

KEEPING A GOOD PROGRAM GOING: FIVE STEPS TO ENGAGE LOCAL PHILANTHROPY

*“Five years after publication of **Within Our Reach - Breaking the Cycle of Disadvantage**, I found that half of the programs whose success I had profiled there had disappeared or been diluted into ineffectiveness.”*

- Lisbeth Schorr

So you’ve done the hard work of funding and helping create a program that’s now working well and having impact?

But if you don’t want to go on funding it forever, there’s another challenge, highlighted by Harvard author Lisbeth Schorr’s comment about the programs studied in her groundbreaking book. One of the main reasons good programs end is that their original source of funding exits. This brief guide is about the challenge of keeping a good program going, when a private funder (such as a foundation) that originally supported it decides to reduce or end its funding, for whatever reason.

There are many ways to respond to this challenge. In most cases, more than one approach will be needed, reflecting the truism “the simple answer is there is no simple answer.”

Here we focus on just one strategy: engaging *other private funders* in a community (foundations, individual donors, corporations and religious institutions) as partners in helping to sustain a program they didn’t start or fund previously. Among the other options we won’t talk about here is *government funding*. Typically this is the biggest single

source for any community change effort, and one that may require not only direct approaches for financial support, but also changing public policy, through advocacy or information-sharing with government agencies or legislators. Another common-used resource is contributions by *volunteers*, not in money but in direct labor that may help keep a program going if financial support for it is reduced.

Print or electronic *media* may help stimulate new funding options, by bringing public attention to a community problem, and the progress in solving it made by a particular project or initiative. Commissioning an *evaluation* to measure how well a program works and what it has achieved may also help to create new avenues of support.

Resource materials presented at the end can help address these potential avenues for replacing funding for a program they want to see continue. An underlying theme for all is that programs, even when they deliver good results, aren’t likely to be sustained automatically. Whenever an original funder starts to withdraw, strategic action is necessary to increase the chances that a good project or initiative will continue.

About This Guide

This guide presents five steps that, taken together, can help get local philanthropy on board to supplement or replace funding that originally supported a successful program. Each step is discussed using a short set of questions. The steps and questions are summarized on the right.

The guide's intended for use by the funder that provided the original support, and various third parties working with them. The set of steps and questions are designed to shape thinking, planning and action to promote a program's "sustainability" (meaning its continuing funding and operation). A few examples are given from local programs whose funders have worked to sustain the project or initiative through attracting other philanthropic resources to their operation.

The roster of steps and questions presented on the right could be used by a funder's staff, community leaders, or others as a checklist for guiding discussion about how to promote long-term funding to sustain a good program ... in effect, "how to get tomorrow's money today"!

The initial discussion might also include responding to these two questions:

** What policy, if any, does the original funder have about promoting sustainability for a good program?*

** What actual experiences has the original funder had in promoting sustainability, and what could be learned from that experience?*

FIVE STEPS TO SUSTAINABILITY THROUGH ENGAGING LOCAL PHILANTHROPY

Step 1. Starting a Dialogue

** Does the program have good evidence of success, and does it need to continue?*

** What are the main challenges and opportunities about sustainability the program faces?*

** Who needs to come to the table to talk about the program and its continued existence?*

Step 2. Developing a Strategy

** How can a plan for sustainability be created?*

** How might the program need to be adapted?*

** What program and funder capacity for sustaining the program needs to be created?*

** What costs will be involved?*

Step 3. Assessing the Landscape

** What kinds of local resources should be considered?*

** How can these local resources be identified in the community?*

Step 4. Bringing Leaders on Board

** Who are the philanthropic leaders in the community?*

** How can these leaders be brought together?*

Step 5. Implementing the Strategy

** How can other resources be brought in to supplement philanthropic resources?*

** What is the role for the original funder?*

** How can success be measured?*

Step 1. Starting a Dialogue

The first step in thinking about how to continue a project or initiative is to start a dialogue internally among the original funder's staff, along with any original co-funders plus key stakeholders in the community. The frank purpose of this dialogue is to determine whether or not a sustainability effort should move ahead.

**** Does the program have good evidence of success, and does it need to continue?***

The first hard step is to look carefully at what a project or initiative has accomplished, to determine whether its outcomes truly justify its continuation. Some programs *shouldn't* last – they were time-limited by design, they have started not to work as well as they had or to show significant side effects, or the need for them has been reduced due to some external circumstances. But in any community there is still a substantial number of efforts that have demonstrated value, and are achieving better results than other current approaches to meeting a particular need.

A good decision may require willingness to look beyond the popularity or political importance of a program, to whatever empirical evidence may exist about its merit. For example, a foundation in Los Angeles for years continued to be a main local funder of DARE, the enormously popular drug abuse prevention program for children, offered collaboratively by schools and police departments ... despite massive evidence that the program does not reduce the likelihood of children using drugs. In such cases, raising the question about continued funding support can be very healthy, if it moves decision-

makers to look at the facts about a program, which may not merit being sustained!

**** What are the main challenges and opportunities about sustainability the program faces?***

This initial dialogue also needs to look candidly at the challenges involved in promoting the continued funding and operation of a particular program. There are many forces in the community, among funders, and in programs themselves that might weigh against sustainability ... as Lisbeth Schorr found, the most common outcome for successful programs examined a while later is that they haven't lasted!

Private funders, especially foundations, tend to fund pilots, demonstrations or innovative programs, and they expect that if they're successful, government or some other funding source will pick them up. Foundations often set exit strategies when they begin funding an initiative or program, on the assumption that they will move on after a certain period of time. Even funders that do good strategic planning and invest in developing theories of change to support their philanthropic strategy often neglect to factor in the need for some sort of organized effort to promote sustainability.

Those actually operating the program – nonprofits or community groups at the local level – are also often excited by the opportunity to test new ideas and approaches. They don't tend to think about sustainability, partly because they're fully engaged in operating the program, and partly because the concept of planning ahead for sustainability is not much reinforced in the nonprofit culture.

On the other hand, this initial dialogue also may identify opportunities for promoting sustainability. A favorable evaluation of a program may just have been published, or it may have been recognized by a merit award or had media attention. A new, visible leader for the project or initiative may recently have emerged, or a powerful community advocate has focused attention on the program. These positive forces also need to be part of the initial dialogue, to help determine what the chances for sustainability are.

**** Who needs to come to the table to talk about the program and its continued existence?***

Even if there are some who want a program to continue, they don't often join together – funders, program operators and community leaders – to think about the issues of sustainability together. In particular, private funders that may be in a position to take over from the original supporter of a program need to be aware of, and ideally have some involvement in, the program *before* they are asked to co-invest.

As with any organized community change, success is more likely if relevant stakeholders are invited to the table to talk about a program and its continued existence. Ideally, these stakeholders have been at the table all along.

In a study of sustainability of neighborhood preservation interventions supported by The Pew Trusts, Cornerstone Consulting Group identified other factors related to which interventions lasted over time. First, for the programs that were sustained, residents had a legitimate voice in shaping the intervention, and active engagement in its activities.

Second, their involvement was part of a comprehensive neighborhood plan embraced by those who live and work there.

Step 2. Developing a Strategy

If the results of Step 1 indicate that a sustainability effort is called for – because the program ought to continue, stakeholders support that, and the current balance of challenges to opportunities about the program is favorable – then the next step is to develop a strategy by which the longer-term existence of the project or initiative will be encouraged.

**** How can a plan for sustainability be created?***

Decades of research about sustainability of community programs shows that the single most important success factor is ***planning for sustainability***, and allocation of resources to pursue that plan. All too often, those involved with a program (either as funders or operators) wait until its initial funding commitment has almost run out, and then it may be too late to develop a sustainability strategy.

For example, Martha Holleman, in reviewing the efforts of Robert Wood Johnson Foundation's Urban Health Initiative's campaign for improving outcomes for children in Baltimore (where the campaign is called "Safe & Sound"), says that as early as year four of this ten-year initiative, the funder asked for active consideration of ways to scale it up and plan for long-term sustainability. Early attention to sustainability has resulted not only in looking at long-term funding prospects, but also at ways Safe & Sound's intermediary functions can be embedded into

established organizations, so that at least some of its functions can be preserved on “hard money.” The Urban Health Initiative published an analysis of how to sustain funding, based on all the programs that were part of its work in five cities.

While planning for sustainability can be useful at any point in the life cycle of a program or initiative, as just suggested it is likely to have the most impact if it is relatively early in that life cycle. And there need to be resources of staff time, and perhaps funding as well, devoted to the planning process.

Developing a *written sustainability plan* will help clarify goals and expectations of the original funder of a program or initiative, and of other stakeholders. Such a plan lays out how the sustainability effort will be conducted, and also addresses questions like: “What do you as a funder want to see happen with this effort if it continues to be successful ... and what role are you as a funder willing to take in helping those outcomes to occur?”

*** *How might the program need to be adapted?***

The second most important factor is the willingness of program operators (supported by funders) to consider *adaptation* of the program or initiative in response to changing circumstances. Times change, interests change, and if the program doesn’t change along with them, funders approached for sustainability funding may see the effort as somewhat irrelevant. In some cases, an inflexible program might run afoul of changing cultural values, legal forces or other elements in the community that could de-rail

the program even if continued funding for it would otherwise be available.

*** *What program and funder capacity for sustaining the program needs to be created?***

The third most important factor for funders and program operators to consider is how to *build capacity* for long-term sustainability – using the best available capacity-building resources in the community. Sustaining a program isn’t just about getting financial resources. It is also about building the leadership, community support, expertise in long-term program operations and evaluation to promote the continued life of the effort.

Building the capacity of the original funder may be needed as well, since even if that funder withdraws from financial support, it may continue to back the program or initiative in other ways. Other funders coming on board may need capacity building expertise to deal with the ongoing challenges of their involvement with this program (ideally, in ways that go beyond simply cutting a check!), especially if they are smaller foundations. Two recent publications of the Human Interaction Research Institute provide tips for smaller foundations about how to best develop their internal capacity - one offers an overview of strategies and resources, and the other gives the perspective of a small foundation CEO.

A specific focus of funder capacity building could be on improving strategies for sustainability. In addition to what is provided by this guide, there are other useful resources from the philanthropic literature about how foundations have addressed this challenge. Ira Cutler at Annie E. Casey Foundation and

Tom David at The California Wellness Foundation have written about sustainability issues from a funder's perspective. And the Finance Project has published several volumes detailing strategies for sustainability, including but not limited to the original funder's role. This organization also maintains an online clearinghouse on this topic, and offers consultation services.

*** *What costs will be involved?***

Sustainability also will be encouraged if there is a clear understanding of what it will *cost* to do so. For instance, Rebecca Ruggles talks about the Safe at Home initiative for elders in Baltimore, which ended due mainly to changes in the larger environment for elder services. Ruggles feels it would have been useful to have a projection (verified by an independent accountant) of how much the project would have cost per year to continue and what its overall financial status was. The Finance Project offers training and technical assistance on such financial aspects of sustainability.

Step 3. Assessing the Landscape

Once a basic strategy for sustainability has been developed, the next step is to bring together the local resources that will help to support this effort.

*** *What kinds of local resources should be considered?***

All sustainability strategies need to begin by looking at what local resources are needed for success, who needs to come to the table (for credibility and for effective input), and what

challenges are likely to be faced. Strategies for sustainability include not only ways of bringing people together, but also ways to interact with philanthropists "in their natural habitats" – attending meetings of other groups, sometimes even joining organizations to which potential partners belong.

Some specific approaches for engaging local philanthropy to discuss and promote sustainability of a successful program are:

* *convenings* that can be arranged by the original private funder, bringing together other private funders and key nonprofits focused on the subject of the program, public policymakers or legislators (e.g., a Mayor), or others who care passionately about the population or problem the program addresses.

* *giving circles* (groups of donors, such as those called Social Venture Partners in many communities throughout the country) allow collective investments in identified community priorities, and can be the platform for discussion about sustainability funding in those priority areas. For instance, a donor circle created by the East Bay Community Foundation in the San Francisco Bay Area has raised \$7 million to help fund and sustain Expect Success, the current reform movement in the Oakland public schools. The Association of Baltimore Area Grantmakers has published a guide to giving circles that may provide useful suggestions for how to approach these groups.

* *peer learning networks* also can provide such a platform. For instance, in Los Angeles for the last four years, the Family Foundation Information Exchange (FFIX) has brought together about 20 small family foundations,

with the specific objective purpose of sharing information and learning about effective grantmaking. Efforts to promote sustainability of an initiative in their geographic area might start by a presentation to such a locally-based funder group, since they are already tuned in to long-term, strategic investments in philanthropy. The Human Interaction Research Institute has recently published a case study-based analysis of how such peer learning networks function.

* *collaborations* among groups of foundations focused on a particular area of giving can often be turned to the task of promoting sustainability for an effort that falls within their area of interest. In part this is because collaborations spread the risk of investment, especially when it is over the longer term, and when it is for an initiative that was started by another foundation, whether or not it is a member of the collaboration.

The need for sustainability, presented to an appropriate collaboration, sometimes can enroll the entire collaborative in either providing funding support, or in setting up a vehicle by which that support can be recruited (the Human Interaction Research Institute has a publication about collaborative strategies for smaller foundations).

* *local and regional philanthropic associations* such as a Regional Association of Grantmakers for a particular area can be helpful platforms for discussions of sustainability, resulting in greater likelihood that funders will come on board. Leadership of these groups can help to identify local funders that are most likely to have an interest in a particular program, thus increasing the chances they would be willing to co-invest.

If there are no local philanthropic associations, a chamber of commerce or other business group might also be able to help in this regard. A community foundation might serve as a platform for discussion as well.

**** How can these local resources be identified in the community?***

The original funder's network of relationships in the philanthropic community can help to identify which of the above contacts may be useful to them. Stakeholders involved in the initial dialogue about sustainability may also have suggestions about how and where to connect with local opportunities to identifying co-funders and initiating a dialogue with them.

If a funder is less well-networked into the community already, these contacts may be supplemented by using publicly-available resources such as the Foundation Center library. Finally, for most funders, there are some prior experiences with sustainability that may be helpful in identifying local resources.

Step 4: Bringing Leaders on Board

As the sustainability effort ramps up, individual leadership will be needed at a number of levels.

**** Who are the philanthropic leaders in the community?***

To begin the search for other funders that might be interested in supporting the ongoing operation of a program, an analysis of the patterns in the community of these other funders can be helpful. Briefly, the four

major elements of the philanthropic landscape are the same in any community:

* *foundations* include private, family, community and corporate foundations - plus public charities; and both big and small foundations, each of which has their own particular features that may bear on their ability and willingness to get involved in sustainability funding (for instance, small, minimally-staffed foundations may need help with due diligence work to find out if such an investment fits with their own priorities; alignment with business objectives may be needed to get a corporate foundation on board).

* *individual donors* include a wide range of small and large donors, each having their own particular style and focus. Supporting these donors are various types of “trusted advisors” – accountants, trust attorneys, private bankers, family office managers, wealth managers, and philanthropic advisors, all of whom provide advice on charitable giving.

* *corporations* include corporate foundations, and community relations or community affairs departments. These all focus on alignment with business objectives. In recent years, employee involvement also has become important both in setting philanthropic objectives and contributing financial or in-kind resources. An example is the Mitsubishi Electric America Foundation, and their small grantmaking program leveraged by employee donations and contributed services from 11 manufacturing plants throughout the US.

* *religious institutions* traditionally are major players in the philanthropic life of their communities, large or small. This is made

more complex by the current focus on the faith community as a provider of health and social services, as well as a funder of them.

The Association of Baltimore Area Grantmakers has prepared a short publication offering “do’s and don’ts” for working collaboratively with local funders, which may identify useful approaches.

* ***How can these leaders be brought together?***

The next step is to identify formal and informal connections to these four types of local philanthropic resources. Initial interactions with key leaders can provide valuable information about past or current experiences with sustainability, special interests, and other clues to what approaches will be most likely to win support from another funder for a sustainability effort. Such “background research” also can identify ways in which these leaders already communicate and interact with each other, and what platforms will help bring them together most readily.

Some leaders will be quite visible and identified power roles in the community, while others will be behind the scenes and have no formal titles, but still able to influence people’s thinking and the willingness of funders to commit to sustaining a successful program or initiative.

Informal leaders who don’t hold positions at local foundations or with other potential funders are often a particularly valuable resource. They can serve the “sustainability cause” well as “connectors” (social networkers who enjoy connecting people

together for a good cause) and “mavens” (informally respected experts who can identify points of contact), to use terms popularized by Malcolm Gladwell in *The Tipping Point*. In addition, “issue leaders” need to be included who are champions of the cause addressed by the program to be sustained – e.g., improving outcomes for vulnerable children and families.

Both formal and informal communications and events may be involved in bringing these leaders together. Some of the formal opportunities will involve convenings or other strategies already listed. At other times, a simple lunch or coffee will help connect people together who can become part of the sustainability effort.

Step 5. Implementing the Strategy

To successfully bring together the funding needed to continue a good program, some practical steps towards implementation are needed.

**** How can other resources be brought in to supplement philanthropic resources?***

As already mentioned, philanthropic resources are only one element of the “mix” that may be needed to sustain a good program. Government funds, volunteers and other types of resources are also likely to be required for full success.

And it should be noted that philanthropy means *more than money*. Philanthropic resources for community change include the power to bring the community together, to influence policy, to engage interest of the

media, to bring to the table other philanthropic resources or the direct involvement of the business community (volunteers, in-kind resources, etc.). These and other non-financial resources are critical components in supporting ongoing, lasting community change.

Needed resources may also include knowledge of strategies others have used to structure co-investing for sustainability. For instance, Bonnie Legro at the Abell Foundation, a funder of New Leaders for New Schools identifies “funding progression” as an important strategy. Initially, core supporters of this innovative approach to training and placing principals in Baltimore schools were the Annie E. Casey Foundation and the Abell Foundation.

But as time passes, the Baltimore school system has been required to take on more responsibility for financial support. This approach can also be used to bring on philanthropic co-investors at the outset of an initiative, knowing that at first they will not need to contribute much, but if the program is successful then they will be asked to increase their investment into a true co-investing mode (perhaps even replacing the original core funders at some point).

Even scaling up of a successful program can make a difference. If a program is replicated in other places, perhaps using different funding sources than would be needed for local sustainability, the result can be increased visibility, program energy, and evidence of success. Resources, for instance, from a national body created for the replication effort, also can be made available to the original program site.

*** *What is the role for the original funder?***

Ideally, all of these steps need to be led assertively by the foundation that made the original investment in a program. The original funder has already demonstrated commitment to this effort by funding it, which can in itself encourage other private funders to come on board. Foundations are usually viewed as “neutral parties” in communities, so that they can help convene others to discuss sustainability options. They also can provide “glue money” to pay for administrative and operating expenses of a sustainability effort, increasing the chances of success in recruiting ongoing support for the operation of a program.

It may be difficult for the original funder to withdraw completely when the sustainability effort begins. A transition phase may be needed, especially while new leadership is emerging to help continue the program under new funding auspices.

*** *How can success be measured?***

In addition to overall evaluation of the program or initiative and its outcomes, when sustainability strategies have been implemented, it is important to assess how well the process of promoting sustainability has worked. What organizations or individuals actually came on board, and what resources did they bring to the table? How satisfied are they with how the sustainability strategy was implemented? What have they actually done up until now?

Sustainability comes outside the traditional funding cycles where resources for evaluation may be. So there may be no formal resources,

but something still can be done to measure outcomes. Gathering some kind of outcome data completes the cycle of planning and supporting a sustainability effort focused on a particular program.

Decisions about how to refine the sustainability effort, or to end it if the results are not good, can then be made. If the results are good, this work can be expanded and continued, so that good programs a foundation has supported continue to benefit the community even after its original funding commitment has ended.

Resources

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