OpEd: Distressed nonprofits need help too

Steven Kast (Judith Lowery / Daily Press)

“I hope it doesn’t rain tomorrow,” The executive director of a not-for-profit agency was heard saying, “We’re having a barbecue to raise the funds needed to meet next week’s payroll.”

This may sound crazy to many in the community, but it is a true story and in some form this scenario plays out week after week in the nonprofit community. I recently sought out the head of a nonprofit agency in our community because I had heard of the struggles being incurred in his agency. When I asked how things were going he said with fanciful and veiled enthusiasm, “things are great,” almost as an attempt to speak it into existence.

United Way has been introducing A.L.I.C.E to our community. ALICE stands for Asset Limited, Income Constrained, Employed individuals, or the working poor. These families, which represent more than 200,000 individuals or 40% of our population on the Peninsula, are working more than one job to meet basic needs such as food, clothing, and shelter.

I have come to realize that our community cannot help ALICE until we understand and support “DAN.” Based upon multiple conversations with leaders of our nonprofit community, I recently coined the acronym DAN which stands for Distressed Asset Non-Profits. Many of our human service agencies are challenged by limited resources, growing community needs, the increased burden of outside oversight, thus the creation of a Distressed Asset Non-Profit (DAN). The issue for our nonprofits involves the balancing act of maintaining their commitment to their mission against the hard realities of capacity and capital constraints.

The challenge of maintaining a diversified resource development strategy with sustainable funding continues to be the greatest obstacle for our United Way partner agencies. The actions necessary to address this challenge include developing and adhering to a strong and dynamic strategic plan, diversifying program funding streams, developing and communicating a strong impact statement, retaining talented staff, and continuing to focus on increased donor engagement.

Many of our smaller nonprofits simply don’t have the capacity or bandwidth to devote to generating individual investment, planned gifts, grants and developing donor relationships. It often comes down to an organization’s executive director to get out in the community and form strategic partnerships that will lead to an increase in charitable giving. Helping to find a solution and to help ALICE and DAN, United Way of the Virginia Peninsula is working with the entire community to provide Pathways Out of Poverty and to move 10% of our community out of poverty or ALICE.

Jennifer Boykin, president of Newport News Shipbuilding has agreed to lead this year's United Way campaign because of her personal and passionate commitment to helping everyone in the community.

United Way of the Virginia Peninsula ensures that 100% of resources given during the United Way campaign go directly to our 41 partner agencies who are working every day to provide for those desperately in need in our community. United Way of the Virginia Peninsula brings together the corporate, government and non-profit community to create a platform for everyone to give. Given my
background as an executive director of a United Way partner agency, I personally know ALICE and I was DAN. Under the leadership of Ms. Boykin, United Way is working to widen the base of support through this year's campaign which will again be centered around kindness.

Kindness through acts of compassion, workplace giving, and volunteering, will allow the entire community to lift up those in poverty and the working poor. In order to provide resources for DAN and ALICE we are asking the entire community to consider supporting this year's campaign.

The three-legged collective impact stool includes government, corporate and the nonprofit community which in many cases is DAN. Please find a way to support DAN so our efforts to Provide Pathways Out of Poverty is not wobbly, but on a firm foundation.

Kast is the president and CEO of United Way of the Virginia Peninsula.