



Building
Rural
Communities

Rural Voices

THE MAGAZINE OF THE HOUSING ASSISTANCE COUNCIL

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NONPROFIT SUSTAINABILITY



DOING MORE WITH LESS

MESSAGE TO OUR READERS

Dear Friends,

The repercussions of the recent economic downturn and housing crisis have permeated every sector of the economy. These pressures are especially acute for those working in the affordable housing field. Tightened credit markets, reduced giving levels, and devalued tax credits have left many nonprofit housing developers scrambling for new sources of financing and administrative funding. Ironically, the faltering economy has also increased the need for decent, safe, affordable housing, highlighting the absolute necessity of our work. As the number of families in need of affordable housing continues to grow, many nonprofits have had to delay projects, cut back on programs, and lay off staff. These pressures illustrate the importance of fostering sustainable organizations that can weather economic storms.

In this issue of *Rural Voices*, housing professionals share their experiences and perspectives on how to overcome economic downturns and create sustainable housing programs. The articles highlight low- and no-cost ways in which nonprofit organizations can use resources—such as volunteers—to stabilize the organization and provide services during both good times and bad. Authors also share ways that nonprofit groups can strengthen operations by partnering more effectively with other community stakeholders and by crafting and delivering an effective message. And, while administrative funding is hard to come by, our authors also share more efficient ways to raise and manage funds. Lastly, the F.B. Heron Foundation shares its perspective on nonprofit sustainability and its commitment to strengthening local organizations.

In addition, we continue with our celebration of the 60th anniversary of the Housing Act of 1949 in this issue and share the experiences of individuals whose lives have been changed by programs that were created by this legislation.

The reflections of our colleagues remind us that by strengthening our organizations, we are strengthening our communities and our ability to serve the families that rely on our programs. We hope this issue of the magazine will provide pathways to increased stability and longevity of your organizations.

In community,

Lauriette West-Hoff, Chair

Twila Martin Kekahbah, President



Moises Loza, Executive Director

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Cover Photo credits.

Top row, left to right , photos courtesy of the Telamon Corporation, Delta Area Economic Opportunity Corporation, and Volunteers of America. Bottom row, left to right , photos courtesy of Naive American Housing Services, and Neighborhood Nonprofit Housing Coalition.

HAC Publishes Guide to Building Affordable ENERGY STAR Certified Homes

An increasing number of federal housing programs are requiring the construction of ENERGY STAR® Qualified units. There are many benefits to creating affordable, energy-efficient units, including protecting the environment and reducing operating costs for low-income residents. With funding from the Home Depot Foundation, the Housing Assistance Council (HAC) has published a new guide, *Building Affordable ENERGY STAR® Qualified Homes*, which outlines the basic steps to certification, provides advice from home energy raters, and shares best practices on energy-efficient housing development.

~For more information, or to access a copy of Building Affordable ENERGY STAR® Qualified Homes, visit www.ruralhome.org.

Green Building is the Subject of HAC Peer Exchange in Missoula

As part of HAC's Green Building Initiative, four organizations will visit Missoula, Montana to take part in a two-day advanced green building peer exchange. General topics of discussion will include energy harvesting, universal design, life cycle costs and maintenance, salvaging and recycling, and reducing environmental impacts on occupant health. Peer learning participants will also take part in a multi-project sustainability tour featuring targeted low-income, multifamily projects and single-family units constructed using straw bale. HAC's peer exchange program is offered through the Training and Technical Assistance program.

~For more information about this peer exchange and other training opportunities, contact Dan Stern at dan@ruralhome.org.

HAC Convenes Meeting on Preservation

The policy and practice aspects of rural rental housing preservation were featured in Washington, DC on September 24 at a conference sponsored by HAC with the support of the John D. and Catherine T. MacArthur Foundation. The event drew over 80 people. Featured speakers included Congressmen Lincoln Davis (D-Tenn.) and Geoff Davis (R-Ky.), as well as USDA Under Secretary for Rural Development Dallas Tonsager. Panels of experts discussed the legislative outlook for preservation, resources available, and models of successful deals.

~More information will be available through a conference report to be posted on HAC's website www.ruralhome.org.

HAC PARTNER HIGHLIGHT: Housing Development Alliance



A project of the Housing Development Alliance.

On a recent visit to the Housing Development Alliance (HDA, formerly Hazard-Perry County Housing Development Alliance, Inc.) in Hazard, Kentucky, HAC staff member, Jennifer Kinney, learned more about the tenacity of families as they work toward the goal of homeownership.

HDA works with families in Perry County and parts of Breathitt, Knott, and Leslie counties whose incomes are at or below 80 percent of the area median income. HDA develops a variety of housing options including shelter for the homeless, transitional housing, affordable rental units, repair and rehabilitation of existing homes, and affordable new homes for persons with low- and very-low incomes. Since 1993, HDA has built over 100 new homes, provided over 200 home repairs, developed over 30 rental units, and invested over \$10 million into the local economy. Resources for this work come from a variety of federal and nonprofit programs including HAC's SHOP loan fund.

HDA staff noted that it can take years for some families to become homeowners. Delays can occur due to unforeseen medical barriers, changes in income, or credit issues. In the case of one family, the husband had experienced psychological issues and the wife was suffering from a medical condition, but the family persevered. Now proud homeowners, they are looking forward to further beautifying their home inside and out. The family praised HDA for its help and support.

HAC's partners work every day to help families overcome barriers to safe and affordable housing in rural areas. HAC congratulates HDA and the families that participate in its programs on a job well done.

NONPROFITS IN THE CURRENT RECESSION: A STORY OF RESILIENCE, INNOVATION, AND SURVIVAL

By Stephanie L. Geller and Lester M. Salamon

The current recession has already resulted in serious economic costs for our nation, with 9 percent of the workforce unemployed and significant reductions in corporate profits and stock valuations.

But what has been the effect of the current recession on our country's critical nonprofit sector—the sector comprising human service agencies, homeless shelters, community development groups, orchestras, museums, theaters, hospitals, universities, and many more? Are nonprofits facing a parallel decline in revenues? Have nonprofits been forced to reduce their programs and services? How are nonprofits responding to these pressures and what consequences, if any, have they had to endure?

To answer these important questions, the Johns Hopkins Listening Post Project conducted a survey of its nationwide sample of over 1,400 nonprofit organizations in five key nonprofit fields (children and family services, elderly housing and services, education, community and economic development, and the arts) in April of 2009. The focus of this survey was on the period between September 2008 and March 2009, when recessionary pressures intensified, although some questions were also asked about fiscal year 2008 as compared to 2007. Altogether, 363 organizations responded to this Sounding, producing a response rate of 26 percent, which is quite respectable in this field, particularly at a time of economic hardship.

The results of our inquiry were troubling, but also showed some encouraging signs. As described more fully in this article, our research resulted in three major findings:

- First, nonprofits are being hit by a perfect storm of impacts, including declining revenues, increasing costs, and increasing demand.
- Second, in the face of this fiscal stress, nonprofit organizations are exhibiting enormous resilience.

- Finally, nonprofits are relying on a range of coping strategies to survive and strengthen their organizations for the long-haul.

Significant Economic Stress

The vast majority of our Sounding respondents (80 percent) reported experiencing fiscal stress, and close to 40 percent described this stress as “severe” or “very severe.” Demonstrating the significant pressures respondents have been experiencing, one executive noted, “I know this will appear as hyperbole but it is not. Our 150-year-old public charity is currently facing a question of survival.”

Contributing to the fiscal stress afflicting nonprofit organizations have been declining revenues (reported by 51 percent of respondents), increased costs (reported by 53 percent of respondents), declining endowments (reported by 80 percent of respondents with endowments), increased competition for financial resources (reported by 58 percent of respondents), and increased demand (reported by 46 percent of respondents). The sense of exposure was well captured by one respondent who explained his predicament this way: “As a small historic site museum in a resort town, we are seeing less and less visitors and they are also spending less money. The problem also is that we own 11 buildings and our insurance is horribly expensive on the coast of North Carolina. We also have extremely high maintenance requirements with these old houses and buildings. Our cash flow is very bad at this time and we are constantly stressed about making ends meet. Membership dues are down as well as income producing enterprises.”

Impressive Resilience

Despite these troubling findings, our survey also generated some encouraging insights. In particular, we found that

in the face of daunting fiscal pressures, nonprofits are displaying considerable resilience. For example, we found that the proportion of organizations reporting “severe” or “very severe” fiscal stress during the target period of this survey, while substantial, was still considerably below the level reached in the recession that followed September 11, 2001 (37 percent vs. 51 percent of the organizations). What is more, fewer than 5 percent of all respondents reported that they were in imminent danger of folding due to financial reasons.

However, the real test of the impact of the current recession on the nonprofit sector is not the consequences for the organizations, but the consequences for those they serve. Here as well, the record emerging from our Sounding is encouraging despite current financial pressures. Just 27 percent of responding organizations reported a decline in the number of people they served during our target period compared to the same period a year earlier. By contrast, 73 percent of respondents reported they had maintained or increased the number of people served despite the fiscal pressures they faced. Especially striking is that organizations serving vulnerable populations such as children, the elderly, the economically disadvantaged, and people with disabilities were even more likely to maintain or increase the number of people they served.

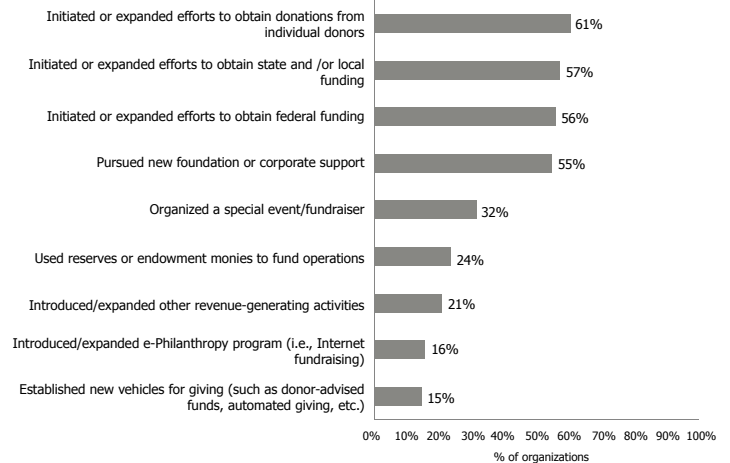
How Did They Do It?

To achieve these results in the face of such serious economic conditions, nonprofits have displayed unusual resolve. They have launched a host of inventive coping strategies, focusing particularly on three approaches:

Fundraising

In the first place, and perhaps not surprisingly, the most widespread strategy nonprofits have used to cope with the economic crisis has been to intensify their fundraising efforts. In fact, four out of the five most common coping strategies identified by responding organizations focused on this goal. Common targets of these fundraising efforts were individuals (61 percent of organizations), state or local funds (57 percent), federal funds (56 percent), and foundations or corporations (55 percent) (see Figure 1).

Figure 1: Funding strategies being used by nonprofits to cope with the economic downturn (n=323)



Source: Johns Hopkins Nonprofit Listening Post Project Economic Downturn Sounding, 2009

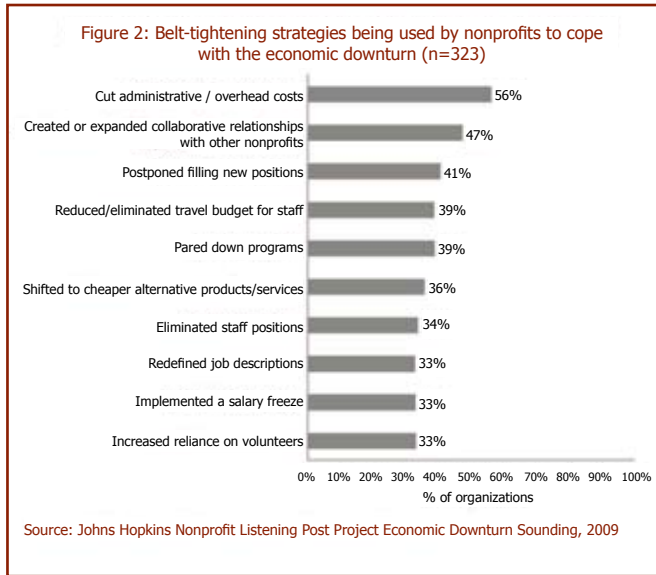
In addition to intensifying their fundraising efforts, nonprofits often tried more creative fundraising approaches to help boost their success during these challenging times. For example, as these survey respondents detailed:

- “[We have made] more applications to local banks and small organizations for \$100-\$300 to support specific projects.”
- “We launch[ed] a Junior Patrons programs for 20-50ish people. It seemed an easy way to build positive energy and enthusiasm about our organization at low cost and it is working to lay a foundation for the future when this group is in a position to be more philanthropic with their resources.”
- “Since our organization was founded in 1869, we’re trying to get each of our members to donate \$18.69 to our endowment. If they did, that would be about \$10,000.”

Belt-tightening

A second strategy employed by numerous organizations to cope with the economic downturn was belt-tightening. Especially common here were cutting administrative costs (56 percent of organizations) and creating or expanding collaborative relationships with other nonprofits (47 percent). Other common belt-tightening strategies included postponing new hires (41 percent), paring down programs (39 percent), reducing or eliminating travel budget for staff (39 percent),

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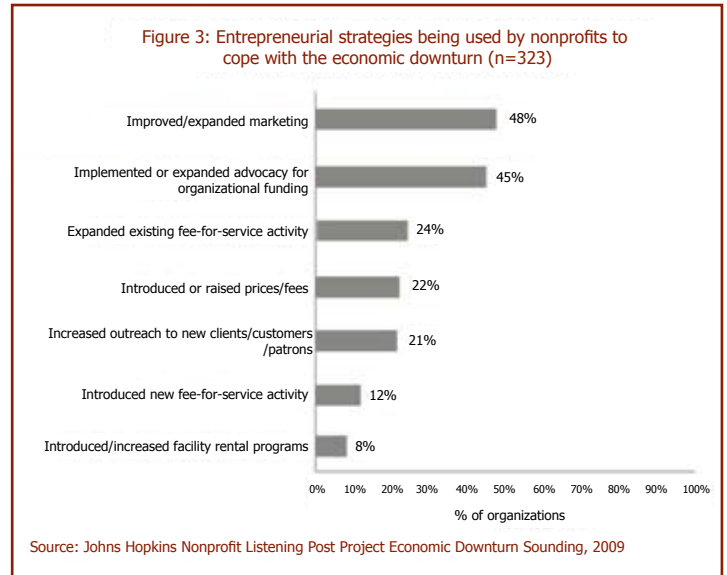
shifting to cheaper products or services (36 percent), eliminating staff positions (34 percent), increasing reliance on volunteers (33 percent), and implementing a salary freeze (33 percent) (see Figure 2).

Here as well, organizations are often relying on innovative approaches, including many eco-friendly tactics. For example, as responding nonprofit executives explained:

- “We are cutting back on use of electricity and gas, and only heat the office when it is open. We have replaced old style electric bulbs and added more insulation to our doors and windows. We also reuse ink cartridges.”
- “To reduce travel expenses and emissions, we strengthened our encouragement and incentives for carpooling to trainings and wherever possible. We offered ‘avoided mileage rewards’—members report how many miles they ‘avoid’ by riding together in one car and they get a small gift or tool for these civic-minded efforts.”

Entrepreneurial expansions

In addition to adopting defensive measures to cope with cuts, many survey respondents took more entrepreneurial steps to help improve organizational finances and operations,



including improving or expanding marketing efforts (48 percent) and implementing or expanding advocacy efforts for organizational funding (45 percent). Moreover, between 20 and 25 percent of organizations expanded existing fee-for-service activity, introduced or raised fees, and reached out to new clients or patrons (see Figure 3).

Again, examples of innovative entrepreneurial activity were still in evidence. Thus, as one respondent described, “We have shifted a lot of marketing activities into creating in-kind relationships with media, thereby increasing our visibility and lowering our advertising outlays.”

Interestingly, the survey responses indicate that while these entrepreneurial strategies may not have been the most common among survey respondents, they tended to be more effective than many of the other strategies. Thus, as shown in Table 1, while substantial majorities of respondents pursued many of the fundraising and belt-tightening strategies, their likelihood of achieving “successful” or “very successful” financial performance was about on a par or slightly below that of all organizations. By contrast, far fewer organizations pursued the entrepreneurial strategies such as increasing marketing, developing new giving vehicles, or starting a for-profit subsidiary. But those that did were more likely than all organizations to report “successful” or “very successful” financial performance.

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CRAFTING A PATH TOWARD LONG-TERM VIABILITY

By Sharon Wise

Overview

Native American Housing Services (NAHS) was established in 1999 to provide decent and safe affordable housing to low income families and individuals in the state of Oklahoma. We serve eight counties and operate a diverse array of housing programs and services including direct buyer subsidies, closing cost and down payment assistance, housing rehabilitation, and new construction. Since 2002, NAHS has developed or co-developed more than 400 units of affordable housing. In just 10 years, NAHS had expanded its programs and grown its asset base to over \$7 million. This has been achieved with a staff of seven well-rounded professionals and a dedicated, effective board of directors. Credit must also be given to the values that we have tried to follow in every aspect of our work.

Our organization is committed to creating sustainable housing opportunities. We work with families to ensure that they are not set up to fail, and that they will be in their homes for the long-term. We work with families to ensure that if they purchase a home, they access the subsidies needed to make that home affordable, and that their mortgage is fair and reasonable. In our rehabilitation work, we strive to reduce or eliminate repair costs for the homeowner for the next five years. Because we want our families to succeed, we make sure they are working from a stable foundation.

Some of the same principles apply when thinking about our nonprofit organization. In order to be successful in the long-term, NAHS ensures that the organization has a stable foundation. Our organization has learned several lessons that have helped to sustain us in difficult financial times and continue to provide much-needed housing programs for low-income households in our region.

Lessons Learned

Accessing funding is only part of creating a sustainable nonprofit organization. Managing these funds and balancing organizational capacity and community needs are critical factors in creating a financially stable organization.

Think like a for-profit—act like a nonprofit. As a nonprofit, our goal is to create housing that is affordable for low-income residents. However, we have had to begin thinking like a for profit developer in order to make our organization sustainable. Whenever possible, we charge an administrative or developer's fee to cover costs. NAHS has partnered in nine tax credit projects and received developer's fees from each of these developments. We are currently building two duplexes targeted to elderly residents with incomes at 30 percent of area median income. We were committed to keeping the rents on these units low, so we built in a developer's fee to cover some of our ongoing costs.

While our mission has remained the same, our approach has had to shift given the current economic environment. As the tax credit market has become more difficult and proceeds have declined, NAHS began to focus more on single-family development using HOME funds. As a CHDO we are able to use the proceeds from these developments, after they have been recycled twice, to fund our organization and other projects. By approaching housing development and rehabilitation with a survival mentality, we are able to produce the needed units and keep our organization functional.

Continued page 23



NAHS Housing Counselor Deborah Hensley (right) presenting the house keys to a couple.

GETTING RESULTS FROM AN OUTREACH CAMPAIGN

By Kim Schaffer

Your board wants you to put together a strategy to communicate more effectively with potential members, funders, and other supporters. But your staff is already doing three jobs just to meet your clientele's direct service needs, and your intended audience is already bombarded with messages from every direction. How can you meet your goals in the most effective way?

The following communications and outreach tips should help. They represent the lessons we at the National Low Income Housing Coalition (NLIHC) learned working on our campaign to enact the National Housing Trust Fund (NHTF) legislation.

While the NHTF campaign is a policy-focused campaign that was, and remains, national in scope, its general principles can be applied to campaigns of many types and organizations at many levels. The campaign scored a victory when a bill creating a housing trust fund was signed in July 2008; we continue to work for a dedicated source of funding. It has been a long road, and we have learned much on our journey.

The National Housing Trust Fund Campaign

The campaign started in 2001 with a bilateral approach. Two separate committees of national housing advocates met weekly -- a policy committee and a field committee. The policy group's main directive was to hash out the campaign's policy proposal. They also educated policymakers on the need for the National Housing Trust Fund and planned the overall direction of the campaign. The field group worked on outreach to a diverse group of organizations both national and local. They contacted organizations, educated them about the campaign, and provided them with the information they needed to support a housing trust fund. Eventually, as the campaigns moved forward, the two groups merged into one that continues to meet weekly.

One of the key components of the communication's strategy was to create a diverse and extensive endorser list. Through

its outreach, the field committee increased the campaign's base of support and ultimately included 5,700 organizations of all types and sizes.

The endorser list was an important tool as the legislation moved through Congress. Endorsers were urged to action regularly through weekly newsletters, calls to action, postcard campaigns, and national call-in days and lobby days. At the same time, NLIHC staff and other campaign leaders gave speeches to community groups, and campaign leaders reached out to the media through press releases, press conferences, and editorial board meetings. These actions formed the base of the National Housing Trust Fund campaign.

Lessons Learned

The National Housing Trust Fund campaign achieved real success in 2008 when a law passed creating a National Housing Trust Fund. The lessons learned from that campaign may help you in reaching your communication goals and sustaining your programs. They include:

Involve the people you serve in a meaningful way. Whether you are working on a policy campaign or developing a communications message, it is only right that the people who would be personally affected by the outcome of a campaign take an active role in determining its course.

Early on, NLIHC's low-income board members were among those active in policy and messaging conversations. An effort was also made to reach out to community groups from across the country to include them in policy and messaging dialogue, and to include member organizations that worked directly with residents and other low-income people. Early in the campaign, NLIHC facilitated several plenaries designed to solicit input from supporters on the campaign's policy proposal. Later, as we reached crucial points in the campaign, staff traveled across the country to facilitate focus groups of endorsers.

Involving our constituents as directly and as regularly as possible was the right thing to do, and it made our message that much more credible.

Decide on one key message—and keep repeating it. The campaign for a National Housing Trust Fund represented a way for advocates concerned about a lack of housing for people with the lowest incomes to rally behind one unifying message. In our case, the message was less about a slogan, although we did have two over the course of the campaign, and more about offering one positive solution to the nation's housing problems. Without a doubt, our victory was possible because of the loud, focused voice of thousands of advocates carrying to Congress the same message, over and over again.

Build and maintain a great list. No matter what kind of outreach campaign you are putting together, this lesson is essential. Do not underestimate the importance of keeping complete and accurate contact information for everyone you run into. In the case of the National Housing Trust Fund campaign, we asked every organization we worked with to endorse the campaign. Creating an endorsement list served at least two purposes: it allowed us to gain contact information from all potential sources for future follow up, and it gave the campaign an increasingly effective tool to show elected officials the extent of the program's support.

Involve people from outside your world. Of the more than 5,700 organizations that were included in the campaign's endorser list, housing and community development groups comprised the majority, and continue to be the backbone of our efforts. But the list also came to include labor organizations, religious leaders, women's and children's groups, banks, small businesses, and other types of organizations not necessarily associated with affordable housing issues. The breadth of support allowed us to make a case for the broad popularity of a national housing trust fund. In many cases, all the outreach required was a request from someone they knew and trusted, and organizations who understood the need for housing resources were pleased to be involved in the campaign. In other cases, we courted organizational leaders for months and invested significant resources in educating them on the need for a housing trust fund.

Be consistent in your contact. At the NLIHC, we send a weekly newsletter, *Memo to Members*, to all of our

members plus Congressional staffers and members of the media. Each week we provide people with an update on federal housing policy news, and we do everything we can to include a section of National Housing Trust Fund news each week. We supplement the information our readers receive with calls to action and conference calls that people can join to reinforce what they read. The key is to send information consistently, so people know to expect and look for it.

Don't be afraid of social media. Organizations might want to groan at the idea of communicating with your audience via a blog, Facebook, and Twitter as being too trendy or too time consuming, but used correctly they can be powerful tools for your organization. Instead of having a one-way conversation with your audience, a blog, Facebook, and Twitter allow for two-way back-and-forth and let you build relationships with your clients, members, and funders.

Look for ways to tie your issue into current events.

At several points in the campaign, movement on the national housing trust fund coincided with Congressional consideration of economic stimulus packages. The campaign was able to present information on housing as a driver of economic stimulus, a message that was received well by many policymakers. In fact, in the end, the NHTF passed not as stand-alone legislation but as part of a much larger housing and economic recovery package.

Remind people it's a marathon. We started the housing trust fund campaign in 2001. It was eight years later that we scored a huge victory when a law creating a National Housing Trust Fund was passed. Now, in 2009, we continue to work to secure a dedicated source of revenue for the fund.

We were very clear with our supporters that ours would be a long haul, so we were better able to avoid frustration and burnout. We are running a marathon here, not a sprint. By continuing at a steady pace, we are now able to say that we have made significant progress in achieving a national housing trust fund that will meet our goals of providing affordable rental options to people with the lowest incomes all across the country. 🏠

~To learn more about the campaign's work—or to endorse the National Housing Trust Fund campaign—visit www.nhtf.org.

SPEAKING TO THE COMMUNITY: DAEOC HOMELESS PROJECT'S COMMUNICATION CAMPAIGN

By Marlene Anglin

She sat across from me with tears welling up in her eyes until they overflowed and ran down her cheek dropping onto the hand of the baby who lay sleeping in her lap. I had just informed her that the emergency shelter was full and that she could fill out the necessary paperwork to be placed on the waiting list. She held the list of referrals for other shelters and area resources in her hand, but I could see the despair in her eyes. The young mother had no place to go, no way to get there and needed help NOW. Help that we did not have the resources to give. She was worried that if she slept in the car again tonight someone was going to call the Child Abuse and Neglect Hotline and she would lose her children. She had spent half the day getting her daughter to school and gathering up change for gas to get to the shelter and now she is told there is no room.

Unfortunately, this is not an uncommon scene in the offices of the Delta Area Economic Opportunity Corporation's (DAEOC's) Homeless Project which operates in the Bootheel of Missouri, which includes Stoddard, Scott, Mississippi, New Madrid, Pemiscot and Dunklin counties. We serve a very rural area and many of these communities have the highest homeless counts in Missouri's Continuum of Care each year. Homelessness in our area is equal opportunity, striking people across racial backgrounds, the employed and unemployed, those who are disabled and those who are healthy, men, women and children.

Raising the Issue

A few weeks after my encounter with the young mother, I attended a meeting during which a prominent member of our community declared, "We don't have a homeless problem in our area." As I thought about where the man was from and where the weeping mother in my office was from, I realized there was a strong likelihood that their children attended the same school. These two adults have probably even attended some of the same school functions. However, the young

woman is hiding the fact that she is homeless out of fear that she will be ridiculed, or worse yet, lose custody of her children. The thought of his child's classmate being homeless was too uncomfortable an idea for him to contemplate, and he remained oblivious to cars filled with clothes and blankets. Regrettably, this selective view of our community is not rare for those who live comfortably in the Bootheel of Missouri.

The mission of DAEOC, a Community Action Agency, is to provide programs and services that empower people to make positive change in their community, family, and personal lives in order to achieve and maintain self-sufficiency. We offer a variety of programs and services to fulfill our mission. In the area of homelessness, we offer homeless prevention services, emergency shelter, and transitional housing. We also provide permanent supportive housing to those who are disabled and homeless.

DAEOC believes that assisting families to obtain safe affordable housing strengthens not only the individual, but

Photo provided by DAEOC.



DAEOC provides programs and services that assist families in need and empowers them to take the steps toward self-sufficiency.

also their family and community. Empowering those assisted to be more productive members of their community is based on our belief that when members of our community know their neighbor is in trouble, they WILL want to help. Our communities are not uncaring, just unaware. Fostering positive relationships between individuals who are struggling to obtain and maintain safe, affordable housing and those who support these efforts increases awareness in the community and lends a much needed helping hand.

Helping the Voiceless Speak

Using a capacity building grant provided by the Housing Assistance Council, the DAEOC Homeless Project created a communications campaign to bring much needed attention to the issue of homelessness. DAEOC produced a video to educate community members about local homelessness, which has been an important resource in the communications campaign. The video puts a local face on this issue and identifies some of the causes of homelessness, including domestic violence, illness, and divorce. The video also provided homelessness statistics for DAEOC's service area, helping people to understand the extent of the problem. Finally, the video talks about DAEOC's homeless service program, providing information on the different ways they serve homeless people (e.g., an emergency shelter, transitional housing, and housing counseling) as well as data about the number of people DAEOC has helped.

Everyone on the Homeless Project Staff was trained to use the video and other materials to conduct presentations about homelessness and our programs throughout the community. The community presentations raised awareness about homelessness in our communities and put a face of the issue. Program clients were invited to speak at the presentations, which empowered them to tell their story, share their struggles, and discuss how they were beginning to see some success from their efforts.

These presentations sparked a desire to help from various stakeholders in our community. We learned that given the opportunity, our community will come through and program participants become more confident when they see that someone feels they are worth a personal investment. Churches and organizations were asked to adopt a family or shelter unit.


The adoption program is new for DAEOC. It is intended to help families gain resources and make connections in their community. DAEOC is trying to partner every new family that comes in with a church or community organization. Upon the approval of the family, the organization receives information about the family so the organization can target donations and other support specifically to the family. The groups filter all resources through DAEOC so that the families can maintain some privacy and DAEOC can manage the process. This program creates a relationship between community groups and families.

So far, two families have been adopted by community organizations. DAEOC is noticing that families are benefitting from the connection and developing a sense of community. Also, the clothes, transportation to interviews, and other resources build needed confidence in families so that they can move on a new path.

Conclusion

We consider the overall campaign a great success as it has strengthened support for our programs and, more importantly, for our participants. We have seen a dramatic increase in the amount of donated goods, hours volunteered, and positive interaction between our clients and the community.

DAEOC aims for the communication campaign to be an ongoing movement within our communities. The materials used for the presentation can be easily updated for future use, and it is our intention to use these materials for ongoing community awareness activities. We have generated interest and will use the materials to keep the momentum alive and growing.

While these types of activities can be time consuming, DAEOC encourages any agency serving the homeless to reach out to their community with a communication campaign. Involving community members creates a responsive base for our efforts. 

~Marlene Anglin is the Homeless Contract Specialist with the Delta Area Economic Opportunity Corporation (DAEOC). For more information about DAEOC's programs, visit www.daeoc.org.

SHARING THE GIFT: NONPROFIT SUSTAINABILITY THROUGH VOLUNTEERISM

By Tanisha Smith

Why has a renewed interest in volunteerism emerged as of late? Several factors are driving people increasingly into community service including the job market, a desire to help those impacted by the economy, and the inspiration of the president's administration. As Americans, we inherently unite in times of real need.

The intent of volunteerism is to both generate and harness the community's desire to assist in improving overall quality of life. Each individual brings a unique perspective, which fosters relationships and interaction with others. Helping is a relational process and volunteering creates a valuable added dimension.

Supporting Our Nonprofit Organizations

In today's fiscal climate, it is imperative for nonprofits to partner with other organizations and volunteer centers in the surrounding communities. These partnerships help to build social collateral that raises the profile of the organization's mission. In turn, more people become active participants in service to their own communities.

A recent report from the Corporation for National and Community Service shows even with the economic crisis, volunteering levels have remained relatively stable with 61.8 million adults donating approximately 8 billion hours of service in the U.S. in 2008. The report also highlighted an increase in Americans working with their neighbors to solve community problems and attending public meetings compared to previous years.

While volunteerism in rural communities may be more difficult due to a sparse population and greater landscape, service is still a vital force in these settings as volunteers take



Volunteers are a valuable asset that can help an organization maintain their stability through difficult times.

significant responsibilities for governance, fire and safety provision, education, and health.

Community challenges need wide-based community understanding, problem-solving skills and strategies upon which to build a foundation for growth. The volunteer initiative helps create a societal climate through which human needs can be met and positive values enhanced—the “feel good” factor.

Creating a Win-Win Relationship

Involving volunteers can help an organization further its mission by supporting the work of paid staff, increasing the quality of the services and programs the organization offers, and supplementing staff resources, skills, and a variety of other worthwhile benefits.

Nonprofits must think beyond the “physical” of these often unsung heroes by utilizing volunteers to fill more substantive roles within their organizations—board of directors, fund development, and administrative support. The key to retaining volunteers is involving them in significant ways that allow them to develop skills and make a demonstrated impact. The goal is to approach every volunteer experience as an opportunity for both the organization and the volunteer.

By making it simple for individuals to find meaningful and relevant volunteer opportunities, we are cultivating engaged citizens who are likely to continue to make volunteerism an integral part of their lives. Engaged citizens are critical to building strong communities. Tapping into people’s expertise and knowledge base will result in high-value support for an organization. It will create a meaningful engagement for the volunteer as well as sustain a culture of positive relationship building. Furthermore, by making those important connections with a variety of groups—including youth, seniors, businesses and charitable entities—the organization demonstrates its sincerity in fostering positive relationships with all community members.

Conclusion

Today, technology has created a level playing field for all organizations in increasing visibility and support

opportunities. It has also increased the accessibility and advancement of service by offering a variety of online strategies, including social media, enabling organizations to reach a larger volunteer and donor audience. The online world is constantly evolving and investigating new Web technologies to connect with people. With the click of a mouse, individuals can give time and money, which can support valuable community programs and services.

As a society, we must acknowledge and be grateful for the important roles volunteers play within our communities across the nation. Without these generous individuals, there are many who would never experience how this social integration can enrich the quality of their lives. An organization committed to engaging others with its mission will find that success grows exponentially with each added participant.

Moreover, engaging volunteers not only strengthens organizations and communities, but our country. Volunteerism is a priceless gift humans share with each other. 🌱

~ Tanisha Smith is the Director of Volunteer Services at Volunteers of America. She can be reached at tansmith@voa.org. To learn more about Volunteers of America, visit www.voa.org.

Trainings for young people on the utility of community engagement is one strategy to promote volunteerism. Photo courtesy of Volunteers of America.



EXPANDING OUR CAPACITY: ENGAGING VOLUNTEERS AND BUILDING COMMUNITY

By Robin Kees

Telamon Corporation is a private nonprofit with offices in 11 states. As advocates for people in need, Telamon's mission is to promote the development of human potential by providing resources and creating opportunities in the communities we serve. In West Virginia, Telamon's programs include employment and training, transitional and permanent housing for homeless families, veterans and individuals, as well as budget and credit counseling, homebuyer education, self-help housing, home repair programs, and emergency food pantries. Volunteers have been a critical part of our efforts to provide this broad range of supportive services and housing.

Putting the Pieces Together

Volunteers are often used in Telamon's Self-Help Housing Program. Volunteers offer important assistance performing some of the labor that will reduce the overall cost of the family's home. Volunteers were a much more critical piece of our organization's recent effort to provide free home repair for low-income residents.

Current economic conditions have made it increasingly difficult for many elderly, low-income, and disabled families to perform routine maintenance and repairs on their homes. During July of this year, Telamon Corporation was able to provide free home repair for 48 residents in Berkeley and Jefferson counties in West Virginia with the help of over 400 volunteers. These repairs included interior and exterior painting, trailer skirting, construction and repair of wheelchair ramps and porches, and other forms of minor carpentry. This work required a tremendous volunteer recruitment and coordination effort that was the result of the Shining Apples Workcamp.

Telamon worked in conjunction with Group Workcamp Foundation (GWF) to recruit teens and adults from youth

organizations all over the country. Volunteers apply through GWF and choose which camp throughout the country they would like to attend. More than 400 volunteers chose the Eastern Panhandle of West Virginia for their week of service. A portion of their application fee, which was paid to GWF, was used to pay for the paint for the home repair projects. The other portion went towards insurance, the cost of food, reimbursement to the host facility for utilities, and other costs.

Telamon Corporation was responsible for raising \$20,000 to pay for materials and other supplies needed to make the camp possible. This was accomplished through presentations to local associations, a letter campaign to local businesses and organizations, and grant funds. Fundraising proved to be an enormous task, with many companies telling us what a great project it was, but they were unable to assist because of economic hardship. In the end, our perseverance paid off and all funding was accounted for.



Harnessing the enthusiasm and energy of teen volunteers can bring much added value to a project.

Another huge challenge was locating a facility willing to house the 400 plus volunteers for the week. The facility had to have plenty of room for campers to pitch their sleeping bags and cots, a gymnasium or other large area for group gatherings, and a kitchen for food preparation. While local schools are usually the premier location to house the workcamp volunteers, we were unable to secure a local school in the area. A local church came to the rescue. Covenant Church went above and beyond in accommodating workcamp lodging requirements. Special arrangements were made to prepare food at a local university and have it catered in at meal time. Additional water storage was added to ensure plenty of water for showers and the church's Worship and Activity Center provided the perfect cafeteria and auditorium to host the group gatherings. Many of the church members volunteered throughout the week to assist with the workcamp. After doubts as to whether the facility would be appropriate for the week's activity, it proved to be a wonderful location.

Choosing the actual homes to receive repairs was our staff's most difficult challenge. The number of families needing assistance far outweighed the number that could be served in such a short span of time, thus Telamon staff were faced with many heart wrenching decisions. Information on programs available through other agencies was distributed to all families that applied in hopes they would find help, even if it would not be through the Shining Apples Workcamp.

Reaping the Rewards

While the challenges were many, the rewards reaped by Telamon staff, the homeowners, and the volunteers far outweighed the challenges. Volunteers became a part of the lives of families they were assisting and did so much more than just repair homes. They rekindled hope and restored pride to the families they served. Many groups purchased outdoor chairs for the residents to enjoy their newly repaired or constructed porches. Some groups took pictures of themselves with the resident, signed and framed them and presented this to the homeowner as a memento, bringing tears to all involved. Another group bought groceries for their residents. The acts of kindness and generosity shown throughout the week were overwhelming.

Staff witnessed complete transformations in the participating families' spirits and attitudes. Many who had given up hope are now asking how they can help others in the community.



Photo provided by Telamon.

Volunteering in one's community is empowering, rewarding, and fun!

Interacting with the homeowners following the workcamp allowed each and every staff member to see the difference they made in the lives of the families, affirming all of their hard work.

Each homeowner has been empowered in a different way. Some are now able to enter and exit their homes safely and others beam with pride after seeing how a fresh coat of paint has brightened their surroundings. In the weeks following the workcamp, we received many letters from homeowners expressing what a wonderful experience this was for them and how they missed the teens being around.

Local food pantries in Berkeley and Jefferson County also benefited from this event. Each volunteer was asked to provide non-perishable food items to be distributed to local food pantries. More than 5,000 food items were collected and distributed.

Many other volunteers were utilized throughout this project as well. During the week prior to the camp, volunteers helped deliver materials, ladders, and other supplies to the job sites. In the weeks following, members of Shepherd University's student community service program worked to complete repairs unable to be completed during the week of the workcamp.

Telamon will continue to include volunteers in many aspects of our work. Though volunteer recruitment, monitoring, and follow-up may be challenging, the outcomes produced by their service to our community is invaluable. 🌱

~Robin Kees is the State Director for Telamon Corporation in West Virginia. More info on programs offered at Telamon can be found on their website at www.telamon.org.

COLLABORATIVE WORKSPACE AND SERVICES: A LONG-TERM SOLUTION FOR NONPROFITS

By Tuan Ngo

Nonprofit organizations now face challenging times. Volatile financial markets are impacting funding opportunities, while demand for services and operating expenses are increasing. For the majority of nonprofit organizations with already limited resources, these challenges indicate a need for a new paradigm.

For many nonprofits, the solution comes in the form of collaboration and consolidating their “back office” operations. In Charlotte, North Carolina, nine nonprofit organizations came together to streamline their operations. Their joint effort, The Children & Family Services Center, allows them to share space, information, and financial and human resources operations.

For the Children & Family Services Center and others, shared services increase purchasing power and reduce costs, increase operating efficiency and reduce risk, improve access to high-quality services and foster the collaborations that lead to program innovation. Experiences in the private, public, and nonprofit sectors prove these gains are possible when shared services are designed effectively.

Roots of the Movement

The trend to develop shared services originated in the private sector in the late 1980s as a response to changes in the economic climate. Businesses aggressively outsourced overhead functions to reduce costs.

New economic challenges are fueling the growth of shared services among today’s nonprofit organizations. The United States is home to over 1.5 million registered nonprofit organizations, over 80 percent of which report

annual revenue and assets below \$100,000 (National Center for Charitable Statistics, 2008). Small budgets often limit the ability of these organizations to access the standard administrative resources they need to help them succeed. The current economic crisis is increasing demand for social services provided by nonprofit organizations. At the same time, economic volatility is leading funders to conserve resources and re-evaluate funding priorities, while day-to-day operating expenses are increasing even when revenues do not.

A survey conducted by Nonprofit Finance Fund reported that over 76 percent of Massachusetts nonprofits saw increased demand for their services in 2007 and 86 percent anticipated a significant increase in the need for services in 2009 (Boston Foundation, 2008). The survey also found that 16 percent of Massachusetts’ nonprofits had no cash available; 14 percent had enough cash to cover just one month of expenses; and only 22 percent had enough cash to cover more than six months of expenses (Boston Foundation, 2008).

Collaboration is a long-term strategy in the nonprofit sector, fostered in part by funders. However, very little quantitative information is available about the number of successful shared services programs currently operating in the nonprofit sector, though one study reported that 65 percent of nonprofit organizations with budgets under \$1 million engage in cross-organizational alliances (IPMA – HR, 2006; Kohm, 2000). Recently, The Nonprofit Centers Network released a study of successful shared services programs across the nation. The study is written for nonprofit leaders looking to extend shared services to their

tenants and nonprofit executives seeking innovative ways to do more with less.

What is the Shared Service Model?

Most nonprofit organizations have a traditional organizational model with their own core operations such as purchasing, public relations, human resources, information technology support, equipment, and workspace. Shared services offer a long-term solution by allocating much-needed resources across traditional organizational boundaries. Multiple organizations, or multiple programs within a larger organization, establish shared services to collaboratively and effectively use physical spaces, equipment, staff and program resources. We define shared services broadly as: *the collaborative use of resources across traditional organizational boundaries.*

Virtually any resource that does not uniquely fulfill an organization's mission has the potential to be shared. But every shared services provider does not have to offer all possible resources to its partners. Setting the scope of services and associated performance goals are very important steps in shared service planning. Shared services can be categorized into three main groups: shared physical resources, shared staffing, and shared programs.

Shared Physical Resources

Sharing physical resources creates savings by reducing the time rooms or equipment are idle, dividing up fixed costs among several users, and taking advantage of bulk purchase discounts.

Commonly shared physical resources include:

- Workspaces, libraries, kitchens, conference rooms, technology centers, cafés;
- Performance areas, galleries, theaters, auditoriums;
- Buses, transportation systems;
- Copiers, printers, fax machines, postage meters;
- Information technology, hardware, software, online applications; and

- Communications systems, telephone, videoconferencing, LCD projectors.

Physical resources are typically easy to value, divide, monitor, and therefore, share. Participating organizations generally pay a rental or usage fee for these types of resources. They do not necessarily require a high level of trust among participating organizations. Nonprofit organizations often start by sharing these types of resources, sometimes informally.

Shared Staffing

Virtually all operations and support staff have the potential to be shared because these functions typically are not unique to an organization's mission or programs. Shared staffing structures can include permanent and temporary employees, consultants, contractors, interns, and volunteers. Commonly shared staff functions include:

- Administration, reception, clerical, and purchasing services;
- Facilities management, property management, janitorial, security;
- Financial management, accounting, reporting, risk management;
- Human resources, recruiting, hiring, training, professional development, payroll, volunteer management; and
- Information technology services, help desk, network support, website design and maintenance.

Shared staff can do work more closely tied to mission and program-related activities. These functions include:

- Organizational governance, board relations;
- Fundraising, direct mail, grant writing;
- Advocacy;
- Communications, marketing, public relations; and
- Specialized programmatic expertise.

Underlying all shared staffing efforts is the intention to match work with staff skill sets. This frees up leadership and program staff to focus on their mission-related activities, increases operating efficiency, and potentially reduces

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“Virtually any resource that does not uniquely fulfill an organization’s mission has the potential to be shared.”

costs. Shared staffing also reduces risk with organizations accessing more standardized services. Organizations use shared staffing to access a broader range of expertise and specialized skills. Regardless of the position, shared staff must have the capacity, ability, and desire to work for more than one organization across missions and programs.

Shared Programs

Nonprofit organizations have been providing collaborative programs and community events for many years. From complementary client services to educational community workshops to advocacy campaigns, many nonprofit organizations are collaborating on mission-related activities. Over the last decade, organizations are encouraged by the funding community to think and work creatively with each other. Examples of shared programs include:


- Client intake, related service provision, referrals;
- Emergency disaster response;
- Curriculum research, development, and delivery;
- Community events; and
- Local and national advocacy campaigns

The movement toward shared services exemplified earlier by the Charlotte’s Children & Family Services Center offers rural organizations unique opportunities. While the collaboration may begin with sharing office space and property management, participating organizations develop shared programs and supportive services which may include office space and meeting rooms; Internet and phone services; client services and programs; administrative services; as well as technology support and replacement programs. In its first year of operation, the Minneapolis-based MACC Commonwealth services initiative saved the five participating organizations \$200,000 by drawing upon the expertise of each partner organization. In Charlotte, more than 60 collaborative client services have been documented at the center thus far, reducing cost,

streamlining organizational mission, and increasing the quality of programs delivered.

Within the collaborative workspace model one organization identifies a need and enlists a neighbor agency to fill that need as appropriate. For example, organizations in the Charlotte center are currently planning to design a shared intake form for clients receiving services. This will enable partner agencies to share client information more easily, enhance the services clients receive, and increase service delivery. The center’s staff assists with collecting information, supports programmatic collaborations, assists with collaborative solutions, and supports the evaluation of the shared service model. Collaborative workspaces support shared administration and technology support and replacement services, work more effectively in planning and funding overhead services, and reduce redundancies in human resources and finance services.

Conclusion

Beyond its ability to draw together the resources, ideas, and energy of people across the nonprofit world, collaborative workspace and services offer partner organizations greater financial stability in its cost-saving and planning measures. Shared services reduce redundancy, increase synergy, promote idea sharing and funding resources, and offer rural nonprofits a way to thrive in changing and uncertain financial markets. 

~Tuan Ngo is on the staff of The Nonprofit Centers Network (NCN), a program of Tides. NCN has recently published the first comprehensive shared services guide for nonprofit executives seeking innovative ways to do more with less. The guide provides step-by-step instructions, case studies, and sample documents. For more information, please contact Tuan Ngo at (415) 561-6365 or at tngo@tides.org. To learn more about NCN and order the shared services guidebook, please visit www.nonprofitcenters.org.

NONPROFIT ORGANIZATIONAL SUSTAINABILITY THROUGH COMMUNITY PARTNERSHIPS

By Kim C. Datwyler

Neighborhood Nonprofit Housing Corporation (NNHC) is located in Northern Utah where the Great Basin and Rocky Mountains meet. NNHC's service area encompasses three counties, Box Elder, Cache, and Rich, which includes one HUD-designated Metropolitan Statistical Area (MSA) and widely scattered rural communities, all with vastly different service needs. Our mission is to create affordable housing opportunities, strengthen communities, and provide households with the skills to become self sufficient.

NNHC serves households that make less than 80 percent of the area median income (AMI), which averages \$57,567 between the three counties. NNHC gives particular emphasis to underserved markets, including first-time homebuyers, seniors, and people with disabilities. Single family housing programs offered by NNHC include Mutual Self Help Housing (a USDA/Rural Development funded owner-builder sweat equity program), owner-occupied rehabilitation, an acquisition-rehabilitation program that focuses on correcting zoning and code violations, a homeownership program designed for households with disabilities, and down payment assistance for first-time homebuyers. Housing counseling services include first-time homebuyer and foreclosure prevention and loss mitigation, and are offered free of charge. Multifamily programs include HUD 811 housing that creates affordable rental opportunities for very low-income people with disabilities, USDA Rural Development rental housing in small, rural communities, and low income housing tax credit (LIHTC) rental projects in larger communities. A small staff and limited resources require the creation of strong community partnerships to maximize these services provided to a fairly large and diverse area and to ensure that NNHC has not overextended our staff capacity or financial resources.

Making Connections

NNHC's role in providing programs and services begins with soliciting input from those living in the communities. Prior to the inception of any program or housing project, NNHC meets with city officials, neighborhood councils, and other entities that provide relevant services. Input is also sought from citizens through community forums, surveys, and presentations to grassroots agencies. These contacts are critical in determining and prioritizing specific community needs, as well as identifying potential partnerships and funding sources to support new programs or housing projects. This groundwork allows NNHC to focus efforts on projects that are viable and have long-term sustainability. Projects with community buy-in are more likely to receive continued support during economic downturns. This business model does require significant effort to reach busy community leaders, as well as continued efforts to maintain these contacts. Community needs, elected officials, and funding sources can and will change over time, and it is critical to stay ahead of the curve and adapt programs and projects accordingly.

As a Community Housing Development Organization (CHDO), NNHC holds some type of community forum to seek input from our service areas on an annual basis. In partnership with cities or other prominent local entities, NNHC frequently sponsors events featuring economic or housing market analysts as speakers. This provides useful information to those attending and gives NNHC the opportunity to obtain input on community needs from our constituents. While the time devoted to these efforts may seem difficult for small organizations, the dividends obtained over time are worth the effort.

One of NNHC's first affordable housing subdivisions, located in the small community of Nibley, was made significantly more affordable by a mutually beneficial partnership with the community. Initial contacts with city officials led to discussion regarding a subdivision location that would extend and connect essential city services, including water and sewer, on a timetable beneficial to the city. The end result was collaboration on Community Development Block Grant (CDBG) applications that provided funding for the city's infrastructure needs and NNHC's housing development. It also led to the creation of a new city park inside the development, as well as the city providing impact

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fee waivers to the new homeowners in the subdivision. With the affordability of the lots much enhanced by the partnership, the development was very successful and continues to be well-maintained and cared for by both its residents and the city. NNHC has completed additional developments within this community, and both parties have worked together to address and solve issues that would have otherwise made the projects financially unrealistic or otherwise unfeasible.

Bringing Awareness

Another benefit of collaboration on community programs and projects is that it provides awareness and support from a greater variety of constituencies and opens doors for new partnerships. A good track record can be used to assure and encourage future partners that previous projects have been successfully completed and were mutually beneficial.

One of NNHC's first partnership efforts took more than two years to create. Community input had been used to determine there was a need for affordable rental housing for people with physical disabilities. While NNHC had the capacity to develop the housing, it was necessary to identify and collaborate with a supportive services organization for a HUD 811 application to create independent living for people with disabilities. NNHC began a dialogue with several entities and located one that was willing and able to commit to providing these services on a long-term basis. This project, which created 22 fully accessible units for very low-income people with physical disabilities, was successfully completed, immediately leased up, and continues to operate very well today.

The success of this project gave us the ability to create a similar partnership in a smaller rural community with another agency that provides supportive services for people with developmental disabilities. Working together, a HUD 811 application was submitted for a six-unit group home and a 15-unit apartment building, and funding was awarded to the development. This will be the only housing of its type in the community, and parents of adult children with developmental disabilities are anxious for the project to be completed. Without this newly created partnership, NNHC would not have been able to provide much-needed housing.

Evaluating the Risks and Benefits

While partnerships can be very beneficial for both the partners and the communities served, they do not come without

challenges and risks. There are up-front costs of staff time and outreach or marketing spent on a partnership or project that may not come to fruition. Organizations considering the creation of a partnership should first determine if they have the necessary staff and financial capacity, particularly if the process may be lengthy or even provide no return on the investment (i.e., no project or program at the end.)

It is also important to acknowledge the organization's mission and remain focused on that objective. There are many needs in our communities, and it is not realistic to expect one organization to address all of them. Otherwise, the organization may find that it is suddenly spread too thin to be effective at anything. Also remember that the initial workload in creating a new partnership, particularly when in conjunction with a new program, is generally more difficult than anticipated, so plan accordingly. For example, the down payment assistance program, created in collaboration with Logan City and funded with city CDBG and RDA funds, was anticipated to be a program that would be fairly simple to create and administer. While NNHC is now able to administer the program with very little overhead costs, the need for additional administrative funding to create the partnership and the program were more substantial in the first 18 months.

Creating partnerships also requires patience while initial discussions are held and potential partners evaluate the risks and benefits to their own organizations. Those making decisions about the partnership must remain clear about their organizational mission and respective roles. Moving too quickly to make decisions in the beginning stages can lead to misunderstandings and confusion during the development phases of a program or project. Take time to ask important questions and consider your organization's role in the proposed partnership. Once an initial agreement has been reached, it is essential to create a Memorandum of Understanding



Photo provided by NNHC.

Volunteers and Self-Help program participants work together to build a single family home in Utah.

(MOU) specifically delineating each partner's roles and responsibilities, along with a timeline that identifies critical junctures. This MOU should be approved by all governing boards or community leaders and appropriate legal counsel before proceeding with the partnership. This is particularly important when reimbursement of financial expenditures may depend on the success of the partnership or project.

Conclusion

As with any new venture, you can dream big, but remember to start small. Network with organizations in other service areas that may have similar experiences, they are frequently willing to share useful information. There is no need to recreate the wheel if there is a successful partnership model you can duplicate. As the partnership develops, you can fine-tune details and expand to meet community needs and funding availability. If the lines of communication are kept open, the partnership can successfully evolve to meet changing needs and economic circumstances.

NNHC has partnered with the Olene Walker Housing Loan Fund the past seven years on HomeChoice, a homeownership opportunity program for people with disabilities. As underwriting guidelines and economic conditions have changed, both partners have worked to adapt the program to continue to operate successfully. These alterations required effort and understanding on both sides, as well as a continued commitment to provide funding for households with a disability to purchase a home. Thanks to this very successful

partnership, over 50 households with an average taxable income of 40 percent of area median income have become homeowners.

Unfortunately, you may also find that as community needs change, a partnership you have worked hard to develop has reached the end of its useful life. While difficult, there are times that financial realities require partnerships or programs come to an end. Even if your organization is a nonprofit, it will not survive long if there is no profit. No one benefits if the organization is financially weakened or destroyed by partnerships that are not sustainable.

You will know you are successful in creating successful partnerships when community leaders bring specific community problems to your organization and ask for collaboration in crafting a solution. Remember that the solution may involve several organizations, and your organization does not have to be the only one involved. Partnerships are most successful when organizations recognize that collaboration is frequently the best way to serve our constituencies, rather than each organization working to protect their own interests. Partnerships can leverage limited resources, make your organization more sustainable, and when done correctly, enhance your capacity to serve your communities. 🌱

~Kim C. Datwyler is Executive Director of the Neighborhood Nonprofit Housing Corporation. For more information on NNHC's programs, please visit www.nnhc.net.



RURAL VOICES

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The Housing Assistance Council (HAC) is a national nonprofit corporation founded in 1971 and dedicated to increasing the availability of decent housing for low-income people in rural areas. HAC strives to accomplish its goals through providing loans, technical assistance, training, research and information to local producers of affordable rural housing. HAC maintains a revolving fund providing vital loans at below-market interest rates to rural housing developers. Developers can use these funds for site acquisition, development, rehabilitation or new construction of rural, low- and very low-income housing. HAC has a highly qualified staff of housing specialists who provide valuable training and technical assistance, and research and information associates who provide program and policy analysis and evaluation plus research and information services to nonprofit, public, and for-profit organizations. HAC is an equal opportunity lender.

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Coping Strategy	Share of Organizations	
	Using Strategy	Reporting "Successful" or "Very Successful" Financial Performance
All Organizations		68%
Funding and belt-tightening strategies		
Expanded individual fundraising	61%	66%
Expanded efforts to seek state or local funding	62%	66%
Cut administrative/overhead costs	56%	60%
Expanded efforts to seek federal funding	56%	67%
Pursued new foundation or corporate support	55%	64%
Entrepreneurial strategies		
Improved/expanded marketing	48%	73%
Developed new giving vehicles	15%	73%
Introduced or expanded Internet funding	16%	76%
Started for-profit subsidiary	2%	83%
Started or increased facility rental program	8%	77%
Accelerated new technology development	77%	12%
Shared Staff with other organizations	5%	80%


Source: Johns Hopkins Nonprofit Listening Post Project Economic Downturn Sounding, 2009

Conclusion

The 2007-2009 recession has been a time of considerable economic stress for America's nonprofit organizations, just as it has been for America's businesses, governments, and families. As significant as the impact of the recession, however, has been the spirited way in which nonprofits have responded, which has clearly mitigated the effects of the recession on this important set of institutions and those they serve.

Reflecting this, despite predicting further declines in their revenues over the next 12 months, only 13 percent of all respondents indicated that they are concerned for their organization's survival. By contrast, the overwhelming majority of the respondents (75 percent) felt that the changes they have made will see them through (49 percent), that their future is bright since they have used this crisis as an opportunity to transform themselves for the long-haul (21 percent), or that conditions will improve over the next year so there is no reason to be too concerned (5 percent). Similarly, while anticipating cutbacks, larger proportions of

organizations anticipated holding constant or increasing the number of people they serve than anticipated decreasing them (62 percent versus 35 percent). As one respondent put it, "We have weathered the financial storms of the past. We will weather this one as well. It will be challenging and cause us to examine [our] procedures/programs. But the result will be a leaner, healthier organization."

How well nonprofit organizations will be able to walk this tight rope between economic recession and organizational response in the year or more ahead will depend principally on the depth and duration of the recession. From the results of this latest Listening Post Sounding, it seems clear that the nation has been well served by the response nonprofits have demonstrated to date. It seems equally clear, however, that the nation should not take that response for granted. 

~To read the Listening Post Project's full report on this topic, see www.ccss.jhu.edu/pdfs/LP_Communique/LP_Communique_14.pdf, and to learn more about the Listening Post Project, visit our website at www.jhu.edu/listeningpost.

Grow slowly and carefully. Our organization has increased its staff size over the last two years. NAHS has been fortunate enough to apply for and receive funding to expand services and add staff to meet community needs. However, this growth was done with considerable thought. In applying for new funding and taking on new projects, we look carefully at our organization's capacity. *Do we have enough staff to operate the program currently? Will the project overwhelm our current staff? Will there be a return on adding this program? If we add staff, will be able to retain them over the long term?*

Protect your organization's credibility. Your organization's reputation is hard-earned and when you lose credibility it is difficult to get it back. A nonprofit should be careful not to enter into a funding relationship where it cannot meet the project goals, and should think critically about how it achieves those goals. NAHS has declined to participate in tax credit deals in the past because we were unsure of the partner. The deals you make and the partners you have are reflections of your organization.


Internal management is a key part of credibility. In addition to good program staff, an organization needs a good accounting officer and good management practices. Our financial officer is a CPA who breaks down all funding sources and activities on a time sheet and accounts for time and specific tasks by funding source. Being able to track and account for the way in which your organization has expended funds builds credibility and can lead to additional funding. Do not neglect the operational side of your organization.

Compliance is key. Demonstrate that your organization can administer funds and comply with the funders' rules and regulations. If your organization committed to build five houses, complete the five houses and account for every dollar spent. When NAHS approaches our PJ for additional funding, the first thing they assess is past performance. We make sure that every quarterly report is submitted on time. This is the foundation of a good relationship with your funder. If you don't comply with the reporting requirements, you are less likely to get funding in the future. We have two dry erase calendars in our office and every report and its due dates are listed. Every member of our staff can see when a report is due. NAHS's ability to successfully go after funding is really the result of our clean audits and compliance with reporting requirements. In short, do the job you promised to do.

Focus on what you know and partner when you can.

NAHS knows how to build and repair homes, but when it comes to providing other services to the community, we often partner with other organizations. Although we have two certified homeownership counselors, we utilize other approved homeownership counseling agencies to expand our community outreach. We pay a fee to this partner and they provide a skill so that our families are fully prepared for homeownership. Partnership is especially critical for new organizations if there are essential services that you do not have in-house. It may be necessary to partner with an experienced organization to help build your skill base and reputation. Ask a more experienced organization if they will mentor you to help you establish a track record.

Our organization has become increasingly concerned about those people we cannot serve because we lack the capacity and resources. There are many people who fall through the cracks, those we are unable to assist with our current programs. For example, NAHS currently does not operate a homelessness program and this is an increasing need in our community. However, we are looking to partner with churches and other organizations that have the ability to serve this population. We think that partnering with faith based initiatives is one great way to provide solutions that tap into the expertise of both real estate development and social service professionals. By strengthening our partnerships with these organizations, we both conserve our resources and help to make those organizations stronger and more successful.

Ask for support—creatively. Money is tight for many private companies and they may not have the resources to make a monetary investment in your organization or projects. However, many companies may be willing to donate merchandise that can be helpful for your organization and the families you serve. Encourage local businesses to contribute household goods, building supplies, or other merchandise. Our organization recently received a donation of several mattresses that we were able to pass on to families in need. The company received a tax write off and the families received free mattresses. If your organization understands the IRS rules and can furnish the appropriate documents, private companies will often be willing to donate useful goods. Just ask. 

~Sharon Wise is the Executive Director of the Native American Housing Services. For more information, visit their website at www.NAHSI.org

NONPROFIT SUSTAINABILITY: A FOUNDATION'S PERSPECTIVE

By Dana K. Pancrazi

Nonprofit sustainability has long been a topic of conversation at conferences, board meetings, and hallway conversations. Given the current economic environment and its impact on nonprofits, this discussion has only intensified. Consider the results of a recent survey conducted by Nonprofit Finance Fund (NFF).

Of the 1,100 nonprofit professionals surveyed:

- Only 12 percent expect to operate above break-even this year.
- Just 16 percent anticipate being able to cover their operating expenses in both 2009 and 2010.
- 31 percent don't have enough operating cash in hand to cover more than one month of expenses and another 31 percent have fewer than three months' worth.
- 52 percent expect the recession to have a long-term (2+ years) or permanent negative financial effect on their organizations.

The results are startling, yet not entirely unexpected. In an ideal world, nonprofits would be sustainable. It is a widely accepted belief that at least high-performing nonprofits should be on a path to sustainability. But how does one know if a group is on the path to sustainability? What does it look like? Shouldn't effectiveness be the goal?

As funders, if we are interested in helping nonprofits weather the current economic storm and others that will undoubtedly arise in the future, what tools do we have to help groups move toward sustainability and long-term effectiveness? If sustainability is one of an organization's goals, why, as evidenced by NFF's survey, is it so elusive?

One Foundation's Approach

At the F.B. Heron Foundation, where our mission is to help people and communities to help themselves, we have grappled with these questions. Our resulting approach, described here, reflects our journey. Our approach to identifying and supporting high-performing nonprofits in their quest for effectiveness and long-term impact is admittedly imperfect. However, from the Foundation's earliest days, the Board has asked the staff, and the staff has asked grantees, investees, and each other, what can we do to help our grantees to achieve their goals—long-term impact and sustainability included?

Again and again, we heard groups emphasize their need for core, unrestricted, general operating support. We took this message to Heron's Board of Directors who embraced the need for core support. Our Board members from the for-profit sector viewed core support akin to working capital for a business, or as a way for us to buy in to the organization's business plan. Our Board understood that after thorough due diligence, we should trust an organization's management to produce the desired result and that one of the more predictable risks for any business is not having unrestricted cash when it is needed. Our Board members from the nonprofit sector emphasized that grantees often spend too much time piecing together the puzzle of restricted grants and that core support stressed the destination – social impact – more than the path a grantee takes to get there.

As our President, Sharon King, notes, "In the long run, you can't have strong programs in weak organizations." In our view, core support is the glue that nonprofits rely on to hold their programs together, to enable the whole to be greater than the sum of its parts. It allows an organization to conduct its business – to think and plan, develop new products or services, train staff, build strong accounting and management systems, participate in the public debate on issues that affect it and its constituents, and perform audits, impact assessments and other critical functions necessary for the organization to function effectively and to survive and thrive over time.

Supporting the Core

So if one accepts, as we do at Heron, that core support is often our best tool to give organizations the ability to plan,

invest and respond to changes in their environment with vision, flexibility and innovation, then how can we identify groups to support that are well positioned to have long term impact and to become sustainable? We regard our approach to identifying such groups as a work in progress that has evolved over time, with much still to learn. There are not hard and fast ratios that must be met or empirical boxes that can be checked. Instead we look for organizations that share our self-help mission, that demonstrate consistent high performance in terms of actual outputs, outcomes and impact and are working at a scale of activities that is appropriate for the relative field or market.

We look for groups that are using data to improve and demonstrate their own impact. Ideally, they would be demonstrating leadership in their field as well, connecting to market players and appearing deliberate and intentional in their program and policy efforts. We believe these learning organizations have a higher probability of success.

Given our mission, we ask organizations a series of questions:


- Do you have demonstrated indicators of wealth creation for low- and moderate-income people?
- What are your indicators which show the ways that people's lives have been improved?
- Does your organization regularly set and meet its outcome targets?

If a group has sustainability as a serious goal, we also look closely at audits and balance sheets, key indicators of an organization's fiscal integrity. We examine financial information to see if there are appropriate financial controls in place and if the audits are timely and transparent. In addition, the presence of a sufficient cushion of net assets to total assets on a balance sheet is a true testament to a group's fiscal strength. We also try to ascertain whether or not the group is building up or eating away at net assets. If so, we attempt to understand the cause. Is this due to the execution of a plan, or unbudgeted operational deficits? Furthermore, the stability of an organization's earned income and its role in contributing to the bottom line is also a critical indicator of financial health. Lastly, the ability for management to be conversant in financial matters and programs, as well as articulate the financial "story" of the organization, is of utmost importance. The presence of any and all evidence of the organization's ability to manage growth or change, both programmatic and financial, is demonstrative of the group's long-term viability.

Part of the reason we look for what my engineering friends would call "good bones" in an organization is because the only thing you can count on is change. Things shift – the pieces that once came together to make an organization sustainable may not stay constant. Funders change priorities, government contracts end, earned income ventures dwindle, needs expand, new needs emerge, a mortgage crisis occurs, a recession ensues. At the end of the day, we place our bets with organizations that have a proven track record of performance, programmatic and financial, over time. We fully understand that this is not a guarantee that an organization will continue to be successful, but it does give us reason to be optimistic.

Conclusion

We recognize that our approach will not work for everyone. We put it out there in the hope that it can be useful to other funders and nonprofits in their own discussions about long term impact and sustainability. Core support is what nonprofits have told us that they need. Because we view our grantees as the change agents for advancing our mission, we believe we should take seriously what they say they need to be effective – to have long-term impact, to survive and thrive over time. We try regularly to remind ourselves that the people actually carrying out missions consistent with Heron's – helping people and communities to help themselves – are our grantees and investees. They are doing the real work. We thank them for their efforts – they are more important now than ever.

Like most foundations, the endowment for the F.B. Heron Foundation has declined in value. It is our intent to continue supporting the organizations in our active portfolio that meet our current program guidelines and Heron remains committed to making the majority of its grants as multi-year, core support. At this time, we do not plan to cut back on our existing grants. However, this means that in 2009, the Foundation does not expect to have funds available for new grant relationships nor for increases in grant amounts for current grantees. Groups interested in applying to the Foundation for support should check our website for updates. 

~ Dana K. Pancrazi is a Senior Program Officer for the F.B. Heron Foundation. For more information on the Heron Foundation and its programs, please visit www.fbheron.org.

BENEFITTING FROM THE HOUSING ACT OF 1949

SPECIAL FEATURE

Celebrating the 60th Anniversary of the Housing Act of 1949

The Housing Act of 1949 states that every American family has the right to decent, safe, and sanitary housing. In celebration of the 60th anniversary of this legislation, HAC has invited two households to share how their lives have been changed by the programs that were created by the Housing Act of 1949.

Joan Schenk, Village of Clinton, Wisconsin

After taking care of their elderly mother for more than 13 years, Joan Schenk and her sister Ann lost their family home. The sisters were forced to move from a single family home located on two acres to a two-bedroom apartment. With rent on the apartment increasing every year, Joan was filled with uncertainty about her ability to afford the roof over her head and frustrated by her increasing inability to save money.

The sisters heard about Southeastern Wisconsin Housing Corporation (SEWHC) and their housing programs through a local newspaper over two years ago.

“There was an article about the program in the local newspaper and there was some basic information about how the program worked. The article said that you could use your sweat equity to build a house and it seemed like an ideal solution for us. My sister and I had always been very independent and we felt like this model really was a fit for us.

The part of the state we live in doesn't have a lot of high paying jobs and the economy hasn't been great. We weren't looking for a handout. But, we knew we needed a hand up and we were willing to work for it. One of the things that was great about the program was that they work with you in case you lose your job, or if your salary goes down.

It took us a year to finally sign up. That first year, we thought we wouldn't be able to put in the hours needed, so we put the program on the back burner. But, that next year, we went back and signed up to participate.”

A New Home

“We worked with seven other families in our self-help group and what really appealed to me was that nobody moves into their house until all the homes were finished. No one can take advantage of the situation.”



Photo provided by Southeastern Wisconsin Housing Corporation.

Joan Schenk and her sister stand in front of their new home with pride. The Schenks participated in Southeastern Wisconsin Housing Corporation's self-help program.

“I loved [the whole process] – it goes so fast, but we really enjoyed it. We could have learned more but we got a lot out of it. During the program I turned 45 and my sister turned 50, and our biggest concerns were about our age and our physical health. We started questioning if we could physically do it. The only thing that stopped me from quitting was my pride. Our spirit was willing but our bodies were a little slow.

By the end it didn't matter anymore – we helped build six houses on one block. When you realize you built most of the houses on that block, it's amazing – it's indescribable. Those houses will live on long after we do. I don't think I've done anything really remarkable in my life, but this is something that will live on after I'm gone.”

A Better Life

“The Rural Development loan [Section 502] has really been one of the best things about this program. It's an affordable, stable mortgage and they really care about the borrowers.

Photo courtesy of the Bainbridge Island Review.



Finch Place is a senior apartment complex on Bainbridge Island in Washington. Kitsap County Consolidated Housing Authority helped to preserve this complex thus preserving affordable housing for seniors on the pricey Island.

The Rural Development staff is willing to work with you to make sure you don't lose your home just because you're having a run of bad luck. What bank would do that for you? We pay our bills regularly, but it's nice to know we have support just in case.

We faced the most difficult thing in our lives and now everything else is manageable. We have an enormous sense of contentment. We know every corner of this house, a place that is truly our safe haven. We have fun doing all the little things you do to make the house your own. Every day we can go home and enjoy this place because we've know we earned it.

Building these homes was a huge accomplishment. Some of my proudest moments were when I did something I didn't think I could do. You've just got to keep trying and push yourself beyond your boundaries or fears. I know and love every inch of this house and I never want to leave!

Working with Rural Development has been a great experience from start to finish, and I can't say enough about Southeastern Wisconsin Housing Corporation, especially our supervisor Lanie – they are so thorough. They don't do it because of the paycheck, but because they truly want to see people in their own houses. It was the most beneficial thing that we've ever done for ourselves, and I wish more people would take advantage of the program."

Jean Donovan, Finch Place, Bainbridge, Washington


"I rented a house for the past twelve years and before that I owned my own home. In July 2008, I was unemployed and my landlord decided to sell the house I was renting. I knew I couldn't make rent at that time anywhere else. I moved in with friends for seven months until I turned 62 and was able to receive Social Security assistance and apply to live in a low-income senior building. My social security began in January 2009 for \$845 monthly and I was placed on a housing wait list; by February, a unit came available and, for one reason or another, everyone ahead of me in line couldn't move immediately. As the ninth person on the list, I was able to move and get into the apartment quickly."

A New Home

Finch Place is a 29-unit senior building with all 1-bedroom apartments. To qualify, residents must be 62 years and older. Handicap or disability status also qualifies one for residency.

"My housing condition is excellent. I had looked into apartments in Seattle and I knew that most started at \$700, which would have been impossible for me to afford without any assistance. After having a difficult time finding a job and working through all my savings, I can say I am very fortunate to have this opportunity. I love this building, it is truly wonderfully maintained. Of the 29 units—27 are single women only, one single man, and one married couple, with our average age in the 80s. It is a great group—there is a wonderful feeling in this building."

A Better Future

"Rent[al] assistance has allowed me to be more liquid given my income constraints. When you're watching every dollar, getting a cup of coffee or seeing the \$4 senior show is sometimes out of the question. You have to be very careful with your money. This assistance helps me do more than I would normally be able to do. As far as I'm concerned, my quality of life couldn't be better. I'm so glad that programs like this are in place. I had no clue about it [rental assistance] until I was contemplating living in my car. I had no viable means of going anywhere or doing anything and it has been a real challenge. I can't say enough about programs like this because there are so many people unaware of them who go to the streets or their cars." 

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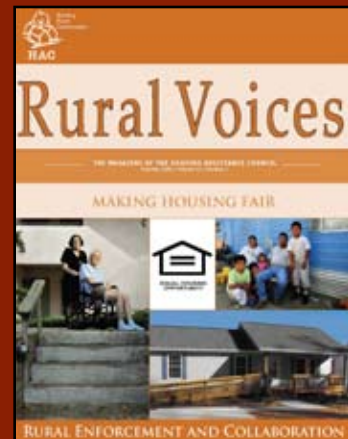
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