

Five-Year Reflections on the Merger of Points of Light Foundation and Hands On Network

Executive Summary

Five years ago, Points of Light Foundation and Hands On Network merged with the belief that our combined resources would enable us to mobilize more volunteers and create significantly more impact. Here are a few highlights of Points of Light's accomplishments since our merger:

- Developed tools to measure our organization's impact. We now know that last year more than 4 million Points of Light volunteers served for 30 million hours with an economic impact of \$635 million.
- Expanded our reach with 15 new global affiliates operating in 42 additional cities, 60 new AmeriCorps Alums chapters, 500 additional generationOn clubs and over 250 Billion + Change commitments.
- Raised \$30.6 million through our Service Generation Capital Campaign to drive impact and innovation including investments in generationOn (\$5 million), technology (\$2.3 million), programs (\$1.5 million) and Civic Incubator (\$600,000).
- Strengthened our fundraising base so that no one funder represents more than 5% of our annual revenue and reduced our reliance on Federal funding from 44% to 5%.
- Elevated the importance of service in the public arena through national forums, including our annual Conference on Volunteering and Service with over 5,000 attendees.
- Celebrated President Bush in a Tribute at the Kennedy Center with four U.S. Presidents participating and a national television audience.

Today, we stand stronger and with more opportunity than ever before. We continue to embrace new ways to put people at the center of change and connect them with their power to make a difference.

Reflections

Five years ago, Points of Light Foundation and Hands On Network merged with the hope of mobilizing more volunteers. United, we believed we could bring a power, stature, efficiency and scale that would create significantly more impact.

Like most mergers, the reality was not as easy as the plan. We navigated the almost immediate loss of a \$10 million Congressional appropriation and the economic recession of 2008. Combining the tremendous organizational assets was much easier than blending the very different organizational cultures. We faced unanticipated historical legacy issues that threatened the new combined organization and it took longer than we hoped to realize full integration and efficiencies.

But looking back, we can track the very significant progress we have made towards accomplishing our aspirational goals. We stand stronger and with more opportunity than ever before. We have a smart, lean team and a focused set of strategies with investments that are showing promising returns. We have broadened our impact, increased efficiencies and accomplished more than either organization could have alone.

Organizational Growth and Financial Management

We have significantly strengthened our financial management, expanded our fundraising base, reduced our overhead and lowered our debt. Shortly after the merger, the pressures of the economy and the loss of the \$10 million federal "earmark" forced Points of Light to make tough choices. We relocated our headquarters to Atlanta, shaved millions of dollars in expenses and

reduced staff from 175 to our current staffing of a little over 100. We purchased our \$3.9 million headquarters building and subleased a portion of the building to HandsOn Atlanta thereby securing a long-term cost-effective home for the organization.

We raised \$30.6 million through our Service Generation Capital Campaign to create sustainable impact, drive innovation across the sector and deliver operational excellence. Our Service Generation investments have created strong returns in terms of impact and growth. Our largest single investment of \$5 million in generationOn is on a sustainable path. Other high performing programs of note include investments in our Programs work (\$1.5 million) and the Civic Incubator (\$600,000). Just over \$2 million in total investments has leveraged combined support of \$6.3 million for the Civic Accelerator and our veterans/military programming. Major investments in technology (\$2.3 million) produced a product that is breaking new ground and establishing HandsOn Connect as the gold standard in volunteer management products (28% increase in customers in 2012) and All For Good as the resource for a national pipeline of well-managed volunteer opportunities with 2 million page views per month, comparable to Volunteer Match and a 60% increase since July 2011.

Over the last five years, we transformed a vulnerable financial position into a position of strength.

- **Reduced dependence on Federal funding.** The organization has completed weaned itself from operational dependency on federal dollars. At the time of the merger, government funding was 44% of our total budget; today it is only 5%.
- **Diversified funding sources.** Not only have we reduced government dependence, we have also diversified our funding base so that no one funder represents more than 5% of our revenue. Without Mission Fish, our funding base is now 49% corporate, 21% earned income, 14% individuals and benefits, 9% foundations, and 5% government.
- **Improved cash position.** We have significantly improved the organization's cash position, thereby decreasing interest expenses, reducing late fees and achieving a better bargaining position with vendors. At the time of the merger, the cash balance was \$1.8 million; currently our available cash is \$8.1 million.
- **Reduced debt.** Shortly after merging, the overall organizational debt totaled \$5.5 million. Currently, the only debt we hold is related to ownership of our Atlanta headquarters.
- **Reduced general and administrative costs** from 16.7% to 14.8% of the total budget.
- **Increased endowment** by almost 20% from \$5 million to \$5.9 million (\$750,000 is dedicated to the building and may have to be returned if we sell the building).
- **Increased grants** to support Affiliate/nonprofit capacity building from \$1.6 million in 2007 to a high of \$4.8 million in 2011.
- **Clean audit.** We have completely overhauled our financial management system and overcome extraordinarily difficult and complicated challenges to achieve a clean audit.
- **4-star rating on Charity Navigator** for four of the last five years.

Network Growth

We have greatly **expanded our reach** with over 250 Billion + Change commitments, 15 new global affiliates operating in 42 additional international cities, approximately 60 new AmeriCorps Alums chapters and 500 additional generationOn Clubs.

- **Affiliates** - We consolidated our Affiliate Networks into a single network with membership standards and benefits, generating a return on investment of \$27.61 for every \$1 of membership dues paid. **There were no impact measurements of the network previous to the merger** and we are now able to measure our Affiliates' impact and know that last year 2.6 million volunteers served in 235,519 projects led by Affiliates, their partners and volunteer leaders. These volunteers donated 25.1 million hours of service with an economic impact of \$591 million. Our Affiliates collaborated with 77,052 partners. From 2009-2011, Affiliates **increased volunteer engagement by 22% (an additional 460,000 people), added more than 17,000 new partners and expanded our reach to 9 new countries.**
- **Global** – Before the merger, HandsOn Network had action centers in seven countries and eight cities outside the U.S. engaging around 7,000 volunteers per year. **We currently have HandsOn Action Centers in 22 countries, a 314% growth, and nearly 50 cities, a more than 600% growth.** These Action Centers mobilize more than 50,000 people every year through more than 23,000 volunteer opportunities, 400 NGO partners and 350 corporate partners.
- **Corporate Institute** – To create the Corporate Institute, we consolidated corporate assets that had been fragmented across the organization – Corporate Service Council, Center for Employee Volunteerism, Corporate Volunteer Council Network, corporate training and consulting. When the Corporate Institute took over leadership for Billion + Change in 2011, all of the pledges had lapsed. Since our re-launch a year ago, we have obtained commitments for \$1.9 billion of pro bono service from over 250 companies. In partnership with Bloomberg BusinessWeek, we have created the Civic 50 to recognize companies with the most robust civic engagement practices.
- **AmeriCorps Alums** – We have grown to 62 chapters with 126,000 registered AmeriCorps Alums from a handful of active chapters with 2,500 registered Alums. While our registered Alums have grown 50-fold, the total number of Alums has doubled from 330,000 to 775,000. This year, we trained over 1,000 Alums and 12 Alums were recognized as Champions for Change at a recent White House event. Alums played a major role in preserving funding for the Corporation for National and Community Service.
- **generationOn** – We combined three nonprofits through a complex merger of the youth programming and assets from Children for Children, Learning to Give and the League to create generationOn in 2010. We developed a five-year partnership with Hasbro to develop and scale generationOn. In two years, we have engaged 1.5 million kids and trained 2,673 educators. We have grown the Learning to Give curricula from 1,400 to 1,600 lesson plans and website traffic has increased from 1.3 million to 2 million unique visitors annually. We now have 2,200 clubs (up from 1,800) and 3,850 registered organizations, parents, school administrators and teachers. We have launched a Youth Advisory Council and updated our youth leadership training. In addition, we are building the youth and family volunteer capacity of our Affiliates in nine markets.
- **HandsOn Connect.** We developed HandsOn Connect to help our Affiliates more effectively manage projects and volunteers. We currently have 143 customers, including 117 HandsOn Affiliates, and are poised for broader market penetration. We are helping our Affiliates manage 730,000 active volunteers. As a result of using HandsOn Connect, the State Commission in Michigan has seen a 144% increase in its nonprofit partners and 93% increase in projects. The New York State Commission has seen a 200% increase in nonprofit partners and a 193% increase in projects.

Culture of Service

As a leader in the volunteer sector, we have elevated the importance of service in the public arena through national forums, our annual Conference, the passage of the Kennedy Serve America Act and our cause-marketing partnerships. The NonProfit Times has named Michelle Nunn to its “Power and Influence Top 50” list of change agents in each of the last four years.

We made difficult **choices around our brand**, initially putting forward two equal brands – the Points of Light Institute and the HandsOn Network. Points of Light is now our dominant, forward-facing brand. Under Points of Light, we have four vibrant sub-brands: HandsOn Network, generationOn, the Corporate Institute and AmeriCorps Alums. We have enlivened the brand and continue to connect it to President George H.W. Bush’s legacy, while reinforcing our bipartisan appeal and embracing new, cutting-edge aspects of service.

We have significantly **improved our communications**. Over the last year, we have had approximately 1.9 billion media impressions, sent 97 Change Notes/New Flashes to more than 18,000 people each time and are having over 300,000 unique visitors each month to our POL websites. Our conversion to a more robust new email marketing system (Silverpop Engage) is nearly complete. This will equip us to integrate our email and social media strategies, with a goal of increasing the number of people receiving Points of Light email communications by 100% over the next 12 months.

- **National events.** This year, we launched an annual Tribute to exceptional volunteers. In 2011, we celebrated President Bush’s legacy in a Tribute at the Kennedy Center with four U.S. Presidents participating and a national television audience. In 2009, we convened a Presidential Forum on Service with President Obama at the Bush Library.
- **Conference on Volunteering and Service.** Our Conference has become the marquee event for the service sector. After partnering with the Corporation for National and Community Service from 2008-11, we had great success this year as the sole convener. We have moved from the 2008 Conference with more than 4,500 attendees and a \$660,000 deficit to over 5,000 attendees and a \$1.1M profit this year.
- **Kennedy Serve America Act.** We co-led the ServiceNation coalition to imagine and pass the Kennedy Serve America Act in 2009 and advocated for the inclusion of the Volunteer Generation Fund.
- **Cause marketing partnerships.** Through our cause-marketing partnerships, we have engaged millions of volunteers. Disney’s “Give a Day, Get a Disney Day” activated 1 million people. Starbucks’ “I’m In” campaign contributed more than 1 million service hours.
- **Signature events.** For this year’s MLK Day of Service, 210,000 Americans volunteered, including President Obama, and 50,000 people came together in America’s Sunday Suppers. To mark the 10th anniversary of September 11, POL engaged more than one million Americans. Each year, Make A Difference Day mobilizes more than 3 million volunteers and is featured in USA WEEKEND.
- **Points of Light National Volunteer Monument.** We are rebranding the Extra Mile Pathway to Points of Light National Monument. Since the merger, we have raised \$1 million and honored 14 individuals with 13 new medallions.

Programs

Since the merger, we have shifted our program focus from building the volunteer management capacity of organizations to demonstrating our impact with an emphasis on 4 E's – education, economy, environment and emergency. Here are a few results from our improved programming:

- **HandsOn University** has delivered resources to 6,000 nonprofits.
- **HandsOn Tech Corps, through a signature partnership with Google**, has trained 4,419 nonprofit staff in seven cities to leverage technology to engage volunteers more effectively.
- We have mobilized 68,000 volunteers in long-term recovery efforts in **disaster response** in 11 states.
- We have shifted our VISTA programming to an education focus. We are deploying VISTA members in 28 cities with **HandsOn Schools Attendance Corps** to increase school attendance.
- **We have partnered with Exelis and a coalition of veteran organizations to launch the Community Blueprint. Veteran Leader Corps** members are serving veterans and military families in 20 communities with the hope to grow to 200.
- **Recognition Programs.** We have solidified and expanded our volunteer recognition programs. Over the past five years, we have awarded 723,879 Presidential Volunteer Service Awards, 50 L'Oreal Women of Worth, 22 Corporate Engagement Awards of Excellence and 1,300 Daily Point of Light Awards. We will celebrate the 5,000th DPOL award in 2013.

Innovation

We are driving innovation across the sector through our Innovation Hubs, Civic Incubator and technology initiatives.

- **Innovation Hubs.** In 2011, we selected 10 Affiliates to serve as our first “Innovation Hubs”.
- **Civic Incubator.** We created the Civic Incubator to foster innovation, scale and efficiency in the civic sector. We have provided leadership for mergers and acquisitions and “graduated” several ventures - the Corporate Institute, AmeriCorps Alums, and generationOn. We are now incubating Fuse Corps as a “venture in residence”.
- **Civic Accelerator.** We are launching a 12-week Civic Accelerator to fund, train and mentor civic entrepreneurs. We have generated investments of more than \$1 million. We had 167 applicants for the ten spots in our first twelve-week Civic Accelerator Program starting this past November.
- **All for Good.** Since completing the merger and integration of All for Good, we have launched Joining Forces and powered the volunteer opportunity search on the 911Day.org site. All for Good is now offering over 156,000 active service opportunities.
- **Mission Fish.** After an eight-year partnership with eBay that raised more than \$241 million for nonprofits in the United States and United Kingdom, we successfully completed a very complicated “sale” of Mission Fish to eBay.

- **Skunk Works.** We are investigating “disruptive” opportunities for organizational innovation and have generated a set of innovations and service platform to carry forward our work in the coming years.

Conclusion

We have blended the legacies of Points of Light Foundation and Hands On Network to produce greater impact than either organization could have independently. We are constantly evolving to create a sustainable and relevant organization recognized as the leader of volunteerism and civic engagement. By re-imagining the possibilities of volunteer action, we are putting people at the center of change and connecting them with their power to make a difference.