Earned Revenue 101 with



January 21

THE MIAMI FOUNDATION

Frederick A. DeLuca
FOUNDATION

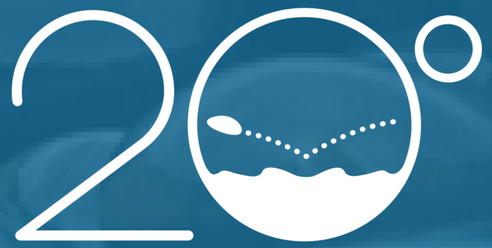
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Earned Revenue 101: The journey to revenue diversification and sustainability

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WHAT IS THE PERFECT ANGLE?

20° is the ideal angle a rock needs to hit the water in order to skip the furthest. This analogy matched our vision for how to unlock impact capital.

ABOUT 20 DEGREES







20 Degrees is a consulting firm that helps nonprofits, early childhood organizations and social enterprises design **revenue strategies** that **actually** work.

We specialize in **earned revenue, scenario planning, and financial modeling**—equipping mission-driven organizations with the tools, coaching, and decision support they need to act with clarity, even in uncertain conditions.

Our work blends strategic insight with hands-on support, including **interim development staffing** for nonprofits and **back-office services for early childhood providers** and growing businesses.

Leaders turn to 20 Degrees when the stakes are high, the numbers are complex, and the solutions need to be both smart and doable.

What we are seeing in the room

- *About half (52%) already have some earned revenue*
- *Most of you do not have dedicated staffing for earned revenue*
  - *70% of you do not have staff dedicated to earned revenue*
- *The biggest barriers you named were clarity, capacity, and confidence — not mission fit or demand*

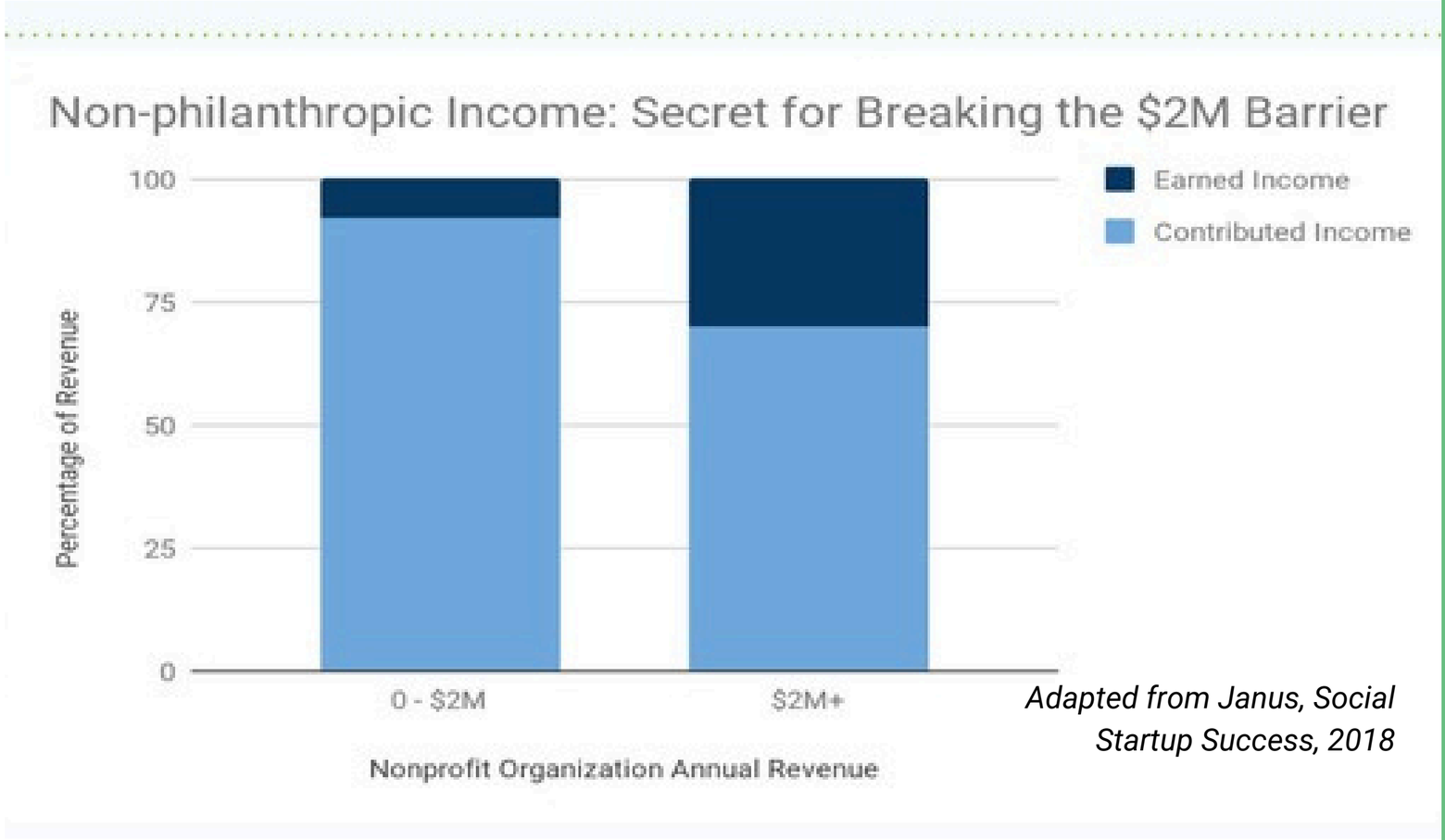
THE BASICS

Nonprofit Earned Revenue

A **mission-aligned*** product or service that generates income.

**Product/service must be mission-aligned or else the activity could be subject to Unrelated Business Income Tax.*

EARNED REVENUE DRIVES GROWTH & IMPACT



Adapted from Janus, Social Startup Success, 2018

COMMON EARNED REVENUE MODELS

Mission Related Products

Program Goods | Events & Convenings

Fee for Service

B2B and B2G Contracts | Membership Programs

Harnessing Intellectual Property

Consulting & Technical Assistance | Licensing

Monetizing Fixed Assets

Space Rental | Equipment Rental



ACTUAL EXAMPLES OF CLIENT PROJECTS

- Plant Nursery
- Brand Licensing Agreements
- Overhauling a Membership Program
- Data Sharing Fees
- Co-working Space Rental
- Medicaid Reimbursements
- Educational Product Kits
- Training and Consulting Services

ORG READINESS OR NOT

Green Flags

- CEO and senior leaders invested
- Healthy innovation culture, including championing risk, learning from mistakes, etc.
- Ample reserves and proper financial controls in place
- Numerous strong funder relationships

Red Flags

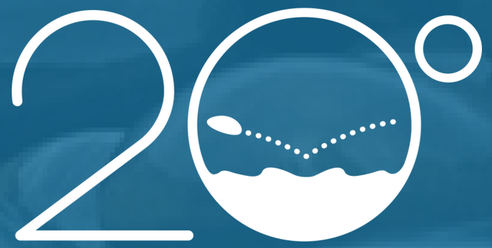
- CEO and senior leaders skeptical
- Poor innovation culture, including low psychological safety, perfection over progress, etc.
- Low cash position and missing financial controls
- Few advisors and funders as thought partners



START HERE: QUESTIONS TO CONSIDER

1. **Is this a priority for you–as the leader?** Will you dedicate at least some small time most weeks to it, especially the problem part?
2. Do you have **one other person (ideally staff, but could be a volunteer) who could dedicate some time** to getting it off the ground?
3. Do you even want to think about **a customer**–not a beneficiary–**who can pay**?
4. Are you **comfortable with an iterative process** or is the “its gotta be perfect” the only way you can really operate?
5. Do you **have funders and board members–at least few–who you can have a real conversation** with when things aren’t going as you thought.

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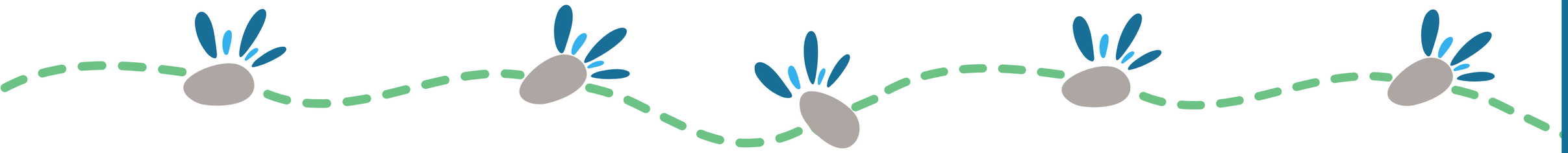
How ready are you? What is getting in the way for you? What is the wind in your sails?

Breakout Room



Getting started on earned revenue creation

20° EARNED REVENUE PROCESS



Love a Problem, Find the Perfect First Customer

Define the problem and identify your “Perfect First Customer”.

Complete a Lean Canvas

Create a high-level business model for the venture.

Build and Launch MVP

Start small with an MVP to get your idea on the market.

Market Research + Testing

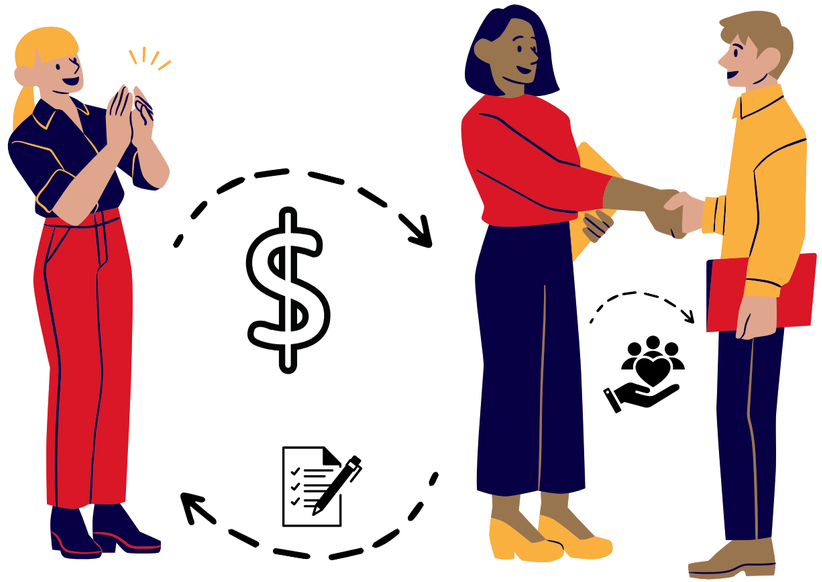
Validate assumptions with initial customer outreach and market tests.

Refine Idea and Business Plan

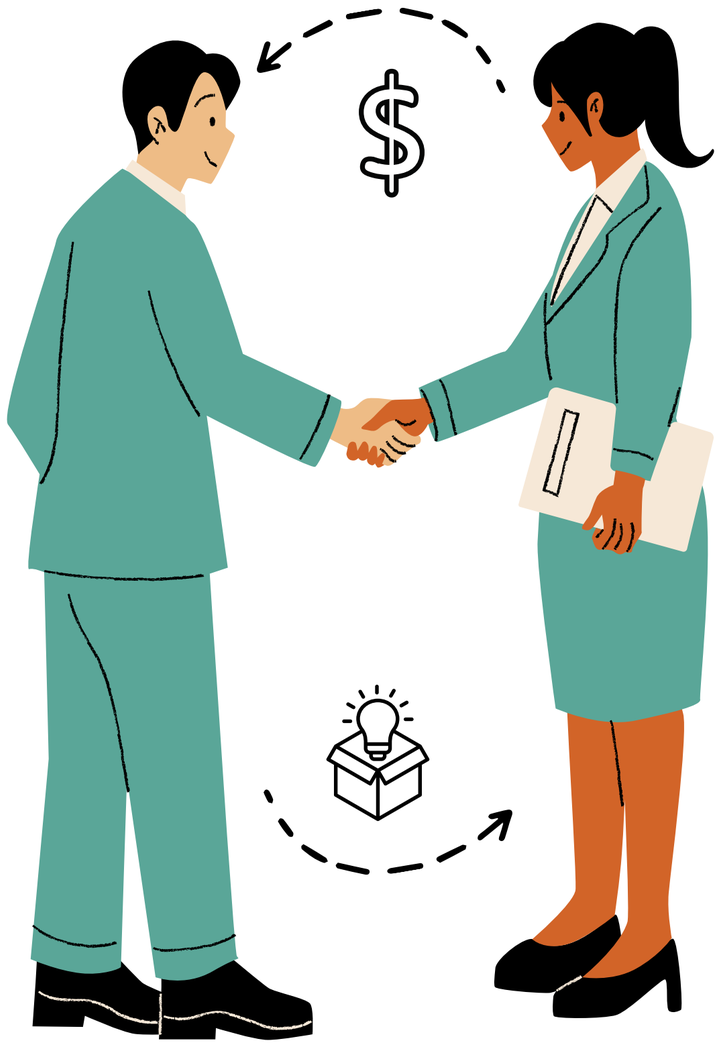
Review progress to revise assumptions, course correct and adjust as needed.

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FALL IN LOVE WITH THE PROBLEM

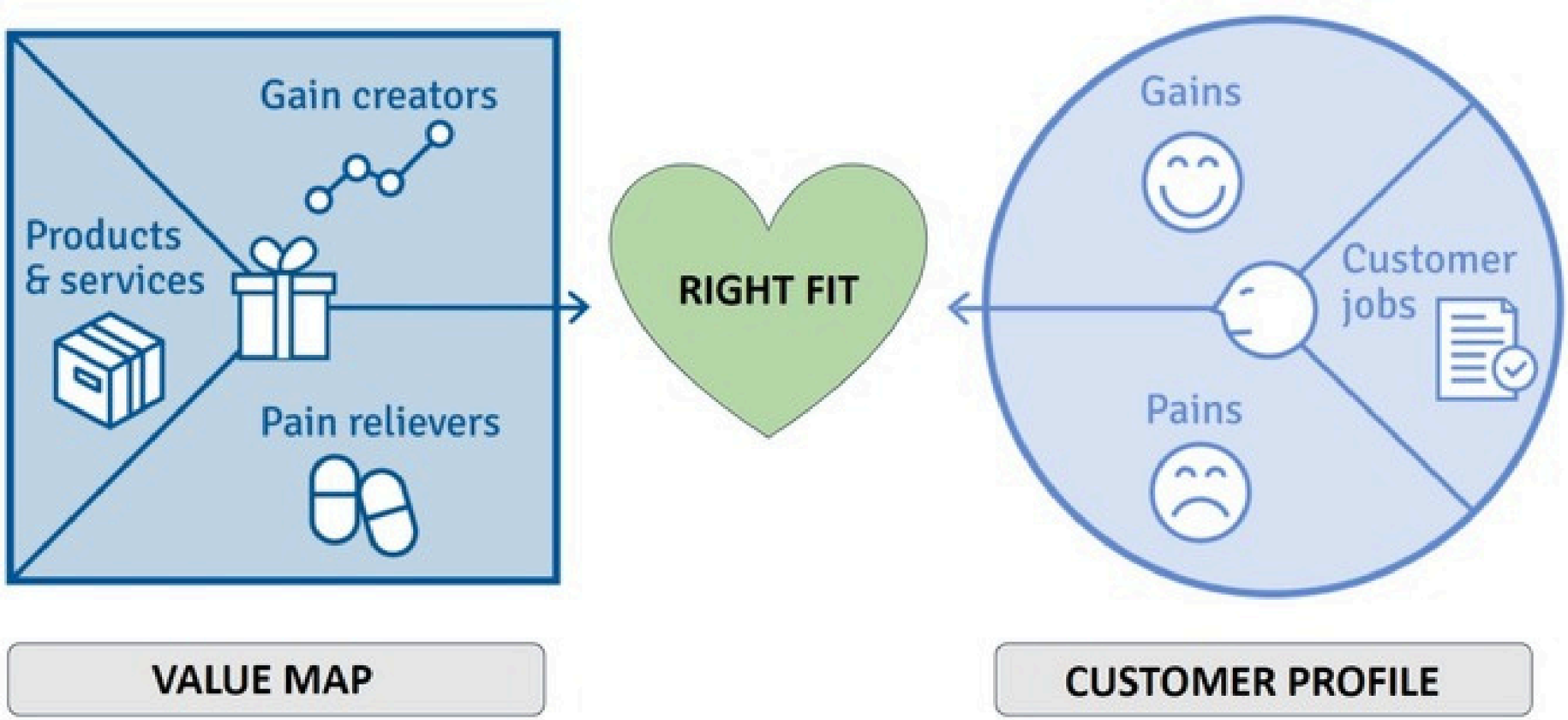


PHILANTHROPY



EARNED REVENUE

DEFINE YOUR VALUE



Adapted from Strategyzer

UBIT ≠ BAD; IT'S JUST TAX

- ***UBIT tied to the activity, not the revenue***
  - *Many, many, many (x1000+) nonprofits derive MOST of their income from earned activities (think hospitals or government contractors) and pay $0 UBIT.*
  - *UBIT exemptions include: substantially-related activities, volunteer labor, rental income, selling donated goods*

- ***UBIT doesn't threaten exempt status—but poor planning can***
  - *sometimes incurring UBIT **is** the best business decision*
  - *if UBIT revenue over 15-20%, best to spin-off venture*


SCARCITY
SLAYER

THANK YOU

Together, we endure.
Together, we rise.

20degs.com

20 Degrees

Upcoming Capacity-Building Session

2026 Vision and Goal Setting

Thursday, January 29:
9:30-11:00 AM

SURVEY





THANK YOU FOR JOINING THE MIAMI FOUNDATION'S

mission to make our city the most generous and engaged community in the nation!