

And Now for Something Different About Nonprofits and the Economy

A reprint from *Blue Avocado*
January 15, 2009 issue

by Jan Masaoka

Unhappy New Year! . . . as the nonprofit chorus seems to be singing. As if we don't need more troubles on top of the ultra-negative projections about the economy, the advice about what nonprofits should do is depressingly empty. Whenever we see something like "Fundraising in Challenging Times," we feel compelled to read it: What if the magic answer's here?! But after reading these articles and hearing these speeches, we feel, well, unsatisfied.

Scanning dozens of "what to do" lists recently, their lack of nutrition seems to fall into three groups. A lot of the advice is too abstract and even pious: "Focus on the mission" or "Be strategic." I'm reminded of a nonprofit exec from the for-profit sector who reflected that she had given out such advice as a board member and then, when receiving it as an executive director, couldn't believe how obnoxious it was. Other suggestions

such as, "Monitor expenses closely," and "Delay the start of capital projects" are good advice but kind of "duh." And then there's the good advice (like "Diversify your revenue streams") that's good advice the same way "lose weight" and "achieve inner peace" are good advice: the reason we aren't doing it isn't because it hadn't occurred to us.

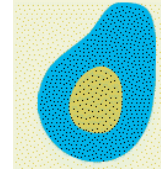
As is too often the case, the advice from the philanthropic-consultant industrial complex is enough to make a person depressed or even angry. I heard a well-known nonprofit guru tell an audience, "And when we were really stuck about what to do, I picked up the phone and called my friend Al Gore." I felt like throwing a shoe at him! How is this a replicable, usable strategy?

Here are four ideas that may or may not be better than the others, but at least you may not have heard them before:

1. Declare an emergency. When people have permission to think and act out of the normal grooves, they can be bolder, more creative, energized, or at least more ready to accept changes. So say it out loud: "We are in an emergency period (or we are going into an emergency period). Our funding looks okay through the next four months, but there's a good shot we'll get some bad news starting then. We need to start making changes and coming up with some contingency plans that go beyond what we've done before." An emergency doesn't mean people should panic . . . an emergency means considering the bold and wacky ideas that are either brand new or used to be off the table.

2. Schedule worrying for later. Your nonprofit may be on a growth curve, and/or you have looked at your revenue projections and things are okay. Don't feel guilty if you aren't worrying just because everyone else is. And for many people, it's smarter not to make decisions until, for instance, you hear from the county agency that funds you or you see what the February dinner brings in. Instead of worrying, try a few scenario exercises: "Let's imagine that by next quarter we've heard that our biggest grant won't be renewed. What will we wish we had done three months before?"

3. Do less with less. Of course there is more need, more demand, and we probably have less money. And we love the gritty heartfelt nature of the cry, "We need to do more with less!" Pause. But it's not only unsustainable, it probably means you will be able to do even less in the future. If a program's funding has been cut by 30%, you may need to do 30% less. The best decision may be to be open fewer days a week, hold fewer performances, or stop taking children over 5. On the other hand, working harder might be necessary, at least for awhile, but only if it's to get to a different business model.



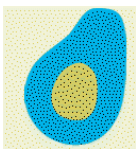
4. Ask for help, even if you don't know what would help. Yes, I'm talking about you executive directors. Especially you. As an ED watching the gruesome implosion of a nearby nonprofit, I once said to a fellow ED, "There but for the grace of God go we." She disagreed: "That wouldn't happen to us. We would ask for help." I realized that as executives we only like to tell the board about a problem if we already have a solution in mind. It's much harder to go and say, "Help. I don't know what to do."

5. Call a community summit on your behalf, and see if they can support you. In the end, we can only do what our constituents will support us to do. A near-broke community center we know called together their funders, friends, and community leaders and laid out their situation. In effect they said, "We know we've made mistakes and that we're still flawed. If you all think we're worth saving, we need you to save us now. If you - our constituencies - can't or won't step in, we can't do it on our own. And now we're going to leave the room so you can discuss what you can do or can't do to help us."

A colleague once told me his "Four Commandments":

- a) Show up.
- b) Pay attention.
- c) Do your best.
- d) Let go.

What more can any of us do, really? And it *will* be enough, and we *will* prevail.



About Blue Avocado

Blue Avocado is a new online magazine for people in community nonprofits. With a subscription base of 50,000, Blue Avocado has ultra-practical articles and tools along with first person news, thought-provoking articles, and fun stuff. Jan Masaoka, Editor-in-Chief. Subscribe free at www.blueavocado.org.