



Final report for request for assistance by Community Alliance of Sarasota County.

Request for Assistance:

- 1. Analyze the recommendations from the budget impact survey and look for patterns which emerge on the various issues.*
- 2. Analyze the recommendations looking for a human interest story for legislative ammunition, and public information.*
- 3. An executive summary of the findings.*

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The mission of the Community Alliance of Sarasota County is to advance communication, collaboration and advocacy of the health and human service needs of all citizens in Sarasota County through more integrated, effective and efficient delivery systems. In June of 2009, the Community Alliance of Sarasota County requested that the members complete a survey designed to reflect the economic impact of current fiscal situations. The following represents our analysis of the survey which was completed online via Zoomerang by 26 members out of a total membership of 51 agency members of the Community Alliance of Sarasota County.

Table of Contents

1. Analysis Approach

2. Survey Summary
 - A. Responses to Organizational Impact Questions
 - B. Responses to Community Impact Questions
 - C. Responses to Role of the Alliance Questions

3. Patterns and Themes Analysis
 - A. Organizational and Community Economic Impact
 - 1) Introduction
 - 2) Financial Changes –the reactive – operations based approach
 - 2) Structural and Engagement Changes – the proactive – impact based approach
 - B. Role of the Alliance
 - 1) Advocacy Defined - Defensive Advocacy - Proactive Advocacy
 - 2) The Message – What Action are you Advocating?
 - 3) Advocacy and Messaging Responses

4. Human Interest Stories

5. Conclusions and Suggested Next Steps

1. Analysis Approach

For purposes of this report the survey questions were divided and analyzed from three general categories: Organizational Impact, Community Impact, and the Role of the Community Alliance. The questions falling within each category are as follows:

Questions regarding organizational impact of reduced revenue:

3. How have your programs been impacted overall by the current economic environment?
5. Please describe in dollars how much of a budget reduction your agency has experienced over the past three calendar years.
6. How has this reduction impacted the services you provide (be as specific as possible, i.e. programs closed, how many clients could not be seen, staff reduction, etc.).
8. What, if any, efficiencies have you been able to obtain due to the budget reductions?

Questions regarding community impact of reduced revenue to organizations:

4. What are you doing to mitigate the impact to the community?
7. Do you have real-life stories about the hardships some of your clients may be experiencing due to the impact of the budget reductions to your agency or to others?
9. What budget reductions are you anticipating for the coming year and how do you believe these reductions will affect your agency and/or those you serve?

Questions regarding the role of the Alliance:

10. What type of support do you need from the Community Alliance during these uncertain economic times?
11. Does your agency employ a public information officer who can assist the Community Alliance in getting the word out about the impact of the budget reductions?
12. Does your agency employ a legislative liaison who can help support the legislative priorities of the Community Alliance?
13. Comments:

Three charts were prepared summarizing the responses within each of these categories.

2. Survey Summary

A. Responses to Organizational Impact Questions

The responses to questions regarding impact on the organization showed that the not for profit community is seeing a reduction in revenue and is therefore cutting programs and staff. Agencies overwhelmingly reported program closures, some of which are: critical service programs, creation of waiting lists, including creating wait lists for fragile clientele, and most respondents identified critical and forced downsizing. Overall, a total of \$29,895,000.00 was reportedly cut from the 26 agency budgets over the past three years. Over 50% of the agencies specifically mentioned laying-off or cutting staff positions, 55% specifically mentioned cutting programs to clients. It can be safely assumed that more agencies cut staff and programs but did not specifically mention this in the context of this survey. When asked what efficiencies had been obtained, there were responses ranging from "been efficient for years" to rebidding all costs for insurance, payroll and other operational expenses. Over 50% of the respondents specifically mentioned efficiencies through outsourcing, sharing services or bidding out costs for more competitive pricing. The majority of agencies had staff layoffs or staffing reductions and several mentioned the staff had to work harder, staff had to accept reduced benefits, and staffs were reassigned to cover additional duties.

B. Responses to Community Impact Questions

The responses to questions regarding the impact of the economy on the community showed that more requests were being made across the nonprofit sector to find organizational efficiencies through outsourcing bids for services, finding cost sharing measures, seeking new sources of revenue, seeking ways to cut costs and increase use of volunteers. There were reduced services to clients, program closures and staff layoffs resulting in presumed unemployment of those individuals. Several agencies reported using reserves which puts them at risk to future financial security. Examples of ways in which agencies are mitigating the impact to the community included continually working on program redesign to minimize cash costs, integrating more volunteer services, seeking additional funding by approaching donors and other funding sources, and in general reducing internal operating costs to the bare minimum so services are affected as little as possible. The overarching theme here was new efficiencies, evaluating costs for efficiencies, making whatever operational cuts possible to reduce the impact on clients and services.

In the responses to the question regarding next year's anticipated budget affect on agency and those served, there is more dire news. Twenty one out of 26 agencies are anticipating having to make further cuts in services, programs, or staff. This translates into further reductions in services for children, families, elders, teens and other clients. Additional staff layoffs are anticipated. Only three agencies thought there might not be any further cuts.

C. Responses to Role of the Alliance Questions

Seventy-six percent (76%) of the responses to question 10 "What type of support do you need from the Community Alliance during these uncertain economic times?" responded with a request for Advocacy. In order to frame the responses we need to review a few basics of advocacy and messaging. The definitions and discussion of advocacy and messaging is in section 3. B. below.

3. Patterns and Themes Analysis

A. Organizational and Community Economic Impact

1) Introduction

In response to questions regarding the impact of reduced revenue on not for profit organizations and the community members they serve, the primary themes emerging from the survey are best organized into the three approaches for coping with economic issues identified by Vince Hyman of the Fieldstone Alliance who states:

In budget crunches, our instincts lead us to form a tight defensive circle, like a herd of Yak protecting its young. You fight like mad to save what you can. And then you start to look at one of two strategies: you've either got to raise or earn more money, or you've got to cut some expenses. So programs get cut, staff are let go, your mission is diminished, and the community suffers. So much for the Yak circle.

Through our interviews and research, we came up with a three-part taxonomy of strategies to accomplish mission within a budget. Besides financial strategies for solving budget problems, there are structural strategies and engagement strategies. These strategies are often overlooked when a not for profit is struggling or expanding. Yet they can be the keys to long lasting mission success.¹

¹ Things to Do When the Budget Squeezes, From Vince Hyman, former Publishing Director, Fieldstone Alliance, From "Tools You Can Use" E-newsletter. Copyright Fieldstone Alliance (formerly Wilder Publishing Center).

Every challenge is an opportunity. The Yak approach – the preservation of the status quo – fails to take full advantage of the opportunities that come from economic challenges and their demand for change. The strategy to change is up to us. Financial strategies are the low hanging fruit – the most apparent, the most obvious and therefore seemingly the easiest to implement, although the community cost, as the story shows, may be highest when financial strategies are the only strategies implemented.

2) Financial Changes – the reactive – operations based approach.

Financial strategies are steps that immediately and directly affect the bottom line, and involve reducing costs or increasing revenues. Financial strategies are usually the first methods organizations use when they face funding cuts. Financial strategies include:

- Cutting or control costs by analyzing purchasing, adjust payables, evaluate facilities and infrastructure, modifying staff or reducing services and
- Increasing revenue by changing money management techniques, increasing fees, initiating or accelerating fundraising, expanding or adding services, and increasing productivity.

The majority of responses showed a financial strategic approach. Examples include staff layoffs, freezing wages and benefits, establishing waiting lists for clients, closing programs.

3) Structural and Engagement Changes – the proactive - impact based approach.

Structural strategies are organizational in nature and involve modifying the organization’s mission, structure or culture such as:

- Modifying the mission to refocus on impact rather than services,
- Changing from providing services directly to prevention through policy advocacy,
- Acquisitions, mergers, spin-offs and
- Major organizational culture changes that improve program delivery and reduce expenses.

Engagement strategies require the organization to establish new relationships for the purpose of planning and implementing strategies in response to budget reductions. Relationships are new if they involve a new method of partnering or a new organization or sector of the community as a partner, for example:

- Cooperating, coordinating or collaborating with other not for profits within the same service area or in other service or mission areas,
- Engaging the community or volunteers in a new way,
- Cooperating, coordinating or collaborating with the business community and
- Cooperating, coordinating or collaborating with the public sector in a new way.

Combined structural and engagement strategies include, collaborations, joint ventures, mergers, and other methods of rethinking the approach to serving community needs. Structural and engagement strategies rely on creating networks within the not for profit community and outside the community.

Examples of structural strategies from the survey include one merger, four examples of collaboration or shared services were given.

B. Role of the Alliance

Seventy-six percent (76%) of the responses to question 10 “What type of support do you need from the Community Alliance during these uncertain economic times?” responded with a request for Advocacy. Requests include requests that the Alliance let it be known that people need help, that the community understand that some cuts are going to be unavoidable, that a “white paper” assessing the state of the local safety net be communicated to local leaders, and that issues facing families, elders, etc be communicated. In general, responses cited examples of the specific audience and suggested the Alliance compile information to provide a “unified” voice regarding the challenges. In order to frame the responses we need to review a few basics of advocacy and messaging.

1) Advocacy Defined - Defensive Advocacy – Proactive Advocacy

Advocacy is defined as making an earnest request in favor of an act, policy or process that supports your cause or proposal. The goal of advocacy is to persuade and elicit change that will further your cause.

Defensive advocacy is actively working to stop actions that harm the current system or working on plans to maintain the current system. The focus is on maintaining the system and policy status quo, working within the system. At the heart of defensive advocacy is a belief that the existing systems work and that any change would result in the loss of services. Defensive advocacy focuses primarily on financial strategies to economic difficulties, although internal structural changes may be a part of a defensive strategy.

Proactive advocacy is proposing a new way of doing things. The focus is on changing the current systems, looking at things a different way, responding to circumstances with a new approach. Proactive advocacy requires a constant fresh look at the policies, needs and systems that affect the goals of the organization. Proactive advocacy requires a bigger picture strategy.

2) The Message – What Action are you Advocating?

The first question in messaging is what action do you want the audience to take? The audience and action requested are inseparable. It’s easy to identify the action in defensive advocacy; you want the audience to do whatever it takes not to change the status quo. On the other hand, proactive advocacy requires more effort to identify the action. Often times a fresh look at the problem and brainstorming possible solutions is required before an appropriate action can be identified.

The second question is how can you persuade the audience to take the action identified? The first step is defining and understanding the audience you want to reach. There is a wealth of information on how to persuade audiences most of which focuses on the predilection of the audience toward the idea.

3) Advocacy and Messaging Responses

Although over two thirds of those answering question 10 asked for advocacy or messaging, the action that they identified as the basis for the message, the focus or scope of the message and the audiences varied greatly. Since the question was designed to solicit open ended responses to the role of the alliance these variances are not surprising. However the wide array of responses inhibited a coordinated cohesive message.

Increasing revenue. The action requested by the respondents to the survey focused primarily on financial strategies and was primarily requesting defensive advocacy. The advocacy focus was on maintaining the existing systems, organizations and community as much as possible and asking for more money from all potential funders.

