2018 REPORT TO STAKEHOLDERS
Table of Contents

From the Executive Director .................................................. Page 3
Member Perspectives ............................................................. Page 4
Overview of Teen Success, Inc. .............................................. Page 5
  • The Issue
  • Teen Success, Inc. Solution
  • Where We Work and Why
  • Our Participants
Program Results and Impact .................................................. Page 8
Financial Picture ................................................................. Page 9
Growing Our Impact ............................................................... Page 10
Thank You to Our Supporters ............................................... Page 13
Teen Success, Inc. Board of Directors .................................... Page 15
I started as the Executive Director of Teen Success, Inc. in February 2015. Shortly thereafter Teen Success, Inc. was chosen, through a rigorous and competitive process, as one of fifteen California youth-serving organizations to participate in PropelNext. PropelNext is a 3-year initiative of the Edna McConnell Clark Foundation, in partnership with the William and Flora Hewlett Foundation, the David and Lucile Packard Foundation, the Sobrato Family Foundation, and Weingart Foundation, that is focused on helping promising nonprofits transform their passion for serving disadvantaged youth into data-driven insights and practices that amplify their impact on young peoples’ lives.

We just completed our third and final year of the PropelNext initiative and have come out a smarter, stronger, and more impactful organization. We have a more comprehensive program model and approach that is grounded in research and best practice, with interventions that point directly to the goals we aim to achieve for the young families we serve: 1) graduate from high school, 2) maintain family size, and 3) develop the knowledge and skills to nurture their child’s positive development.

In addition to a much stronger and more focused program model, we have created performance management systems and have developed an organizational culture of continuous learning and improvement. All of these build our capacity to greatly increase our impact on the young families we support. In program year 2017-2018 we served 322 teen mothers and their children, 238 through this new program model. Ninety three percent of participants who completed the new program graduated from high school or were on track to do so at program completion. This is compared to only 38% of teen mothers who complete high school nationally. In addition, 93% maintained their family size, compared to only 82% nationally. Members who completed the program also improved their parenting skills, specifically in the areas of empathy toward child and the understanding of developmentally appropriate expectations and discipline.

We are inspired by these results and are excited to share more details in this report, along with information about our plans for scaling our impact. Your investment is what makes this transformational work possible. Together we can ensure that every first-time teen mother and her child has the supports and opportunities necessary to prosper.

With Appreciation,

Karin Kelley, Executive Director
Member Perspectives

Evelyn and her son Matthew
San Jose Member, 2016 Scholarship Recipient

Evelyn grew up in a chaotic and abusive home. As a result, she turned to the streets, drugs and alcohol to cope. Eventually Evelyn landed in juvenile hall, where she discovered she was pregnant. There she began to reassess her life path and how to give her son a better life. Evelyn joined Teen Success, Inc. and was determined to turn her life around. With the support of Teen Success, Inc., Evelyn learned to develop goals and slowly built her confidence to pursue them. She graduated from high school and is currently attending San Jose City College.

Adrianna and son Jayden
Fresno member, 2017 Scholarship Recipient

“I want to succeed for myself to prove to everybody that any teen mom can continue with school and graduate and be successful in school too. Just because I am a teen mom does not mean my life is over.”

Juliana and daughter Alana
Bakersfield member, 2018 Scholarship Recipient

“I believe no family should be left behind. If society focused more on helping teen parents instead of shaming them, it would not only benefit the parents’ future, but the children’s as well.”
Overview of Teen Success, Inc.

THE ISSUE

Becoming a teen mother perpetuates the cycle of poverty.

Teen Success, Inc.’s vision is that every first-time teen mother and her child will have the supports and opportunities necessary to prosper. Today, that is not the case, in particular for young women of color living in poverty. Young people of color face inequities in achieving high school graduation already. In California high schools in 2015, 29% of African American students and 21.5% Hispanic/Latino students dropped out of school. This is without becoming a parent while in high school.

Teen pregnancy disproportionately affects young women of color living in poverty and increases the chance they will drop out – only 38% of teen mothers nationally finish high school, and less than 2% of teen mothers finish college by age 30. In addition, 18% of teen mothers have a second child as a teen, which can further hamper their ability to finish school.

High school dropouts face extremely bleak economic and social prospects. Compared to high school graduates, they are less likely to find a job and earn a living wage, and more likely to be poor and to suffer from a variety of adverse health outcomes. They are more likely to rely on public assistance, engage in crime and generate other social costs borne by taxpayers.

The adverse outcomes for teen mothers mentioned above also impact their children. They face the challenges of living in poverty, such as being in contact with the child welfare and correctional systems. Without support, the majority of teen mothers do not complete high school, and too often the cycle of poverty and young parenthood continues.

THE SOLUTION

Comprehensive, research-based supports and opportunities for two-generations.

Teen Success, Inc. has developed a comprehensive, research-informed, data-driven solution to disrupt this cycle of poverty for two-generations, young mothers and their children. Our program model empowers young mothers to develop the skills and confidence they need to advocate for themselves, navigate the challenges facing them successfully, and support their child’s positive development to ensure their family’s success in school, as parents, and in life.

Our comprehensive set of supports empowers young mothers to:
1. Complete high school,
2. Maintain their family size, and
3. Develop the parenting skills needed to nurture their child’s positive development.

Teen Success, Inc. Advocates provides 18 months of intensive support and then a minimum of 6 months of follow up support. Support is provided through both individualized one-on-one coaching and a 40-week peer learning and support group. A competitive college scholarship program is also available for graduating teen mothers.

Grounded in the theories, principles, and practices of positive youth development, reproductive justice, early brain development, and developmental parenting, our comprehensive approach is aligned with researched and identified best practices. We focus our support in the following key areas:

- **Educational Navigation & Advocacy** to support high school re-enrollment and completion, post-secondary enrollment, and barrier mitigation,
- **Social Emotional Learning** to support the development of life and relationship skills,
- **Early Childhood Development** to support positive parenting and promote early literacy through reading and appropriate parent-child interaction,
- **Reproductive Health** to support comprehensive knowledge, understanding of choices and healthy relationships.
OUR GEOGRAPHIC FOCUS: WHERE WE WORK AND WHY

The communities and neighborhoods we serve have some of the highest teen birth and poverty rates in their state and in the country. These communities include: Bay Area (San Jose, Redwood City/East Palo Alto, Oakland); Central Coast (Salinas); Sacramento Valley (Sacramento); San Joaquin Valley (Madera, Fresno, Visalia, Bakersfield); Northern Nevada (Reno).

The markets where Teen Success, Inc. provides services are chosen based on the following criteria:
  • Geographically concentrated need (teen births, poverty)
  • Potential for strong foundation, government and individual donor support
  • Service saturation low-medium
  • Community interest/support/opportunity

Teen Success, Inc. successfully delivers programs in two ways – through our own staff in Silicon Valley, and through implementation partnerships with well-established, youth serving, community-based organizations in other areas of California and Northern Nevada. Implementing organizational partners are chosen based on the following criteria:
  • Demonstrated success serving teen mothers or other high-risk teens
  • Uses a positive youth development/empowerment approach
  • Has strong relationships with schools and other community organizations
  • Highly respected in community
  • Willing to co-fundraise for program
  • Has organizational capacity to take on program
  • Leadership buy-in for continuous learning and improvement

OUR PARTICIPANTS

Teen Success, Inc. serves first-time pregnant and parenting teens ages 14-19 who have not yet graduated from high school or obtained their GED.

2017-2018 Participants Profile

- 79% Latina
- 12% African American
- 6% Multi-Ethnic
- 2% Caucasian
- 1% Native American

- 64% are the child of a teen parent
- 94% live in poverty
- 57% have been suspended or expelled from school
Program Results and Impact

In the 2017-18 program year, Teen Success, Inc. served 322 young families across California: 89 in the Bay Area, 33 in the Central Coast, and 200 in the San Joaquin Valley. The following impact was achieved:

**TEEN PREGNANCY NATIONALLY**
- 38% of teen mothers finish high school
- 18% of teen mothers have a second child in their teens

**WITH TEEN SUCCESS, INC. PROGRAM**
- 93% of members complete high school or are working towards graduation
- Only 7% of members have a second child in their teens

Participants improved their positive parenting skills. They are demonstrating increasing empathy towards their children and understanding of developmentally appropriate expectations and discipline.

Our members report reading to their children an average of

**15 minutes daily**

To ensure our program impact remains high, Teen Success, Inc. has developed the capacity and systems to use data for continuous learning and improvement. Instead of waiting until the end of a program year to look at our results, we use a combination of progress indicator and outcome data, constituent feedback, and first-hand experience implementing the program to ensure we are on track toward meeting our goals. As a learning organization, we are better able to make course corrections and adjust our program offerings in real time throughout the program year to make sure we are improving the lives of the young families we serve.
Since Teen Success, Inc.'s beginnings, our revenue has grown and diversified.

**TOTAL REVENUE**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>$961,028</td>
</tr>
<tr>
<td>FY14</td>
<td>$1,263,562</td>
</tr>
<tr>
<td>FY15</td>
<td>$1,503,020</td>
</tr>
<tr>
<td>FY16</td>
<td>$1,650,343</td>
</tr>
<tr>
<td>FY17</td>
<td>$1,724,973</td>
</tr>
<tr>
<td>FY18</td>
<td>$2,148,314</td>
</tr>
</tbody>
</table>

In FY 2018, we exceeded our fundraising goals and ended the year below budget in expenditures. As a result, we were able to grow our unrestricted net assets in order to maintain a minimum 3 months of operating reserves.

**REVENUE DIVERSITY**

<table>
<thead>
<tr>
<th>Year</th>
<th>Morgan Family Foundation</th>
<th>Contributions</th>
<th>Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>75%</td>
<td>25%</td>
<td>3%</td>
</tr>
<tr>
<td>2014</td>
<td>68%</td>
<td>32%</td>
<td>3%</td>
</tr>
<tr>
<td>2015</td>
<td>45%</td>
<td>52%</td>
<td>3%</td>
</tr>
<tr>
<td>2016</td>
<td>48%</td>
<td>46%</td>
<td>6%</td>
</tr>
<tr>
<td>2017</td>
<td>48%</td>
<td>43%</td>
<td>10%</td>
</tr>
<tr>
<td>2018</td>
<td>37%</td>
<td>54%</td>
<td>9%</td>
</tr>
<tr>
<td>2019</td>
<td>23%</td>
<td>71%</td>
<td>6%</td>
</tr>
</tbody>
</table>
FY 2018 (July 1, 2017 – June 30, 2018)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Assets, Beginning of Year</strong></td>
<td>$916,565</td>
</tr>
<tr>
<td>Revenue</td>
<td>$2,281,146</td>
</tr>
<tr>
<td>Expenses</td>
<td>$1,917,287</td>
</tr>
<tr>
<td>Net Surplus/(Deficit)</td>
<td>$363,859</td>
</tr>
<tr>
<td>Temp Restricted Net Assets</td>
<td>$412,458</td>
</tr>
<tr>
<td>Unrestricted Net Assets</td>
<td>$867,966</td>
</tr>
<tr>
<td><strong>Total Net Assets, End of Year</strong></td>
<td>$1,280,424</td>
</tr>
</tbody>
</table>

**Growing Our Impact**

With a high-impact program model, the capacity and infrastructure to ensure we are meeting our goals, and a tested partnership model, Teen Success, Inc. is in a unique position to scale our work across California and Northern Nevada and **become a recognized leader in supporting the success of teen mothers and their children**. We stand apart from our competitors through our comprehensive, two-generation approach that goes well beyond traditional case management, and includes:

- Peer support & education group with a strong focus on social emotional learning,
- A trauma-informed, empowerment focused coaching model that moves beyond a transactional model of connecting youth with services and information to a transformational approach that empowers youth and better equips them for adulthood,
• A comprehensive early childhood approach that along with providing parenting education, also includes a focus on developing early literacy skills and practice opportunities for appropriate parent-child interaction, and
• A strong focus on educational achievement that includes support for educational navigation and advocacy to ensure members are on track to graduate and are prepared to take steps beyond high school graduation to further their education.

In response to the unmet need faced by young mothers, Teen Success, Inc. has set a goal to triple the number of young families served by 2021, an increase to 600 annually. To achieve this goal, we have identified three key growth strategies driven by our participation in the PropelNext initiative (an initiative of the Edna McConnell Clark Foundation) and a market analysis conducted in 2017 in partnership with Harvard Business School Community Partners:

1. Codify our program model,
2. Increase market penetration in current markets to a minimum of 20%, and
3. Expand into new markets in the Sacramento Valley and Southern California through new partnerships.

**TEEN SUCCESS, INC. PROGRAM LOCATIONS**

*Location opened at the beginning of FY19*
To reach and sustain our expansion goals, Teen Success, Inc. will grow and diversify our funding mix by implementing the following fundraising strategies:

1. Increase local government funding,
2. Work with current implementing partners to co-fundraise local dollars,
3. Require new implementing partners to contribute 25% of program costs by the end of FY2020,
4. Build a culture of philanthropy throughout the organization by building fundraising responsibilities into all Program Manager and Director positions, and
5. Implement a Growth Campaign targeted towards individual donors and foundations.

This is the moment to stand with young mothers and their children! *Every dollar invested in a Teen Success, Inc. member and her child saves taxpayers over $17 dollars.* Join us in breaking the cycle of poverty for two generations.

With your support, we can truly move the needle on this issue in California and Nevada and ensure young women who become mothers in their teens can attain success in school and in life, for themselves and their children.
Thank You to Our Supporters

July 1, 2017—June 30, 2018

Thank you for investing in the success of young mothers and their children!

$500,000+
Morgan Family Foundation

$100,000 - $499,999
the David & Lucile Packard Foundation
Sobrato Family Foundation

$50,000 - $99,999
Del E. Webb Foundation
City of San Jose
Santa Clara County - Department of Probation
Younger Family Fund

$25,000 - $49,999
Barnet Segal Charitable Trust
Central Valley Community Foundation
Chan Zuckerberg Initiative Community Fund
Erik E. and Edith H. Bergstrom Foundation
Franklin and Catherine Johnson Foundation
Fund for Shared Insight
Judy Koch
Lucile Packard Children's Hospital Stanford
Susan Packard Orr
Sunlight Giving
The William and Flora Hewlett Foundation

$10,000 - $24,999
Anonymous
Aarti Chandna
Danielle DeBroeck
Grousbeck Family Foundation
Handel Sunrise Foundation
Nancy Heinen and Dennis DeBroeck
Gay Krause
Microsoft
Monterey Peninsula Foundation, host of the AT&T Pebble Beach Pro-Am
Palo Alto Community Fund
The Paul H. Johnsonson Fund
SpecialRelativity Education Foundation
Quest Foundation
The Virginia and Alfred Harrell Foundation
William and Charlene Glikbarg Foundation

$5,000 - $9,999
Anonymous
Applied Materials Foundation
Atkinson Foundation
The Bartz Marr Family Foundation
Madonna Bolano Cortopassi Family Foundation
Robert and Steven Denning
Donna Dubinsky and Len Shustek
Edison International
First Republic Bank
Carol Mayer Marshall and Bob Williams
Nancy Buck Ransom Foundation
Palo Alto Medical Foundation
TJX Foundation
TOSA Foundation
Callie Turk
Union Bank Foundation
Karen Wang
The Women's and Girls' Fund, a Leadership Initiative of Kern Community Foundation

$1,000 - $4,999
Alliance Credit Union
Marilyn Anderson
Veronica and Greer Arthur
Georgia Bennicas
Shelley Brown
Julie Cates
Central California Women's Conference
ChanceFamily Fund
Kim Chortek
Frances Codispoti
Liz Cowie
Ann and Bob DeBusk
Cara Delzer
Bill Draper
The Edward Boss Prado Foundation
Nadr Essabho
FIRST 5 of Santa Clara County
Cathy Foster
Hon. Teresa Guerrero-Daley and Frank Daley
Kathi Gwynn and Jon Cosby
Gary and Cary Hart
Healthier Kids Foundation
Christy Holloway
Susan Hyatt
Kathleen King
Lantern League
Carol Larson
Kwok Lau and Jon Goulden
Connie and Robert Lurie
Carol MacCorkle
John and Doreen Masterman
Bill McGaughy
Carol Mills
Mission City Community Fund
Lynn and David Mitchell
Ellen Moir
Nancy Mueller
Mutual of America
Natividad Medical Foundation
Neukermans Family Fund
Mai Nguyen
Marcia and William Pade
Joan and George Parker
Payne Family Foundation
Maria and Wim Roelandts
Phil and Dayle Ross
Nobuko Saito Cleary
John Sanchez
Marielena Scanlon
Madeline and Isaac Stein Family Fund
Sandi Thompson
Virginia Turezyn
United Way Bay Area
Linda Verhulp
Jamie and Joe Wang
Michael and David Watts
Wealth Architects Charitable Fund
Wendy Whitehouse
Caroline Zlotnick

$500 - $999
Anne Anderson
Apple Inc.
Ned Barnholdt
Peter Beldorf and April Chou
Stu Berman and June Bower
Lois Bridges
Christine Clark
Bob and Mary Dodge
Raquel Donoso
Wendy Dyckerhoff
Shirley Ely
Sandra and Peter Flores
Laura Fox
Lynn Gibbons
Anne Gunderson
Joan Hamilton
Sally Herrick
Sandra Hietala and Jim Thompson
Jason Hooz
Marie Huber
Siobhan Kenney
Georgia Lee
Sandee McCaffrey
Heather McLeod-Grant
Sandy McNamara
Barbara Means and Richard Leask
Deb Nankivell
Betsy Nikolchev
Mary Powell
Qualcomm
Jeffrey Robertson and Jenny Bailey
Becka Ross
Deborah and Bob Schueren
Suzanne Shaw
Lisa Staprans
Susan Sweeney
Gary Whizin and Alicia Garcia
Jennifer Williams
Mara and Russ Yarp

$100 - $499
Anonymous
Gerri Acers
Molly Agran
Julie Almqist
Teresa Alvarado
Vidhya Babu
Becton Dickinson
Martine Bolsens-Peetersmans
Jen Boynton
Diane and Martin Brandt
Deborah Brown
Alison Brunner

Anne Marie Cady
Susan Carey
Wendy Carpenter
Gina Cassinelli
Donna Chandra
Elaine Chien Joing
Marge Chisholm
Jeff Chow
Diane Ciesinski
Angie Cisneros
Sarah and Tom Clark
Clare Corcoran
Barbara and Chris Creed
Carol Cumming
Vivien D’Andrea
Judy and Martin Deggeller
Jen DiBrienza and Jesse Dorogusker
Kitty Dixon
Doug Dolezal
Lisa Downey
Carol Dressler
Wynne Dubovoy
Shalyn and Randall Eason
Edith Eddy
Pat Einfalt
Susan Ellenberg
Nancy and Tom Fiene
Linda Ford
Jaime-Alexis Fowler
Maria Geenan
Global Strategy Group, LLC
Josie Gomez
Javier Guerrero
Livier Gutierrez
Kerry Haley
George Hamma
Adile Hayutin
John Heald
Jennifer Heinemann
Diana Heinrich
Arielle Hendel
Marilyn and Carl Hirsch
Brette Hudacek
Mary Hughes
Alana Jacobson
Laurie Kacín
Karin Kelley
Jody Kelley-Wypych and Joseph Wypych
Linda Kemmer
Jennifer Kern
Tracie Kiachian
Karen King
Courtney Kingston Pflaum
Liz Kniss
Jeanne Labozetta
Greg Lawler
Katherine Loarie

Kitty Lopez
Hon. Patricia Lucas
Nancy Lue
Veena Mahadevan
Connie Martinez
Maura McNulty
Kim Meredith
Jan Miles
Merrill Newman
Kathleen Nickolls
Donna Norton
Shawn O’Connor
Sunny Ochoa
Karin Olson
Michelle Osorio
Lata Patil
Becca Pecore
Nitzan Pelman
Alicia Perez
Kay Philips
Judy Pierce
Sandra Portasio and Elio Lerner
Tamara Radcliffe
Peter Raisbeck
Peggy Schmidt and Joseph Tabacco
Alpa Shah
Diane Sheardown
Collin Shields
Jennifer Smith
Jeanine Smith
Carol Sontag
Katie Sooto
Mary Speiser
Cristina Spencer
Kate Stilley Steiner
Sharon Timoner
Carolyn Tucker
Tricia Turner Herrick
Virginia Turner
Danielle Valenzuela-Rodriguez
Tomasita Villarreal-Carman
Annabelle Walker
Holly Ward
Jeanne and Leo Ware
Nate Whizin
Debbie Wolter
Mary Yang Smith
Paru Yusuf
2018 Board of Directors

Nancy Heinen, Chair
Community Advocate

Stuart Berman, Treasurer
Trustee, Barnet Segal Charitable Trust
Director, Bell Biosystems, Inc.

Peter Belden, Secretary
Co-Founder, Upstream

Becky Morgan, Founder
President, Morgan Family Foundation

Madonna Bolano
Vice-President, Global Human Resources, Applied Materials

Aarti Chandna
Strategy Consultant

Raquel Donoso
Principal, Just Resulting Consulting

Sandra Flores
Program Director, California State University and Fresno Foundation, Fresno County
Preterm Birth Initiative

Honorable Teresa Guerrero-Daley
Retired Superior Court Judge, State of California, County of Santa Clara

Ellen Moir
CEO, New Teacher Center

Kelly Pope
Educational Entrepreneur