

*“It’s a rare nonprofit organization that is adequately staffed to meet local demand, let alone that can boast of a well-developed infrastructure in support of its service mission.”<sup>1</sup>*



# Investing in Sustainability

## *Adding Value in Georgia*

In 2000, Georgia had over 5,000 charitable, tax-exempt nonprofits (excluding private foundations and religious congregations).<sup>2</sup> Almost half of those were health and human service organizations. They provided vital community services, such as immunizations, after-school programs, health education and mental health services.

Over the past few years, many nonprofits have struggled to meet the increasing demand for their services and programs. At the same time, government funding, a key source of sustainability for many nonprofits, has eroded.<sup>3</sup> United Way and corporate giving has also declined in many areas. Nonprofits have increasingly turned to foundations and individual philanthropists. In 2000, giving by Georgia foundations totaled \$623 million. Many foundation executives and staff struggle to understand the most strategic role they should play to help continue critical safety net programs in their communities. Grantmakers also struggle with how to ensure the maximum benefit of their investments.

How to sustain successful efforts once funding ends is an issue that most nonprofits routinely face. Organizations need to learn how to make strategic decisions regarding sustainability. By building organizational capacity to successfully plan for sustainability, nonprofit organizations, individuals and communities will derive long-term benefits. Without this work, many recent gains made in these communities will be lost.

How can grantmakers help current and future grantees sustain their community improvements? This publication examines issues related to planning for sustainability, keys to achieving it, examples from nonprofits and recommendations for grantmakers and individual philanthropists on how to help organizations achieve their missions.

### **Sustainability:**

The continuation of community health or quality of life benefits over time<sup>4</sup>

One of the benefits of this definition is that it keeps an organization focused on the goal: achievement of its mission. Also, it allows for a number of methods to achieve sustainability, such as changes in a policy or system, an increase in community capacity and/or continuation of a program.



A Center of the  
Public Health Institute



An organization in northeast Georgia serving youth and families has been running a high-quality daycare program for over 20 years. During that time, the number of daycare centers in the community increased, especially larger, for-profit facilities. Changes in community demographics, personnel changes and state laws regarding public preschool and kindergarten programs have also reduced the program's profitability. As the program started to lose money, the Board began to weigh their options. In a facilitated meeting focusing on the program, the Board came to consensus that the organization needed to close the program. They explored the possibility of turning the program over to a larger daycare center chain, but the larger centers determined that they could not run the program in a profitable manner either. The nonprofit has timed the program's closure to minimize the impact on staff and families and will provide assistance to staff and families to assist them with their transitions.

## Why Sustainability Is Challenging

*“While venture capitalists start with the assumption that their relationships with a growing business will end with a sale to another company, foundations operate in a nonprofit environment where there is ‘no such mechanism for passing the baton.’ As a result, nonprofit grantees are often left to figure out how to continue on their own.”<sup>5</sup>*

There are many issues that impact the ability of nonprofits to sustain their missions. The rapidly changing environment makes it difficult for organizations to successfully plan for sustainability.<sup>6</sup> The economy fluctuates and funding priorities change (sometimes quickly and dramatically), making it difficult for organizations to forecast the future and seize opportunities while still striving to meet the current demands.

Many organizations have difficulty documenting the outcomes of their efforts. This is especially true for short-term projects and prevention programs. A lack of documented improvements makes it difficult for the organizations to make their case for why a program should be continued.

“It can be argued that the behavior of foundations — even when they’re acting with the best of intentions — can actually exacerbate the struggles that nonprofit organizations face in sustaining their work.”<sup>7</sup> There are numerous aspects of grantmaking that impact the likelihood of sustainability. Foundations often don’t want to provide long-term support to an organization for the same activity. Funding decisions are often based on a desire for flexibility and innovation, a need to respond to emerging data, or board interests. They are also reluctant to fund an existing project that was started with resources from another foundation. Foundations do not typically provide support for capital equipment, core operations or full administrative costs.

Recent trends have included a decrease in the amount and duration of funding. As a result, nonprofits have increased the amount of time they devote to fundraising vs. achieving their mission.<sup>8</sup>

## References

<sup>1</sup> David, T. (2002). *Reflections on sustainability*. Woodland Hills, CA: The California Wellness Foundation. Available: <http://www.tcdf.org/reflections/2002/feb/>.

<sup>2</sup> Georgia Center for Nonprofits (2002). *Snapshots: Georgia's nonprofit sector* (4th ed.). Atlanta, GA: Georgia Center for Nonprofits.

<sup>3</sup> David, T. (2002). *Reflections on sustainability*. Woodland Hills, CA: The California Wellness Foundation. Available: <http://www.tcdf.org/reflections/2002/feb/>.

<sup>4</sup> Center for Civic Partnerships, Public Health Institute (2001). *Sustainability toolkit: Ten steps to maintaining your community improvements*. Oakland, CA: Public Health Institute.

<sup>5</sup> Weiss, H., Coffman, J., and Bohan-Baker, M. (2002). *Evaluation's role in supporting initiative sustainability*. Paper presented at the fifth biannual meeting of the Urban Seminar Series on Children's Health and Safety, Cambridge, MA. Available: <http://www.gse.harvard.edu/hfrp/pubs/onlinepubs/sustainability/index.html>.

## How Nonprofits Can Sustain Their Successes

Research demonstrates the importance of focusing on sustainability early.<sup>9</sup> Nonetheless, many nonprofit organizations wait until the end of a grant to begin discussing sustainability. This section highlights some activities nonprofits can engage in, starting at the beginning of a project, to increase the likelihood their long-term goals will be reached. As you talk with grantees about sustainability, you might want to encourage them to undertake some of the following activities.

### Collect Information

At the beginning of a project, a nonprofit organization should determine what questions the organization will need to answer in order to decide whether the project should continue post-grant funding. Some of those questions (or criteria) may relate to program/organizational effectiveness, cost effectiveness, duplication of services, support of key decision makers, etc. Once they have developed their criteria, they should determine how to gather the information needed to answer those questions. These information gathering activities should be included in their work plans. Since decisions regarding sustainability must often be made before the final evaluation findings are available, collecting data on intermediate measures to show whether key trends appear to be heading in the correct direction can be helpful.

### Engage in Public/Media Relations

In many sustainability sessions, participants have said: “We should have worked with the media more so people knew what we were doing.” Media relations is an important, but often non-urgent, task that many individuals and organizations put on the “back burner.” An important question for organizations to ask is, “If people in our community don’t know what we’re doing and what we’ve accomplished, will they support our sustainability plans?” There are a number of strategies requiring varying amounts of time and resources that can educate potential advocates and decision makers.

The **Atlanta Community Food Bank** engages in grassroots public relations outreach throughout the year to ensure its messages and community-building initiatives are communicated to residents, businesses and organizations within the community. The Food Bank employs a full-time communications manager to focus on developing and nurturing relationships with reporters and communicating with key community audiences through the media. Besides media outreach, the Atlanta Community Food Bank also has identified and nurtured mutually beneficial partnerships with key media outlets to lend another level of support to its work within the community and to help the partners accomplish their own business objectives.

The Food Bank’s Web site, [ACFB.org](http://ACFB.org), was designed as an educational tool to provide local and national hunger statistics, as well as information about upcoming programs, events and ways community members can help the organization continue their efforts (such as giving food, volunteering their time or donating money to the ongoing capital campaign). The power of these community-building messages often extends beyond a person who visits the Web site or reads an article about the organization in the local newspaper. Individuals often persuade their employers to conduct company-wide food drives that sometimes lead to financial donations or corporate volunteers, further enhancing sustainability.

<sup>6</sup> Connolly, P., and Lukas, C. (2002). *Strengthening nonprofit performance: A funder’s guide to capacity building*. Saint Paul, MN: Wilder Publishing Center.

<sup>7</sup> David, T. (2002). *Reflections on sustainability*. Woodland Hills, CA: The California Wellness Foundation. Available: <http://www.tcwf.org/reflections/2002/feb/>.

<sup>8</sup> Ibid

<sup>9</sup> Group Health Community Foundation (2003). *Health Improvement Initiative: Legacy evaluation report*. Seattle, WA: Group Health Community Foundation and Lodi, K., and Stevens, G. (2002). Coalition sustainability: Long-term successes and lessons learned. *Journal of Extension*, 40 (1). Available: <http://www.joe.org/joe/2002february/a2.html>.

<sup>10</sup> Reprinted from Center for Civic Partnerships, Public Health Institute (2001). *Sustainability toolkit: Ten steps to maintaining your community improvements*. Oakland, CA: Public Health Institute.



**Community Health Works (CHW)** is a regional, nonprofit collaborative of healthcare providers, community leaders and government officials in seven counties in central Georgia. Formed in 2001, CHW's vertically integrated network assures a continuum of care for chronically ill, low income, uninsured adults. At formation, network partners agreed to require rigorous, external evaluation to track patient utilization, results and cost implications. Evaluation results show improved access and health outcomes for patient members as well as more than \$500,000 fewer uncompensated charges borne annually by the regional health system per 1,000 members served. These findings have helped network partners determine what to sustain and have greatly assisted them in acquiring resources to continue and expand the services.

### **Nurture Program Champions or Advocates**

Many researchers have noted the importance of a well-positioned champion for sustaining community improvements.<sup>10</sup> Champions/advocates are often mid- to upper-level administrators within the agency or organization. Organizations can nurture a program champion by working with someone who has access to that individual, characterizing the organization's work within the context of the champion's priority areas and giving the individual opportunities to be recognized for his/her connection to the project.

It is also important to nurture community members and leaders who are external to the lead agency/organization. This can foster broad ownership and reduce the pressure on one agency to implement and continue the work. It can also be helpful in succession planning and/or reducing the impact of staff changes. One study examining the continuation of community health initiatives determined that "change championed by community members and leaders tended to become part of the way the agency ... conducted business" while "change driven by project staff tended to be viewed as staff responsibility and was less likely to continue."<sup>11</sup>

### **Focus on Outcomes**

The trigger that causes most groups to work on sustainability is the pending loss of funding. Since money is what gets people thinking about sustainability, many groups begin their sustainability discussions by focusing on funding.<sup>12</sup> Often, groups assume that they must attempt to continue everything, whether or not it's having an impact on the community's health or quality of life. The focus in this instance is on money: replacing the funding that is ending. Another way to examine the issue is to focus on efforts: What do we know about the impact of these efforts? Do they match the needs and strengths of the community? Are they worth continuing? Groups should utilize evaluation findings to help them select their sustainability priorities as the efforts that have the most positive impact on the community's health or quality of life. Once the group has decided what should be continued, then they can begin to discuss which resources will be needed, recognizing that "not all foundation-funded projects deserve to be sustained."<sup>13</sup>

<sup>11</sup> Paine-Andrews, A., Fisher, J.L., Campuzano, M.K., Fawcett, S.B., and Berkley-Patton, J. (2000). Promoting sustainability of community health initiatives: an empirical case study. *Health Promotion Practice*, 1 (3), 248-258.

<sup>12</sup> Wolff, T. (1994). *Sustainability of coalitions*. AHEC/Community Partners. Available: [http://www.compartners.org/stacks/archive/hcm/cb\\_sustainability.pdf](http://www.compartners.org/stacks/archive/hcm/cb_sustainability.pdf).

<sup>13</sup> Cornerstone Consulting Group (2002). *End games: The challenge of sustainability*. Baltimore, MD: The Annie E. Casey Foundation. Available: <http://www.aecf.org/publications/data/endgames.pdf>.

<sup>14</sup> The Finance Project (2002). *Sustaining comprehensive community initiatives: Key elements for success*. Washington, DC: The Finance Project. Available: <http://www.financeprojectinfo.org/Publications/sustaining.pdf>.

<sup>15</sup> Cornerstone Consulting Group (2002). *End games: The challenge of sustainability*. Baltimore, MD: The Annie E. Casey Foundation. Available: <http://www.aecf.org/publications/data/endgames.pdf> and Weiss, H., Coffman, J., and Bohan-Baker, M. (2002). *Evaluation's role in supporting initiative sustainability*. Paper presented at the fifth biannual meeting of the

## Improve Infrastructure

A number of the factors that affect whether an organization can sustain its community benefits relate to infrastructure: (1) staff continuity, (2) fit with mission and (3) strong leadership. Nonprofits may wish to invest in organizational assessments to help them identify strengths and areas for growth. Activities that strengthen the nonprofit's systems, policies and procedures can increase the likelihood that other groups will want to help maintain the nonprofit's efforts.<sup>14</sup>

## What Grantmakers Can Do

1. Plan your exit strategy. Focus on sustainability as you develop a funding area or program. Make sustainability a goal for your program area and track it.<sup>15</sup> Develop a theory of sustainability (e.g., a logic model or theory of change). “Articulating a theory of sustainability can help to strengthen the ability to make choices (such as who to fund and for how long) that will increase the likelihood that the work ... can be sustained.”<sup>16</sup>
2. Connect grantees to potential sustainability resources. “Reach out to other funders on behalf of a site, jointly develop an exit strategy, open doors that might not be accessible to grantees, and help grant recipients to identify and pursue alternative resources.”<sup>17</sup>
3. Reward success. Provide funding for continuation of efforts or initiatives with a proven track record. Results matter.
4. Provide nonprofit staff with the time and resources to adequately plan for sustainability. Require less (e.g., fewer units of direct service) in the last 12–18 months of the grant or provide additional funding during that time.
5. Ask grantees to create and implement a sustainability plan as part of their grant. Make sure that they have developed the plan before their final year of funding, so they have time to implement the plan.
6. Require and provide resources for an evaluation (e.g., funding, technical support) that will help the grantees decide what to continue and help them make the case for continuation.

**Chattooga Family Connection (CFC)** is a collaborative working to improve the lives of children and families in Chattooga County, Georgia. Collaborative members ensure that education administrators are regularly informed of CFC's activities through meetings and ongoing contact with school principals, presentations at school board meetings, regular communications with the superintendent and a quarterly report to school administrators. Through these methods, they have nurtured a number of advocates who value CFC's work and have demonstrated their commitment to the School Health Programs. As part of two grant programs coordinated by the Georgia Health Policy Center, CFC received funds to pay for a school nurse and a family advocate.<sup>18</sup> As the grant funding decreased during extremely difficult economic times, the Chattooga Board of Education committed to funding half of the school nurse position through the last two years of the grants.

Urban Seminar Series on Children's Health and Safety, Cambridge, MA. Available: <http://www.gse.harvard.edu/hfrp/pubs/onlinepubs/sustainability/index.html>.

<sup>16</sup> Weiss, H., Coffman, J., and Bohan-Baker, M. (2002). *Evaluation's role in supporting initiative sustainability*. Paper presented at the fifth biannual meeting of the Urban Seminar Series on Children's Health and Safety, Cambridge, MA. Available: <http://www.gse.harvard.edu/hfrp/pubs/onlinepubs/sustainability/index.html>.

<sup>17</sup> Cornerstone Consulting Group (2002). *End games: The challenge of sustainability*. Baltimore, MD: The Annie E. Casey Foundation. Available: <http://www.aecf.org/publications/data/endgames.pdf>.

<sup>18</sup> Programs included the School Health Matching Grants Program, funded jointly by the Philanthropic Collaborative for a Healthy Georgia and the Georgia Department of Community Health, and the Enhancing the Capacity of School Health Programs, funded by Healthcare Georgia Foundation.



The **Chastain Horse Park** serves riders with cognitive, physical or emotional disabilities with therapeutic riding programs, as well as inner-city and at-risk children with an outreach program. The Park charges fees for the therapeutic riding lessons, but offers scholarships to those who cannot afford to pay. To help recover the program expenses, the organization also offers riding lessons and boarding services to the general public.

In 2002, the **Auditory-Verbal Center of Atlanta** was in serious fiscal straits and had poor employee relations. Through a grant from the Community Foundation of Greater Atlanta, the Board of the Center received assistance from the Georgia Center for Nonprofits (Center), an organization focused on strengthening and supporting Georgia's nonprofit community, with an organizational assessment and facilitation of a strategic planning retreat. They made a number of personnel and structural improvements, which have allowed them to continue to fulfill their mission of teaching hearing impaired children to hear and speak without the use of sign language or lip reading. The Board credits the assistance from the Center as being critical to their turnaround. In three months, the organization went from a \$60,000 deficit to a positive balance of \$74,000.

7. Simplify reporting and other requirements to lower administrative costs.<sup>19</sup>
8. Build the capacity of nonprofits to strengthen their organizational infrastructure. "Organizations could benefit from outside assistance in self-assessment of capacity, improving their skills and strengthening critical infrastructure."<sup>20</sup> Examples include financial or communication systems improvements, technology upgrades, cultivation of new or existing leaders and capital improvements.
9. Implement funding strategies that support sustainability. A few are listed here:
  - Provide long-term investments in organizations through ongoing, multi-year support.
  - Estimate the length and amount of funding needed to make a difference and fund appropriately.<sup>21</sup>
  - Increase the amount of grantmaking dedicated to core operating support.<sup>22</sup>
  - Increase the percentage of administrative costs that are allowable.<sup>23</sup>
  - Require matching funds.<sup>24</sup>
  - Provide endowments.<sup>25</sup>
10. Provide training and organizational development support to grantees. This can be accomplished in a number of ways. Many foundations fund intermediary organizations to provide the support.<sup>26</sup> Some of the particular areas of support that can be most helpful include:<sup>27</sup>
  - Planning for sustainability
  - Marketing
  - Measuring/calculating cost effectiveness
  - Evaluation for sustainability
  - Earned income strategies
  - Organizational effectiveness

<sup>19</sup> Holton, R., and Yates, G.L. (2003). *How foundations can help in tough times*. Woodland Hills, CA: The California Wellness Foundation. [On-line]. Available: [www.tcdf.org/about/foundations\\_can\\_help.htm](http://www.tcdf.org/about/foundations_can_help.htm).

<sup>20</sup> David, T. (2002). *Reflections on sustainability*. Woodland Hills, CA: The California Wellness Foundation. Available: <http://www.tcdf.org/reflections/2002/feb/>.

<sup>21</sup> Ibid

<sup>22</sup> Connolly, P., and Lukas, C. (2002). *Strengthening nonprofit performance: A funder's guide to capacity building*. Saint Paul, MN: Amherst H. Wilder Foundation.

<sup>23</sup> David, T. (2002). *Reflections on sustainability*. Woodland Hills, CA: The California Wellness Foundation. Available: <http://www.tcdf.org/reflections/2002/feb/>.

<sup>24</sup> Center for Civic Partnerships. (2003). *Capacity building in California healthy cities and communities*. Sacramento, CA: Center for Civic Partnerships.

## A Practical Resource: Sustainability Toolkit

The Center for Civic Partnerships has developed a structured process to guide organizations and coalitions in making strategic decisions about what should be continued and how to continue it. The *Sustainability Toolkit: 10 Steps to Maintaining Your Community Improvements* is a practical guide, complete with worksheets, a CD-ROM, templates and resources.<sup>28</sup> The 10 steps, listed below, encompass a strategic planning process modified for sustainability. It takes the user through 10 logical steps with built-in checkpoints and offers concrete examples and exercises, along with the necessary tools to make effective, informed choices.

Organizations and groups throughout the country have been using the Toolkit to plan for sustainability of their community improvements. The Toolkit process and tools are applicable to a wide range of organizations and collaboratives. Previous users have found that training on the process and facilitation of selected steps both contribute to their ability to successfully plan for sustainability.

- 1. Create a shared understanding of sustainability.**
- 2. Position your effort to increase your sustainability odds.**
- 3. Create a plan to work through the process.**
- 4. Look at the current picture and pending items.**
- 5. Develop criteria to help determine what to continue.**
- 6. Decide what to continue and prioritize.**
- 7. Create options for maintaining your priority efforts (including funding issues).**
- 8. Develop a sustainability plan.**
- 9. Implement your sustainability plan.**
- 10. Evaluate your outcomes and revise as needed.**

To purchase the toolkit or inquire about sustainability training/consultation services, call 916-646-8680 or visit <http://www.civicpartnerships.org/default.asp?id=227>.

## Resources

Center for Civic Partnerships, Public Health Institute (2001). *Sustainability Toolkit: 10 Steps to Maintaining Your Community Improvements*. Oakland, CA: Public Health Institute. To order the toolkit or inquire about training/consultation services: visit [www.civicpartnerships.org](http://www.civicpartnerships.org) or call 916-646-8680.

Cornerstone Consulting Group (2002). *End games: The challenge of sustainability*. Baltimore, MD: The Annie E. Casey Foundation. Available: <http://www.aecf.org/publications/data/endgames.pdf>.

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<sup>26</sup> Blumenthal, B. (2003). *Investing in capacity building: A guide to high-impact approaches*. Foundation Center.

<sup>27</sup> Weiss, H., Coffman, J., and Bohan-Baker, M. (2002). *Evaluation's role in supporting initiative sustainability*. Paper presented at the fifth biannual meeting of the Urban Seminar Series on Children's Health and Safety, Cambridge, MA. Available: <http://www.gse.harvard.edu/hfrp/pubs/onlinepubs/sustainability/index.html>.

<sup>28</sup> Reprinted from Center for Civic Partnerships, Public Health Institute (2001). *Sustainability toolkit: Ten steps to maintaining your community improvements*. Oakland, CA: Public Health Institute.

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The Center for Civic Partnerships is a collective of programs and services focusing on organizational and community development. The Center provides technical support, consultation, educational programs, publications, resource brokering and sponsors the California Healthy Cities and Communities Network.

**Public Health Institute**

The Center's parent organization is the Public Health Institute (PHI). PHI is an independent, nonprofit organization dedicated to promoting health, well-being and quality of life for all people through research and evaluation, training and technical assistance, and by building community partnerships. For more information on PHI, visit [www.phi.org](http://www.phi.org) or call 510-285-5500.

Center for Civic Partnerships, Public Health Institute (2004). *Investing in Sustainability: Adding Value in Georgia*. Sacramento, CA: Public Health Institute.