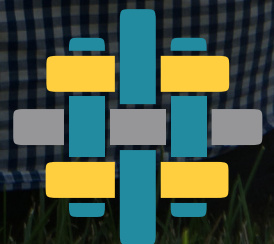


**WOVEN STRONG**

# **THREAD STRATEGIC PLAN**

**FY18-21**







**100%**

OF STUDENTS RETAINED TO THREAD

**88%**

OF STUDENTS WHO HAVE BEEN IN THREAD AT LEAST 5  
YEARS HAVE COMPLETED HIGH SCHOOL

**86%**

OF STUDENT ALUMNI HAVE COMPLETED A COLLEGE  
DEGREE OR CERTIFICATE PROGRAM



# OVERVIEW

There is no doubt that Baltimore's most vulnerable young people are disconnected and in crisis. Among students with early warning indicators and a Grade Point Average (GPA) of less than 1.0, only six percent graduate from high school within four years.<sup>1</sup> However, youth are not the only ones experiencing the negative impacts of modern day segregation. Social isolation has doubled in America in the past two decades<sup>2</sup> causing a broader public health phenomenon where people of all races and classes are faced with higher levels of stress and a host of mental and physiological side effects.<sup>3</sup>

Thread understands that we all need deep interpersonal bonds to thrive.<sup>4</sup> Our work is powered by individual relationships that radically and permanently alter the social support structure of everyone involved. The Thread Community Model is unique in its ten-year commitment to the most academically underperforming high school freshmen by facilitating authentic and enduring relationships with caring adults. The impact of these relationships is life changing— **65 percent of Thread students with GPAs of less than 1.0 graduate from high school in four years, ten times the rate of their peers.** Thread's overall high school graduation rate is even higher, with 88 percent of students who have been enrolled in Thread for at least five years completing high school. These outcomes – and our program model – are based on never giving up on a single student, i.e. 100% student retention. We believe that no child is a lost cause, and we have never un-enrolled a student.

Thread's strategic plan targets ambitious growth in students, volunteers, and infrastructure in order to reach 7 percent of Baltimore City's freshmen at traditional public schools (304 out of 4,200) and nearly 60 percent of the highest needs students in the highest need schools (304 out of 525) by FY21.<sup>5</sup> Enrolling at this rate over time will set the stage for eventually serving a total of 3,040 students knitted together in relationships with over 8,200 volunteers in Baltimore by FY30. We believe – and our data shows – that every young person can thrive if we end the poverty of isolation by weaving a new social fabric with relationships that cross the lines of race, class, and zip code. This new social fabric has the power to transform not only individual lives but the city as a whole.

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1 Mac Iver, M. (2012). Predicting High School Outcomes in the Baltimore City Public Schools, Council of Great City Schools, Volume VII, summer 2012.

2 Hicks, S. (2006, June 23). Americans Have Fewer Friends Outside the Family, Duke Study Shows. Duke Today.

3 Vaillant, G. E., Cui, X., & Soldz, S. (1939). Study of Adult Development. Working paper, Harvard University, Cambridge, MA.

4 Vaillant, George E. (2015). Triumphs of Experience: The Men of the Harvard Grant Study. Belknap Press, Harvard University

5 Schools excluded from this analysis include charter, transformation, contract, alternative, separate public day, and three traditional high schools with academic entrance criteria.

# THREAD COMMUNITY MODEL

Thread intervenes in the 9th grade and disrupts the pattern of isolation that leads to academic underperformance, **enrolling students who rank in the lowest 25 percent of their class academically and who face additional challenges outside of the classroom.** Thread's innovative approach, from the students we engage to the depth, breadth, and duration of the support we provide, is unmatched. We promise to stand alongside each student for 10 years, work to understand the challenges they and their families face, and work collaboratively to find solutions. Through these relationships, we move from having a perceived group of haves and have-nots to realizing our shared humanity.

At the start of their 10 years in Thread, our students initially rely on Thread and the volunteers in their Thread Family to be both their “engine” propelling them forward and their “safety net,” catching them when needed. Over the course of a decade, however, our students become their own engine and safety net, ultimately developing into self-motivated, resilient, and responsible citizens. A high school freshman, for example, may need a ride to school from his volunteer. As the relationship deepens, Thread students and volunteers become integrated into each other's lives. One student recalls giving advice about how to be a successful teacher to his Thread volunteer who was beginning his first job in the classroom. By their final years in Thread, Thread students are expected to set and pursue their own goals, in part by connecting with their expanded social networks that comes with being part of Thread.

At its heart, the Thread Community Model is a relationship-building platform. To build relationships, we need to connect with each other. At Thread, we measure these connections via TouchPoints – every point of contact our students have with their Thread volunteers, be they conversations, texts, shared meals, or tutoring sessions. We know from over a decade of experience that the key driver of a Thread student's success is TouchPoints. As a result, we have organized our staff team in order to facilitate frequent and high quality TouchPoints with our students and volunteers; we have developed a tech platform and app to track TouchPoints in real-time, and we train our all our volunteers in building durable and empathetic relationships that start with a TouchPoint.

*To understand the Thread Community Model, imagine a beautifully woven piece of fabric...*

## STUDENTS

At the core is a single strand, a student who, since birth, has known what it means to live within the bottom quartile of many statistical scales – income, GPA, opportunity.

## FAMILIES

This core strand is woven together with a team of four volunteer strands – his or her Thread Family – comprised of volunteers from across Baltimore committed to doing whatever it takes to support the student, whether it is providing rides to school, packing lunches, or spending a Saturday refurbishing a home. The Thread Family works to become deeply woven together with each student's family and existing social network, modeling consistency, open communication, and persistence. Thread Families also extend and broaden the student's social network, facilitating opportunities for the student to build new skills and identify opportunities throughout life.

## RESOURCE TEAMS

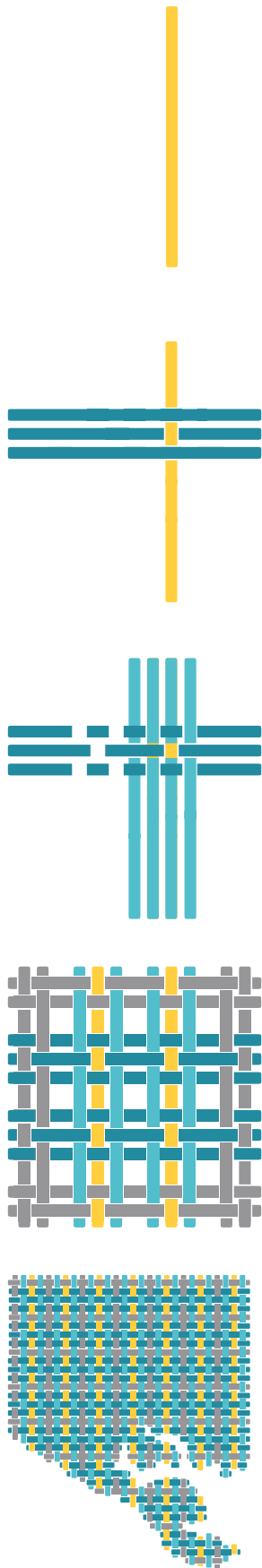
The deep interpersonal bonds formed in the Thread Family are woven together with Thread Resource Teams, strands of volunteers who provide programs to engage students in academic advancement, college and career preparation, and enrichment activities. Importantly, Thread Resource Teams also weave students and their families together with Thread collaborators to ensure they have access to programs and services.

## COLLABORATORS

Thread collaborators provide pro bono resources and expertise to students, volunteers, and the organization. Thread collaborators come from Baltimore's civic, corporate, non-profit, religious, and neighborhood communities and help stabilize the life of a student and their family outside of school by providing legal, health, housing, in-kind donations, employment opportunities, and other vital resources.

## COMMUNITY

Now imagine all of the strands woven together to form a new social fabric. That's Thread!

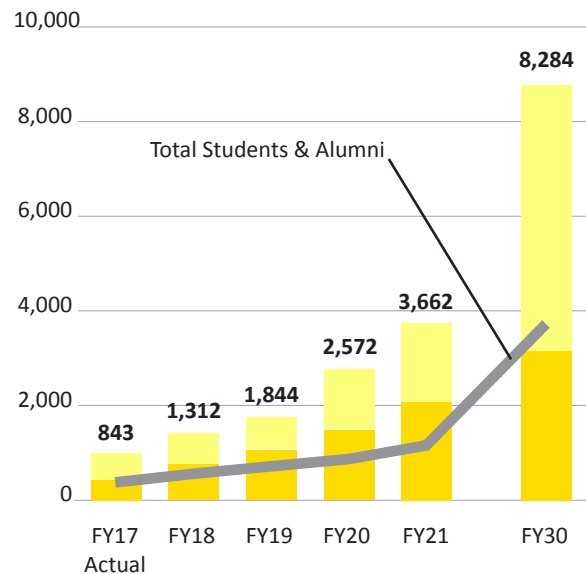


		TYPE OF THREAD SUPPORT	THREAD	STUDENT	VOLUNTEERS PER STUDENT (AVERAGE)
PROGRAM	YEARS 1-4	High Intensity	Engine + Safety Net	Participant	4 : 1
	YEARS 5-8	Moderate Intensity	Safety Net	Engine	2 : 1
	YEARS 9+10	Light Intensity	Ally	Engine + Safety Net	1 : 1
ALUMNI	YEARS 11+ <i>(i.e. two years post intervention)</i>	Former participants access alumni resources, but no longer receive formal Family support.			

## VISION FOR GROWTH

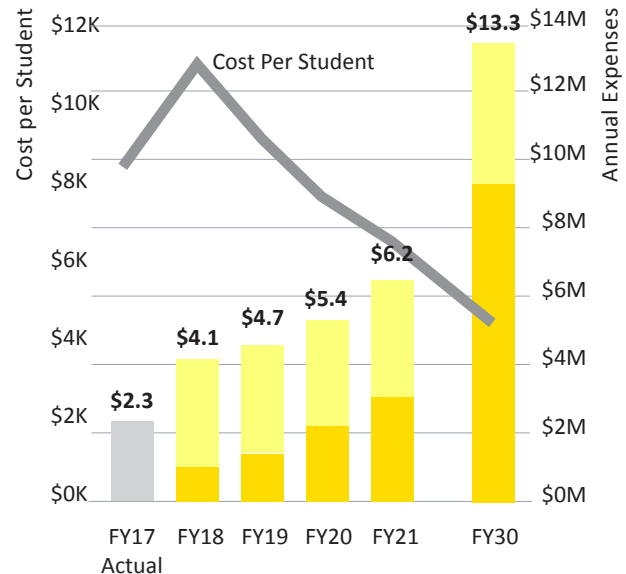
Most people assume that students with GPAs as low as 0.0, living in neighborhoods with concentrated poverty, and surrounded by violence and drugs—are a lost cause. Thread’s model refutes this notion. By 2021, Thread will enroll 304 new students per year across Baltimore and will continue to enroll at that level for 10 years, increasing total enrollment ten-fold to 3,040 students (not including alumni) and over 8,200 volunteers by 2030. **By aiming to reach approximately seven percent of incoming freshmen and almost 60 percent of students in the lowest quartile in terms of GPA at high-need schools, Thread will dramatically impact the city’s high school graduation rate.**

### STUDENT & VOLUNTEER GROWTH (PROJECTED)



Retained Volunteers  
New Volunteers

### ANNUAL EXPENSES & COST PER STUDENT (PROJECTED)



Fixed Costs  
Variable Costs

But it's not just about high school graduation - we seek to harness the power of relationships to transform lives, neighborhoods, and the entire city. We believe that the power of the Thread model lies in reaching a "tipping point" within Baltimore: ultimately connecting 20,000 individuals - students, alumni, volunteers, collaborators, and their families, representing five percent of Baltimore's adult population and the early adopters of a movement that will transform Baltimore into a place integrated not by laws, but by mutual care and sincere investment in one another's lives.

As we grow, we are committed to certain principles, namely **(i) to continue to engage only the most academically underperforming students; (ii) to maintain our singular focus on exemplary outcomes; (iii) to champion the accomplishments of our student alumni as our most powerful people resource; (iv) to foster the personal growth of all members of the Thread community through the powerful impact of trusting relationships; and (v) to demonstrate proof of the Thread model with sufficient scale (defined as reaching the threshold of 200 new students per year, envisioned in FY20) in Baltimore before considering geographic expansion.**

# GROWTH PLAN

Our plan for growth is based on careful analysis of demand for our model from students, volunteers, collaborators, and funders.

## STUDENT DEMAND

In FY17, Thread enrolled approximately 1 percent (48 students) of Baltimore's incoming 9th grade students who attend a traditional Baltimore public school (roughly 4,200 students annually across 20 high schools) each year.<sup>6</sup> Of the 4,200 freshman students, roughly 2,100 attend the 11 schools that have:

- Graduation rate < 70 percent
- Freshman class size > 75 students
- Free and Reduced-price Meals (FARMs) rate > 50 percent



<sup>6</sup> Schools excluded from this analysis include charter, transformation, contract, alternative, separate public day, and three traditional high schools with academic entrance criteria. Enrollment data based on the 2015 Maryland Public Report Card Data.



While these criteria are not definitive rules for selecting Thread school sites, they help us to assess the total number of eligible students in Baltimore. Of the 2,100 freshman students attending the 11 high-need schools, 525 represent the bottom quartile of their 9th grade class. When Thread's annual enrollment reaches 304 students per year, we expect to be enrolling students from 8-10 schools, and we will be serving nearly 60 percent of the highest needs students in most of Baltimore's highest needs schools and 7 percent of the freshmen class across the city. To ensure that Thread is serving the most vulnerable high school students across Baltimore, we expect that our student enrollment growth will involve going both deeper (i.e. taking on more students at current schools) and broader (i.e. expanding to new schools).

## VOLUNTEER NEED

Thread volunteers are central to our students' success. Thread volunteers provide the initial "engine" and "safety net" for our students in their early years with Thread, and become friends and allies as our students mature and become their own engine and safety net. When forecasting demand for volunteers, there are two key assumptions at play:

- The average ratio of volunteers per student per year in Thread
- Volunteer retention (year-over-year)

We regularly evaluate the size of every Thread Family to ensure all Thread students have what they need to learn and grow. Our ratios incorporate 14 years of analysis of the most effective Thread Family size to ensure every student can transition into being their own engine and safety net. For this reason, Thread gradually reduces the average volunteer-student ratio over time:

YEAR IN THREAD	AVERAGE VOLUNTEERS PER STUDENT
Years 1-4	4:1
Years 5-8	2:1
Years 9 & 10	1:1

Similarly, we track volunteer retention and have based our forecasts assuming 60% year-over-year retention of all volunteers – in line with our historic retention rates.<sup>7</sup>

VOLUNTEER RETENTION - HISTORIC	FY14	FY15	FY16	FY17
Year-over-Year:				
<b>All Volunteers</b>	<b>64%</b>	<b>61%</b>	<b>55%</b>	<b>57%</b>
Thread Family Members	58%	58%	51%	55%
Volunteer Leaders	81%	72%	65%	67%

By FY21, Thread will need approximately 3,662 total volunteers to support 1,087 students and alumni. Due to the pace of growth over these four years, 2,119 of these volunteers will be new recruits. We expect a number of factors could increase (or decrease) volunteer retention, namely (i) broadening our recruitment efforts beyond universities and corporations to include neighborhood groups, religious organizations, and other partners; (ii) more effective implementation of our volunteer curriculum and (iii) the potential for our proprietary Thread app to significantly change how our volunteers engage with their students and each other. However, for the purposes of our forecasts, we have assumed no change in volunteer retention, the volunteer-student ratios, or the one-year commitment we ask of all volunteers.

## VOLUNTEER SUPPLY

Thread volunteers come from all walks of life. They share a commitment to our students, to each other, and to connecting our city. Many of our volunteers come from a resource hub - an institution that provides human, financial, or social capital to further Thread's mission. Thread's flagship resource hub remains the Johns Hopkins University, which has provided thousands of volunteers, as well as hundreds of summer jobs for students, office space, financial support, and pro-bono expertise. We have identified other Baltimore-based universities and corporations as potential resource hubs based on four factors:

- Size of the potential volunteer pool
- Diversity of the pool
- Geographic proximity to current and potential future Thread high school sites
- Strategic alignment with Thread's mission and vision

<sup>7</sup> All volunteers counted as of October. Volunteer Leader retention does not include vacant positions or departures from the leadership role but retained to the organization, for example as a Family Member.



We then took intentional steps to increase awareness of Thread’s work with potential resource hubs through a series of community events intended to spark and nurture relationships among a diverse group of participants, including Conversation Thread in 2017 which engaged over 1,000 people across Baltimore. Thread also engaged in strategic media coverage to increase awareness and interest in joining the Thread Community and has been profiled in the New York Times on three different occasions, as well as receiving recognition at the White House Forum on Social Innovation, on National Public Radio, in Redbook, The Baltimore Sun, and The Council of Philanthropy.

To assess potential volunteer supply, we calculated a target volunteer yield for each current and potential resource hub based on our current volunteer yield (if applicable), their fit with our selection criteria, and their level of expressed interest in partnering. Thread conservatively estimates the total potential yield of volunteers from university and corporate resource hubs in Baltimore to be around 8,500 with 60-70 percent coming from universities and 30-40 percent from corporations. Outreach to neighborhood groups, religious organizations, and alumni associations are not included in our model for conservatism, but will be a recruitment target in the medium term.

VOLUNTEER SUPPLY (BALTIMORE)	TOTAL POTENTIAL SUPPLY	YIELD	TARGET SUPPLY	% TOTAL
University Volunteers	67,980	9%	5,845	69%
Corporate Volunteers	116,985	2%	2,607	31%
Total	184,965		8,452	

Thread plans to strategically add additional resource hubs each year, eventually drawing from 8-12 hubs by FY21. These hubs will greatly expand the diversity of Thread volunteers, making it possible to engage not just students from other universities, but also employees and professionals from a variety of corporate backgrounds. This is critical for reaching both the required quantity of volunteers and optimal quality mix, as Thread has found that the most successful Thread Families are diverse - and therefore seeks to eventually shift our current volunteer makeup from 85 percent university students and 15 percent non-students to roughly two-thirds university-based and one-third corporate.





# MAINTAINING QUALITY OUTCOMES

Since its inception, Thread has been disciplined both in the achievement of exemplary student outcomes and with careful and consistent growth in students. We are committed to maintaining and building upon this track record as we seek to grow to scale and spark a movement in Baltimore. We believe all Thread students are capable of discovering and achieving their goals in life with a network of deep and supportive relationships. We will be guided by specific metrics - Growth Criteria – which reflect the minimum baseline level of achievement we seek to ensure we do not sacrifice quality for scale. These Growth Criteria include three “must-have” measures (shown in bold). The CEO will recommend annual growth in new students and new sites to the Board based on an assessment of outcomes against the targets below.

## GROWTH CRITERIA

### Student Outcomes

*All current Thread students:*

- **TouchPoints: 80% with 3 or more successful TouchPoints per quarter**

*On track:*

- 75% of high school students on track to graduate
- 75% of post high school students either employed or enrolled in academic/training program

*Completion:*

- High School Graduation: 68% 4-yr; 75% 5-yr; 90% 6-yr
- Post-High School Completion of academic/training program: 50% 8-yr; 60% 9-yr; 70% 10-yr

### Volunteer Retention

- 90% of required volunteer leader positions filled
- 80% within-year retention of volunteer leaders
- **60% year over year volunteer retention (all volunteers)**

### Sustainable Revenue

- **6 months operating cash on hand**
- Sufficient revenue for Q1 expenses committed in advance of beginning of FY

### Strong Partnerships

- MOU with Baltimore City Public Schools
- Commitment from partner school sites
- Commitment from partner resource hubs

# IMPLEMENTATION PRIORITIES

Thread's four-year plan for growth will require efforts on a number of fronts. The Strategic Planning participants identified the following six Implementation Priorities as the most critical for ensuring growth is sustainable and produces high-quality student outcomes:

1.

**Recruit, develop, and retain students, volunteers, collaborators, and staff at the rate required to rapidly scale the organization.**

To retain volunteers and achieve unparalleled student outcomes, Thread has restructured its staff to (i) develop teams of specialists with clear divisions of labor and (ii) become experts at fostering personal growth and development with every individual in the organization – students, volunteers, collaborators, and staff. The specialized teams will focus on **Interconnection, Inspiration, Involvement, Investment, and Infrastructure**. Prioritizing staff recruitment, development, and retention will facilitate the recruitment and retention of other key resources, namely volunteers (including Board members), collaborators, and donors.





**2.****Foster an inclusive and open environment that engenders equity and innovation.**

Thread seeks to continue to attract a diverse group to its table and to ensure that everyone at the table has voice and gets heard. Diversity will take many forms - age, gender, race, class, and experience are starting points. The Thread Board of Directors will continue to take a leadership role in both reflecting and creating access to a diverse set of networks. Thread will prioritize diversity as a criterion for selecting new resource hubs, identify diverse volunteers, Board members, collaborators, and donors from within our current resource hubs, and support staff in building a practice internally to ensure all members have the opportunity to learn and grow.

**3.****Pilot models with employers that ensure our students thrive throughout life.**

To ensure our students can become their own engine and safety net, Thread will create a pipeline of employment for our students from high school through college and beyond. We will launch one or more pilots with major employers to meet their human capital needs (for example, attracting and retaining a diverse work force) while placing our students and volunteers in jobs and ensuring equity and access to professional development opportunities.

**4.****Implement a disciplined approach to project management and use of real-time data that enables the organization to scale with quality.**

Thread will track the health of every relationship in the organization (student-volunteer; volunteer-staff; staff-collaborator) in real-time via the measurement of TouchPoints, and compare this TouchPoint data with key outcomes. In doing so, we will be able to drive performance improvements in real-time across the organization.

Thread will extend our student, volunteer, and Board curricula to every member of the Thread Community including staff, collaborators and donors, ensuring a consistent message and experience regardless of one's entry point into the organization.

**5.**

**Develop “Bridge” funding from foundations, corporations, and individuals to support FY18-21 growth and pursue longer-term funding to sustain growth.**

Thread’s disciplined approach to achieving student outcomes is being extended to the revenue strategy. As Thread seeks to both broaden and deepen its funding sources, we will focus on four key areas: (i) increasing the number of multi-year gifts in order to ensure greater consistency and stability of funding; (ii) expanding our reach to local and national foundations; (iii) engaging the strength of the Thread community members to expand individual and corporate giving, and (iv) piloting fee-for-service revenue streams including deployment of our leadership curriculum and mobile technology.

**6.**

**Determine whether and how our proprietary technology platform can dramatically alter Thread’s Model, either via increasing our impact and/or reducing costs.**

Thread is forming a for-profit entity to explore whether there is a broader market for our proprietary app, currently being used to track TouchPoints with students and volunteers. This pilot approach has the potential to support the needs of the Thread community and expand the accessibility and distribution of social capital throughout the city and beyond.



# BUDGET & REVENUE STRATEGY

Thread makes a 10-year commitment to every student. The disciplined approach we take to achieving exceptional student outcomes is being applied to our revenue strategy. This plan envisions growing our budget from an estimated \$4.1 million in FY18 to \$6.2 million in FY21 and \$13.3 million by FY30. While we know circumstances will change and we will need to adjust accordingly, we have forecasted costs through FY30 because of our 10-year commitment to each student. As we expand our reach, we seek to:

- Shift our cost structure from being more than two-thirds fixed costs to more than two-thirds variable costs, and
- Significantly reduce our per student costs as Thread benefits from economies of scale: per student costs are expected to decline 60% from 2018 to 2030, from an estimated \$10.8K in 2018 to \$4.4K by 2030.

Similarly, Thread has mapped out both its short-term (FY18-21) and medium-term (FY22 and beyond) strategy for revenue generation to ensure we create a stable and sustainable organization.

In the **short-term** (FY18-FY21), we will focus on the following:

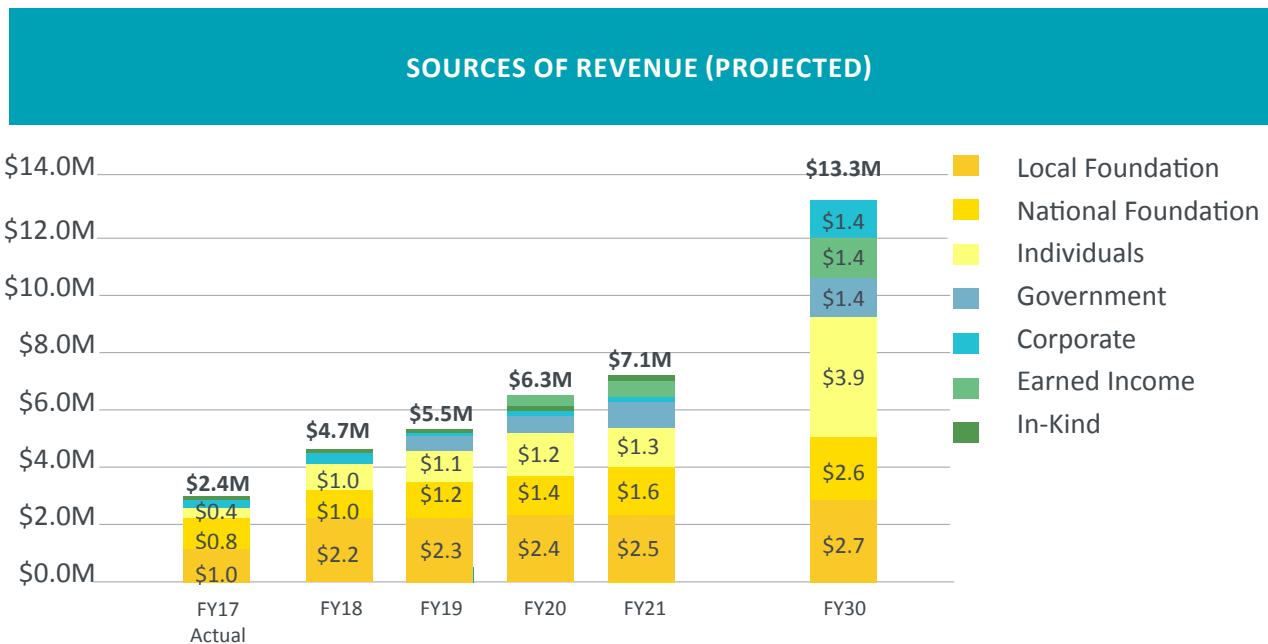
- Engage Thread's existing deep base of support through our executive leadership and Board of Directors to increase revenue from individuals and local foundations.
- Expand our work with national partners who have expressed interest in helping us prove our model within Baltimore in preparation for eventual potential growth outside of Baltimore.
- Pursue local government grants through the state and city government.
- Expand our corporate partnerships through both traditional corporate giving and piloting earned income revenue streams from our leadership curriculum.

In parallel, we will begin now to secure funds for **long-term** sustainability (FY22 and beyond) and focus on the following:

- Pursue state government support in the form of an appropriation, competitive grant, or social impact bond for the services we provide.
- Assess feasibility of the Thread App platform as a revenue source.
- Enhance fee-for-service pilots such as the provision of the Thread relationship-building curriculum to corporations, government, and non-profits to improve their employee satisfaction and retention.
- Creatively identify ways to continue to expand and increase individual giving at all levels within Baltimore and beyond.



Our end-game is to live in a city where Thread is not needed — where the traditional institutions of family, community, and government can together create a city where everyone thrives. To build that community, we intend to reach a tipping point within Baltimore where the Thread community is 20,000 strong — or 5% of the adult population. To do this, we have defined ambitious and feasible revenue targets for the FY18-21 period and through FY30:<sup>8</sup>



Thread's long-term revenue strategy targets broadening and deepening giving from individuals and national foundations, and an expansion and stabilization of local foundation giving. By FY30, we are targeting 30% of total revenue to come from individuals, 20% from local foundations and another 20% from national foundations, and the remaining 30% to be divided between corporate giving, earned income, and government revenue. In-kind revenue reduces to zero with the expiration of our current 5-year rent-free lease.

## CONCLUSION

Thread believes that with continued strategic investment and strong partners we can transform the city of Baltimore. Connections within the Thread Community already are driving extraordinary student outcomes, and we believe that as Thread grows, we will transform the landscape of Baltimore to break the cycles of isolation and poverty across the city. This strategic plan charts a course for Thread to deepen and grow its impact in the coming four years. We invite you to join us on our journey.

<sup>8</sup> FY18-21 projected revenue totals \$23.6M and exceeds total costs for the period (\$20.6M) by \$3.0 million or 15%, in order to build a sustainability fund for future growth.

# THREAD STRATEGIC PLAN PARTICIPANTS

## ADVISORY GROUP

**Edward Blackstone**, *Thread alumnus*

**Jeffrey Cohen**, *CEO, Catapult Learning; Thread Board member*

**Julia Dooher**, *Thread volunteer*

**Robert C. Embry, Jr.**, *President, The Abell Foundation*

**Lea Ferguson**, *Thread — Vice President, Inspiration*

**Rodney Foxworth**, *Executive Director, BALLE; Thread Board Co-Chair*

**Sarah Hemminger**, *Thread Co-Founder and CEO*

**Joanna Jacobson**, *Founder and Managing Partner, Strategic Grant Partners*

**Mark Joseph**, *Founding Chairman, The Shelter Group*

**Wes Moore**, *CEO, Robin Hood Foundation*

**Vernā Myers**, *Founder and President, The Vernā Myers Company*

**Sonja Santelises**, *CEO, Baltimore City Public School System*

**Barbara Sullivan**, *Education Director, Strategic Grant Partners*

## WORKING GROUP

**Delshan Baker**, *Thread — Vice President, Investment*

**Marie Brown**, *Thread — Senior Director, Government and Corporate Relations*

**Allison Buchalter**, *Thread — Vice President, Involvement*

**Nick Greer**, *Thread — Vice President, Interconnection*

**Sarah Hemminger**, *Thread Co-Founder and CEO*

**Jan Houbolt**, *Thread Board Co-Chair*

**Patricia Lattin**, *Senior Managing Director, Legg Mason; Thread Board member*

**Vince Talbert**, *Chair, Network for Good*

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**thread**

THE NEW SOCIAL FABRIC

[www.thread.org](http://www.thread.org)