

# **The Perfect Storm: How Nonprofit Aging Services are Surviving the Recession and Beyond**

**By Leah Dobkin**

Please visit the Web site [www.consumerdirection.org](http://www.consumerdirection.org) for the latest news and information about consumer-directed care. The Web site is part of the “Promoting Consumer Direction in Aging Services” project, a collaborative effort of the National Council on the Aging and The National Association of State Units on Aging, supported by The Robert Wood Johnson Foundation.

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## ABOUT THE SPONSORS

**The Robert Wood Johnson Foundation**, established as a national philanthropy in 1972, is the largest foundation devoted to improving the health and health care of all Americans.

**The National Association of State Units on Aging** is a private, non-profit national organization whose membership is comprised of the nation's 57 state and territorial government agencies on aging designated by the governor and state legislatures as the focal point for issues related to older persons. The mission of the Association is to advance social, health, and economic policies responsive to the needs of a diverse aging population and to enhance the capacity of its membership to promote the rights, dignity, and independence of, and expand opportunities and resources for, current and future generations of older persons, adults with disabilities and their families. NASUA is the articulating force at the national level through which the state agencies on aging join together to promote social policy in the public and private sectors responsive to the challenges and opportunities of an aging America. The Association's priority aging and disability policy and program areas include health and long term care; elder rights; consumer information, education and assistance; and workforce development.

**The National Council on the Aging** is the nation's first national, nonprofit group of people and organizations dedicated to promoting the dignity, independence, well-being, and contributions of older people. Founded in 1950, NCOA helps community organizations to enhance the lives of older persons through research, training, leadership, and advocacy. Over the years, NCOA has helped develop Meals On Wheels, Foster Grandparents, the **BenefitsCheckUp** and dozens of other innovative programs for older Americans. NCOA's members include senior centers, area agencies on aging, adult day services, faith congregations, senior housing, health centers, employment services, and consumer organizations.

# INTRODUCTION

## The Perfect Storm: How Nonprofit Aging Services are Surviving the Recession

Are you familiar with the book and movie, *The Perfect Storm*? If not let me recap. *The Perfect Storm* is about a fishing boat caught in a horrendous storm caused by many contributing factors colliding all at the same time. The story focuses on how the fishermen on this boat tried to survive this unusual storm.

Nonprofit organizations are in a similar “boat.” We are trying to obtain resources for our organization at a unique time in our country’s history, where a number of colliding factors create a difficult environment that is not conducive to fundraising.

We are living in a time of unprecedented anxiety. Terrorism, anthrax, war, deficits, unemployment, increased demand for services, stock market declines, eroded trust in some institutions, and an economy that seems to be crawling along with little signs of recovery. All these factors collide, making it difficult if not impossible for many nonprofits to weather this storm.

But not all nonprofits feel under siege. Some have found shelter in the storm. Their organizations were set up to be able to buffer hard economic times through endowments, reserve funds and diversified funding bases.

Other nonprofits who were not well positioned for the storm, are quickly realizing that you cannot rely on the same old supports, but need a new mode of operands (Spelling?) to survive and thrive now and in the future. .

They have sought out new opportunities and have decided to rethink their missions, their roles, and retool operations and service delivery to better adapt to changing times. They have discovered remarkable **and** marketable

opportunities by responding creatively to this storm. This report profiles five of these organizations.

With funding from the Robert Wood Johnson Foundation's "Promoting Consumer Direction in Aging Services" Project, The National Council on Aging (NCOA) conducted a survey of aging services and how they were adapting to the recession. Many community service providers have concerns about how the introduction of consumer direction may affect their financial viability. Will Medicare and Medicaid revenue streams be harmed? Will family members' of current clients opt for less expensive home delivered services even though the quality may not be up to par with their own agency? Can they compete for future clients in an increasingly competitive environment? This report was developed to demonstrate strategies nonprofits have developed to respond to the difficult economic climate they face.

We hope after reading this report you are inspired to think and act differently about your nonprofit organizations. So stay and touch. We want to know about your creative ways to survive the Perfect Storm.

## **The Gold Standard in Sustainability Ohio Presbyterian Retirement Services Foundation Profile By Leah Dobkin**

Who could ever imagine that the tragic death of Dorothy Love, a seven-year old girl in rural Ohio, could create a multi million dollar not-for-profit organization that helps older people throughout the state? To honor Dorothy's memory, friends and family donated 294 acres 80 years ago to

create the first site of the Dorothy Love Retirement Community, a continuing care retirement communities (CCRC), developed and managed by what is now called Ohio Presbyterian Retirement Services (OPRS). There are ten additional retirement communities, of which 7 are CCRC's. OPRS also operates a division called Senior Independence which offers a full line of home and community based services including: adult day care, home health care, senior centers and a multitude of other services.

OPRS Foundation through its Life Care Commitment works to support residents who cannot afford their full cost of care. The Foundation recently established the Commitment to Seniors program that provides sliding fee support for community based service clients. Ohio Presbyterian Retirement Services had the foresight in 1986 to start a foundation to strengthen charitable giving, volunteer involvement and provide increased exposure in support of the Ohio Presbyterian Retirement Service mission. This support includes building volunteer leadership, seeking and receiving financial contributions, and managing financial assets, now exceeding \$40 million. The Foundation's operating budget is \$2.9 million and the OPRS budget is \$110 million.

Together the Foundation and OPRS have developed a fine tuned philanthropic operation entailing the solicitation of gifts including cash and cash equivalents, marketable securities, real estate, personal property, gifts-in-kind and life insurance policies.

In addition to outright gifts, will bequests and planned giving are also a major area of focus. "As fundraising programs build for the future, especially in long-term care, it is critical that the estate and deferred gift components be given priority status. As this type of program is built over the years it can help strengthen the financial position of Ohio Presbyterian Retirement Services and the Ohio Presbyterian Retirement Services Foundation," stated Thomas Hofmann President of the Ohio Presbyterian Retirement Services Foundation.

The OPRS Foundation has a strong infrastructure of fundraising staff located not only at the Corporate office, but also at three regional sites in support of the retirement communities and the Senior Independence locations.

The Foundation has a major emphasis on solicitation with residents, clients and their families and in addition is building stronger networks for

fundraising in the general community. The key is the cultivation process. Fundraising staff has to ensure that donors' philanthropic interests are truly being met and that there is appropriate follow-up and recognition. Hofmann believes the secret to successful solicitation is to listen very carefully to the donor's interests and not to redirect their interests; to make sure the follow-up and recognition is what the donor wants, not what staff want; and most important, that donors have confidence in the financial structure of the organization and that their donations will go to exactly what the donors requested.

When this is achieved, donors end up talking positively to other potential donors and philanthropic good will grows. Careful stewardship is also important because in clustered communities like CCRC's a bad reputation travels just as fast as good ones if not faster.

It is easier to generate support among the retirement community residents because peers ask peers. It is also easier to generate support among family members in retirement communities because they are very grateful that their loved ones will be well taken care of for the rest of their lives. Residents and family members often have long-term associations with OPRS.

The opposite is true among OPRS Senior Independence clients. Services tend to be episodic and clients tend to be isolated in their own homes. Family members appreciate staff, but may not associate the staff, like a home health aide, with OPRS. These factors have made it a challenge for the community service division to raise funds only from individual donors. They have opted to focus more on foundation and corporate support in addition to developing individual contacts.

Whether it's fundraising for the retirement communities or community services, OPRS has taken a new tactic to fundraising by becoming more team oriented. In teams of both staff and volunteers, a decision is made as to who is the best person to solicit and cultivate prospective donors. Recently family members have been solicited to become volunteers on these teams. OPRS is trying new ways to engage families, residents and clients in the fundraising process by giving them a multitude of opportunities in which to get involved and feel connected to the organization. For example, OPRS has a "Thank-A-Thon, where resident volunteers call donors from the general community to thank them for their contributions.

OPRS has conducted a needs assessment at each of the retirement communities and community service programs. This information will be given to the fundraising staff so they are better informed of unmet fundable needs and are in a position to articulate these needs to corporations, foundations and individual donors.

Like other not-for-profit organizations, OPRS has felt the pinch of the recession. Direct mail appeals, although a small part of the Foundation's program have declined considerably since September 11<sup>th</sup>. The deferred gift and estate programs of the foundation have remained strong overall. But the size of some estate gifts have been affected by poor market performance.

OPRS does not conduct special events because they feel the investment of staff and money does not justify the financial outcomes. OPRS has well entrenched roots in the community and does receive additional visibility through other programs and events done by retirement communities and Senior Independence.

The Foundation has restructured the endowment and annuity portfolios through the work of their investment and finance committee. This work has been done in order to address the challenges of the current market. Investment income is viewed as an important part of the overall Foundation program as it seeks to provide stable funding to the Ohio Presbyterian Retirement Services system. This source of ongoing funding can help weather poor economic climates. There are two investment managers to improve recommendations and hedge against any possible losses.

Leaner times require leaner organizations. The Board has been restructured to increase its effectiveness by reducing its size and eliminating the executive committee.

Fundraising is an ongoing process of review and evaluation. The approaches that work now may not work in the future. OPRS is conducting a public relations and feasibility study to further refine future fundraising campaigns and make sure they resonate with the times.

Sustainability means flexibility, but it also means putting your money where it can have the best return. Ohio Presbyterian Retirement Services and its Foundation have made a considerable investment of resources to generate resources. It seems to be working well for the present and the future.

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**Building Your Own “Homegrown” Philanthropic Base  
in Rural Wisconsin  
Home Respite Care, Inc. Profile  
By Leah Dobkin**

Many nonprofit aging services are struggling for financial stability, but rural programs have an added challenge. Most of America's philanthropy is concentrated in urban areas. Well developed United Ways and a patchwork of foundations are just a few of the urban charitable advantages. Rural communities do not have the tax base to support many of the services that residents need. Transportation for example, is a monumental obstacle to service delivery. The onus is on community based programs to build a philanthropic base by pooling as many gifts from as many people, churches, civic groups and businesses as possible.

One rural nonprofit does just that. Home Respite Care (HRC) in Oconto Falls, WI, has very little government support, but a tremendous amount of community support. They are a non-profit organization that offers in-home respite and phone pal reassurance, free of charge, to the citizens of Oconto County. They also have an adult day center located in Oconto Falls for longer term respite needs. There is a sliding fee scale for this service. Most clients are subsidized. The agency's annual budget is \$61,000 per year.

Despite the strong community support, HRC needs to continually generate resources to sustain their organization. The non profit tries not to tap too often into the well; otherwise fundraising could become a tedious obligation for supporters.

So how do you balance fundraising needs without depleting charitable good will? The answer is to convene only two stellar special fundraising events each year. The first is around Valentines Day. Home Respite Care invites anyone and everyone to their "No Ball" Fundraising Event.

*"Home Respite's No Ball still has the power to set our hearts pounding. Love is no puzzle at this imaginary fundraiser. Caring hearts know that love and commitment is the secret to the success of home respite."*

This signature event raises \$15,000 a year, and all it requires is an invitation and a good mailing list. The invitation says please donate the money **you would have spent** attending a fundraiser ball, i.e. tuxedo rental, babysitter and donate it to Home Respite Care instead. Staff and volunteers can concentrate more of their time and effort on services and supporters can have fun in other ways.

The second signature event is The Annual “Taste of Oconto County” scheduled in the autumn. Twelve vendors and a winery participate at a tasting event. The restaurants provide sample dishes of their favorite recepies and people purchase a \$15 ticket (\$12 in advance) to taste everyones wares. A local supper club provides free banquet space. Eight volunteers organize the event plus a silent auction, raffles and door prizes.

There is a booklet printed with business ads, coupons and lists of food offered by each vendor. The booklet also provides donation recognition for people who donated items and volunteered for the event. \$16,000 was raised this past year. Debbie Arndt, the Executive Director, says the event works well because there are a variety of vendors to satisfy many tastes. She added that the auction works better with a few big or unique items then many little common place items. Arndt emphasized that it takes both events about four to five years to get established in the community. It is a relatively stable source of funding once the fundraising events are well established.

In addition to the two signature events, Home Respite conducts direct mail campaigns. The mailing list consists of past contributors, local businesses, churches and civic clubs like the Lions Club. September 11<sup>th</sup> and the recession have had an impact on donations, which Arndt estimates to be 10 to, 15% down... She mails to 1,600 people and about 350 people respond with donations averaging about \$9,000. Direct mail generated \$16,000 this past year.

Arndt observed that local civic groups are redirecting more of their funds to local charities and less so to national ones, like the American Heart Association. She uses moving testimonials to increase response rates, but she doesn't push too hard because she doe not want supporters to feel guilty. They have been hard hit by the recession as well. Memorial donations comprise over half of all donations. She is looking into planned giving possibilities.

Local businesses have supported Home Respite in a number of ways. Two local food stores give a 1% of sales to designated non profits. It's not a lot of money, but its easy money. Local businesses have provided many in-kind donations and HRC newsletter has a day center wish list which does help generate needed supplies.

As a result of the two fundraising events and direct mail campaign, HRC has been able to create a one year reserve fund to help during lean times like now. They will likely have to tap into this fund to keep service levels up to par.

Home Respite care also tries to defray costs in a number of ways. A hospital donates free office space, utilities, and maintenance and repair costs. The Senior Center, where their adult day care center is located, provides free utilities and repairs and a maintenance worker. They have cut back on advertising and when ever possible they do internal printing to save money.

Arndt is trying new low cost ways to market their program. She joined the local Chamber of Commerce and many task forces to help get the word out about the programs services.

Special events and individual donations are the agencies bread and butter, but volunteer support is their sustenance of the agency. One hundred percent of the respite and phone pal services are provided by volunteers. A few volunteers assist paid staff at the adult day care center.

Volunteer training is provided for free through the Alzheimer's Association and the Wisconsin Adult Services Association (They are members). The local technical college and hospital also provides staff and volunteer training.

Arndt has noted some difficulties recently in recruiting and sustaining volunteers. Transportation is a major obstacle to recruiting volunteers. Clients and volunteers can live many miles apart in rural communities. Travel time and increasing gas prices has reduced the number of volunteers.

The agency would not have a problem getting a van donated, but they do not have the funding to pay for a driver, gas, insurance and maintenance. Volunteers prefer episodic jobs rather than ongoing long term ones as peoples lives get busier and busier. And after being in existence for over 10 years, the long term volunteers quite frankly, are becoming clients as they age.

Arndt is looking into more volunteer support from schools, churches and businesses. She is submitting articles about volunteers in local papers to

gain additional exposure. Her newsletter also helps to replenish the volunteer pool.

Replenishing the volunteer or donation pool is getting more and more difficult, but Arndt says she compensates by keeping all options open and is always looking for new ways to keep interest in the program. For Home Respite Care Services, Inc. of Oconto County, Wisconsin, no stone is unturned.

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## **Area Agency on Aging Repositions to Create Caring Communities**

### **Highland Valley Elder Services By Leah Dobkin**

Robert Gallant, the Executive Director of Highland Valley Elder Services, would never describe himself as a visionary or innovator. He dislikes the term "out of the box". He prefers the word repositioning because this word implies an evolution, not a revolution. His agency for the past twenty six years has been shifting its management approach from a "warehouse model" to a "green house model" of service delivery. This model has the underlying principles that 1) All care is local; 2) The best care is that which flows from what people want; and 3) Citizen input to programming is critical.

Highland Valley Elder Services, Inc. is a private not for profit AAA (Federal) and the Aging Service Access Point (State) for 24 towns in western MA. The catchment area covers 500 square miles of rural, suburban, and urban communities. Its budget is \$6.3 million.

Ninety four percent of its budget from Federal and State sources. The Board (a confederation of member Councils on Aging), has incorporated consumer direction strategies into its nutrition sites, community-based long term care (The Take Charge Program) and for Caring Communities, a citizen directed comprehensive and coordinated local service delivery systems. The state designated Hyland Valley Elder Services as a consumer direction pilot for the Take Charge program.

The agency started with a federal mandate, state support and local control by elders and its constituents. Now, with state and federal budget cutbacks and more restrictive policies the system turned into what Gallant calls, “federally abandoned, state controlled, and locally obeyed.”

Downsizing took its toll on both programs and staff. One approach that seemed to make sense was to give older consumers more control over programming. Gallant stated “our best recipes are those that empower elders to discover their own strengths, their own talents and their own solutions.” Since 80 percent of elder care is provided informally through family, friends and neighbors, Highland Valley Elder Services decided that’s where the resource should go.

This profile looks at how one AAA can reposition itself so federal and state dollars are most efficiently utilized, and where a AAA does not behave like the “new kid on the block”, but instead allocates resources to every block, according to Gallant.

Here are some examples:

### **The Nutrition Site Council Management Model**

The nutrition site is called the dining center and its run by participants, not staff. Each center has a council of older participants who run these sites like church suppers. Participants count donations, take reservations, set up and clean up. Technology helps streamline management. Participants have flash cards which electronically count the number of people eating and a touch screen which allow elders to make reservations on site.

The dining centers use Title 3 funds that requires sites to request “voluntary” donations. To ensure there is a voluntary spirit and participants don’t feel strong armed, the diner sites give everyone an envelop with a meal ticket. Participants can then discreetly place a voluntary contribution in the envelop and place the envelop in a wooden box, not a metal box that can indicate by sound how much a contribution was made. “We don’t want to drive low income people away, nor do we want them to feel cheap,” stated Gallant. A sign says, “You are invited to contribute a voluntary contribution against the \$4.50 meal.” Such contributions account for \$200,000 a year.

### **Consumer Direction in Senior Housing**

Like diner sites, two low-income and public housing project has a Resident Quality of Life Council comprised of residents. Through the use of OAA Title 3 funds, residents participate in the Caring Community Coalitions where residents take charge by gathering and posting peoples’ needs and offers for services on the Highland Valley internet based geographic Information System, called the Caring Community site map. The council matches people together from this inventory data base. The match makers are called “mappers”.

## **The Caring Community Coalition Program**

The Caring Community Coalition program has an interesting twist. Highland Valley Elder Services and its contractors distribute Citizen Chip Cards, similar to Visa Credit cards to people who earn chips through community service which intern can be redeemed at local retail merchants.

Basically, a local complimentary currency system that is taxable is established. Taxes are paid with normal currency when a purchase is made with chips. Participating Merchants and other members redeem these credits for merchandise and services and spend them in turn for goods and services or donate them back to the distribution system for a tax credit.

Businesses can use this system to promote community service among employees and/or, to enable employee caregivers to “buy” elder services for their loved ones. Each chip equals one dollar. Highland Valley also receives a 2% transaction fee to help the program be self supporting.

A community generally needs about 500 people earning chips and 100 merchants to make the system work. Once a community is successfully engaged in this service/product exchange, it can classify itself as a “Caring Community”. This is similar to being classified as a “crime watch” area. There are specific criteria a community has to meet, but once they meet the criteria, they can use the classification for marketing purposes. For example, an exit sign off the highway could say, Welcome to Smithville, designated by the Office on Aging as a “Caring Community”.

With in the Consumer Directed Home Care program, called Take Charge, vendors such as homemakers, home health aides, companions, drivers, and the like, are enrolled as Citizen Chip merchants. Consumers either earn or apply for subsidized credits to spend to purchase these services. Merchants in turn spend the credits they earn for goods and service in the inventoried offerings of the system.

Transactions are web-enabled via the agency’s web site which also enables (via a Geographic Information System interface) consumers to place their needs for service as well as offers of their gifts, talents and services on the Caring Community Map. (Go to [www.highlandvalley.org](http://www.highlandvalley.org) to see how the Caring Community Map works)

The beauty of this system is that older people whose Service Plans are being cut for lack of state and federal funding are being encouraged to put themselves on the Caring Community map and shop for replacement services via the web site. This exchange network can also be applied to supplies such as wheel chairs that are no longer needed. You can exchange a chair for a certain amount of chips then purchase some service or product with your chips.

Community based services are finding it more and more difficult to handle the growing needs in the community. This complimentary system helps alleviate some of this pressure when traditional funding sources are declining for nonprofits.

**How does Highland Valley reposition the use of existing programmatic dollars?** MA has a performance rate system which allows nonprofits using state dollars to keep any money they save through efficient programming for reserve funds. Over the years Highland Valley was able to squirrel away

unrestricted funds over the years to weather hard economic times and test new forms of service delivery.

Highland Valley does not conduct traditional fundraising efforts. Charity is not charity, its civic engagement. Volunteers are not volunteers, they are citizens mobilized for caring communities. Community and civic mindedness are not just concepts in western MA. Highland Valley Elder Services transcends the usual players, and maximizes informal and formal service delivery. They have the faith that consumers can handle it and they do.

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# **Senior Center Averts Cut Backs through Old Fashion Politicking, and Using Local Resources More Creatively**

## **Stamford Senior Center Profile**

Being nominated “Community Leader of the Year” did not hurt Stamford Senior Center Director, Jeannne Franklin’s efforts to ward off City cutbacks for her center. Ms. Franklin mobilized the data that showed her senior center was the most cost effective senior center in the state despite its small staff and youth. Stamford Senior Center started in 1996 after a twenty-year campaign to create a center. Most senior centers in the state started in the 1970’s. The average number of senior center staff in the state is 10. Stamford has five. Its budget next year is \$245,000.

Three fourths of the center’s budget comes from city dollars. The remainder comes from membership fees and donations (15%), corporate giving (5%), and earned income i.e. utilization donations (5%). Many of the programs offered are self-sustaining such as computer classes and field trips. The Center occupies the entire second floor of the Government Center. This location helps increase access and awareness. The more awareness of what the center does, the more successful it is at maintaining current funding levels.

Location alone is of course not enough. Ms. Franklin and the Treasure of the Board of Directors go through a lengthy process of meeting with the mayor, the Stamford Board of Finance, and the Fiscal Committee of the Board of Representatives, and finally the Board of Representatives. They conduct old fashion politicking and “hits the street” to meet with key decision makers **before** these meetings. This process is strengthened by the fact that both the staff and board represent the Center’s interests. What further strengthens the Center’s advocacy efforts is getting key people to visit the center, which Franklin calls the “University for Senior Adults”. There they will discover a beehive of activity and socioeconomic diversity not seen in many centers.

Even though the center experienced growth in membership and utilization last year, they showed restraint and respect for current city budget

constraints. They did not request more money; just enough to hold the line. Franklin provided very detailed information about every line item in the budget which generated trust during the decision making process.

She also made the point that there has been a significant increase in “member inspired and led programs”. These require some administrative help and supplies, but are basically budget neutral. The member inspired programs include for example, a Wednesday Afternoon Movie Club developed by a movie buff, and serious pool competitions with other senior centers. “Someone said to me once that you have to give seniors what they want, not what you think they should have”, stated Franklin.

Offering programs that older adults want such as computer and exercise classes, helps market the center to new members. Offering classes and other activities to outside groups helps the senior center become an important community resource. The University of New Haven Executive MBA program is taught in senior center space. Center members can audit the classes for free and the center receives a contribution. A number of non-profits, and government organizations use the senior center for meetings. The senior center requests a contribution when outside groups charge a fee for their event. From the Mayors Youth Program to The Regional Environment Council, this past year over 40 organizations used Center space generating over \$10,000.

The Stamford Senior Center has a 27 member board. The board is becoming more involved in fundraising efforts. For example, the board runs two Sunday Brunch and Theater Party fundraisers per year, bringing approximately \$4,000 towards general operating costs. Each board member is now in the process of contacting their church, synagogue, and groups they belong to, like the Rotary, to help raise additional dollars. Franklin has made a special effort educating the board about fundraising responsibilities and hopes these efforts will generate expansion income.

Although corporations are not a major source of funding for the center, they have contributed money through two Neighborhood Assistance Grant Proposals that allow generous tax benefits to supporting business. Their Multi-Cultural Outreach and Empowerment program is funded this way. Local businesses are receptive to giving grants to the Center as long as it is a targeted program that they “own” and receive tax credits and visibility. The recession has reduced the amount of these grants but the Center is

counterbalancing these reductions with new outreach efforts. For example, the center is making an appeal for donations from government employees in their building. Employees say they love having the seniors in the building so the appeal message is “make contributions to something you already enjoy”. Across the street is the local newspaper office. Newspaper staff are receiving invitations to visit the Center to encourage local publicity that could help generate community support.

The Center has been affected indirectly by city cuts. The city had to end a dial a ride program. The Center relied on this program to help some members get to the Center. The Center never requested their own vans because of the expense and logistics, and now they must rely on an ADA transportation program for mentally or physically disabled. The Center staff help members redefine “disability” and prove that a member is eligible for this service if he/she has difficulty driving or using public transportation. For example they have been successful enabling members with heart conditions to participate in this program.

Creative thinking and effective advocacy helps secure needed services when other services are terminated or reduced. The center staff and board organized a vocal constituency that made it clear that some alternative transportation modes were essential. The Mayor, who is a long standing supporter of the Center, is trying to create a shuttle for people who fall through the cracks as a result.

The Center is also relying more and more on in-kind contributions. Volunteer support alone is the equivalent of \$6,000. Much cost sharing is obtained in the Government Center where they are located. The Center is rent free and the management handles cleaning and repairs. Franklin said, “We call downstairs when our toilets back up. We call upstairs (technology) when our computers back up. We call the Health Department on the 8<sup>th</sup> floor when a senior backs up!” The Stamford Health Department sponsors weekly blood pressure and monthly Glucose screening and an annual health fair. *Stamford Advocate*, the local newspaper, prints weekly calendars. \$12,000 worth of bakery goods is donated by an Entenmann’s outlet. The list is long.

And finally, but not unexpectedly, the Center raised its memberships dues by \$3 to compensate for funding reductions and increased utilization costs. One third of the members have their dues waved, however. Programming

has to be reduced as well. Any groups with four or less participants have been eliminated or transferred to another senior center. What offsets some of these reductions is an attractive donation can strategically placed in the “café” where members can get coffee and a little something. This little tin can reaps \$4,000 a year of unrestricted funding. Big things can come in small packages.

Despite the cuts in programming and increases in membership dues, new programming is occurring. The Center has made a special effort to reach out to younger seniors. Early evening and Saturday morning exercise and computer classes will be held soon to accommodate working seniors.

Adjusting and recovering from the recession is a multifaceted process involving new twists and turns that are both exciting and challenging. Combining old tactics that still work with new creative strategies that maximize local resources seems to be working for the Stamford Senior Center.

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## **National Consumer Organization Works Hard Sustaining Itself Through Partnerships and Creative Marketing**

### **Consumer Consortium on Assisted Living Profile**

What do you do when you have an ambitious national agenda, but a small, but committed organization? The answer is to create strategic partnerships and a strong board that help you not only implement your agenda, but create funding opportunities that can sustain the organization. This is what the Consumer Consortium on Assisted Living (CCAL) is attempting to do. CCAL is a private nonprofit organization formed in 1995, incorporated in 1996 and received its 501(C)(3) status in 1997. They are the only national education and advocacy organization dedicated solely to consumers of assisted living.

Their mission is to strengthen the consumer's voice and involvement in advocacy efforts for assisted living; provide tools and resources to help consumers make informed choices; promote quality care and best practices to enhance the quality of life for assisted living residents; advocate for assisted living as an option for individuals who have low to moderate incomes; and serve as a national resource and facilitator to promote the exchange of information and ideas from the diverse stakeholders of assisted living.

CCAL, like any nonprofit, is trying to become sustainable by recognizing and addressing obstacles and maximizing strengths.

## OBSTACLES

### **Nothing is For Free**

CCAL has many challenges, but perhaps funding for general operating costs is the major one. "We have worked long and hard for over seven years at sustaining the consumer support work that we do. Our experience is that individuals, organizations, state and federal governments expect this work to just happen without any interest in funding the effort," stated Karen Love, the Founder and Chair. For example, The Senate Special Committee on Aging asked the organization to co-facilitate a national initiative to develop consensus recommendations for the assisted living industry. It has taken two years and they have successfully done this and have presented the recommendations at an April 2003 hearing. This work was unique, historical and effective, yet no one wanted to fund the staff time to do the work.

## A Disenfranchised Constituency

CCAL is a consumer group, yet half of the assisted living residents they represent have some form of cognitive impairment. The remaining half, often do not control their own finances. How do you solicit donations from this group? Family caregivers are stakeholders, yet if they are willing and able to donate money; in all likelihood those donations would be directed to the specific facility their relative resides in, or a local nonprofit that assisted them in some way.

Assisted living is more often than not, housing residents that can afford \$3,000+ a month. They do not generate a lot of sympathy. Nonprofits that focus only on low income issues have a leg up in securing donations. National organizations that represent a national or international crisis, such as the Red Cross, have a leg up. Organizations that have a broad constituency that directly benefit from the organization, and have a variety of incomes, such as AARP or the Arthritis Foundation also are more likely to generate significant income via donations or membership. CCAL has none of these, yet their work is important and valuable. They recognize that individual donations, planned giving and membership fees are not feasible.

### **Maintaining Impartial, Objective and Independent Position**

Assisted living developers, managers and companies marketing services and products to the older people could all benefit from a CCAL association. Yet CCAL must remain a grass-roots, independent voice for the consumer. As such, CCAL does not accept financial support from providers of assisted living. CCAL is constantly assessing what is appropriate and inappropriate corporate support.

## **STRENGTHS**

### **A Good Collaborative Relationship Among the staff and the Board**

CCAL accomplished a lot with one amazing staff person and a dedicated Board of Directors. To enhance fundraising opportunities, the board has recruited five additional board members with expertise and interest in fundraising and financial development. A strong board that realizes their fundraising responsibilities and assists in these duties is critical. The board

focuses on three fundraising initiatives: mobilizing public and private funds for general operating expenses, grant writing for specific projects, and expanding in-kind and pro bono support. Board members initiate business contacts, help write grant proposals, and have very sensitive antennas to pick up new fundraising opportunities.

CCAL has also instituted an Advisory Board of distinguished individuals in the field of long term care and assisted living. The Advisory Board enhances creditability and helps create a larger constituency that could leverage funding. The Board of Directors and the Advisory Board in-kind professional services support was approximately \$ 140,000 in 2002.

## **Strategic Partnerships that Enhance Overlapping Goals**

CCAL received a grant from the Chicago Community Trust to develop a handbook for municipal officials on consumer needs, rights and protections in assisted living. CCAL is partnering with the Suburban Area Agency on Aging (SAAA) in the Chicago area to work on this handbook. The SAAA covers services for over 120 municipalities. Consequently, it provides a unique opportunity to pilot test the guide with the broadest array of municipal officials.

One product can have many uses. For example, the municipal Officials' hand book could also help assisted living developers and managers avoid costly mistakes in building and running these facilities. CCAL is looking into marketing this publication to a variety of stakeholders.

CCAL has also partnered with MetLife's Mature Market Institute to publish an expanded edition of "Choosing an Assisted Living Facility: Strategies for Making the Right Decision". MetLife is disseminating the publication to a wide consumer audience. CCAL has set up a system where groups like MetLife can brand CCAL's publications with their own logo and are currently establishing similar relationships with other for and nonprofit organizations. Through alliances with strategic associations, CCAL offers 20% discount off their products, but are not responsible for fulfilling orders. An association receives a 50% discount when it buys a large inventory of a CCAL product and distributes the product itself.

CCAL is in the process of developing a number of new products that will generate a variety of new partnerships. For example they are developing an EAP Resource Kit that includes a video, CD and consumer publications about assisted living and related long-term care topics. The kit is intended to be a cost-effective way for employers to assist employee caregivers with elder care issues.

Staff and board members speak at a variety of professional conferences that help market CCAL services and products. They participate on a number of national public policy committees and national pilot projects, like the Robert Wood Johnson Foundation's funded project to the Nursing Home Community Coalition of New York State . CCAL's website, which received over 200,000 hits during 2001, also helps market products and services that generate income for the Consortium.

"All these partnerships are created from a sense of a shared agenda and sustained because of the quality of our work, stated the Founder, Karen, Love. CCAL is committed to championing quality assisted living and affordability for individuals with low and moderate incomes.. A small organization with a big agenda can only accomplish this through meaningful collaborations. Piggy backing and leveraging is not a luxury, it is a necessity. They are becoming quite good at it.

## **CONTACT INFORMATION**

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## **CONCLUSION**

### **Riding That Storm: Many Waves in the Sea of Change**

The programs profiled in this report are quite diverse. They represent organizations national in scope, small community-based organizations, rural and urban organizations and large multi service nonprofit corporations. Yet despite these differences there were some common themes.

**Effective fundraising requires a strong organizational structure to implement what ever fundraising plans are chosen.** Develop organizational capacities despite the pressures to fund innovative programs instead of innovative organizations.

**The Board and volunteers is the lynch pin to any successful fundraising endeavor.** They will require education, training and support to fully realize your organization's goals. Offer fundraising training to your Board, staff and volunteers. Teach the art of asking. You'd be surprise how many people feel uncomfortable asking people for donations.

**The more ways people can become involved with your mission, the stronger your organization will become.** Constituency building is critical. Reach out to family caregivers, business, civic and religious representatives, the media and other nonprofit organizations. Look for strategic partnerships to advance mutual goals.

**It takes resources to make resources and don't kid yourself about that.** Invest in an infrastructure such as donor data bases, technical support, Web Site and a secure web page donation form. Hire at least a development officer and recruit paid or unpaid staff to be responsible for the following activities: special events, research, data management, foundation and corporate support, planned giving and donor solicitation, on line giving, PR and marketing, and social enterprises. You need a well rounded development program. You need many eggs in many baskets to survive.

**Integrate strategic and fundraising plans.** Where are you now and where do you want to be? What is the gap and how do you close it? How will you evaluate your efforts? Make sure you have short and long term fundraising goals and know what type of strategies can get you there.

**The cultivation process is critical as is stewardship and donor recognition.** Learn to cultivate your current constituency and then expand out. Peers asking peers are the most effective way of generating donations.

**In-kind support is just as good as financial contributions.** The recession has put a damper on monetary gifts, but it also has spurred a new wave of creative in-kind donations. Employee volunteers, “service chips”, cars, real estate, life insurance policies, franchises, sculptures, and other donated items can be used, auctioned off for cash, or traded. You name it; in kind gifts can be profitable for your organization.

**Cost savings and cost sharing is not only essential for fiscal responsibility, and coping with cut backs, but for building a positive reputation in the community.** A number of programs created useful partnerships as a result of implementing cost sharing and cost saving measures.

**Team building is not just a fad; it is a necessity.** Resource development efforts need to be integrated and coordinated through out the organization. It's not just that guy down the hall that does it. All staff , volunteers and board members can and should have a role in fundraising activities.

**Endowments, Endowments, Endowments** Whether you create an endowment internally or collectively with other nonprofits, endowments can help you weather poor economic climates and funding cuts. Estate and deferred gift programs should be given a priority status. Try to generate six months to one year of operating expenses. Do not allow anyone to deter you from this goal. Nonprofit corporations are still corporations and as such need unrestricted funds for emergencies, seed money or start-up capital for new endeavors. You need this component to be financially strong, flexible, responsive and sustainable.

**Consumer direction and customer responsiveness is good for business.** Clients are consumers and as so give them the respect and power to make financial contributions to influence the way services are delivered. They help defray costs, diversify your funding base and help improve your services. It is not a sin to offer sliding scale fees as long as you maintain and grow a subsidy fund that helps low income people afford your services.

Riding the storm is not just about cutting costs and increasing fundraising. It's about changing our organizations, its internal structure, its culture, how we view ourselves and how we relate to others. Nonprofit aging services have fundamentally reevaluated how we function, where we seek resources, who we collaborate with and how we share these resources with other sectors of our society. The truth is nonprofit aging services cannot help society support its aging population alone. Nor can our organizations' survive alone. We need the engagement of the entire community. We have enough people, skills, and resources if we steer them in new directions. Hopefully out of that perfect storm.

## **ACKNOWLEDGEMENTS**

My sincere thanks to all the professionals representing the programs profiled in this publication, and the many more who also participated in our survey. They all spent substantial time responding thoughtfully to the questionnaire used in this survey and participating in follow-up interviews. We are grateful that they shared their honest experiences with us to help nonprofit aging services not only survive the "Perfect Storm" but become stronger, sustainable and more effective as a result. Congratulations to you all for pioneering an important chapter in the nonprofit aging services field. We are most certain you will move and shake others in our sector.

Special thanks are extended to the Robert Wood Johnson Foundation for its financial support for this project and its leadership in the consumer direction movement. Your involvement will empower professionals, older consumers, and their caregivers to better meet the needs of our aging society.

Leah Dobkin