Revenue Generation Plan
YWCA of Minneapolis Girls RAP Program
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Executive Summary

The "Girls RAP Revenue Generation Plan" is the product of a collaboration between YWCA of Minneapolis Girls RAP ("YWCA Girls RAP") and graduate students from the University of Minnesota's Humphrey Institute of Public Affairs. The purpose of this report is to present viable revenue generating options for the YWCA Girls RAP program.

YWCA Girls RAP has been in existence since 1996. It is a youth diversion program for at-risk and first-time offender adolescent girls. The program has an excellent success rate, with 73 percent of 336 program participants tracked having had no contact with the legal system for one year after completing the program.

In 2010, YWCA Girls RAP received a federal grant through the The Recovery Act that provided funding through 2011. The leadership of YWCA Girls RAP first viewed the federal funds as an opportunity to expand the program and reach more girls. However, the financial crisis caused by the economic downturn for 2008-09 made YWCA Girls RAP leadership keenly aware of the fact that, without independent means for generating revenue, the program's future would lack the financial predictability and stability necessary for lasting expansion. They concluded that the first step in a genuine expansion had to be finding vehicles for financial autonomy.

To devise the options included in this report the Humphrey students conducted case studies and revenue model comparisons. They investigated adolescent-girl diversion programs in multiple cities across the country. They also examined revenue generation models of rehabilitation/re-entry programs such as Twin Cities RISE!
The recommendations laid out in this report can be adopted by YWCA Girls RAP incrementally over time to generate income for the program. They are neither mutually exclusive nor dependent on one another. These options include:

1. Payment and reimbursement from YWCA Girls RAP partners, such as Hennepin County.
2. A virtual eStorefront to sell donated goods.
3. Selling the YWCA Girls RAP program model and offering training to affiliate organizations.

This report provides initial steps to implement the suggested options. We recommend the adoption and staggered implementation of all three options. Each option offers residual income for YWCA Girls RAP, with Option Three having the added potential for a one-time infusion of cash for the program.

Mid and long-term recommendations include revamping the YWCA Girls RAP website, revising and updating the core curriculum for the program, and expanding the breadth and depth of program success indicators. Additionally, we recommend future collaboration with the Humphrey Institute to conduct a stakeholder analysis, market identification and demographic profile, and assess additional success measurement tools for the YWCA Girls RAP program.

We kept several considerations in mind when drafting this report. The mission of the YWCA of Minneapolis and the goals of the YWCA Girls RAP program were taken into account in the deliberation of every possible option. The first-time offender portion of the YWCA Girls RAP program was the only portion of the program examined for purposes of
this report. The preventive arm of YWCA Girls RAP was not the subject of our research or conclusions. Consequently, all references to juvenile delinquency and its effects on recidivism rates are in reference to adolescent girls who have had a minimum of one contact with the legal system. Finally, this project was undertaken with a very limited scope focus and time constraints.

Additional steps that can be taken by YWCA Girls RAP are laid out in the global recommendations of the report. Our overall conclusion is that YWCA Girls RAP has many promising avenues to pursue that can lead to continued programmatic success, more financial independence, and stability for the expansion of the program to serve more girls in need.
Introduction and Background

The YWCA Girls RAP program has been in existence since 1996. In that time, over 336 girls have completed the program and have been successfully diverted from the juvenile justice system. YWCA Girls RAP is under the umbrella of YWCA of Minneapolis’ Girls, Inc affiliation.

In Spring 2010, YWCA Girls RAP was awarded a federal grant for programming through the Recovery Act. The federal funds prompted program leaders to think of ways in which the program could be expanded to reach more girls. Simultaneously, Erica Sallander, Program Director for YWCA Girls RAP, learned about the Humphrey Institute of Public Affairs’ Capstone projects. In the Capstone course, Humphrey Institute graduate students conduct projects and research for government and non-profit organizations. Through Capstones, students gain critical skills and hands-on experience while the client organization receives research and evaluations pro bono that they would otherwise hire a paid consultant to conduct.

Initially, the goal of the YWCA Girls RAP Capstone project was to research and devise recommendations for program growth and expansion. However, through conversations with YWCA Girls RAP leadership and stakeholders of the YWCA, it became clear that the identification of revenue sources to move the YWCA Girls RAP program toward financial self-sustainability needed to be addressed in advance of program expansion.

The economic crisis of 2008-2009 and the subsequent recession highlighted the fact that YWCA Girls RAP could not rely exclusively on grants and the support of foundations
for funding if they hoped to achieve financial stability. Furthermore, YWCA Girls RAP leaders recognized the need to prepare the program for the cessation of its current federal funding at the end of 2011.

This report has been prepared for the YWCA Girls RAP by Humphrey Institute graduate students E. Marie Broussard, Christine Ojala and Millie Suk.

Research Methodology and Approach

Our approach to the YWCA Girls RAP project was firmly grounded in sociological and criminological research methods. The majority of research and subsequent reports written on gender-specific programming were conducted and written over the last ten to fifteen years. During this time, those working in the juvenile justice system began to note the rise in numbers of female juvenile delinquents. Experts and scholars emphasize the need for well-designed youth diversion programs, which they believe to be effective deterrents to criminal behavior. Coupled with this is the notion that the long-term benefits of a well-designed youth diversion program far outweighs the cost of administering one. Based on our research, investing in the YWCA Girls RAP program, and others like it, is smart public policy. Addressing a growing problem such as delinquency among adolescent girls will save money in the long-term and allow more young women envision a future for themselves. This is the premise on which much of our analysis and recommendations is based.

Our policy analysis was applied using Bardach's Eight Steps of Policy Analysis. During each phase of the project we: (1) defined the problem; (2) assembled evidence; (3)
constructed alternatives; (4) selected criteria; (5) evaluated project outcomes; (6) confronted necessary trade-offs; (7) decided on solutions; (8) and told the story. We then established criterion through which we measured possible options. The options and recommendations presented in the following sections are those that met our criterion. Each option had to adhere to the following criterion:

- *Easy to implement.* No additional hiring of staff, and no time or resources taken away from direct services.
- *Does not provoke issues with child labor laws.* The option did not unnecessarily complicate matters for RAP program administrators.
- *Expandable and flexible in implementation and execution.* Each option allows the RAP staff to determine the most effective and efficient manner to implement the recommendation(s).
- *Inexpensive: minimal up-front monetary investment.* Any endeavor is an investment that will require staff time and human capital. However the out-of-pocket monetary costs associated with the proposed options are minimal.
- *Not in conflict with the non-profit status of the YWCA of Minneapolis.* To prevent the YWCA from changing its mission or endangering existing funding sources, the options worked within the confines of 501(c)(3) status.
- *Contributes to the overall program goals and complements curriculum.* Each option is intended to contribute YWCA Girls RAP’s overall mission and goals.
- *Consistent with the overall mission and vision of the YWCA of Minneapolis.* We used the mission statement found on the YWCA of Minneapolis’ website as guiding principles. That statement is as follows:
Our mission is to empower women and girls and to eliminate racism.
The YWCA of Minneapolis stands for a fully-inclusive community where each person is healthy and valued, and where racial justice, gender equality and human dignity are promoted and sustained through bold and effective women’s leadership.
We continue to build on the strength and success of our current programs for children and youth and develop new programs of the highest quality to meet the needs of emerging and under-served populations. We invite you to stand with the YWCA of Minneapolis in our mission and our work.

Case Studies of Comparable Programs

The diversion programs which have been selected as case studies were chosen for of their high success rates, organizational credibility, and national recognition. They have succeeded for many reasons, though most notably because of intense personal commitment to and investment in the mission, fervent collaboration between agencies and organizations, strong research, teaching methodology, and technological utility. While there is no shortage of girls diversion programs, high success rates and strong organizational credibility are hard to come by. Key findings are highlighted below, along with ideas for potential application to the YWCA Girls RAP program.

The Pace Center for Girls, State of Florida

The Pace Center for Girls, Inc. is a community-based, gender-responsive prevention, diversion and early intervention program serving girls, ages 12-17, in 17 locations across the state of Florida.
"PACE was recognized by the Office of Juvenile Justice and Delinquency Prevention's Girls' Study Group as the most effective program in the nation for keeping adolescent girls out of the juvenile justice system and by the Annie E. Casey foundation... as a national model in reducing recidivism and improving school success, employment and self sufficiency amongst girls."5

Pace has elevated and intensified the message that girls' intervention and prevention programs are needed immediately, citing a recent publication by the American Bar Association and the National Bar Association that identifies the "tremendous increase in female delinquency cases as a national emergency."6

Pace Center for Girls has been successful in generating awareness and support of its work and mission. It has established strong communication with its stakeholders -- its website outlines its philosophy and core values, draws attention to its legislative strategies and goals, and shares its research and findings with the public. In addition, outcome measures, portrait of risk, research, and annual reports are made public in the interest of transparency.

Application to YWCA Girls RAP: YWCA Girls RAP can enhance their website to reach more stakeholders, intensify its message, and attract more donors/supporters. The website can serve as the primary tool for outreach.

The Girls' Initiative, City of Boston

The Girls' Initiative of Boston, with support from multiple non-profit organizations, is leading a three-year initiative to build a robust network of organizations and collaborations that is working to develop, articulate, and implement a "shared advocacy agenda." The collaborative plan, is striving to transform the system and organizations that serve high-risk girls.
A major component of this initiative was the writing and publication of the Report on High Risk Girls and Gender-Specific Programming. The report serves as a launching pad for the development of a public policy agenda and advocacy effort aimed at legislators and agencies that deliver services and support to high-risk girls. The ultimate goal of the initiative is passage of a state bill to create a special commission on gender-responsive programming for system-involved girls.7

Application to YWCA Girls RAP: The report discussed above could serve as network-building and public policy campaign in Minnesota. The development of a “shared advocacy agenda” would be the first step toward this goal. The result would be heightened awareness of girls-specific programming and an increase in potential funding sources.

The Peace Learning Center in Indianapolis and the RADIUS program (by Amicus) in St. Paul are two very different programs, but each program is part of a collaboration with state and county run agencies. Peace Learning Center serves youth through schools, community centers, and faith groups and has partnerships with two state correctional facilities. The RADIUS program partners with Ramsey County Juvenile Detention Center. Both programs serve girls who are located within these facilities. Programming for both programs is focused on self-empowerment, emotional, psychological, and well being. The collaboration between the programs and the state agencies has been remarkably successful.

Application to YWCA Girls RAP: Collaboration with the RADIUS program on a legislative agenda could prove rewarding in the longer-term, as more visibility could bring both programs increased financial stability.
Overview of Options

Option One: Payment and Reimbursement from RAP partners

A March 2007 Social Return on Investment Report (SROI) prepared by Wilder Research and the University of Minnesota for the Youth Intervention Programs Association (YIPA) stated that there exists widespread and wide-ranging direct benefits to society of youth intervention programs. The report lists the following major benefits both for the participants and society as a whole:

- Increased graduation rates;
- Decreased school costs (fewer students held back, lower truancy rates);
- Decreased crime (lower administrative of justice costs, less treatment /incarceration costs, reduced offenders on probation, loss experienced by crime victims, etc.);
- Decreased need for social services; and
- Improved “health outcomes” (fewer teen pregnancies, decreased/delayed use of alcohol and/or drugs, increased readiness for employment)

The purpose behind this report was to quantify those benefits.

According to the YIPA report, “An effective comprehensive program costing around $2,000 per participant returns benefits of $4.89 for every dollar of cost, based on very conservative effects and valuations. Moreover, the program returns $14.68 for every State dollar invested, assuming a 2 to 1 match of other funding.” That means for each youth
entered into an intervention program, at a cost of $2,000, the total financial benefit to society (and presumably the individual youth, although this is not clear from the SROI report) is $9,780. Or to put it yet another way, there is a 489 percent return on a $2,000 investment for a single youth who enters a diversion program. These numbers are especially interesting and applicable for the YWCA’s Girls RAP program as, according to the RAP program’s coordinator, the average cost per girl in their program is approximately $2,000.

YWCA Girls RAP’s success helps create productive citizens who contribute to the tax base. The State of Minnesota is a major beneficiary of this success. It stands to reason that the State, who extracts such significant benefits from a youth diversion program such as the YWCA Girls RAP program, would want to invest some of its resources to ensure that the program is able to grow and serve more youth on a sustainable level. In fact, the State already has a similar relationship with a non-profit poverty reduction program in Minnesota. That program is Twin Cities RISE! (TCR!).

TCR! serves adults who are at or below the national poverty level. The goal of the program is to get those individuals trained and placed in jobs that pay an annual salary of at least $20,000.11 Many of the people TCR! serves are ex-felons who, as a result of their convictions, have an extremely difficult time finding sufficient employment. However, TCR! has been very successful in matching employers with ex-offenders. According to TCR’s 2009 Annual Report, in their twelve-year history, 73 percent of individuals who successfully complete their ten-week training have remained gainfully employed. Furthermore, recidivism rates of the ex-felons that have completed the TCR programming is 12 percent, far lower than the national rate of 61 percent.12
While the individuals who receive the services provided by TCR! certainly derive extensive benefits from the program, it is the State of Minnesota that arguably receives the largest profit. Steve Rothschild, the founder and board chair of TCR!, recognized this fact and decided to cultivate a direct financial relationship with the State. Rothschild, with the help of Art Rolnick (Chief Economist of the Minneapolis Federal Reserve), established the monetary value TCR!’s services provided for the State and developed a financial model in which TCR! is repaid for its services. This agreement was codified in statute (See Appendix B).

In exchange for each client that finishes the TCR! program and remains gainfully employed for one year, the State gives TCR! $9,000. Additionally, for each client of TCR! that remains gainfully employed for two years, the State gives TCR! another $9,000. Although $9,000/$18,000 per client may seem like a large investment of the State’s money, TCR! reports that Minnesota realizes a 442 percent return on its investment. Over their twelve year relationship, the State of Minnesota has invested $3.5 million in TCR! and has seen a $19 million return on that investment. This $19 million return has come in the form of increased tax receipts, decreased state subsidies paid out, and a decrease in recidivism rates.

In an interview with Rothschild, he stated that he firmly believes this financial model could be applied to the YWCA Girls RAP program. Furthermore, he explained that this model could work not only with the State government, but also with a county system or even another private or not-for-profit funding source. Throughout the discussion Rothschild emphasized throughout discussion the need to focus on outcomes rather than outputs. In other words, when approaching a government agency or other entity, the focus
should be on getting paid for the value the program provides for the tax-payers or other stakeholders and not on the number of people served or the costs endured by the program. By emphasizing outcomes, the financial risk is put solely on the program – if the recipients of the program's services do not succeed (within a specified period of time) then the program receives no funding from the government or other funding entity.

In light of the successful relationship the State of Minnesota has established with TCR! and the well-documented SROI report on youth intervention programs in Minnesota, a rational step would be for the State to establish a similar relationship with the YWCA Girls RAP program. While the details of the agreement would need to be fleshed out through direct meetings of the two groups, much of the groundwork already exists. The YWCA Girls RAP program has already documented a 73 percent success rate in diverting the girls who complete their program. In other words, 73 percent of the girls who graduate from the RAP program remain law-abiding (measured by the lack of any legal citation) for at least one year. Thus, the State could make its funding contingent on a one-year success rate, as it does with TCR!. However, Steve Rothschild recommends measuring the success rate over a period of 2-3 years and instituting a sliding scale for repayment similar to that of TCR!'s model (in which they receive $9,000 for the first successful year and then another $9,000 for the second successful year).

In preparing for such a meeting with State, county or local officials, YWCA Girls RAP could breakdown in greater detail the referral reasons on program participants. This would allow YWCA Girls RAP to provide even more precise numbers in the potential cost savings for the respective agency. The SROI report breaks down the exact savings to society for prevention of: truancy, property offenses, and other offenses that result in
detention and/or probation. Furthermore, it may also be beneficial for if the YWCA to began tracking some other, potentially longer-term, measures of success for program participants such as high school and college graduation rates. The TCR! program uses social security records to track their former clients for longer periods of time. Additionally, while it may be difficult for the YWCA to track the graduates much beyond a year, it would be helpful if they could at least document some detailed stories of their most successful graduates to show the State, or other entity, the potential of their program.

Option Two: Establish an eStorefront

The second option is to create an online storefront where donated goods can be sold to benefit YWCA Girls RAP. The girls could help manage the store and process transactions. It would also give the girls practical and marketable skills, and could be incorporated into the curriculum.

Online auctions are no longer a new phenomenon. eBay has been in existence for fifteen years. In 2009, 90 million users on eBay bought and sold a staggering 60 billion dollars worth of goods. eBay has a division of its online marketplace designed especially for 501(c)(3) non-profit organizations to participate in eCommerce. Through eBay's "Giving Works program" YWCA Girls RAP can generate income one of two ways discussed below.

First, the Community Works portion of the program allows sellers on eBay to designate a non-profit beneficiary of the auction sell. Friends and supporters of the YWCA Girls RAP who are existing sellers on eBay can hold auctions and donate any or all of the
proceeds from the sale to YWCA Girls RAP. Second, YWCA Girls RAP can sell items directly through the Nonprofit Direct Selling program. YWCA Girls RAP can create its own eBay user account, solicit donations from friends and supporters and hold their own auctions. Through the Nonprofit Direct Selling program, YWCA Girls RAP would receive 100 percent of the listing and insertion fees refunding if the item sold. Consequently, auctions for sold items would ultimately lead to YWCA Girls RAP incurring little to no expense beyond staff time for listing sold goods and receiving almost 100 percent of the listing price.

An additional benefit to participating in the Nonprofit Direct Selling program is that actively involving the girls in the auction listing process can become a complementary part of the YWCA Girls RAP curriculum. The girls can carry out tasks such as:

- Organizing and managing inventory information;
- Creating listings to post new items for auctions in progress;
- Closing out completed auctions and assisting with the shipping of any physical item sold (if necessary); and
- Encouraging community members to donate items for auctions.

Through the execution of these tasks, the girls will learn valuable and marketable skills, in addition to building their self confidence and giving them a sense of accomplishment with the completion of an auction.

The income generated by the eStorefront may account for a small portion (perhaps 2-3 percent) of YWCA Girls RAP’s total budget. But the additional benefits of teaching the girls marketable skills, complementing the curriculum and helping the girls reach goals (generating enough money through the auctions to cover the cost of their year-end
program graduation, for example) are potential social returns on the investment and exceed the monetary gains from the eStorefront. The first steps in making the eStorefront option are as follows:

1. YWCA of Minneapolis and YWCA Girls RAP should setup a user account with eBay, get certified by Mission Fish (an eBay partner) as qualified to be a nonprofit direct seller, and join the eBay Giving Works program.

2. YWCA Girls RAP should decide what types of merchandise to sell on their storefront. The storefront is more likely to be successful and generate income if YWCA Girls RAP can develop expertise in selling particular items rather than trying to sell anything and everything. For example, YWCA Girls RAP could choose to accept only furniture donations for which supporters agree to coordinate the transfer of goods (such as couches) once sold.

3. Designate a volunteer or staff member to learn, administer and oversee the auctions. As with any tool, developing some familiarity and expertise as to how the tool is best used and fits the organization's purposes will help the storefront be a success.

4. Run pilot auctions before involving the girls in managing the auctions. YWCA Girls RAP staff should develop a good sense of what they wants to sell, market pricing, how listings work, etc. before involving the girls in the auctions in order to ensure that clear direction can be provided on how to carry out tasks.
5. Solicit the help of eBay Trading Assistants for the first several months in order to maximize the benefits of using the eStorefront.

An eStorefront offers an exciting and multi-faceted way of generating income, boosting curriculum and education goals of the program and strengthening relationship with friends and supporters.

**Option Three: Selling the YWCA Girls RAP Model**

The third option is to sell the model of the YWCA Girls RAP program to YWCA USA or Girls, Inc. National for replication. Selling of the program model could generate income in three ways: a one-time sale of the rights to replicate the program, residual income from royalties on curriculum licensing, and consultant fees for in-person and online training.

YWCA Girls RAP is a successful intervention program for adolescent girls without many peer programs. The rise in delinquency among adolescent girls makes the RAP program even more desirable. Expanding the program through replication of the model also serves YWCA Girls RAP’s goal of reaching as many girls as possible.

To optimize the sale of the YWCA Girls RAP program model, several steps should be undertaken beforehand in order to get the program “market ready.” First, Options One and Two described in this report should be implemented. In addition, other steps recommended, such as revising the curriculum and expanding the measurements of successful intervention should be fulfilled. Finally, the program should be appraised by a third party to determine its overall SROI value. Once these steps have been carried out,
YWCA Girls RAP can begin the process of determining which organization might be the best fit for national replicating the program.

Recommendations

We recommend staggered adoption over time of the three options listed. The order and speed in which we advise implementation is as follows:

We advise leadership of YWCA Girls RAP to start working toward the above goals by:

- *Staggered implementation of options listed.* The options presented in this report are not mutually exclusive. They can be implemented in phases and affect the program in different ways. We recommend implementing the storefront option while embarking on Option One. After approximately two years, YWCA Girls RAP could be sold as an attractive package to interested affiliates and outside organizations.

- *Revise and expand measurement of programmatic success.* In order to demonstrate lasting social return on investment, YWCA Girls RAP must increase the breadth and depth of their program success measurements. YWCA Girls RAP should conduct a longitudinal study of their program graduates, in addition to adding immediate success measurements such as employment status, high school and/or college graduation rates, and rates of teen pregnancy. We recommend engaging another Capstone project group for this task.
• **Stakeholder analysis.** In order to gain a more in-depth understanding of stakeholders, YWCA Girls RAP should conduct a stakeholder analysis. Identification of stakeholders who may presently go unnoticed will create opportunities to gain support and resources from corners previously neglected. This could be part of a Capstone project in the fall.

• **Update and revise website.** Girls’ RAP has not fully utilized their Internet presence. In order to capitalize on what the program has achieved thus far, as well as what YWCA Girls RAP intends to achieve in the future, the web page for the program could draw inspiration from the *PACE Center for Girls* program. As the first few recommendations move through the implementation phase, it will be important to have information available for all stakeholders including, clients, customers and investors. A good example of some possible additions can be seen by looking at the PACE Center website.

• **Capstone Proposal.** Submit a Capstone workshop proposal for Fall 2010 to the Humphrey Institute of Public Affairs, addressing Option One. The authors of this report would be willing to assist in this task.

• **Shared-Advocacy Agenda.** Establish contact with similar organizations in Minnesota to discuss the possibility of working toward a shared-advocacy agenda. Our case studies reveal that the Girls’ Initiative has been successful in engaging multiple organizations toward a shared goal.
- *Internship Program.* Discuss the feasibility of a YWCA Girls RAP internship program.

If the YWCA sees this as a real possibility, a guide to developing such a program could be achieved through a Spring 2011 Capstone project at the Humphrey Institute.

**Conclusion**

At present, leadership of the YWCA Girls RAP program is well aware of the urgency with which it must address its funding needs after 2011 in order to remain a sustainable program. YWCA Girls RAP has the ability to remain stable organization, increase financial autonomy, and create long-term program sustainability. Our overall conclusion is that YWCA Girls RAP has many promising avenues to pursue that can lead to continued programmatic success, more financial independence, and stability for the expansion of the program to serve more girls in need.
Appendices

A – Literature Review
B – Minnesota Statute 116J.8747 – Job Training Grant
Appendix A: Literature Review

Methodology

The primary objective of this literature review was to gain a better contextual understanding of juvenile delinquency and diversionary practices currently in use with troubled youths. Specifically, the focus was on successful programs -- what works and why. With that in mind, we reviewed a variety of books, journals, articles and websites of youth diversion programs across the country. We also included a brief summary of a Social Return on Investment report compiled by Wilder Research as this report provided the base for Option #1 described in this paper.

Case Studies

Four diversion programs were selected as case studies in comparison for the YWCA Girls RAP project. The criteria for selection were two-fold: first, that each program has achieved a high success rate, similar to that of the YWCA and; (2) that the program or organization holds strong credibility. A more fully developed discussion of the four programs can be found in the main text of the paper.

In September 2009, the Girls' Initiative of Boston published a report on High Risk Girls and Gender-Specific Programming that highlights two main points. The first is that evidence supports the perception that more girls are getting in trouble and ending up in the juvenile justice system. Girls are now the fastest growing segment of the juvenile justice population. Second, the juvenile justice system was designed for boys. Girls have unique risk and protective factors, crime patterns, and needs; therefore, they demand a unique approach to program design.¹

The evidence contained in the Girls' Initiative report supports this paper’s basic premise, that spending on girls-specific diversion programs, such as YWCA Girls RAP, is smart public policy. These programs are addressing a real growing problem, both in the juvenile justice system and within the general public. As a consequence they are reducing money spent in the long-term due to their preventive and diversion-based approach. They

are also supporting the transformation of an outdated, boy-centered juvenile justice system by addressing the unique needs of a growing population of high-risk girls. The evidence to support the smart policy claim is laid out below in Wilder Research’s Social Return on Investment report.

Social Return on Investment Report

In March 2007, Wilder Research, in collaboration with the University of Minnesota, published a report entitled, “Analyzing the Social Return on Investment in Youth Intervention Programs: A Framework for Minnesota.” This report provides an in-depth analysis of the costs of juvenile delinquency to taxpayers and quantifies the benefits of youth intervention programs to those same taxpayers. The analysis breaks down the costs, based on the type of delinquent behavior (e.g. truancy, property crimes, etc.), of the varying levels of intervention available to the State:

Average Annual Cost Per Youth

<table>
<thead>
<tr>
<th>Type of Intervention</th>
<th>Annual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Treatment</td>
<td>$75,300</td>
</tr>
<tr>
<td>Group Home</td>
<td>$56,100</td>
</tr>
<tr>
<td>Juvenile Correctional Facility</td>
<td>$40,200</td>
</tr>
<tr>
<td>Juvenile Court per case</td>
<td>$3,500</td>
</tr>
<tr>
<td>Youth Intervention Programs</td>
<td>$2,000</td>
</tr>
</tbody>
</table>

In concluding that youth intervention programs are often the most cost-effective means of dealing with juvenile delinquency, the authors stated:

An effective comprehensive program costing around $2,000 per participant returns benefits of $4.89 for every dollar of cost, based on very conservative assumptions.

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about effects and valuations. Moreover, the program returns $14.68 for every state
dollar invested, assuming a 2 to 1 match of other funding.\(^3\)

Beyond looking at the concrete costs, and cost-savings of youth intervention
program, the report compiled a fairly extensive list of all of the benefits provided by youth
intervention programs. The basic list included\(^4\):

- Improved school performance
- Reduced crime
- Reduced need for social services
- Enhanced hope for the future (reflected in increased lifetime earnings)
- Improved health outcomes
- Increased workforce preparedness

The authors go into greater detail in the report as to how intervention programs
create these benefits. In the end, the report concludes that what is needed is long-term
data collection and analysis to generate an even more detailed analysis of the quantifiable
benefits of youth intervention programs.

**Delinquency Prevention - Research Review**

Some recent research has sought to identify the risk factors associated with youths
becoming involved in criminal behavior. The cumulative impact of juvenile delinquency
reaches far beyond the immediate moment in the adolescent’s youth. Adolescents
adjudicated delinquent are far more likely to become adult chronic offenders. And while
treating juvenile as adults by waiving them into the adult correctional system may have
significant punitive effects, it may also exacerbate the core problem of prevention and
rehabilitation.\(^5\)

\(^3\) Anton, Paul A. and Prof. Judy Temple, “Analyzing the Social Return on Investment in Youth Intervention

\(^4\) Anton, Paul A. and Prof. Judy Temple, “Analyzing the Social Return on Investment in Youth Intervention

\(^5\) Tracey, Paul E., Kemf-Leonard, Kimberly (1996), *Continuity and Discontinuity in Criminal Careers*, Plenum Press,
New York.
Long term effect of chronic delinquency

One in eighteen adult males is incarcerated in the U.S. The total costs for one career criminal over a lifetime (victim costs, quality of life, criminal justice system, and offender productivity loss) are estimated to be between $1.5 to 1.8 million. The seeds of adult criminality are often planted in youth. 6

Fifty-six percent of adult arrestees were previously adjudicated delinquents. A person is four times more likely to continue a criminal career from juvenile into adulthood than he is to start criminal activity as an adult. What are the possibilities if we step into these young people's lives at the critical crossroads of the first contact with the justice system?

An effective juvenile delinquency program should accomplish the following in working with youth: 7

1. Prevent future contacts with the criminal justice system.
2. Help the young person realize his or her potential.
3. Assist the juvenile in taking the first steps toward positive goals such as academic, work, or personal development.
4. Teach them American civics and them develop essential life skills.


Appendix B: Minnesota Statute 116J.8747 – Job Training Grant

Subdivision 1. Grant allowed. The commissioner may provide a grant to a qualified job training program from money appropriated for the purposes of this section as follows:

(1) a $9,000 placement grant paid to a job training program upon placement in employment of a qualified graduate of the program; and

(2) a $9,000 retention grant paid to a job training program upon retention in employment of a qualified graduate of the program for at least one year.

Subdivision 2. Qualified job training program. To qualify for grants under this section, a job training program must satisfy the following requirements:

(1) the program must be operated by a nonprofit corporation that qualifies under section 501(c)(3) of the Internal Revenue Code;

(2) the program must spend at least $15,000 per graduate of the program;

(3) the program must provide education and training in:

(i) basic skills, such as reading, writing, mathematics, and communications;

(ii) thinking skills, such as reasoning, creative thinking, decision making, and problem solving; and

(iii) personal qualities, such as responsibility, self-esteem, self-management, honesty, and integrity;

(4) the program must provide income supplements, when needed, to participants for housing, counseling, tuition, and other basic needs;

(5) the program's education and training course must last for an average of at least six months;

(6) individuals served by the program must:

(i) be 18 years of age or older;

(ii) have federal adjusted gross income of no more than $11,000 per year in the calendar year immediately before entering the program;

(iii) have assets of no more than $7,000, excluding the value of a homestead; and
(iv) not have been claimed as a dependent on the federal tax return of another person in the previous taxable year; and

(7) the program must be certified by the commissioner of employment and economic development as meeting the requirements of this subdivision.

Subdivision 3. Graduation and retention grant requirements. For purposes of a placement grant under this section, a qualified graduate is a graduate of a job training program qualifying under subdivision 2 who is placed in a job in Minnesota that pays at least $9 per hour or its equivalent plus health care benefits. To qualify for a retention grant under this section for a retention fee, a job in which the graduate is retained must pay at least $10 per hour or its equivalent plus health care benefits at the end of the first year of employment.

Subdivision 4. Duties of program.

(a) A program certified by the commissioner under subdivision 2 must comply with the requirements of this subdivision.

(b) A program must maintain records for each qualified graduate. The records must include information sufficient to verify the graduate's eligibility under this section, identify the employer, and describe the job including its compensation rate and benefits.

(c) A program must report by January 1 of each year to the commissioner. The report must include, at least, information on:

(1) the number of graduates placed;
(2) demographic information on the graduates;
(3) the type of position in which each graduate is placed, including compensation information;
(4) the tenure of each graduate at the placed position or in other jobs;
(5) the amount of employer fees paid to the program;
(6) the amount of money raised by the program from other sources; and
(7) the types and sizes of employers with which graduates have been placed and retained.

HIST: 2003 c 128 art 13 s 20; 1Sp2003 c 4 s 1; 1Sp2005 c 1 art 4 s 22

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Footnotes

1 http://www.ojjdp.ncjrs.gov/programs/girlsdelinquency.html


7 http://www.cityofboston.gov/bcyf/initiatives/


9 Id. at 9

10 Id. at 2

11 www.twincitiesrise.org

12 Twin Cities RISE! 2009 Annual Report

13 Id.

14 http://www.ebayinc.com/who

15 http://givingworks.ebay.com/