The physicist Niels Bohr once said: "Prediction is very difficult, especially about the future." So my observations about the future of the nonprofit sector, are not about what the future will be, but rather about strategies for managing whatever the future holds, and for living with the uncertain realities ahead. These are essential because the nonprofit sector in California, and in our nation, is a vital part of the economy, and of our everyday lives - particularly for improving the lives of the most vulnerable members of our society, like children and poor people.

I'm going to share with you five trends related to the crises and untapped opportunities discussed at this conference:

**Trend 1 - Social media and mobile technologies are re-shaping how nonprofits operate.**

**Trend 2 - Collaboration and integrated service approaches are bringing nonprofits together in potentially effective ways.**

**Trend 3 - Philanthropy is moving beyond just giving, to providing leverage and leadership that improves the nonprofit sector and its impact.**

**Trend 4 - Capacity-building services are helping keep nonprofits and their staffs healthy in troubled times.**

**Trend 5 - To respond better to crises and opportunities, nonprofits are using strategies that address the human side of change, increasing their chances for success.**

To set the stage, I’ll refer briefly to some current research about the nonprofit sector:

1 - The Urban Institute’s *Nonprofit Sector in Brief* report says that nonprofits registered with the IRS grew 31% from 1998 to 2008, with over 1.5 million nonprofits now in existence across the country. California data show a 36% increase, to 159,000 nonprofits. Giving USA reports $290 billion in charitable donations from individuals and organizations in 2010. And 1/4 of all adults volunteered to support some community cause in the last year.

2 - Nonprofit Finance Fund’s 2011 *State of the Sector Survey* found that 85% of more than 1,900 nonprofit leaders expected demand for their services would increase in 2011, while only 46% expected to be able to meet that demand fully. 60% of nonprofits have 3 months or fewer of cash available. But on the opportunities side, 44% of nonprofits ended 2010 with a surplus, up from 35% in 2009. A total of 47% partnered with another organization - a point we’ll come back to shortly.

3 - In *Daring to Lead 2011: A National Study of Nonprofit Executive Leadership*, researchers found that 2/3 of 3,000 nonprofit executives surveyed plan to leave their jobs within five years, despite some slowing of their plans because of the hard economic times.

Research helps us understand how to move forward in the current environment of increasing demand and resource constraints. In Washington, DC, the recently-appointed SuperCommittee is now looking at budget cuts which may have
profound impact on nonprofits. Here in California, we’ve already seen cuts in every field, from services for the poor to higher education.

For 50 years, the Human Interaction Research Institute has been studying the nonprofit sector. Our research as well as the conference discussion today highlights the five trends I’m about to present.

**Trend 1 - Social media and mobile technologies are re-shaping how nonprofits operate.**

Increasingly, nonprofits look to social media like Facebook or Twitter, and mobile technologies like smart phones, as a way to do their work and reach out into the world. At CDC’s 2011 National Health Communication Media and Marketing conference, more than half of the conference sessions were about social media, up almost 50% from the previous year.

Consider, for instance, that the Annie E. Casey Foundation supports a program that uses FaceBook to help local child welfare systems keep track of families as they move to new geographic areas, and from one system to another.

Another example is Feed the Children’s “Take Action 10-10-10," which asked supporters to take 10 minutes to join social networks and follow the charity online, donate $10, and tell 10 friends on social networks about the nonprofit. Feed the Children raised more than $25,000 with this approach in a relatively short period of time, and with very little expense.

And as discussed by my colleague Mark Weber earlier today, Federal agencies like the Substance Abuse and Mental Health Services Administration now are investing in these new technologies. For instance, SAMHSA helps both nonprofit staff and the public order publications speedily by an Amazon-like website, with smart phone platforms soon to follow.

However, there are cautions: a recent survey of 150 big charities found that while 79 are raising money through the use of social media, only one actually raised a substantial sum this way. Most nonprofits are still just experimenting, and often have to manage their expectations about what these new technologies can do for them.

**Trend 2 - Collaboration and integrated service approaches are bringing nonprofits together in potentially effective ways.**

In their recent Stanford Social Innovation Review article on “collective impact,” John Kania and Mark Kramer talk about a new era in collaboration, recognizing that large-scale change requires cross-sector coordination, but nonprofits remain focused on isolated interventions by individual organizations. They give the example of an integrated, collaborative approach to improving public education by a group called Strive in Cincinnati. This collaboration involved 300 local organization leaders, all of whom gave up their individual agendas to work together with a central coordinating body, resulting in significant improvements in graduation rates, test scores, and other measures.

Multi-service organizations are nonprofits that provide services across multiple categories such as substance abuse, housing, and education. While nonprofits that provide a single service often draw more media attention, perhaps because they are easier to profile, these MSOs have tremendous potential to help people struggling with complex problems transform their lives. An example here in Los Angeles is MEND, based in Pacoima, a nonprofit which offers a food bank, second-hand clothing store, medical and dental clinic, vocational services and much more all in one space - with innovative architecture that makes the building look welcoming, like a shopping mall.
But notice that I said these efforts are “potentially” effective. Many cautions apply here - our Institute’s book, Evaluating Community Collaborations, sets forth clear evidence that many partnerships don’t last, and aren’t very successful in “moving the dial” on the social, education and health issues they are supposed to address. As I’ll be discussing shortly, there are problems on the human side of such initiatives - competing values and agendas, fears about working together. That great philosopher Woody Allen put it well: “And the lion and the lamb shall lie down together, but the lamb won’t get much sleep.”

Trend 3 - Philanthropy is moving beyond just giving to providing leverage and leadership that improves the nonprofit sector and its impact.

Philanthropy’s resources compared to those of government are very small. This is true even if you’re Bill and Melinda Gates - leverage is the key. Like Tom Sawyer getting the other kids to paint the white picket fence, Bill Gates has prompted other billionaires to commit to giving away substantial parts of their fortunes, using his own philanthropic commitment as leverage. Increasingly the nonprofit sector is being shaped by other individuals and foundations doing the same, insisting on matching or challenge grants as opposed to simple contributions, and using their reputations and actions as ways to get others involved in supporting nonprofits.

Leverage also has to do with strategy - making smart investments using strategic planning and with a clear long-term vision. The Jacobs Family Foundation in San Diego and many other foundations now are concentrating their giving in one community so it has more potential for impact - it’s called “place-based philanthropy.” There’s a place-based funders group in LA County, coordinated by philanthropic advisor Jan Kern, with some 30 members, helping foundations and other funders use place-based strategies wisely.

Philanthropy thus is increasingly taking on a leadership role - especially the new-generation philanthropists discussed today by Jane Wales, and including our keynote speaker Tavis Smiley, a philanthropic leader in the community and in the media. This is true for individual donors as well as foundations. Philanthropy has a much higher public profile in recent years, and this offers opportunities to lead in the way nonprofits are supported, how they work together, and how they relate to the larger community.

Trend 4 - Capacity-building services are helping to keep nonprofits and their staffs healthy in troubled times.

The recession and its aftermath have only increased the need all nonprofits have for services that help strengthen their infrastructure, and the skills of their staff and board leadership. There are many resources for capacity building in California, from national programs like Taproot Foundation and Nonprofit Finance Fund, to local efforts like our Valley Nonprofit Resources center for the San Fernando Valley’s more than 4,000 nonprofits.

Nationally, in one recent year $540 million was invested in capacity building by the largest 1,000 foundations, according to our study for Carnegie Corporation. In our Philanthropic Capacity Building Resources database there are nearly 500 foundation programs across the country offering capacity building funding and services.

But there’s also a need to focus on strengthening nonprofit staff in a more personal way. In these troubled times, the nonprofit sector is more than ever a challenging, stressful place to work. Nonprofit staff often are their own worst enemies, putting off taking care of themselves in order to focus on their clients. But like they say on the airplane, if you want to survive, “put on your own oxygen mask first, then your child’s”! I’m a psychologist who’s done stress management training for nearly 40 years, and this has become a popular topic at our Valley center and many other places, offering stress management courses for harried nonprofit staff.
**Trend 5 - To respond better to crises and opportunities, nonprofits are using strategies that address the human side of change, increasing their chances for success.**

And that observation leads to the final trend I want to discuss today. More than ever, nonprofit leaders are recognizing that passion for the cause is not enough to fuel effective operation of nonprofits, especially when it comes to dealing with major change. People need to feel rewarded personally for engaging in the difficult work of change, and they need to feel they’re involved directly in planning for how change happens. Moreover, all people have fears and resistances related to making changes in their lives or work, and are affected by negative past experiences they’ve had with similar kinds of change. Unless attention is paid to these normal human responses, and a systematic effort made to respond to them, they will reduce the chances for successful change-making no matter what the level of need, and the worthiness of the innovations that are being introduced.

While so much has changed in our world, due to technology, politics and other forces - these human realities haven’t changed in 50 years, in 5,000 years. Increasingly nonprofits are paying attention to them because that increases their chances for success.

For example, at our Institute we’re working with a major hospital to replicate an innovative center for supportive care they’ve established, one that provides counseling, family support and financial advice for people who’ve had a major medical intervention like surgery. The center’s leaders already dealt with fears and resistances of their medical colleagues to this new program, and have seen the value of getting them involved in designing the program so has their “blessing,” rather than their “subtle sabotage of withheld enthusiasm,” or worse. By incorporating attention to these realities into the effort to replicate this program in other hospitals, we’re increasing the chances for success.

And we’re part of a project described by my Kaiser Permanente colleague Jim Dearing earlier today, working with the Bill & Melinda Gates Foundation to develop a technology-enhanced decision-making process for disseminating results from their family health work. We’ve interviewed Foundation staff to learn how to deal with the human side of change in this effort, and will be participating next month in a conference chaired by Melinda Gates on this subject.

Much of what I’ve discussed today, and what you’ve heard from other speakers at this conference, is not new. The problem is in full and lively implementation of what we know. I will end with quotes from two very wise women. The great American actress Helen Hayes said in her autobiography: “It’s what you learn after you know it all that really counts.” And comedic artist Lily Tomlin puts a wonderful spin on an old saying: “Maybe if we started listening to it once in a while history would stop having to repeat itself so much.” That’s our task ahead in managing and living with the future: to never stop learning and listening - and then acting on what is revealed.
References


