

F. M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM

DATE: March 20, 2024
Program Area: Education
Grant Type: Board Grant

REQUEST DATE: February 16, 2024

APPLICANT:
Network for Teaching Entrepreneurship
120 Wall Street, Suite 1801
New York, NY 10005

CONTACT: Ms. Jane Walsh, Executive Vice President, Chief Advancement Officer

AMOUNT REQUESTED: \$90,000
BUDGETED AMOUNT: \$80,000

NATURE OF REQUEST: Support of domestic programs

GRANT HISTORY

SUPPORT: 1990-2023

OF APPROVED GRANTS: 33

TOTAL DOLLARS: \$2,262,500

LAST GRANT DATE: 05/01/2023

LAST GRANT AMOUNT: \$80,000

FYE DATE: 06/30

AFS DATE: 12/01/2023

Year Approved	Approved Amount	Approval Date	Grant Purpose
2023	\$80,000	05/01/2023	Support of domestic programs
2022	\$80,000	05/02/2022	Support of domestic programs
2021	\$80,000	05/03/2021	Support of domestic programs
2020	\$75,000	03/31/2020	Toward domestic programs
2019	\$85,000	04/15/2019	Toward domestic programs; toward The Diana Davis Spencer Foundation challenge grant-\$10,000

LAST SITE VISIT DATE: January 12, 2023

ENDORSEE: N/A

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FINANCIAL ANALYSIS COMMENTS: The FY24 expense budget for the Network for Teaching Entrepreneurship (NFTE) projects a 21% decrease from the prior year actuals. The FY24 revenue budget projects a 9% decrease from the prior year actuals. These numbers are misleading and clunky for a few reasons, but primarily because, in FY22, NFTE launched new business initiatives that were still in growth stage into FY23 but did not yet have fully formed revenue streams. As such, the Board approved cash reserve funding to offset deficits until those initiatives reached expected sustainability in FY24. In addition to those reserves, NFTE received increased contributions in support of those initiatives that were one-time infusions and not expected to carry over into future fiscal years. They are projecting a \$1.5M surplus thanks to increased contract revenue from these initiatives and decreased expenses related to their development. The FY23 audit shows unrestricted net assets totaling \$6M, and a cash position of \$7.6M. Investments are valued at \$12.8M. Total endowment value is \$12.7M. Financial assets available for general expenditures within 12 months are \$9.7M. To help manage unanticipated liquidity needs, the organization has a committed line of credit in the amount of \$1.7M, which was undrawn as of June 30, 2023. As per the FY23 audit, supporting services represented 18% of functional expenses. FMKF last approved a grant to NFTE in FY23. The amount accounted for 1% of grants and contributions. In FY24, NFTE is seeking a \$90K grant in support of its domestic operations.

ORGANIZATION DESCRIPTION: Founded in 1987, NFTE is a global nonprofit promoting equitable access to economic opportunity by teaching business skills and activating the entrepreneurial mindset in youth from under-resourced communities. NFTE's programs include four key components: 1) project-based entrepreneurship curriculum; 2) extensive teacher training; 3) volunteer engagement; and 4) a nationwide pitch competition series. NFTE provides students with opportunities to build skills, confidence, and know-how to recognize opportunities, discover their passions, develop their talents, and grow their networks. Young people who complete NFTE's entrepreneurship programs are more likely to engage in learning, achieve their educational and career goals, launch businesses, have increased lifetime earnings, and feel greater job satisfaction. The overall objective is to increase students' agency and prepare them to take on the realities of the working world. NFTE's primary target audience is youth ages 11-24 from under-resourced communities across the U.S. and around the World. In the U.S., NFTE partners with school districts that have a free and reduced-price lunch eligibility rate of 50% or higher, and the majority of NFTE partner schools far exceed this baseline. NFTE operates in 27 countries and 27 states across 7 regions: Capital, Mid-Atlantic, Midwest, New England, South, Southeast, and West.

EMILY PRINCE COMMENTS: NFTE is now halfway through its current four-year strategic plan which the organization launched in July 2021. This plan represents a renewed commitment to depth of programming and opportunities for strategic growth in support of NFTE's increasingly important mission. Goals outlined in the plan are guided by the following key metrics:

- Expansion of NFTE's service footprint from 27 U.S. states and 27 countries to 45 U.S. states and 30 countries.
- Increasing core participant reach from 58K in school year 2023-24 to 60K (45K U.S.; 15K global) in 2024-25. NFTE served 53K (42K U.S.; 11K global) students in the 2022-23 program year.
- Launching an enterprise division to penetrate additional markets and diversify and increase financial sustainability.

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- Improving regional staff structure and capacity to increase quality outcomes for learners, while providing staff with more clearly defined roles, internal career ladders, and increased support for professional growth.
- Growing from a team of 50 and a \$10.4M budget to a team of 70 and a \$14.9M budget.

Since launching the strategic plan, NFTE has made tremendous progress towards meeting the above goals, having met or exceeded reach and engagement activities every fiscal year thus far. Last year was the first that they did not reach their full fundraising goal – they raised 82% – when the gala underperformed, and they made the decision to defer \$1.5M of previously-planned funding from American Student Assistance in service of negotiating a more robust partnership. That deferral ultimately resulted in a \$25M affiliation agreement – an immediate \$5M unrestricted grant and annual matching grants of up to \$2M for the next 10 years. I would say it was ultimately worth the wait! It is worth noting that the original goal for country expansion was 22, but it was increased to 30 since it was surpassed so early in the plan. While all NFTE’s domestic regions met or exceeded their student goals last year, certain regions need to accelerate their growth rate to keep up with the growth in other regions, which is a signal to me that NFTE is not just focused on growth, but rather, strategic growth. NFTE will launch its new website in Q2 of this fiscal year, which will no doubt aid in its audience engagement and program promotion goals.

In addition to strengthening its programs and school partnerships, NFTE has been cultivating relationships beyond its “classrooms.” They hosted three sessions for the Department of State’s International Visitors Leadership Program and their World Series of Innovation, which ran 10 challenges reaching nearly 4K participants from 59 countries, and achieved global recognition by the World Economic Forum. NFTE was also invited to present on the EMI (Entrepreneurial Mindset) at the 3E research conference by the European Commission on Small Business in May 2023, showcasing its expertise in entrepreneurship education and innovation on the global stage.

NFTE programs are addressing systemic gaps in education, offering alternative pathways to successful futures, preparing young people with in-demand workforce skills, and helping youth from underserved communities become part of the entrepreneurial ecosystem in their regions. Entrepreneurship is an increasingly important sector of the economy, with individual new business applications up 5% over 2022 and 52% since 2019 according to research from the Economic Innovation Group. Such an increase in just four years is incredible, but the fact that this growth continues and is sustained means that NFTE’s efforts to ignite the entrepreneurial mindset for youth from under-resourced communities are as important as ever. Furthermore, by connecting students to volunteers who are entrepreneurs and successful businesspeople from their own communities, NFTE is helping them build their networks and pursue upward income mobility.

Over the past 33 years, FMKF has supported NFTE with \$2.2M in contributions. That support has enabled NFTE to sustain and grow the number of students they serve each year and provide for core program implementation costs. These include curriculum development and updates – NFTE is especially cognizant of how AI has impacted entrepreneurship in recent years and will be mindful of its inclusion in curriculum materials – access to NFTE’s learning management platform for students and teachers, teacher training and professional development, staffing, regional business plan competitions, special events including innovation days, coaching days, and the Youth Entrepreneurship Summit, business plan competition prizes, and volunteer services. In FY24, NFTE is seeking increased grant support to trigger the matching grant opportunity noted above - 25% of the incremental portion of a gift, or \$10K, will count toward the match. Unfortunately, we

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were not made aware of this opportunity in advance of the budgeting process, so it does not seem a possibility this fiscal year due to other constraints. NFTE is the true embodiment of FMKF's philanthropic goals of increasing opportunities for self-reliance and promoting entrepreneurship, but I simply do not see any place from where to pull the additional \$10K within the Education budget. Therefore, in FY24 I recommend an \$80K grant in support of NFTE's domestic programs, as budgeted.

RECOMMENDATION: In FY24, I recommend an \$80K grant in support of NFTE's domestic programs.

JUSTIN J. KICZEK COMMENTS: The rapid changes enacted by AI over the past year seem but a minor taste of the disruption to come. Thus, as we see it, the "entrepreneurial mindset" that NFTE helps students develop – with its habits of flexibility, adaptability, curiosity, and risk-taking – will become all the more valuable in the years ahead. Moreover, NFTE's value becomes all the more magnified when we remember that, at least domestically, their programs are reserved for students from low-income schools, in the hope that students who are engaged and involved with NFTE will be "future-proofed" against further AI disruption.

Indeed, I am sure NFTE itself will be changed if not entirely transformed by AI, as it offers new possibilities in terms of instruction, assessment, and engagement. NFTE continues to grow as an organization, and I remain confident this is a strong fit for FMKF, though they are not a "local organization" or alumni organization as so many other grantees in the education portfolio. That said, I concur with ECP's recommendation to stay flat in funding and not jump at this matching opportunity, which would not really leverage much anyway.

RECOMMENDATION: I recommend \$80,000 in support of NFTE's domestic programs.

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DISPOSITION:

- Declination
- Hold for review on/about:
- Approval for: **\$80,000**
- Recommended Grant Payment(s):
2024:
2025:
2026:
- Hold for Board Review: **April 26, 2024**
- Payee Other Than Addressee:
- Insert Information: **Support of domestic programs**
- Other:

Initials: JK

Date: 03/27/2024

Check # _____

Date: _____