

CHARLES STEWART MOTT FOUNDATION



PROGRAM
GUIDELINES

PATHWAYS OUT OF POVERTY

MARCH 2006



PROGRAM SNAPSHOT

Mission: To identify, test and help sustain pathways out of poverty for low-income people and communities.

Improving Community Education

- Goal** To ensure that community education serves as a pathway out of poverty for children in low-income communities.
- Objectives** **Community-Driven Reform.** Develop effective community-driven reform strategies that increase student achievement across a school district and at the state or regional level.
- Vulnerable Youth.** Expand effective educational opportunities for vulnerable youth that prepare them for both college and careers.
- Learning Beyond the Classroom.** Enable the 21st Century Community Learning Centers and other major national, statewide and regional initiatives to promote sustainable, community-driven, expanded learning opportunities that support both academic achievement and positive youth development, especially for traditionally underserved children and youth.

Expanding Economic Opportunity

- Goal** To expand opportunity for those in, or at risk of, persistent poverty by promoting policies and programs that increase income security, help people connect to the labor market and enable them to advance into better-quality, higher-paying jobs.
- Objectives** **Income Security.** Improve income security for low-income Americans by advancing policies and programs designed to increase income and assets, promote more equitable fiscal policies affecting low-income families, and build public will for a work-based safety net to assist low-wage working families.
- Reducing Barriers to Employment.** Reduce barriers to employment through support for research, dissemination and practice that leads to a greater understanding of the problems faced by low-income people in the labor market.
- Retention and Wage Progression.** Help low-income workers stay in the labor market and increase their earnings over time.

Building Organized Communities

- Goal** To enhance the variety, geographic spread, power and effectiveness of the community-organizing field in order to strengthen and sustain the involvement of low-income communities in democratic processes of social engagement.
- Objective** **Building Infrastructure.** Improve the quality of community organizing in low-income communities by increasing resources to institutions, organizations, technical assistance providers and networks, which serve to produce, nurture or expand community-based organizations or increase awareness of their effectiveness as an anti-poverty strategy nationally.

Special Initiatives

- Goal** To sustain promising practices and promote innovative and multidisciplinary approaches to reduce persistent poverty.
- Objectives** **Transitions.** Maintain a critical presence in the field of micro-enterprise.
- Exploratory and Special Projects.** Identify critical issues, seize special opportunities, research issues to determine future program directions and promote cross-cutting projects.

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INTRODUCTION

The Charles Stewart Mott Foundation is a private, nonprofit foundation established in 1926 in Flint, Michigan. Our grantmaking is organized primarily in four programs: Civil Society, Environment, Flint Area and Pathways Out of Poverty.

This booklet outlines our current interests under the Pathways Out of Poverty program.

Our Web site (Mott.org) offers updated information on grantmaking interests, funding availability, grant eligibility and application procedures. In-depth information about all grants is posted in a fully searchable database. Information about all Mott publications, including how to order, is also available.

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MISSION & PROGRAM AREAS

- **The mission of the Pathways Out of Poverty program is to identify, test and help sustain pathways out of poverty for low-income people and communities.**

This mission summarizes our goal of seeing people move along a road to self-sufficiency. It is based on our vision for the nation's educational, economic and social systems to be just and effective so that access to meaningful opportunity is shared fairly, giving all children, adults, families and communities a chance to live free of poverty.

We believe education, economic participation and community action are critical to moving low-income Americans toward greater prosperity. These three areas are the pillars of our plan to address poverty in the U.S. The program consists of four grantmaking areas:

- I. Improving Community Education
- II. Expanding Economic Opportunity
- III. Building Organized Communities
- IV. Special Initiatives

The first three areas enable us to support efforts to nurture systemic change in the educational, economic and community systems that produce and perpetuate poverty in the U.S. The fourth area allows us to support projects that are crosscutting in nature and to explore special opportunities.

We understand:

- that the nation's increasingly skill-based economy demands a better trained, more educated work force;
- that wages must be sufficient for a person to earn a decent living, given that a job alone does not ensure an escape from poverty;
- that the hard-to-employ face a special challenge in our current "work first"/welfare reform climate; and
- that well-organized communities have the best chance of achieving positive change.

The plan also reflects our belief that racism contributes to, and shapes, poverty in the U.S. Thus, we remain alert to opportunities to address institutional racism.

Funding for unsolicited proposals is limited throughout the program. Those interested in applying for funding are strongly encouraged to submit letters of inquiry instead of a full proposal. See Application Procedures, page 10, for further information.

I. IMPROVING COMMUNITY EDUCATION

Goal	To ensure that community education serves as a pathway out of poverty for children in low-income communities.
Objectives	<p>Community-Driven Reform. To develop effective community-driven reform strategies that increase student achievement across a school district and at the state or regional level.</p> <p>Vulnerable Youth. To expand effective educational opportunities for vulnerable youth that prepare them for both college and careers.</p> <p>Learning Beyond the Classroom. To enable the 21st Century Community Learning Centers and other major national, statewide and regional initiatives to promote sustainable, community-driven, expanded learning opportunities that support both academic achievement and positive youth development, especially for traditionally underserved children and youth.</p>

Education should offer the same pathway to success for youth in low-income communities that it does for their more affluent peers. This means achieving steady academic and developmental growth; helping students finish school with sufficient skills to enter any of several doors to adulthood, including college, without remediation; and closing achievement gaps that reflect the failure of many school districts to serve adequately their poor and minority students.

Funding priorities for Community-Driven Reform

Community-driven school reform strategies enable community members to identify the reasons their students are not achieving; propose solutions; and advocate for meaningful change in local schools and school districts. These strategies increase the likelihood that the changes being implemented are appropriate to the needs of the schools and — students, and are sustainable.

Grantmaking is designed to build upon promising practices of community-driven school reform that lead to sustainable increases in academic achievement at all grade levels for all students, especially the traditionally underserved. Specifically, we are interested in initiatives that study, distill and disseminate effective reform strategies across multiple schools within a district. We also consider projects that create district- and state-wide collaborations aimed at strengthening educational policies and school funding.

We also support programs that strengthen community-driven reform through technical assistance, training and research.

Funding priorities for Vulnerable Youth

Creating pathways to economic security, self-sufficiency and adulthood is crucial for young people who have dropped out of school, are struggling to stay in the classroom and/or are disconnected from important public support services. Community colleges, employment training programs, and education and workforce policymakers and practitioners must begin to address the educational and employment challenges of this population.

Grantmaking supports the development and expansion of strategies, programs and policies that help reconnect dropouts and struggling students with opportunities to earn a diploma, develop employment-related skills and access supports to aid their transition to adulthood.

Specifically, we are interested in initiatives that:

- raise the visibility and impact of the dropout crisis;
- strengthen the capacity of youth-serving organizations to advocate for the needs of vulnerable youth;
- develop, identify and disseminate promising practices that support this population; and/or
- re-shape policies across systems (i.e., education, workforce and public care) that serve these youth and increase their educational achievement and opportunities.

Because racial disparity characterizes many of the policies and practices serving vulnerable youth, proposals should incorporate strategies to address institutional racism.

Funding priorities for Learning Beyond the Classroom

Learning beyond the classroom can provide academic support and opportunities for children and youth to participate in stimulating activities, experiences and mentoring.

In January 1998, we entered into a private/public partnership with the U.S. Department of Education focused on the 21st Century Community Learning Centers (21st CCLCs) initiative. This initiative's goal is to provide quality afterschool programming for low-income rural and urban children in thousands of schools across the country. Central to the initiative's design is the concept that schools partner with community-based organizations and other local institutions to provide broader learning opportunities.

Grantmaking builds on the opportunities presented by our involvement in the 21st CCLC initiative, as well as on other major state and national projects that engage local communities in increasing and improving afterschool learning opportunities. Specifically, our funding is directed at capacity-building, including training, technical assistance, research, evaluation, policy development and building public support for afterschool programs. (We do not fund the operation of individual afterschool programs.)

Our first funding strategy is to generate and disseminate information about promising practices and programs focused on improving outcomes for children and youth. Grantmaking seeks to cultivate, capture and share the most effective expanded learning opportunities, and includes research and evaluation of 21st CCLC and other afterschool initiatives, as well as professional development opportunities for afterschool practitioners.

The second strategy is to increase the sustainability of afterschool programs through policy development, communications, advocacy and support for communities. Grantmaking focuses on afterschool programs as a means toward expanding and sustaining community/school partnerships in support of improved outcomes for children and youth. Grants are clustered in:

- policy development and advocacy — helping decisionmakers develop and implement local, state and national afterschool policies that emphasize sustainable systems of support; and
- communications — building public awareness about the importance of expanded resources for afterschool programs and raising public will to support them financially.

II. EXPANDING ECONOMIC OPPORTUNITY

Goal	To expand opportunity for those in, or at risk of, persistent poverty by promoting policies and programs that increase income security, help people connect to the labor market and enable them to advance into better-quality, higher-paying jobs.
Objectives	<p>Income Security. To improve income security for low-income Americans by advancing policies and programs designed to increase income and assets, promote more equitable fiscal policies affecting low-income families, and build public will for a work-based safety net to assist low-wage working families.</p> <p>Reducing Barriers to Employment. To reduce barriers to employment through support for research, dissemination and practice that leads to a greater understanding of the problems faced by low-income people in the labor market.</p> <p>Retention and Wage Progression. To help low-income workers stay in the labor market and increase their earnings over time.</p>

Escaping persistent poverty is a daunting challenge for low-income families. However, through supportive public policies and effective programs, many such families can succeed in the labor market, build earnings and assets, and participate more fully in the larger economy.

Funding priorities for Income Security

Given the nature of the current U.S. economy, many low-skilled individuals cannot find reliable and sustainable living-wage employment. For their households, work — even on a full-time basis — is only a partial answer to achieving self-sufficiency.

Grantmaking focuses on advancing and strengthening policies that make income security possible for low- and moderate-income families. Specifically, we fund projects to identify and promote promising safety net reforms; protect and strengthen the federal and state revenues that finance such programs; and ensure that low- and moderate-income families have opportunities and incentives to build assets.

Making work pay and the new safety net

Grantmaking supports the identification, assessment and promotion of promising safety net reforms. These include initiatives that expand and strengthen work supports — and access to those supports — for low- and moderate-income families. We fund efforts that identify and/or promote ongoing reform of the nation's safety net.

Fiscal policy affecting low-income individuals

At the national level, we support research and analysis of federal budget and tax-policy issues. At the state level, we fund the State Fiscal Analysis Initiative (SFAI), intended to build and/or strengthen the capacity of state nonprofit organizations to provide reliable budget and tax analysis. **(We do not anticipate expanding the number of nonprofit organizations receiving grants under this area.)**

Asset-building strategies

We are interested in interventions that help low- and moderate-income families save money and build assets. We provide support for demonstration, evaluation and advocacy projects related to promising asset development strategies, such as Individual Development Accounts and Children's Savings Accounts. We are particularly interested in:

- identifying and/or promoting strategies to create or expand opportunities and incentives that enable low- and moderate-income families to build assets; and
- promoting wider delivery and more financing of asset-building strategies.

Funding priorities for Reducing Barriers to Employment

There is growing evidence that low-income, chronically unemployed people frequently face numerous and simultaneous obstacles to the labor market. Limited education, skills and job preparedness — along with mental illness, and lack of child care and affordable transportation — prevent many from securing and maintaining a living-wage job. Flexible and innovative strategies are needed to help these individuals transition off welfare and succeed in the workplace.

Grantmaking focuses on targeted support for alternative staffing programs, and related research and field development. These market-based business models function as nonprofit temporary employment agencies, connecting disadvantaged job seekers with living-wage employment that can lead to career opportunities, and providing both workers and employers with important supports. **(Grant requests by invitation only.)**

Also of interest are promising models in transitional employment, new approaches to removing persistent barriers to employment, and academic or social policy research projects that focus on critical issues affecting populations most affected by the low-wage labor market.

Funding priorities for Retention and Wage Progression

While many former welfare recipients have found employment, most continue to earn very low wages. Similarly, the earnings of low-income workers who lack formal education and job skills training frequently have stagnated or declined. Our concern is for those workers who are left behind, unable to navigate the labor market on their own, and unable to locate or afford the kinds of training and experience needed to launch a career or advance in it.

Specifically, we are interested in addressing two problems often faced by low-income Americans: lack of access to certain occupations and lack of career ladders. This strategy of “retention and wage progression,” which we previously called “sectoral employment development,” seeks to create systemic change in regional labor markets by helping the persistently poor obtain and retain living-wage employment within a targeted industry.

Our focus includes support for building and expanding effective workforce practices that enhance job retention and wage advancement for low-income, low-skilled adults. Grantmaking also explores how community colleges can help these workers gain the education and experience necessary to advance in the labor market and increase their income. Finally, we continue to support initiatives that strengthen the infrastructure for the workforce development field and inform public policy. **(Grant requests for all retention and wage progression projects by invitation only.)**

III. BUILDING ORGANIZED COMMUNITIES

Goal	To enhance the variety, geographic spread, power and effectiveness of the community-organizing field in order to strengthen and sustain the involvement of low-income communities in democratic processes of social engagement.
Objectives	Building Infrastructure. To improve the quality of community organizing in low-income communities by increasing resources to institutions, organizations, technical assistance providers and networks, which serve to produce, nurture or expand community-based organizations or increase awareness of their effectiveness as an anti-poverty strategy nationally.

Community organizing can be transforming. When people come together to identify and take action on mutual concerns, they become more engaged in public life, and they redefine their relationships with one another and with those who hold positions of formal power. In the process, they build the capacity and will to take on additional, frequently more complex, issues. This organizing also can contribute to knowledge and experience from which other communities can benefit.

Funding priorities for Building Infrastructure

For more than 20 years nationally, we have supported a small group of nonprofits, known as “Intermediary Support Organizations” (ISOs), that provide financial and technical assistance to local community-building efforts. “Organizing networks” are the next step in the evolution of grassroots civic involvement.

These networks are not only starting and providing resources to emerging organizations, but also are developing long-term relationships with the local groups. They may assist with fundraising and general development, but their primary aim is to build a powerful, multi-issue organization by developing tiered leadership within the network.

Our grantmaking seeks to strengthen community organizations in low-income communities in three ways.

First, grant support aims to increase the capacity and stability of organizing networks. We are especially interested in networks with a significant geographic reach, an expressed social analysis of how to build power in low-income communities and an established methodology for organizing their base.

Our second grantmaking strategy focuses on redesigning the ISO program, to ensure that it continues to seed and strengthen emerging local organizations effectively. (**Participation in ISO program by invitation only.**)

Our third grantmaking strategy is strengthening the overall organizing field. Specifically we are interested in initiatives that:

- provide outreach to organizing practitioners and leaders through technical assistance, training and research;
- promote effective communication within the field, as well as to the broader public via the media;
- bring more financial resources under the democratic control of low-income communities for organizing; or
- create mechanisms or institutions that will move more financial resources into the field of community organizing on a regular basis.

IV. SPECIAL INITIATIVES

Goal	To sustain promising practices and promote innovative and multidisciplinary approaches to reduce persistent poverty.
Objectives	Transitions. To maintain a critical presence in the field of micro-enterprise. Exploratory and Special Projects. To identify critical issues, seize special opportunities, research issues to determine future program directions and promote cross-cutting projects.

Funding priorities for Transitions

We have been a lead funder in micro-enterprise for many years. We have seeded demonstration projects, funded creation and dissemination of seminal research, supported the start-up of a national trade association for practitioners, helped establish a new research and development intermediary, and advocated for government funding for micro-enterprise initiatives.

In maintaining a critical presence in the field with limited grant dollars, we are likely to fund projects that:

- stabilize and sustain national and state infrastructures for the field;
- identify promising models and help them expand; or
- increase awareness of the field's role in supporting low-income entrepreneurs.

(Grant requests by invitation only.)

Funding priorities for Exploratory and Special Projects

This objective allows us to respond to unforeseen opportunities or needs that cut across the program's three primary areas of emphasis. We also use this objective to research issues and determine future program directions. **(Funding is minimal because of budget constraints.)**

APPLICATION PROCEDURES

What we fund

The Mott Foundation makes grants in the U.S. and, on a limited geographic basis, internationally. Grants outside the U.S. are made only in the Civil Society and Environment programs.

All prospective applicants should review the mission, program areas and geographic range described in this booklet or on our Web site (Mott.org) before making initial contact. **To determine if funding currently is available within a specific program area, please check our Web site.** The site also offers updated information on grantmaking interests, grant eligibility and application procedures.

Our grantmaking is carried out in three ways:

- We request proposals from organizations with which we have been in contact.
- We send out occasional requests for proposals (RFPs) that address a specific issue or area of interest.
- We accept unsolicited requests for projects that fall within our program priorities and guidelines.

Because available funding is limited, letters of inquiry are strongly preferred for unsolicited ideas or projects. Such letters should include a brief description of the project, the funding needed and the time period.

Both general-purpose and project-specific requests are considered. In addition, both single- and multi-year proposals are acceptable.

Our median grant size is in the \$100,000 range. The majority of our grants are between \$15,000 and \$250,000 annually.

What we do not fund

We observe the following limitations:

- No grants or loans to individuals.
- No grants (except in the Flint area) for capital development, research, project replication or endowment unless these activities grow out of work already being funded by Mott.
- No grants for religious activities or programs serving specific religious groups or denominations. However, faith-based organizations may submit inquiries if the project falls within our guidelines and serves a broad segment of the population.

- No grants (except in the Flint area) for local projects unless they are part of a Mott-planned national demonstration or network of grants.
- No grants for projects that duplicate, or significantly overlap, the work of federal, state or local governmental agencies.
- Film and video projects, books, scholarships, and fellowships rarely are funded.

How to apply

Letters of Inquiry

As noted earlier, we **strongly prefer that unsolicited requests be made through letters of inquiry**. A budget is not necessary in a letter of inquiry.

Full, Formal Proposals

If your letter of inquiry receives a favorable response, please follow this checklist for what should be included in a formal proposal:

- A cover letter, detailing the amount of money requested and the grant period, signed by the individual responsible for signing grant contracts on behalf of the grant applicant.
- A project description, including an explanation of why the project is needed, who will be served and what will be accomplished.
- A documented line-item expense budget and a revenue budget, showing all projected sources of funds for the project over the proposed grant period. (**A budget template is available on our Web site's toolbox.**)
- A plan for financial and programmatic sustainability of the project.
- A plan for evaluation and dissemination of the project's results.
- Information about the organization seeking funds, including names and titles for key staff, names and professional affiliations for members of the board of directors, legal classification, history, and recent accomplishments. **For U.S. organizations, proof of tax-exempt 501(c)(3) status by the IRS is required. Other financial and organizational information (described below) is required for non-U.S. organizations.**

Applicants must submit copies of their organization's published annual report and **audited financial statements** before a grant is made. If these are not available, a U.S. organization will be required to submit a copy of its latest IRS Form 990 return.

Videotapes should not be included with the application; they will not be returned.

When to apply

Organizations seeking grants should begin the application process at least four months before the start of the proposed grant period.

Program budgets are allocated on a calendar-year basis. Beginning in the fourth quarter of each year, staff will earmark funds for projects to be recommended for the next calendar year. Staff must finalize all grant recommendations for any calendar year by August 31 of that year. Applications are accepted year-round, but those received between September 1 and December 31 will be considered only for the following calendar year.

Requests are reviewed by program staff, and recommendations are forwarded to senior management. A proposal may be approved at the management level by delegated authority throughout the year or referred to our Board of Trustees, which meets quarterly, for action.

Where to apply

If you are submitting a letter of inquiry or a formal proposal by mail, please mark the envelope LETTER OF INQUIRY or GRANT PROPOSAL and mail to:

Office of Proposal Entry
C.S. Mott Foundation
Mott Foundation Building
503 S. Saginaw St., Suite 1200
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