



INDEPENDENT SECTOR

A vital voice for us all

Diana Aviv
Pres & CEO, Independent Sector
Office Depot Foundation
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Thanks, Mary, for your warm welcome. In the last few weeks, temperatures in Washington, D.C., have plummeted to the low 30s, so it's particularly delightful to be here in Boca Raton with you.

This morning you've been talking about volunteerism, which is where I'd like to begin today: with my own introduction to the world of volunteers in America. Soon after I graduated from college in New York, the county hired me to run a battered women's shelter in New Jersey. I was not yet 30 and knew little about the subject. On arriving, I discovered that the shelter, run in three shifts, was staffed entirely by workers through CETA: the Comprehensive Employment and Training Act of 1973 that trained low-income employees in the field of public service ...

- They did it all: hotline, shelter, food prep, child care, transportation ... the works;
- I didn't know anything about the CETA program – including that it was unpopular and its funding was in question;
- One day we received notice that all the employees' contracts were to be withdrawn by the end of the month;
- We were in a real fix – women's lives were literally on the line;
- I went on a radio show...called for volunteers;
- Told 2 fulltime staff they needed to change activities and begin to train volunteers;
- Within 3 months, we had 80 volunteers;
- We were able to keep the shelter open and expanded to a counseling program and fully-functional hotline.

As I look back, this experience reminds me of the unbelievable value that volunteers can bring to bear on behalf of the greater good. It also reinforces an old chestnut ... when there's a will – or in this case a need – there is a way. Granted, the “way” is rarely easy. Change can be profoundly hard, in part, because it means that we'll make mistakes, potentially big ones. Of course, we avoided this completely at the women's shelter – except for the time when I accidentally sold off all of the county's equipment! We

were moving to a new building and I had held a type of garage sale to get rid of property that, come to find out, didn't belong to us. You better believe I jumped in a truck and tracked it down pronto!

But there's another reason I shared this story with you today: what may seem like an insurmountable challenge can become a wonderful opportunity. Then, like now, the US economy was struggling to pull out of a recession with unemployment hovering near double-digits.¹ Also like today, people then were angry with government for not doing more to solve their day-to-day problems. In times of crisis, a leader can re-make existing resources in ways that ultimately become fundamental to an organization's success. Some might describe this process as the art of **innovation** – which I'll take as the first of two themes. My second theme this afternoon is **impact**. Leaders who will thrive in coming years will assess not only organizational targets, but also their contributions solving broader social problems, such as preserving green space or preventing teen drug use.

How you pursue **innovation and impact** depends on the context you're working in, so let's start with the current nonprofit landscape based on my perspective from our nation's capital.

Economic Impact on our Sector

The economy is on everyone's minds these days. How could it be otherwise? Particularly for the inspiring organizations here in Florida and the Southeast. There are some positive signs that the recovery is advancing. In October, businesses added 151,000 new jobs.² In its latest report, the Department of Commerce noted that America's gross domestic product increased 2.5 percent in the third quarter³ -- not quite the after-burner that will make the recovery soar, but an upward trend nonetheless. Home sales are ticking up in some parts of the country, no comfort to you since Florida still ranks second (behind only Nevada) in the highest numbers of foreclosures.⁴

What about the human face of the recovery? Ask the unemployed construction worker, who once scaled the high-rise hotels up and down Florida's coast. They are part of the statistic that pegs national unemployment to 9.8 percent – an uptick over previous months.⁵ It's even worse here in Florida at 11.9 percent.⁶ Ask the cleaning staff and janitors who also work in these hotels as they struggle to feed their kids. They too represent daunting statistics: 1 in 8 Americans don't have enough food.⁷ One in four children goes to bed hungry at night.⁸ The Census found record poverty throughout the country in 2009 – the highest increase since the government began calculating it exactly half a century ago.⁹

Telling you this is like bringing seashells to the beach. You know first hand about the recession's fallout on organizations in our community ... you are not alone. Nonprofits

¹ Recession 1973-75; Pres Carter's malaise speech 1979.

² <http://www.nytimes.com/2010/11/28/weekinreview/28segal.html>

³ <http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm>

⁴ <http://www.nytimes.com/2010/10/30/business/economy/30econ.html?scp=2&sq=us%20economy&st=cse> and <http://www.cnbc.com/id/40112566>

⁵ www.bls.gov. 9.8% for November; previous months 9.6%.

⁶ <http://www.bls.gov/news.release/empsit.nr0.htm> and <http://www.bls.gov/lau/>

⁷ Wendy Koch. USA Today Feb 3, 2010.

⁸ Ibid.

⁹ Ibid.

everywhere are experiencing severe financial shortfalls.¹⁰ Nonprofit Finance Fund (a national thought leader and lender) surveyed a thousand organizations and found

- 31 percent did not have enough cash to cover more than one month of expenses; and
- 52 percent expect the recession's turbulence to continue to rock their organizations for at least the next two years, if not longer.¹¹

In short, demand remains high, resources scarce, and the struggle to make payroll every month unchanged. People who once stocked the shelves of local food pantries are now walking the aisles.

The situation for health and human services providers – like many in this audience today – is exacerbated by the fact that 48 states experienced budget shortfalls in the last two fiscal years. That makes balancing the ledger almost impossible, given that nearly 60 percent of their funding comes from government sources.

If you have been following the efforts of the federal bipartisan commission to reduce our ballooning \$12.8 trillion deficit you will know that this 18-member commission has opened up a serious dialogue about the deficit -- a cancer that is slowly eating away at our nation's financial health.

While it's popular to talk about cutting the deficit, it is a daunting challenge because no one wants to eliminate programs that benefit their constituents. Have you thought about what you'd cut if you were queen for the day? *The New York Times* a couple of weeks ago invited us to try in their "You Fix the Deficit" interactive application.¹² I thought it might be fun to take up their invitation and ask you what you would cut. Lots of folks will use the ABM formula to come up with a plan. Anyone know what that stands for? Anything But Me.

For our community, addressing the deficit problem means money is only going to get tighter in the future¹³ -- difficult news since government funding today accounts for about 30 percent of our sector's total revenue.¹⁴ I spoke on a panel in November shortly after midterm elections. A fellow panelist from the Chamber of Commerce urged the audience, over 150 nonprofit CEOs, to include the two key words in any government grant they write in 2011. Deficit reduction. Right now it is hard to believe that narrative given how much higher the President and Republican lawmakers are willing to take the deficit to extend for two more years the Bush tax cuts.

Government, though, is not our only source of funding. What's the status of corporate funding and individual donations? According to a study by the Committee Encouraging Corporate Philanthropy, almost 60 percent of companies gave less last year and 40 percent reduced their giving by at least 10 percent.¹⁵ Last month, Urban Institute (a nonpartisan think tank) found that charities are seeing a slight increase in giving, but not enough to keep up with demand or budget cuts:

¹⁰ Giving USA Report June 10, 2009. Listening Post Project Communiqué #14 "Impact of the 2007-2009 Recession on Nonprofit Organizations."

¹¹ Ibid.

¹² <http://www.nytimes.com/interactive/2010/11/13/weekinreview/deficits-graphic.html>

¹³ http://www.brillig.com/debt_clock/ and <http://abcnews.go.com/Politics/wireStory?id=7995188>

¹⁴ Kennard T. Wing, Thomas Pollak, and Amy Blackwood, *The Nonprofit Sector in Brief 2008*, (Washington, DC, The Urban Institute Press, 2008), page 3.

¹⁵ http://philanthropy.com/article/Nearly-60-of-Big-Companies/125101/?sid=&utm_source=&utm_medium=en

- 36 percent of charities reported an increase in donations in the first nine months of 2010, compared with 23 percent in the same period of 2009; and
- 37 percent reported a decrease in giving, a dramatic change from 2009's 51 percent.¹⁶

The study attributed the decline in giving to fewer individual donations and smaller amounts¹⁷ -- difficult news for a sector that relies heavily on charitable donations.

Even if we take the longer view of history, the charitable sector won't function as it once did because, even prior to the economic travails, the growth of charitable funds has not kept up with the growth in the number of nonprofits over the last 25 years. Since 1982, the number of charitable organizations has expanded at nearly twice the rate of charitable giving.¹⁸ Continuing our current *modus operandi* just won't work – no matter how efficient our operations, frugal our spending, or dedicated our staff and volunteers.

Image yourself relaxing in a sailboat, gently bobbing up and down in the harbor here, just beyond North Ocean Boulevard. After a blissfully quiet afternoon, a headwind starts to kick up. Bigger waves start to rock your boat. Now, every sea-faring vessel is at the mercy of the wind – all the more so for a tiny sailboat. Keen navigators recognize the impending storm before it strikes and tack into the wind by turning their sailboat across the eye of the air current. In other words, they take action before the winds of change grow too fierce; they harness, rather than fight, the wind's energy.

We can do the same. For the last few years, the recession has battered our sector. Now is the time for both our sector and our individual organizations to chart a new course. Rather than plowing into the headwinds, we must tack into the wind to reach our shared destination, a place where we are all the more effective in solving social problems and improving people's quality of life.

Where to start? How about Launch Pad 39A and a more modern method of travel

...

D) Innovation

Cape Canaveral and the Kennedy Space Center are located 150 miles south of here. Though the schedule may change, the Space Shuttle Discovery is currently set to launch from there next Friday.¹⁹ Forty years ago, NASA launched the ill-fated Apollo 13 mission from this very site.

Does anyone recall what happened during this mission – America's third attempt to put a man on the moon?

Just two days into the Apollo 13 mission, an oxygen tank exploded and the spacecraft lost electricity, light, and water. Their space vehicle became little more than a tin can floating 200,000 miles from Earth. Summarizing their predicament was this man Lovell, the mission commander, uttered the now-famous line, "Houston we have a problem." In

¹⁶ <http://www.urban.org/publications/1001467.html>

¹⁷ Ibid.

¹⁸ Independent Sector analysis of data from: The Center on Philanthropy at Indiana University, *Giving USA 2009*, (Indianapolis: Giving USA Foundation, 2007) pg. 216; *Internal Revenue Service Data Book 2008*, Internal Revenue Service, "Selected Returns and Forms Filed by Type;" and Murray Weitzman *et al.*, *The New Nonprofit Almanac & Desk Reference*, 2002, (Washington, D.C.: Independent Sector, 2002) pg. 4-5.

¹⁹ <http://www.nasa.gov/missions/highlights/schedule.html>

the mean time, mission control scrambled to devise a solution using only materials on board ... plastic bags, cardboard, tape. Through tremendous teamwork and ingenuity, the men were transported back to Earth safely. NASA's official report labeled the mission a "successful failure."

This story highlights the importance of innovating during times of crisis using only existing resources. The astronauts saved themselves by thinking in creative ways about the extra pieces and parts they already had inside the spacecraft. Now, every ounce of extra weight is eliminated during space flight -- I'd imagine there were not many spare parts just floating around the lunar module! That leads to another parallel between this story and our community: by now, most nonprofits have trimmed away the fat and are pretty lean machines. There is not spare staff or resources floating about. Few have extra cash in the bank or untapped funders waiting in the wings. As Commander Lovell might say, "Sector, we have a problem."

How might we fashion out of today's trying times creative solutions using the resources that are available to us to better serve our communities? And are there any resources that we have not fully mined that may help our programs meet their commitment? Indeed, there are. There are millions of intrepid men and women who -- if asked -- would gladly give their time and talent to their communities.

Does anyone know the calculated dollar value of a volunteer hour in Florida? The answer is \$18.20. And if you don't work in Florida, you should find out that figure for your state (easy to do -- visit independentsector.org. We release these numbers every spring.)

I cite the figure of \$18.20 because some of your volunteers may be worth ten times that amount. I just had lunch with a strategist last week whose regular hourly fee is over \$500 -- and he donates up to a third of his time to worthy causes run by effective organizations. As the Baby Boomers age, there will be a growing pool of people over age 65 with tremendous experience on which to draw: accountants who can help you trim expenses; civil servants who are well versed in the government contracting process; legal council who can help legal immigrants obtain citizenship.

Barbara Arnwine recently told me that her staff of 40 is supplemented by another 40 professionals helping with civil rights law. I said, "Good grief. How did you get them to donate their services?" She looked at me as if I were a little thick and asked me, "Do you know how many people are out of work and, while looking for a job, were happy to help? It's good for their resume, good for building contacts, and good for increasing skills."

Success recruiting such volunteers depends on how committed you are to including them in a meaningful way in your work. To get started, check out a program called "Experience Corps" (run by the umbrella group, Civic Ventures) for ways to partner with people over 55, who are interested in launching their 'encore' career. Tapping such talent -- clearly worth far more than \$18.20 an hour -- is one way to innovate using existing resources.

Another way is to acknowledge today's fast-paced lifestyle and use technology to match them with opportunities. I'll use an example of a nonprofit that serves our men and women in uniform, much like some of the organizations here including Forgotten Soldier's Outreach, Homeless Veteran Services of Central Florida, Vet's Place and others.

In 2008, a RAND report determined that over 18 percent of our combat troops -- nearly 300,000 people -- returning from overseas had symptoms of Post Traumatic Stress

Disorder or major depression.²⁰ At the same time, only 53 percent sought help because of the stigma associated with doing so in ‘can do’ military culture that equates ‘asking for help’ with weakness.²¹

To solve this problem, clinical psychologist Dr. Barbara Van Dahlen founded “Give an Hour,” a national nonprofit that matches mental health professionals – all civilian volunteers – with our veterans, including the National Guard and Reserves – as well as their designated loved ones. There is no “qualifying” requirement to get the therapy they need to overcome the trauma of war, captured powerfully in this video. . .

With today’s busy schedules, volunteers have responded enthusiastically to the request to give just 60 minutes of their time. To date, therapists have donated some 33,000 hours since the program’s inception in 2005. It’s all done through a simple website that links them to providers privately so none of it is reflected in a vet’s military record. This significantly reduces their reluctance to seek help and the stigma associated with doing so.

There are thousands of other examples of nonprofits using existing resources in innovate ways. One of the most powerful may be hidden in plain view as the computer on your desk, or that tiny tool in your pocket. How many of you have a cell phone with you today?

You know as well as I do that computing power today means instant access to millions of funders, stakeholders, and volunteers – for free. You may know the story of VolunteerMatch, an online organization launched by four ambitious MBAs in the mid-90s to promote community involvement. Today tens of thousands of nonprofits use it to find volunteers or get free online training for volunteer coordinators.²²

Then there’s the government website called “VolunteeringinAmerica.gov” that hosts the most comprehensive collection of data on volunteering in the nation, including stats in every state and over 200 cities. Run through the Corporation for National and Community Service, their data showed that over 1.5 million volunteers served in 2009 than in 2008 – the largest spike since 2003.²³

You don’t have to be a wiz at Facebook or Twitter to access this talent pool, but you must identify the skill sets needed for your programs. I risk generalizing, but I can’t help but think of a project at my organization.

Last summer, the Kellogg Foundation asked us to help them explore ways that would better integrate services to low-income communities in New Mexico. We contacted a group of young entrepreneurs and invited them to help us solve this challenge using data from the census, IRS, and GuideStar to identify low-income communities and nonprofits

²⁰http://www.giveanhour.org/skins/gah/display.aspx?moduleID=8cde2e88-3052-448c-893d-d0b4b14b31c4&mode=User&action=display_page&ReturnTo=https%3a%2f%2fbeta-gah.defenseweb.com%2fskins%2fgah%2fdisplay.aspx%3fmoduleID%3d8cde2e88-3052-448c-893d-d0b4b14b31c4%26mode%3dManage%26action%3dmanage_content%26ReturnTo%3dhttps%253a%252f%252fbeta-defenseweb.com%252fskins%252fgah%252fdisplay.aspx%253fmoduleID%253d8cde2e88-3052-448c-893d-d0b4b14b31c4%2526mode%253dManage&ObjectID=45792d89-9a03-40c6-b396-6308ee780ca5 and http://www.giveanhour.org/skins/gah/display.aspx?moduleid=8cde2e88-3052-448c-893d-d0b4b14b31c4&mode=User&action=display_page&ReturnTo=https%3a%2f%2fbeta-gah.defenseweb.com%2fskins%2fgah%2fdisplay.aspx%3fmoduleid%3d8cde2e88-3052-448c-893d-d0b4b14b31c4%26mode%3dManage&ObjectID=1c512f85-7d63-410c-a310-e4b68df06a87

²¹ Ibid.

²² Over 75,000 nonprofits used this service in 2007 – more recent data is not available. VolunteerMatch. See ‘about us.’

²³ www.nationalservice.gov/about.

working with them. We gave them a simple way by which they could invite nonprofits to work with them to better serve these neighborhoods. On our staff was a 23-year-old who led our work. He was in my office daily showing me the power of this network, a wonderfully complex constellation of resources that, if leveraged more effectively, would better serve these impoverished communities. The result was a tremendous saving of time and energy.

And the good news about today's millennial generation (age 29 or below) is that they lead the way in volunteering with a 43 percent service rate according to "America's Civic Health Index." The next highest volunteer rate was 35 percent by Boomers. The study also found that Millennials, unlike other generations, tend to volunteer online. These findings aren't surprising since they grew up with computers as 'digital natives' and they're the first generation to have mandatory public service as a prerequisite for high school graduation.

Research by my own organization as well as others show that people are also much more inclined to volunteer if they did so as children and if they do so with their families. I'm happy to talk more about this during Q&A, but now let's shift gears. Another way to innovate using existing resources involves collaborating with organizations outside our sector to achieve maximum impact. Again, let me share a story from my early career at the women's shelter, which I mentioned earlier today ...

II. Impact

- We helped battered women by offering them counseling, finding them apartments and jobs;
- We did our best to set them up to be independent of their abusers;
- I asked a colleague to track what happened to them;
- Within 6 months, 94 percent returned to the abuser;
- Not a successful program if our goal was to eliminate violence from these women's lives;
- On the other hand, we were successful in providing a safe shelter to fleeing women and children.

This story is about understanding what you are trying to achieve and then assessing whether the strategies in place are the most effective way to achieve your goals. What I'm hearing from funders nation-wide -- who themselves want to demonstrate their dollars are having a societal-level impact -- is the need for nonprofits to solve social problems and framing their work in that context. It's terrific that an organization focused on decreasing the dropout rate matched 120 volunteers to troubled teens, for instance, but the important question is did the program help the kids graduate from high school?

In today's resource-constrained environment, having a noble cause just isn't enough. To be credible, nonprofits need -- now more than ever -- to demonstrate that their work has actually made a positive difference. To borrow from President Reagan, our stakeholders continue to trust us but they also want to verify we are making progress.

Organizations that will thrive tomorrow must start thinking about their broader impact in society today. Innovative thinkers tackle such issues by pooling their resources and capitalizing on each other's strengths.

Every 26 seconds a student drops out of school. And high school dropouts are three times more likely than college grads to be unemployed and eight times more likely to be in jail or imprisoned.²⁴

One nonprofit called “City Year” is working hard to solve this problem by partnering with the Department of Education, Johns Hopkins University, and America’s Promise Alliance. (Alma and Colin Powell, by the way, lead the Alliance and were honored in October by my organization with the John W. Gardner Award.)

The collective goal of this multi-sector alliance is to achieve a 90 percent graduation rate throughout America by 2020. How? First, they target at-risk schools that have a track record of being “drop out factories.” Second, they focus on early intervention for at-risk students in elementary schools, then surround them with a diverse team of volunteers throughout the day. Finally, they have agreed on concrete benchmarks in 2012, 2013, and 2016 to assess whether they are on track to transform America into, what they call, a “Grad Nation.”

This program taps into existing resources in an innovative way and has tremendous potential. I invite you to find out more at cityyear.org and consider how such a model might work for your particular mission and circumstance. No organization is too small to contribute nor too large to solve such issues alone. If are worried about the former, just remember the following saying: “If you think you're too small to have an impact, try going to bed with a mosquito in the room.”²⁵

In conclusion, change carries with it risk and reward. It reminds me the term “single handing,” which means you are sailing completely on your own. 100 percent solo. A thousand things can go wrong, of course. But there’s also the potential for tremendous exhilaration with the sun on your face, the wind in your sails, and the waves carrying you to a new harbor. Even as you sail by yourself, you know that you are part of a larger universe of folks – without them, you could not make progress: folks who watch the weather and warn them of impending storms; folks who guard the coast and protect our oceans; folks who build the vessels and the equipment. Single handing is only possible because of a larger system that enables and empowers the sailor – without such help and support, any sailor’s risk increases. As you chart your course and sail your ship, remember you are part of a larger team on which you depend to make your journey more successful. Work with them and let the voyage begin!

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²⁴ “City Year: In School and On Track” pamphlet.

²⁵ Anita Koddick.