

Emerging Funding Strategies

Exploring Untapped Funding Sources to Support Kids

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What Are Emerging Funding Strategies?

Emerging funding strategies are what we call sources of funding for public projects or services that have not traditionally been directed toward child and youth programs and services. These untapped funding mechanisms leverage existing community assets, development activity, or policy tools at the local level to support a community's goals for children and youth.

The category of emerging funding strategies encompasses a variety of [funding mechanisms](#) that are not often used to pay for programs and services for kids, such as tax increment financing, [community benefits agreements](#), economic incentive agreements, social impact bonds, developer fees, profits from publicly-held assets, zoning and land use changes, and other potential budget reallocations within city or county budgets.

Pursuit of these funding strategies and policy changes can help fill the gap between a community's [existing funding](#) and the [true cost](#) of achieving its goals for children as part of the [strategic public financing process](#).

“But advocates leave dollars on the table when they don't look beyond funding sources explicitly aimed at supporting child and youth programs.”



Why Are Emerging Funding Strategies Important?

Given the United States' historic underinvestment in programs and services for children and youth, it will take funding from a wide range of sources, including every level of government, to ensure that all children and youth have access to opportunities that will help them thrive. Advocates and policymakers seeking funding for child and youth programs often limit themselves only to funding that has been historically or traditionally used to support child and youth programs and services, such as federal grants or philanthropic donations.

But advocates leave dollars on the table when they don't look beyond funding sources explicitly aimed at supporting child and youth programs. While opportunities designed to support economic development, neighborhood or community improvement, workforce development, and affordable housing may not be aimed specifically at child and youth programs, communities across the country have used strategies in these realms to fund their goals for children.

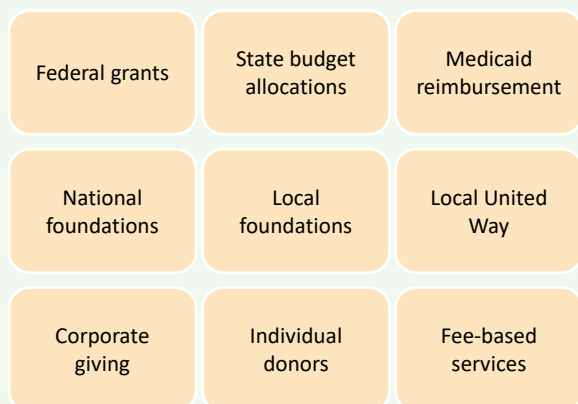
How Should Emerging Funding Strategies Fit into Your Larger Plan for Filling Funding Gaps in Your Community?

While emerging funding strategies are often hyper-local and may be limited in scale and dollar amount, these strategies may also be more politically palatable for communities that have not yet socialized the idea that child care and youth services are essential services that require [large-scale, dedicated funding](#). In addition to potentially generating small-scale revenue, pursuing and

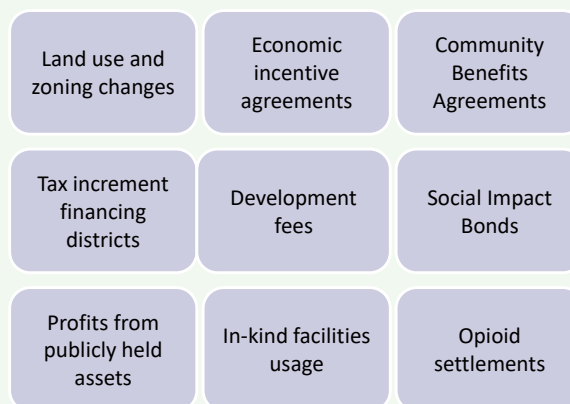
Figure 1: Understanding Emerging Funding Strategies

Thinking Differently About Public Funding Sources to Support Children and Youth

What Are Typical Sources of Funding?



What Other Sources of Funding and Policy Changes Are Available?



implementing these strategies can serve as creative stepping stones to help build momentum and influence public opinion to support eventually [using taxes to meet the needs of children and families](#).

Some of the viable emerging funding strategies in a community may not fully satisfy the funding gap identified through the [strategic public financing](#) process, but the purpose of the inquiry is to continuously think creatively and find dollars that aren't traditionally accessed by children and youth advocates.

How Can Communities Use Emerging Funding Strategies to Support Children and Youth?

Communities across the country have tapped innovative funding streams to benefit children and youth. Advocates in **Mesa, AZ**, will soon utilize \$400,000 in annual revenue from billboards to pay for a program that covers the cost of tuition for community college students from low-income families. In **Las Vegas, NV**, the city provides over \$2 million in funding for early childhood education and summer learning programs from a portion of taxes within a redevelopment area. In **Memphis, TN**, the city has dedicated up to \$6 million dollars in funding from expired property tax abatement programs

to help pay for universal pre-K. Communities like **Austin, TX; Stamford, CT; Seattle, WA; Dallas, TX; Denver, CO;** and **Snohomish County, WA**, are updating land development codes to make building and operating center-based and home-based child care facilities easier in all parts of town. Meanwhile, **Salt Lake City, UT**, became the first community in the country to utilize a social impact bond to fund the upfront costs of high-quality early childhood education for low-income families if certain outcomes are met. And New Market Tax Credits are funding early childhood education and health care facilities in **rural and urban communities within Native nations**. As traditional or over-tapped funding streams fail to fully fund community goals for children and youth, community leaders are thinking creatively to support children and families.

Who Should Pursue Emerging Funding Strategies Research?

Individuals and groups, like advocates, backbone organizations, and policymakers, who want to establish, maintain, or expand comprehensive programs and services for children and youth can explore emerging funding strategies. Specifically, this process can benefit the following:

- Community leaders who want to deepen their knowledge about local municipal finance.

- Community advocates who want to begin building relationships with local elected officials and decision-makers.
- Leaders and advocates in communities that cannot legally pursue a [voter-approved children's fund](#) to create a dedicated source of funding or that are not yet ready to actively pursue a local voter-approved children's fund or state revenue strategy, but want to pursue local, small-scale funding options as part of a long-term strategy.
- Leaders who have strong political appetite to pursue local investments in children and youth who may feel stalled by budget deficits or need opportunities to build momentum and practice local-level advocacy for children and youth.



How Can Children's Funding Project Help?

We research and inventory innovative and unique funding mechanisms that communities across the country are using to fund children and youth programs. Then we help local leaders determine the viability and relevance of these strategies in their specific communities and how they can pursue these strategies to achieve their funding goals.

To find out more about how we can help your community pursue emerging funding strategies for children and youth services, contact us at childrensfundingproject.org/contact-us.

To learn more about how emerging funding strategies can help fund children and youth programs in Native nations, visit childrensfundingproject.org/our-work/native-children-and-youth-funding/.

To view additional strategic public financing resources, visit childrensfundingproject.org/funding-our-kids-101.

Children's Funding Project is a nonprofit social impact organization that helps communities, states, and Native nations expand equitable opportunities for children and youth through strategic public financing. childrensfundingproject.org

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