVENUE	75,000	75,000	100,000	100,000	100,000
INVESTMENT CAPITAL	150,000	200,000	150,000	0	0
Total Revenue	441,000	605,728	712,153	888,327	1,335,291
Expenses					
Personnel	281,737	303,280	316,251	381,621	483,406
Benefits (embedded above)		74,820	78,063	81,405	86,352
Professional Services	25,000	15,000	25,000	25,000	50,000
Media and Marketing	37,000	12,000	52,000	82,000	160,000
Printing Shipping	15,000	10,000	20,000	25,000	32,000
Travel	9,000	18,440	20,728	22,074	24,488
Technology	50,000	50,000	15,000	20,000	20,000
Telephone	3,000	3,000	3,000	3,000	3,000
Events	7,000	15,000	6,000	5,000	25,000
Sub-Grants	22,750	88,750	43,750	73,750	133,750
Debt Retire	0	0	0	0	75,000
Direct Expenses	450,487	590,290	579,792	718,850	1,092,996
		31.0%	-1.8%	24.0%	52.0%
Rent	14,087	15,164	15,813	19,081	24,170
IT	14,087	15,164	15,813	19,081	24,170
G&A	63,068	82,641	81,171	100,639	153,019
Total Expenses	541,729	703,259	692,588	857,652	1,294,357
Net Profit (Liability) to POLI	(100,729)	(97,531)	19,565	30,676	40,935