



Supporting the Afterschool Field in Turbulent Times

Roundtable Strategy Session November 20, 2009

Notes

Alison Overseth – Welcome

Ken deRegt – Financial Perspective

We have passed the level of “turbulent times” – we have been in serious economic decline since September, a rapid decline. The crisis was triggered in the U.S. but has global roots – the weakest markets are outside the U.S. This is more than an economic crisis, it is a crisis of confidence. People are panicked.

The markets have fallen to levels not seen since the Depression. The markets will bottom. There will be a generational change in how people invest and give – foundations will be slow to go back to their former levels of giving.

On the positive side: the government is going to be spending a lot of money. They will throw everything imaginable at the economy because that’s how we will turn this around. And that will help.

Hildy Simmons – Philanthropic Perspective

There are opportunities within any crisis. Foundation endowments are down hugely, 30-50%. The dip in giving may not really hit for another year because of the rolling averages for three years. In 2009-2010, grantees may really feel the pinch. The argument will continue regarding perpetuity vs. spending down.

Corporate giving will be down, as will individual giving.

What Hildy is saying to individual donors:

- take stock – who/what are you funding? what is the impact?
- this is not the time to launch new programs
- this is the time to potentially invest more rather than cut back on giving
- support the organizations you know and love

- look for opportunities to create “philanthropic flypaper” – make sure your investment is working
- who won’t be able to weather the storm? how can you facilitate mergers, collaborations, or shutting down?
- stay the course – make multi-year commitments and give general support
- give notice re: giving plans – don’t surprise people
- be smart, strategic, resolute, and brave – you can make a difference

Kristin Giantris – Nonprofit Finance Fund

The trend is quite bad, based on an analysis of the 2001 recession – it will be bad for an extended period. Most nonprofits took until 2005-2006 to recover and even then, many did not fully recover.

Troubles will be broad and sustained – organizations must plan for it.

Immediate assessments:

- cash deposit risk
- concentration of investments
- revenue – opportunity and risk

It is a crucial time to study an organization’s balance sheet – what is the financial health of the organization today?

Contingency – look at potential cuts – what are the economics of each program? What is critical to the mission?

The reality now is very different from previous recession.

Talk to your banker regularly.

Deepen your relationships with current funders.

Rev. Wright – ED Perspective

We must remember that we are serving families who are being hit as hard or harder than our organizations are.

Must have conversations with staff about keeping families’ spirits up, supporting youth through the stressful times.

How can organizations meet the changing needs of families? Pot luck dinners, talk to kids, shift hours of operation... This is an opportunity to offer more or different services.

Consider how to do more with less. Ask for more donations, use volunteers to extend hours of operation. People with master’s degrees are applying for tutor positions – look at what your resources are.

We still have to serve those in need. We need to re-think partnerships, figure out who can provide what services. We must remind funders about their commitment to children and families.

Sliding scale services may be an option – look at the changing nature of many neighborhoods.

Wanda Wooten – ED Perspective

We must take advantage of our peer network.

Advocacy is more important than ever. For example, the One New York campaign is crucial.

Staff members need to know that this is not the end, but difficult decisions will have to be made about human resources and programs.

Communication with staff is critical, as is engaging them with the process of keeping the organization going. How can we raise money in new ways? How can we bring the Board and volunteers into the process?

We will come through this, but we may look different after mergers, collaborations, shifts in program models.

We must engage staff in decisions about reconfiguration – about programs, staff, cuts, etc. – must balance cutting administration vs. programs, and dedicate time for planning and for advocacy.

Shelly Wimpfheimer – PASE

PASE conducted a survey early this month to establish a baseline as to where afterschool programs are now. 75% have already lost funding. 18% are saying that they are considering closing all but their core functions.

PASE is committed to leading and helping the field during this time. Action steps include:

- Communication through the PASE web site
 - resources, articles, information, advice will be posted
 - job postings
 - ED listserv will be established

- Professional Development offerings
 - grant writing workshop
 - financial consultation

Q&A

Comment: Getting and keeping kids in programs can be a major challenge, with all of their other commitments – child care, jobs, extended school hours

Response: One option is to employ teens

Question: What is the value of merging? How does one come to that decision?

Responses:

- Hildy: It's a very difficult decision. When you realize that your structure is not viable, if you are operating on the margins for a long time, you need to look at who else is doing similar work and can keep the effective parts of your program going. One option is to consolidate and share back office functions. You have to put everything on the table in these times to keep essential programs viable.
- Rev. Wright: It took us three years to get through a merger. It's very complex.
- Alison: You can also consider a hybrid partnership, with shared space/administration rather than a full merger.
- Ken: what's driving corporate mergers now is sustainability – to get through this. This is applicable to nonprofits as well.

Comment: We need to protect the sector and the investment that's been made in afterschool. PASE needs to mobilize the sector and make the case for the essential nature of afterschool, document the impact on children and families. We need data to demonstrate value.

Comment: A potential role for PASE is bringing together agencies to marry their services, collaborate deeply – it's hard to do that without a neutral third party involved.

Alison Overseth: Conclusion

The country will endure. The sector will endure because it must survive – afterschool is in a different position than it has ever been. We have outcomes, definition, and are in a position of strength to talk about what afterschool is and does.

What we've heard this morning:

- The downturn will last. We must plan/prepare.
- Boards and staff must work together.
- This is the time to reflect on practice and priorities, and focus on mission.
- Program cost analysis is crucial.
- Collaborations, mergers, and partnerships are important to consider.
- Communication with primary constituencies about challenges and plans is critical – staff, Board, families, donors.
- Sustainability is key – we need to make both short and long-term choices.



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Panelist Biographies

Moderator: Alison Overseth, PASE Board President

Alison Overseth is the President of the PASE Board of Directors. She also is a vice-chair of the Board of Directors of the Franklin and Eleanor Roosevelt Institute; is a trustee of the UNR Asbestos-Disease Claims Trust; previously served as a trustee of the \$3.75 billion American Home Products Diet Drug Settlement Trust; and directed a project for the Fund for the City of New York to strengthen non-profit agencies that provide community support for young people. Ms. Overseth was a Director at The First Boston Corporation, specializing in corporate restructurings, from 1984-1992. She holds a BA from Smith College and an MBA from Columbia Business School.

Ken deRegt, Chief Risk Officer, Morgan Stanley

Ken deRegt is a Managing Director of Morgan Stanley and Chief Risk Officer. He is also a member of the Firm's Management Committee. Mr. deRegt rejoined the firm in February 2008 from Aetos Capital where he was a Managing Director. He serves on the board of directors of Morgan Stanley Capital International (MSCI), Inc. and KKR Financial. Previously, Mr. deRegt was Global Head of Fixed Income, Commodities and Foreign Exchange at Morgan Stanley. Mr. deRegt serves on the Board of PASE. He is also Board Chair for the Eagle Hill School and is a member of the Advisory Board of the Freeman-Spogli Institute for International Studies at Stanford University. He attended Stanford University where he earned a BA degree in Economics in 1977.

Kristin Giantris, VP for the Northeast Region, Non-Profit Finance Fund

Kristin Giantris joined NFF in September 2007 as Vice President for the Northeast Region. She is responsible for managing and overseeing delivery of NFF's services and all marketing and fundraising in metropolitan New York and New England. Ms. Giantris' professional experience combines over 15 years of economic development and debt financing in both the nonprofit and for profit sectors. Most recently, Ms. Giantris was a Vice President at Citigroup Global Markets Inc., where she managed cross-border, US-dollar debt issuance for various financial, corporate and governmental clients. Prior to her time at Citigroup, Ms. Giantris served as a multi-country Program Officer in Washington, DC and as a Country Director in Albania for the nonprofit firm ACDI/VOCA, managing agribusiness technical assistance and small business development

programs. Ms. Giantris earned a Masters Degree in Public Affairs from the School of International and Public Affairs at Columbia University and a BA in Political Science from Kenyon College.

Hildy Simmons, Philanthropic Advisor

Through October 2003 Ms. Simmons was a Managing Director and head of the Global Foundations Group at JPMorgan Private Bank. Her prior roles at Morgan included responsibility for the firm's corporate philanthropy program as head of the Department of Community Relations and Philanthropic Services. Before joining Morgan in 1986, Ms. Simmons was the program director of the Norman Foundation and held a variety of positions in New York City and State government. Ms. Simmons holds a BA from Lake Erie College and an MPA from Harvard University's John F. Kennedy School of Government.

Shelly Wimpfheimer, Executive Director, PASE

Prior to joining PASE in 2007, Dr. Wimpfheimer was the Vice President of Youth and Family Services for the YMCA of Greater New York. In that role, she was responsible for the development of all youth and family programs in the YMCA's 19 branches, which serve over 165,000 youth annually. Previously, Shelly was Director of the Division of Family Guidance for the Department of Human Services in Hackensack, NJ, and has been a leader in providing community services to youth and families for many years. Also a published author, she holds a BA from Pennsylvania State University, an MSS in Social Planning and Administration from Bryn Mawr College, and a DSW in Program Design and Administration from CUNY's Hunter School of Social Work.

Wanda Wooten, Executive Director, Stanley Isaacs Neighborhood Center

Wanda Wooten is Executive Director of the Stanley M. Isaacs Neighborhood Center, a multi-service settlement house in Manhattan where she oversees diverse programs serving older adults, children and families. She has worked in the non-profit human service field for more than 25 years. Prior to joining the Isaacs Center in 1984, she held positions with the National Congress of Neighborhood Women, the Girl Scout Council of Greater New York and the Women's Action Alliance. She is also the editor of two resource books. She completed executive management training at the Institute for Nonprofit Management at Columbia University. She serves on numerous boards and committees.

Rev. Kimberly Wright, Executive Director, Booker T. Washington Learning Center

The Reverend Ms. Kimberly Wright is the Executive Director of the Booker T. Washington Learning Center, which works to break the cycle of inadequate education, poverty and despair, which pervades East Harlem, while working to maintain a viable and hopeful community. Previously, she has been a senior alcoholism counselor at Yonkers General Hospital; an HIV counselor at schools, hospitals and family centers; a discharge planner at Montefiore Hospital at Rikers Island; and a research consultant at the Columbia University School of Social Work. She currently serves on the community advisory boards of Mount Sinai Hospital and of Union Settlement's College Readiness Program. Rev. Wright earned degrees in sociology and psychology from the City College of New York and another in religious counseling from the New Seminary.