

Non-profit change on the menu

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The coming year, with its political upheavals and forecast recession, would not seem the most promising for the non-profit community. Yet the leaders of America's most prestigious agencies are hopeful for 2008, even as they struggle with the increasing needs of the country's poor and with intransigent issues such as the lack of access to quality healthcare. They insist that over the next 12 months their organisations will achieve goals of increased penetration and expanded scope.

In spite of this confidence, non-profit heads are concerned that a widening income gap, exacerbated by an economic downturn, could increase requests for their services at a time when fund-raising is difficult.

"People are earning more than the poverty rate, but not enough to sustain themselves," says Brian Gallagher, president and chief executive of United Way of America. As a result, his agency has shifted resources toward programmes that stress education and financial stability, including job training and savings initiatives to help families boost their incomes.

Similarly, the YMCA strives to operate sustainable facilities in low-income or at-risk communities. "Fifty-six per cent of our YMCAs serve communities where the median family income is below the national average, below poverty level," says Neil Nicoll, president and chief executive of YMCA of the USA. YMCAs have responded by concentrating on immigrants and vulnerable youth, such as dropouts or children in foster care, and by attempting to attract a more diverse staff to relate to these groups.

If service organisations fail to minister to citizens in jeopardy, non-profit leaders fear society will suffer the ripple effects of poverty. "What are the implications of a family in need?" asks Commissioner Israel Gaither, national commander of the Salvation Army. "If we raise a generation of children who are crippled by poverty, that cycle continues, which impacts American culture and way of life."

Access to first-rate healthcare also remains a priority for the nation's largest non-profits. Childhood obesity and diabetes run rampant in populations served by United Way and the YMCA, and both institutions are focused on prevention and early treatment. "Many of these communities have chronic diseases that are disproportionate to their size," Nicoll says. The YMCA now convenes medical staff and public health officials across the country to improve the wellbeing of neighbourhood residents.

While healthcare is a consistent, obvious issue for the American Cancer Society, John Seffrin, its chief executive, feels particular urgency this year. "If we don't act, we have evidence to suggest that cancer will become the leading cause of death by 2018," he says. "Access to care has reached a moral imperative."

In pursuing their varied missions, many non-profits are working to cultivate local grassroots support while also broadening their national and global reach. Simultaneously with the launch of national media campaigns, the ACS has trained cancer survivors from all 435 congressional districts to explain pressing policy changes that could facilitate a cure for cancer. The YMCA works closely with its international branches to learn how to better serve immigrants in the US. "We need to be much more intentional about how we relate to growing communities in this country," Nicoll says.

The United Way shares information among its decentralised global membership network of international non-profits, and Gallagher stresses the importance of local participation in each of the 46 countries where United Way operates. "We go to the most respected community-based organisations in the area, the most qualified experts on the ground, who already have the trust of local people," he says. "We help local communities build capacity to identify their own issues, to respond to their own needs."

Non-profits nationwide must also react to donors' recent demands for transparency and accountability.

Leaders are considering new ways to measure the impact of their organisations and are progressively applying benchmarks or metrics developed in the corporate world. United Way refers to its services as “investment products” and uses a balance scorecard to review programme outcomes, reputation, dollars raised and invested, and operational efficiency. “We say: ‘Choose United Way and you invest in education, financial stability and health,’” Gallagher says. “People criticise non-profits for talking like businesses, but they do want results.”

In addition to quantitative assessments, non-profits are integrating tactical qualitative feedback for a comprehensive picture of performance. The YMCA is trying to judge its influence on individuals’ lives, instead of looking exclusively at the number of people touched by its initiatives. “We want to measure whether children have developed an ethic of service and a commitment to learning, if families have developed stronger bonds, and whether they give back to their communities,” Nicoll says. “Are they physically, mentally and spiritually healthier as a result of their contact with the YMCA?”

Similarly, Helene Gayle, president and chief executive of Care, whose aim is to eradicate international poverty, says her organisation has laboured to hone and articulate its vision. “If our goal is to have economic opportunities translate into greater empowerment for individuals, we have to first define empowerment. We’ll need to see how it actually changes their lives.”

As operations become more intricate, non-profits are using technology strategically to link donors and recipients. Gifts In Kind International, which works with Fortune 500 companies to distribute new product donations to charities, recently launched an internet service through which all relevant parties can track each step in the giving process. “It’s a very robust two-way communication between donors and charities,” says Richard Wong, president and chief executive.

As always, fund-raising remains a key concern, and non-profits are broadening their funding sources to combat the potential effects of a recession. A troubled economy could “make people more inward-looking” and therefore less mindful of those less fortunate, says Gayle. “We’ll continue to diversify so we’re not dependent on just one revenue stream.”

Still, many contributions come from people of average means, and the recent growth in the number of non-profits presents a challenge. “It has become very competitive,” says Seffrin. So agencies must find creative ways to solicit money; The Salvation Army, for instance, promotes a “virtual red kettle” and encourages businesses to put its icon on their websites during the holidays.

Non-profit leaders also cite a number of factors that could mitigate an economic slump. They are buoyed by the nation’s growing number of wealthy individuals and by their propensity to give more during their lifetimes. They also note a rise in long-term contracts with corporations and multi-year commitments from foundations, and more one-off big gifts.

These institutions also expect positive consequences from a shifting political landscape. “Even though this political season is excruciatingly long, it is at least driving debate about important issues like income inequality and healthcare,” Gallagher says.

And non-profit chiefs are more likely than ever to lobby Washington. “[The Salvation Army] is getting involved with public policy in a non-partisan way. We are apolitical, but all of the issues that face society are impacted by politics,” Gaither says. “It’s about being a voice for the voiceless.”

Fixing America’s healthcare system is paramount for the ACS. “We believe we know for the first time what we need to eradicate cancer. It’s as much a public policy issue as it is a medical challenge,” Seffrin says. In September 2006, more than 300 members of Congress signed a bill to support cancer screening after 10,000 ACS supporters rallied on Capitol Hill.

Regardless of politics or the markets, the heads of America’s largest non-profits say they have the tools and conviction to realise their objectives in the coming years. They believe certain forces – recent advances in science and technology, a global media raising awareness of society’s ills, and high-profile philanthropic exemplars such as Bill Gates and Warren Buffett, among others – have converged to inspire ordinary citizens to engage in social transformation. “We know more than ever about what works,” says Gayle. “Now it’s our job as the richest nation to start helping the poorest of the poor.”

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