

Business Plan Strategic Overview

April 2008

Why Change?

Why has United Way of Santa Barbara County (UWSBC) explored and started in this new direction? UWSBC has not entered into this transformation without a tremendous amount of consideration. Transformation is not easy, and radically changing a formula that's worked for decades isn't something to be taken lightly. So why should United Way transform the way it does business?

- **Rapid economic change:** Our world is changing rapidly. In the space of a very few decades, we've moved from an industrial economy to a service economy to an information and technology economy. In addition, the economy has moved from a local or regional economy to a national and finally a global one. These changes have been reflected in the local business environment and economy.
- **Uneven wealth distribution:** Today's economy, like the industrial revolution, has created tremendous wealth and prosperity. But that wealth is distributed much more unevenly. According to the U.S. Census Bureau, 20 percent of the population controls more than 80 percent of the total net worth. This uneven distribution is extremely apparent in Santa Barbara County where more than 40 percent of all children live in poverty.
- **More complicated issues:** Today's problems are more complicated. The most vulnerable members of our population are struggling to get by. For example, affordable housing and access to health care are much more difficult to find and it is becoming even more challenging to find quality childcare.
- **Diversity:** Our community is becoming more and more diverse. In California, more than half the population is made up of ethnic minorities and Santa Barbara County is not far behind.
- **Our system cannot keep up:** The systems that were created to care for communities and the people who inhabit them were created for a different time with more homogeneous communities and basic human needs.
- **Today's problems require different responses:** Today's problems require us to look at community systems, not just community services.
- **Non-profit proliferation:** More than 35,000 net tax-deductible non-profits are created in the United States each year. The number of non-profits more than doubled in the 1990's. But more non-profits aren't solving problems, they are just diluting the resources among more agencies. In Santa Barbara County, the number of human service charities has increased from fewer than 200 in the 1970's to more than 1,000 today.
- **Our old model is less impactful:** United Way's funding is a diminishing source of agency income. As our donors have demanded a higher return on investments, UWSBC has been investing more and more in innovative, more effective partnerships. Today, 55%–60% of our funding supports partnerships.
- **More effectiveness:** Over the past two decades, UWSBC has been able to produce better results for vulnerable populations by working through partnerships.

Choices

Faced with these issues, United Way of Santa Barbara County has three primary choices:

1. Continue with the traditional business model and keep adding more agencies, knowing that United Way's funding will become less and less relevant to their budgets, to the work they do, and to the people they serve.
2. Become the community fundraiser and distribute donations to agencies. However, there are other processors out there who can do that much more efficiently and at a lower cost.
3. Demonstrate that our value is in bringing communities and stakeholders together in new ways to improve lives.

Strategic Planning Findings

Through the course of our transformation and recent strategic planning process, we have learned a few key lessons about the best methods for improving lives:

- **The most effective way to improve lives.** For several decades, fundraising has been a mainstay of our work, but fundraising is a means to an end. United Way started as a community organizer and its purpose was to improve lives. There was a time when the United Way campaign was the most effective way to do that. But the conditions stated above show that the world has changed, and today's problems take more than just money – they require collaborative community action.
- **It's about relationships.** United Way's new business model capitalizes on its most valuable asset – its relationships. More than any community organization, United Way has relationships with diverse sectors of the community – business, government, education, non-profits, other funders and individuals. Mobilizing these diverse groups into collective action is what will help deal with today's community issues.
- **Community Impact.** United Way's product is community impact – improving lives by mobilizing communities to create lasting changes in community conditions. It's more than a philosophy. It's a real and meaningful way to make communities better places to live, work and prosper. It's about getting at the root causes of community problems. It's not enough to feed a hungry family – you have to address what made them hungry in the first place. Traditional health and human service industries are going to be key partners in achieving positive community impact.

New Model

United Way's new business model pursues three aspirations:

1. **Civic engagement:** This is where UWSBC's community organizing roots come into play as United Way and its partners actively engage diverse community stakeholders in dialog, decision making and action. It involves identifying communities and their interests, educating them about issues, helping them set priorities, and motivating them to collective action. It involves formal processes like meetings and surveys, as well as fostering the more informal aspects of community including neighborliness, citizenship, and communication.
2. **Aligned Community Impact:** Research into best practice models has revealed that UWSBC can be more effective by aligning its human service efforts towards strategic outcomes. By focusing the strengths and resources of our community, UWSBC can leverage its impact in much more powerful ways. To do this, UWSBC will help craft a community agenda that has widespread acceptance from most of our community's sectors.
3. **Resource Development and Investment:** This takes into account much of United Way's traditional expertise in developing resources and bringing them to bear where they are needed most. The difference here is that there will be much more focus on community level results,

rather than just direct services and United Way will be seeking resources from a more diverse pool of sources, rather than focusing on the annual campaign. Resources will be invested in the community – sometimes through agencies and sometimes through other entities – based on results. In addition, UWSBC realizes that the term “resource” means much more than just money; “resource” also means the collective capacity of our community’s individuals, associations, organizations, and institutions.

Getting Results

There is a growing body of evidence, both in our community and nationally, that this new direction gets results both for United Way and the community. All over the country, the new model is receiving support from key corporate and private foundation partners, as well as generating additional resources for community investment. Public opinion polling shows support for the new direction among diverse constituencies. Plus – the bottom line – communities are changing for the better and lives are being improved.

Public Support

- Over the past few years as UWSBC has been speaking to donors about this new model and the Power of Partnership, the percentage of gifts being traditionally designated to other charities has remained at 20%-25% -- approximately half the average percentage among California United Ways. In other words, UWSBC has more than double the California average of resources under management to direct to its own projects and goals.
- As more United Ways across the country adopt this newer model, United Way is seen as a leader in community impact by a growing percentage of the general public – 71 percent, up from 63 percent in 2002.
- In some leading community impact cities, our best customers are showing an even greater perception of United Way as a community impact leader. In those communities, 89 percent of Active Community Investors – those people who are known to donate and volunteer regularly – see United Way as a community impact leader.
- In these leading cities, a large percentage of the Active Community Investors (donors who give a minimum of \$500 for 3 years) also see United Way as a charitable organization that makes a difference in the community – 67 percent, compared to 27 percent nationally.
- 94 percent of Active Community Investors in these communities trust United Way, and are favorable toward United Way.

Partnership Matters

United Way cannot effect real change alone. Partners from all across the community have to come together – business, government, education, non-profits, service clubs, faith-based organizations, other funders, and individuals. Our new strategic direction is about striving for results that no one entity can achieve alone.

Where do agencies fit in? Agencies are key partners in getting real results – the services they provide and the expertise that they bring to the table is essential to the success of any community impact effort. Those agencies that partner on community impact efforts – the ones that are aligned with the community’s impact agenda as set forth in our Power of Partnership Initiative – will benefit from United Way’s resource development efforts, and in fact may receive more resources than ever before.

Recently, United Way of America did case studies of several United Ways who were in the process of transforming to see how agency relationships were affected. In many cases, there were long-term

benefits to agencies from the shift. Several agencies noted that they are stronger today as a result of their changed relationship with United Way. They improved their fundraising capacities, strengthened their boards, recruited more volunteers, and focused on improving program efficiency and achieving longer range outcomes. Finally, the agencies that participated in “impact” or “vision” councils shared critical expertise and received increased exposure in the community that allowed them to create awareness around the issues their clients face and position themselves as community leaders.

Most importantly, the relationship between United Way and its agencies becomes more of a partnership for community impact, rather than a relationship predicated on a financial transaction – i.e., the annual agency allocation.

How will the new strategic plan affect resource development?

As noted above, due to our focus on the Power of Partnership and our new strategic direction, UWSBC has been able to retain a very low percentage of designated gifts. In addition, we have been able to attract funding from many new non-traditional sources such as private foundations and the County of Santa Barbara. Our results are in accordance with studies conducted across the United Way system:

- Looking at some leading community impact (new direction) cities show they are outpacing their peers in terms of revenue growth and revenue diversification.
- One, three, and five-year trends show that leading community impact United Ways have better campaign growth than Metro 1 United Ways (UWs that raise \$25 million+) and the system overall.
- These United Ways are also seeing greater growth in their discretionary (undesignated to a specific agency) funds. This allows United Ways more flexibility in investing resources – more resources can go where they are needed most and can get the best results.
- In addition, these United Ways are showing a greater percentage of their resource development is coming from sources beyond the annual campaign such as foundation grants.

What might occur if United Way of Santa Barbara County is successful in this transformation?

Future Outcomes (3-5 years) *“Subject to community support and funding”*

- Power of Partnership Initiative Master Action Plans for Children & Families and for Seniors & Families will be completed and communicated to all stakeholders
- Power of Partnership Initiative Master Action Plan implementation activities will begin focusing efforts to reach community goals
- Measurable progress will be made towards consensus-driven community goals for children, families, and seniors
- The achievement gap between White and Latino children and between middle-income and low-income children will be narrowed
- More seniors will have a sense of engagement, enjoyment, and safety
- More families will have access to health care
- Domestic violence incidents will diminish
- A greater percentage of children will graduate high school prepared for a successful transition to adulthood
- More parents will receive parenting trainings and support services so they can provide a stable foundation for their children
- Family caregivers of seniors will receive more respite care and training support

- Fun in the Sun
 - In all Title I schools in Santa Barbara (nine schools)
 - Located from Carpinteria through Santa Ynez Valley
- UWSBC will launch the Volunteer Income Tax Assistant Program & Earned Income Tax Credit program providing needed support to individuals and families as part of its new Economic Stability Initiative.
- Pre-Kindergarten Summer Institutes will double the number of children and families that it helps from 160 to 320 so that more children can enter school prepared to learn. There are currently 500 qualified children not being served that will be targeted in the future.
- The Kinder Booster program will expand to provide specialized support to kindergartners who have been identified as needing targeted support
- A successful public launch of Volunteer Santa Barbara County! (www.volunteersbc.org) will increase the total number of individuals volunteering as well as increase their effectiveness
- Online funding and service provider initiatives
 - Foundation – UWSBC will implement a low-cost shared online grant making and grant reporting capability with other funders
 - Client Tracking – UWSBC will implement a low-cost online client-tracking system for otherh other service providers to share thereby creating greater efficiency
- Our entire community will work together to help build strengths in young people rather than focusing on their deficiencies
- Caregiver Resource Project – An easy to use resource guide in electronic and print formats will be created for those individuals serving as caregivers

Future Press Releases

The next several pages show three possible press releases revealing improvements in children's lives as they would appear in the year 2014, if United Way of Santa Barbara County is successful in implementing our new strategic plans.

**United Way
of Santa Barbara County**

320 East Gutierrez Street
Santa Barbara, CA 93101
tel 805-965-8591 fax 805-962-3461
www.unitedwaysb.org



Santa Barbara Reverses National Trends

FOR IMMEDIATE RELEASE

SANTA BARBARA, CALIF.—June 1, 2014— A recent, local study showed that Santa Barbara is setting the pace for improving the likelihood that local children will succeed. The United Way of Santa Barbara County study tracked multiple key indicators of children’s success over the past six years. Researchers were amazed to discover that local children, contrary to national trends, actually improved in several areas crucial to their future success: reading at or above grade level; academic readiness, healthiness, positive identity indicators, and positive behavior choices. In each of these areas, local children showed dramatic increases.

The study indicated three central initiatives, led by United Way of Santa Barbara County, produced the largest positive impact on these results, especially for poverty-level, disadvantaged children. “United Way’s strategic emphasis on creating targeted impacts during crucial periods of children’s lives seems to be paying dividends for its supporters,” the study reported. United Way’s strategic focus on helping children in their early years, improving literacy and academic readiness in their elementary years, and encouraging positive behavior choices in their teen years has created a continuum of support that is having a lasting impact on their chance of a successful future.

United Way began focusing much of its efforts to improve children’s literacy and academic readiness more than fifteen years ago with its Fun in the Sun program. Fun in the Sun combines the strengths of multiple local organizations who come together to provide a strategically designed set of activities to improve elementary-aged children’s reading and school-based skills as well as strengthening their character. The landmark study, longitudinally tracking more than 2,500

disadvantaged children, determined that United Way's efforts increased children's reading scores by an average of more than 17% a year over the last six years. The study also noted that United Way's efforts and results really expanded when they convened a community engagement and planning initiative named the Power of Partnership Initiative which brought together thousands of local citizens to help create a plan to address children's futures.

In the early days of the program, through discussions with local school officials, United Way volunteers came to the realization that if they really wanted to give poverty-level children a better chance of success by closing the achievement gap, United Way had to deliver services that also reached the children in their preschool years. United Way soon began forming partnerships with local public and private organizations that helped young children to become healthier, more engaged, and leveled the playing field when it came to school readiness.

The study also indicated that United Way began to emphasize a comprehensive series of activities engaging teens, their families, and their neighborhood to help strengthen teen's ability to resist threatening and negative behaviors and to embrace positive choices. "We soon began to wonder," United Way Director Paul Didier said, "what was happening to our Fun in the Sun kids after they reached junior high and left our program. We realized through discussions with our partners that if we didn't continue to support these children, all the progress we had made would be lost." Utilizing well-documented national research, United Way formed new partnerships with local area schools and began a campaign to improve the number of positive assets local teens possessed.

The study also reported that these improvements in local children's lives were contrary to the well-reported decline on a national basis in the key indicators children need to succeed. Tom Thomas, former chairman of the Board for United Way of Santa Barbara County, shares, "We are very pleased with the study's findings on the positive impact that United Way's strategic focus is having on children's lives, our only lament is that we know there are many more that we could help if only we had more resources."

###

**United Way
of Santa Barbara County**

320 East Gutierrez Street
Santa Barbara, CA 93101
tel 805-965-8591 fax 805-962-3461
www.unitedwaysb.org



Local Children's Success Skyrocketing

FOR RELEASE ON OR AFTER JUNE 29, 2014
For more information, contact United Way at (805)965-8591

Santa Barbara, CA

A landmark study released today by United Way shows Santa Barbara area youth performing at their highest levels in history.

The study, which tracks the results of a group of 2,500 lower income students, covers the past six years. The study showed a very high correlation between innovative services delivered by local community based nonprofits in partnership with educators, businesses, and government leaders called United Way's Power of Partnership.

United Way reported that the 2,500 students demonstrated remarkable results at various points in the six years covered by the study. Some of the overall key findings:

- Reading scores: Children in the Power of Partnership study showed an average of 94% gain on reading tests above their grade level vs. an average of a two year grade level reading deficit for children not in the Power of Partnership program.
- Discipline: Children in the Power of Partnership study showed an 81% decrease in school based disciplinary actions (detentions, suspensions, trips to the principal's office) vs. non Power of Partnership children

How were these results achieved? Looking back over the years of the study, several milestones were mentioned. Many of the children now high school seniors were tracked in their Power of Partnership activities since they were seventh graders. Analysis of this group revealed the following:

- Power of Partnership participants were 45% more likely to have a "B" average or higher grade than non-participants.

- Power of Partnership participants were 39% more likely to exhibit leadership behaviors with peers than non-participants.
- Power of Partnership participants were 61% more likely to maintain their own good health than non-participants.
- Power of Partnership participants were 42% less likely to be involved in problem alcohol use.
- Power of Partnership participants were 56% less likely to be involved in violence related actions.
- Power of Partnership participants were 21% less likely to be involved in early sexual activity.

This data comes from an initial partnership with La Cumbre Junior High School, La Colina Junior High School, Goleta Valley Junior High School, and Carpinteria Middle School, Orfalea Fund, and United Way of Santa Barbara County.

Many of the current elementary students in the Power of Partnership study first became involved in the study as pre-schoolers. They were involved in a planned succession of early childhood services that together created unprecedented seeds for future greatness. The early childhood services, dubbed Success by 6, show a dramatic change in academic and social behaviors for the lower income children in the study. Power of Partnership study reports:

- Power of Partnership children were reading at grade level by first grade vs. an average of being one grade behind for non-participants.
- Power of Partnership children were 8% less likely to be involved in special education classes than their peers.

This study shows positive results on several indicators at key benchmark timelines. This report comes at a time when recent reports show increasing problem behaviors and decreasing academic results nationally. United Way report hosting academics and government leaders from around the country who have been visiting Santa Barbara to learn more about how to create these successes in their home communities.

United Way reported that the services involved in the Power of Partnership study are ready and able to serve many more of the 15,000 non-participating students. “The only obstacle to producing thousands more success stories is the funding needed”. Declared Tom Thomas, former CEO of the Pacific Bancorp Foundation, one of the innovators of the Power of Partnership project.

#####

**United Way
of Santa Barbara County**

320 East Gutierrez Street
Santa Barbara, CA 93101
tel 805-965-8591 fax 805-962-3461
www.unitedwaysb.org



Kids Win when United Way Donors Invest

FOR IMMEDIATE RELEASE

June 25, 2014

Rafael Sanchez is faced with a very difficult choice. He is a member of Santa Barbara High School's class of 2014. XYZ Fabrication Services, after a full screening process has offered him a full-time living wage job and the Cal Tech admissions office have notified him he has been admitted to their new school of Nano Technology.

"I really had no idea my love of science would work so well. My work in school and as a graduate-tutor in United Way's Fun In the Sun program helped me with this, my counselors told me all along that choices in life are what it is all about and now I know what they really mean."

Rafael is a remarkable person, however, he is not alone. This year an all time high of 72% of Santa Barbara High School grads are facing similar choices, nationally 35% of graduating seniors can do so.

Max Wafer, Personal Manager for XYZ Fabrication Services, reported that he has observed a steady increase in work readiness of Santa Barbara High School graduates. "These grads can go directly from the classroom to the workforce and be productive from day one, if that is what they choose."

Cal Tech Admissions Officer, Sarina Walacheski offered the following, "Santa Barbara High School grads have the highest percentage of acceptance of any school in California."

Community leaders in Santa Barbara credit an outstanding school system and United Way of Santa Barbara County's Power of Partnership Initiative with the results.

Tom Thomas, former President and CEO of Santa Barbara Bank and Trust and United Way of Santa Barbara Board of Director Chair during the Power of Partnership Initiative launch year in 2007 was not surprised by this story. "Our research and planning efforts told us we needed to make major changes. The schools and the community both needed to join hands around developing our kids so that is what we did."

"We believe we can both sustain these results and take them to scale for every high school in the south county within five years if we can find the resources," he said.

The Power of Partnership™

History with Partnerships

Our new strategic direction is summed up by our organizational mission: **Right here, right now, with the *Power of Partnership™*, we are improving lives for children, families, seniors, and you!** The *Power of Partnership™* is our way of describing the principle that UWSBC has found to have the biggest impact on improving people's lives – a simple principle which delivers powerful results. The *Power of Partnership™* is the idea that by combining our strengths together, we can achieve more than by working alone. This principle has been proven time and again in our work in south Santa Barbara County over the years, even when we were primarily a traditional United Way focused on fundraising and grantmaking. We have a long history of collaborating and partnering with other organizations to find innovative solutions to community issues. UWSBC has long been a leader in fostering public/private partnerships. The following are just some of the partnerships over the past twenty-five years that UWSBC has helped create, support, direct, and/or played a major role.

- 211-CRIS Directory
- Helped develop the first homeless shelter for women & children
- Created a unique partnership with the Red Cross to address family needs arising from the Painted Cave Fire
- Children's Resource & Referral Initiative
- Transition House
- Teenage Pregnancy & Parenting
- California Childcare Coalition – created more than 1,500 infant & preschool positions
- Child Abuse Planning Council
- Fighting Back
- Helped found Valley Haven Senior Day Care Center to serve the Santa Ynez Valley.
- SART-Sexual Assault Response Team
- Helped develop the first Common Grant Application
- Linkages program
- Day of Caring
- Fun in the Sun
- Lunch Bunch
- Character Counts
- Foodbank
- Assets for Youth Coalition
- Merit
- Pre-Kindergarten Summer Institutes
- Volunteer Santa Barbara County!
- Born Learning
- Building Strengths in Young People

Selected recent accomplishments of the new strategic direction

- Developed the Power of Partnership Initiative to create aspirational Master Action Plans for Children & Families and Seniors & Families
- Gained support from more than fifty community leaders regarding the Power of Partnership Initiative.

- Developed initial funding for the Power of Partnership Initiative through grants by 6 different local foundations
- Increased Fun in the Sun in 2007 to four sites serving 300 children with 30 partnering organizations. Program evaluation revealed two years of measurable positive results, including:
 - Of the 300 children served in 2007, 228 or 76% of the those children achieved a 12% increase in their reading scores (compared to an average of a 21% decrease in reading scores due to summer learning loss).
 - Of these 300 children, 74% showed dramatic improvement in unprompted positive behaviors and character development.
- Extended Fun in the Sun to Carpinteria in 2007; serving 56 disadvantaged youth and building a solid collaboration with six new partners.
- Our Pre-Kindergarten Summer Institutes partnership increased the number of children served in 2007 to 160. Program evaluation revealed two years of measurable positive results, including:
 - Average student scores in Social/Emotional skills area improved by 46.2%
 - Average student scores in Language skills area improved by 50.75%
 - Average student scores in the Approach to Learning skills area improved by 47.39%
- Built an interactive matching website for Volunteer Santa Barbara County! and recruited four partnering agencies.
 - Within the first few months of operation, we have already posted 400-500 volunteer opportunities from local charities, schools, and faith-based organizations.
- Born Learning, a public education/engagement campaign, helped parents, caregivers, pediatricians, and clinics create early learning opportunities for young children.
- Developed more than \$900,000 of support for the Fun in the Sun – Endowment.
- UWSBC's Community Impact Team grew by four members in 2007 primarily through funding received for our partnership projects.
- The 40 Developmental Assets Initiative has expanded to a variety of local secondary schools, including La Cumbre Junior High School and Goleta Valley Junior High School.
- Software for online funded agency reporting was launched and has been successfully used by United Way of Santa Barbara County as well as its funded agencies to conduct online grant reporting in 2007.
- YEPP (Youth, Educator, and Parent Pages): developed an innovated website featuring an updated database with information concerning children's programs in an easy-to-use format for youth, educators, and parents.
- Partnered with First 5 of Santa Barbara County to develop the My Healthy Child webpage which provides useful, bilingual information and tools for parents regarding early childhood development and health issues.