

## Economic Model

### GRAD's Financial Model

Project GRAD USA (GRAD) utilizes a sustainable public-private financing model to fund its reform efforts that enables long-term sustainability. Distribution of direct GRAD costs for implementation is based on the following formula: 1/3 of funding from partner school districts (divided between cash and in-kind support); 1/3 of funding from state, federal and other national sources; 1/3 of funding from private sources, with the entire GRAD network, including both GRAD USA and local GRAD sites, as the vehicle. GRAD has a network budget of \$50M, including district, federal, state and many private investors like AT&T, the Bill & Melinda Gates Foundation, Wells Fargo, Bank of America, and Lumina Foundation for Education. As a result of GRAD's federal authorization and broad congressional support in both chambers of Congress and across party lines, GRAD is well positioned to secure federal investment that will provide further potential for long-term sustainability.

GRAD's unique structural components, such as the establishment of local 501(c)(3)s, is a major factor contributing to GRAD's sustainability. Furthermore, GRAD's expansive knowledge base, and reach into both rural and urban communities on either coasts contributes to its sustainability. Additionally, GRAD acts as a systems integrator, connecting various existing service agencies as well as the GRAD network of communities and 501(c)(3)s in its model. GRAD will continue to use its existing network of local partnerships including local GRAD sites, university partners, and school districts that are committed to ensuring the success of the desired outcomes of the model. GRAD will also leverage its existing partnerships with Lumina's KnowHow2Go campaign, Hispanic Scholarship Fund, and the Thurgood Marshall Foundation. In fact, the Thurgood Marshall Foundation has proposed to partner with GRAD to provide a \$5,000 scholarship, in addition to various interventions, to a cohort of 200 disadvantaged college students in Pennsylvania that GRAD identifies, and track their persistence in college.

GRAD, in collaboration with local GRAD sites, has assembled a diversified portfolio of sources that will provide long-term sustainability to the GRAD network. This portfolio includes:

- **Strategic Partnerships.** GRAD has focused its programmatic fundraising on strategic partnership areas that closely ally in focus to prospective foundations, corporations, and other complementary organizations. GRAD will build on existing partnerships with organizations such as the Lumina Foundation, Hispanic Scholarship Fund, and Excelencia in Education.
- **National Fundraising Events.** This includes national sponsorship opportunities for several GRAD programs and events such as Summer Institutes, College Day, and the Walk for Success, modeled on GRAD's successful two-year, network-wide NFL Charities sponsorship of the Summer Institute Program.
- **Federal and State Competitive Grants.** GRAD will build on its successful experience of applying for prominent federal and state competitive grants, such as the federal GEAR UP, i3, and SIG program.
- **Individual Gifts.** GRAD's individual donor campaign, including substantial board and philanthropic gifts, is a focus of GRAD's 2011 development efforts.

This diversified portfolio positions GRAD and local sites for long-term financial sustainability.

## Significant Funders

### National

Source	Amount	Period of Funding	Limitations on Funding
Advanced Placement Incentive	\$64,418.34	2003-2004	College Access AP courses
Advanced Placement Incentive	\$524,668.65	2004-2005	College Access AP courses
Advanced Placement Incentive	\$710,360.99	2005-2006	College Access AP courses
Cockrell Foundation	\$50,000.00	2008-2009	Organizational Capacity
Cockrell Foundation	\$60,000.00	2009-2010	Organizational Capacity
Ford 0145-5	\$1,000,000.00	10.1.2005-9.30.2006	Organizational Capacity
Ford 0145-6	\$2,000,000.00	10.1.2006-9.30.2007	Organizational Capacity
Gates Foundation	\$2,025,892.00	9.1.2008-2.28-2010	College Readiness Initiative
GE Foundation	\$100,000.00	2005-2006	Math
GE Foundation	\$100,000.00	2005-2006	Math
KnowledgeWorks	\$300,000.00	2007-2008	General Operating
Lumina Foundation	\$10,000.00	2010-2011	KnowHow2Go
Lumina Foundation	\$250,000.00	2005-2006	College Access
Lumina Foundation	\$25,000.00	2009-2010	KnowHow2Go
Lumina Foundation	\$385,000.00	9.1.2006-9.1.2008	College Access
PitneyBowes Literacy and Education Fund	\$15,000	7.1.2005-6.30.2006	Staff development program: Teaching Literacy Comprehension

### Local Sites

Site	Source	Amount	Period of Funding	Limitations on Funding
Los Angeles	Court TV	\$20,000.00	2008-2011	Scholarship
Los Angeles	Ford Foundation	\$500,000.00	10.1.2006-9.30.2007	General Operating
Newark	Court TV	\$20,000.00	2008-2011	Scholarship
Newark	Ford Foundation	\$1,000,000.00	10.1.2006-9.30.2007	General Operating
Newark	Verizon	\$18,150.00	2005-2006	Literacy
Newark	Verizon	\$24,711.00	2005-2006	Literacy

## Government Sources

### National

Source	Amount
DOE- Fund for the Improvement of Education 2004-2005	\$ 456,186.98
DOE- Fund for the Improvement of Education 2005-2006	\$4,034,515.85
Milwaukee Public Schools 2010-2011	\$1,900.000.00
National Science Foundation	\$107,599.00
Texas Education Agency 2010-2011	\$50,000.00
PA College Access Challenge Grant 2008	\$2,006,384.00
PA College Access Challenge Grant 2009	\$1,547,234.30
PA College Access Challenge Grant 2010	\$2,104,436.00

### Local Sites

Site	Source	Amount
Long Island	DOE- Fund for the Improvement of Education 2004-2005	\$389,128.36
Long Island	DOE- Fund for the Improvement of Education 2005-2006	\$375,000.00
Los Angeles	DOE- Fund for the Improvement of Education 2004-2005	\$351,747.00
Los Angeles	DOE- Fund for the Improvement of Education 2005-2006	\$2,350,000.00
Newark	DOE- Fund for the Improvement of Education 2004-2005	\$134,461.29
Newark	DOE- Fund for the Improvement of Education 2005-2006	\$1,400,000.00

## Plans to Raise Start-Up Capital

A three-pronged approach will be employed to raise start-up capital for local sites:

1. The local school district will commit to providing program support via in-kind assistance or school district dollars. This investment aids in ensuring both program buy-in and engagement on the part of the local school district.
2. A local non-profit 501(c)(3) organization will form to assist in building program sustainability, as well as fostering community engagement and the political will necessary for long-term success. In addition to building community partnerships, this 501(c)(3) organization is responsible for securing resources and raising money at the local level.
3. GRAD will provide vision, guidance, and technical assistance for the program. In addition, GRAD will supply other resources as available to build on local efforts and ensure overall success.