

GPA Webinar  
November 19, 2020

# Ace the Sustainability Question!

Ellen Gugel, GPC, MBA  
Principal, Grants & More

Laura Katz Leacu, MBA  
Director of Institutional Giving  
Hebrew SeniorLife



# Agenda

1. Introductions
2. Defining sustainability – different ways to look at the question
3. Factors to consider
4. Foundation staff perspectives
5. Examples
6. Q & A



# GPC Competencies

**02: Knowledge of organizational development as it pertains to grant seeking** – in that the organization's capacity (2.01), readiness (2.02) and other organizational aspects factor into both organizational and program/project sustainability

**03: Knowledge of strategies for effective program and project design and development** – in that program/project sustainability is part of effective program/project design (3.08)

**04: Knowledge of how to craft, construct, and submit an effective grant application** – insofar as describing organizational and/or program sustainability well is an element of an effective grant application (4.01) – and may be a competitive advantage over other worthy applications

**09: Ability to write a convincing case for funding** – and includes making a persuasive case (9.01) for organizational and/or program sustainability



# Inspiration for this Session

- Vu Le's weekly blog – “Nonprofit AF” (formerly “Nonprofit With Balls”) – this annoying question hasn't seemed to go away, despite Vu Le's agitating and pushing back for seven years
- “Making things up” – having had to answer the question dozens of times – with no real guidance from management
- 2016 GPA National Conference session on the topic by Danny Blich and Margit Brazda Poirier and their GPA News blogs on sustainability



# Who Are We?

## Ellen Gugel, Grants & More

- 20 years experience grant writing and fundraising in staff roles and as independent consultant
- Developed hundreds of successful proposals for social services, education, health, environmental, social change, advocacy, and arts and cultural organizations from grassroots to \$60M+ organizations
- GPC 2010-present (#OH0090006)
- MBA, with concentration in public and non-profit management, Boston University
- Independent grants & fundraising consultant – [www.grantsandmore.org](http://www.grantsandmore.org)
- Have had to answer the annoying sustainability question – for different types of organizations and projects!



# Who Are We?

## Laura Katz Leacu, Hebrew SeniorLife

- Director, Institutional Giving at Hebrew SeniorLife, a Harvard-affiliated organization reaching over 3,000 seniors per day in Greater Boston
- Over 15 years experience as a grant professional
- Track record of securing six- and seven-figure grants
- MBA, with concentration in public and non-profit management, Boston University
- Have also answered the annoying sustainability question many times!



# Who Are You?

## Survey of participants

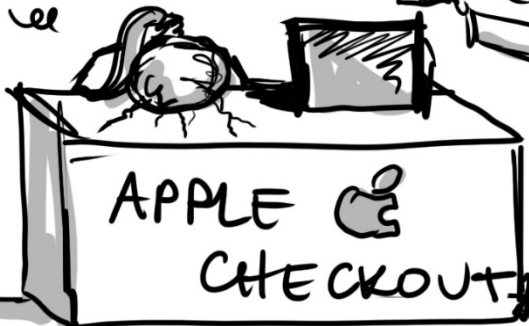
- If you've had to answer this question, were you satisfied with your answer?
- Did it work? Did you get the grant?
- What do you want from this session?



# IMAGINE IF APPLE HAD TO RUN LIKE A NONPROFIT...

BEFORE I BUY THIS PHONE,  
WHAT IS YOUR SUSTAINABILITY PLAN?  
HOW DO YOU PLAN TO SUSTAIN THIS STORE AFTER  
I BUY THIS PHONE AND I'M GONE? HOW ARE YOU  
DIVERSIFYING YOUR REVENUES SO THAT  
YOU'RE NOT SO DEPENDENT ON  
RETAIL CUSTOMERS?

\* HEAD DESK \*



NONPROFIT.AF.COM / 8W



# The Question - Variations

- How will you sustain the program after the grant ends?
- What is your plan for sustaining the project beyond the grant period?
- Describe the future of this program and how you will support it after the grant.

Hint! Even if they don't ask the question, they are looking for signs of sustainability – organization, program, etc.



# Financial Sustainability May Not Be a Goal

- Capital campaigns & projects – especially if you are building in an endowment for future maintenance
- Equipment and infrastructure – “expected to last X years and increase operational and staff productivity”
- Initial staff training, then a “train the trainer” model internally
- Pilot/test program
- Curriculum development
- Clear a one-time backlog or event – due to economic factors, government policy change, natural disaster, pandemic
- Pandemic – short-term funding needed because other sources not viable (e.g., events, business donations)
- Lots more examples



# Defining Sustainability

Is it:

- Financial sustainability of the program?
- Organizational sustainability – finances, track record, stability, leadership, reputation?
- Sustainable outcomes?



# Foundation Perspectives

## Our Methods

**Interviews** with four program officers at different foundations:

- large community foundation with over \$150M assets
- large national bank that manages hundreds of funds
- private foundation
- local health foundation

Questions:

- What do you look for in the answer?
- Examples of worst answers?
- Examples of best answers?

**Literature Review**



If you answered the sustainability  
question with:

“We will find more grants”

You failed the test



# What Program Officers Look For

- Does this program make sense for the organization? (e.g., mission fit, serves their client population, etc.)
- Can you show that the program is attractive to donors?
- Can you show the organization has thought about funding “beyond next week”?
- If organization has a strong performance track record for similar programs, show it, even if you don’t have a plan for this program yet
- Is this a good investment for us?
- ***Even if they don’t ask it, they are looking for sustainability***



# Examples of Bad Answers from Program Officers

- “We will find more grants.” – one program officer reports 70-80% of organizations say this (details? plan? to which foundations for how much?)
- “Our numbers are going to quadruple this year.” – members, donors, funds, etc. (“unrealistic expectations”)
- “We will introduce a new fundraising event.” – usually a long-term (3-5 year) pay-back



# Examples of Bad Answers from Program Officers

- “If you don’t give to us, we’ll have to cut back” – sounds like a threat, says one program officer
- “We are going to (or just did) hire more development staff” – this in and of itself costs money one program officer observes; but another program officer says this answer is fine if you show it’s part of a strategy
- Lydia Howie, GPC, Howie Marketing & Consulting interviewed dozens of program officers on their “pet peeves” and this one came up multiple times: “We will submit more grant proposals” (“Pet Peeves of Funders”, GPA Annual Conference 2018, Chicago, IL)





# Examples of Good Answers – Program Sustainability

- “We know the program costs will decrease – start-up, marketing/branding, equipment, staff training, etc. will decrease in Year 2.”
- “We will know more after the evaluation.” – but depends on a robust evaluation plan in the proposal
- Show strong or long-term collaborations and partners sharing the costs and portions of the work
- “My college tends to say we'll integrate the program into existing ones because the grant funds have let us learn how to expand those programs. Sometimes that actually happens.” From a participant at the 2020 GPA Annual Conference in Margit Brazda Poirier’s session on sustainability



# Examples of Good Answers – Program Sustainability

- Name other funders you have secured funding from and those you are approaching
- List in-kind support and/or volunteers if it's a significant part of the program
- Does your program address a growing concern among government and/or private funders – e.g., opioid crisis, criminal justice reform, climate change, post-pandemic demands/changes, equity, mental health? Connect that to funding opportunities
- Replicable or scalable potential? Opens up national funding potential
- Is this program positioning your organization to attract state or federal contract funding?



# Examples of Good Answers – Program Sustainability

**A program officer at a local health foundation says:**

Good examples of clear answers to us include things like:

- renovating a space to enable the organization to provide additional programming since the renovations would only have to be done once
- starting a program that will be sustained by third party payers – a new service that will be reimbursed by a state or federal program (i.e., Medicaid reimbursement)
- programs that will enable the organization to be more effective and efficient – the move to telehealth by many organizations is a good example

Examples that might be less compelling are ones that the organization thinks will be popular and people would pay for, but are lacking evidence that this will happen.



# Organizational Factors to Consider

- History/track record with starting and sustaining similar programs
- Diverse organization revenue sources
- Stable financial position – “We have never had a deficit”
- Strategic Plan – look here for financial sustainability goals, quote the plan in your answer
- Partner agencies – extend capacity/reach, share costs, also have “skin in the game”
- Can the program become a line item in organizational budget if successful? Works best for larger organizations with reserves or earned income
- Community reputation/relevance
- Leadership
- Stability – e. g., low staff turnover?
- Pandemic Era – how has your organization been resilient and sustained programs and outcomes throughout the pandemic?



# Organizational Factors to Consider

- Looks different for new vs. established organization; or small vs. large organization
- Social service agencies more dependent on grant and government funding (“public provider” funding model) – less individual giving or earned revenue opportunities than, for example, a theatre or private school - worth explaining?
- Can you show you are doing better in diversifying funding than similar agencies in your sector?  
Example: social service agency serving refugees creates a fee-for-service translation/interpretation program (bonus: and hires refugee clients!)



# Examples of Good Answers – Organizational Sustainability

- Show growing number of members, donors, patrons, partners, volunteers
- Show community relevance, reputation
  - Has the mayor or other prominent official praised your organization, e.g., “Our city could not address homelessness without GreatOrg’s work! They are indispensable!”
  - Letters of support from partners
  - Client testimonials
  - Sustained outcomes
  - Awards, citations – organization or key staff
  - Well-known, respected leadership and/or brand
- Note: These answers are likely in other places – no need to be repetitive here, but can remind reviewers that these are part of sustainability



# Examples of Good Answers – Organizational Sustainability

- Describe your organization's fundraising plan, if one exists. Call attention to your record of success with other funders, name those that renew funding annually, any multi-year or general operating support you have.
- Show plans for earned revenues, fee for service – either organization (is fee for service revenue growing at your organization?) or through this program



# Thoughts from a Program Officer on COVID-19 and Equity

**A community foundation VP** acknowledges this year is different for all nonprofits, and tells how the foundation is applying a “COVID-19 lens” to its grant reviews this fall, as well as an equity lens:

- Expecting progress reports won't match projections made a year ago
- Successful pivot? How have nonprofits reacted and adapted? How did they respond to the crisis and making changes to plans, projects, and services going forward?
- Financials: Budgets are taking hits, it will be difficult to project, especially those dependent on earned revenue (e.g., ticket sales) or government funding. Successful applicants can articulate strategy, backup plans.
- Equity: Current events have placed even more emphasis on this work and we expect applicants to demonstrate action plans for centering equity in their work.

October 2020





# Specific Example

This organization specializes in building local capacity with local partners in cities throughout the state by bringing them technical assistance, training, and curriculum.

The state alliance on teen pregnancy had a number of 5-year evidence-based federal grants to reduce teen pregnancy in cities with high teen pregnancy rates.

Dramatic reductions in teen pregnancy were rapidly achieved in those communities, and outcomes were sustained by local partners, long after the program ended. No further funding was needed.



# Specific Example

One program officer said she likes to see organizations present both the “good side” and “bad side”, acknowledging the environment.

Example: “We currently have government funding for this program, but the funds are being cut” (or “but it’s not enough to do the job to our standards”)



# Specific Example

**Explain how this program might sustain itself in future years if it receives funding.**

The partnerships we will build today won't go away when the funding ends. They should yield more referrals in future years. And organizational factors like these are predictors of program sustainability:

- **Proven resilience.** COVID-19 has tested sustainability of all our programs and services, not just this one. We adapted within one week of the March shutdown to virtual services and have offered all programs and services virtually since, uninterrupted.
- **Proven relevance.** COVID-19 exposed the need for our services as many previous clients returned, not just because some lost jobs and needed help finding work, but for social and emotional connections and support.
- **Growing client base.** We are currently funded to create new infrastructure to operate during the pandemic and post-pandemic: 1) enhanced web site; and 2) permanent virtual services. These will give people more ways to reach us. This is meant to gain, retain, and regain clients.
- **Strength of partnerships.** We are developing new partnerships, partly through this proposal if funded, as well as other ways. Increasing partnerships validates our value in the community.
- **Financial stability.** Through COVID-19, we are in touch with funders – state and private funders, partly so funders will be more likely to continue funding. We've earned the trust of long-time funders such as Foundation1, Foundation2, and other local funders. We reach out to new funders as opportunities arise. Our state contracts only cover certain activities. We look to others like your foundation that allow us to do more – more outreach, partnership building, web site improvements, and to serve more people.



# Specific Example

**From a report to a funder on an environmental center's 2020 summer program:**

**What steps are being made to ensure the sustainability of your project or organization beyond this grant period?**

Successfully shifting during a pandemic is a test of sustainability. Securing new funding sources like XYZFoundation is part of sustainability, and also validates our value to the community. Our current capital campaign (over \$3 million raised) is about remaining responsive and relevant to the community, a measure of sustainability. Half raised is for capital renovation/expansion, and half for education program innovation to remain relevant to changing needs, population, and environment.



# Specific Examples

Examples from a grant professional who works in a public K-12 school district:

- “[so many] dollars won't need to be replaced when the grant ends because they represent the cost to manage this grant, not the project.”
- “These one-time investments (e.g., teacher professional development, equipment) build capacity. The equipment will last for X years after the grant ends before we need to think about replacing them.”
- “We are going to use a ‘train-the-trainer’ model to continue professional development.”



# Specific Examples

Examples from a grant professional who works in a public K-12 school district, continued:

- “We don't just ‘hope’ the district will pick up the remaining cost, we are planning for it by using the grant-funded period to collect data to show how valuable it is. We're going to use the data to grow the program also, by looking for more partners (including other funders).”
- “Maybe we will continue the after-school program by charging a small fee, once we prove to the constituency it is worth it and we've built our capacity to provide this service.”



# Specific Examples

Examples from a grant professional who works in a public K-12 school district, continued\*:

- “The program will actually provide a cost savings to the district that will partially or totally off-set the costs of service.” (e.g. an in-district special ed program that keeps students out of expensive out-of-district special ed programs – or saves the cost of transporting them – or brings students whose costs are paid by other districts)
- Maybe the program will end or become smaller because you have addressed a need (infrastructure, capacity) that won't be ongoing.

\*Lisa Glickstein, Director of Corporate And Foundation Relations at Regis College, formerly Grants Coordinator, Andover Public Schools



# Another Perspective

“Most people define sustainability as ‘obtaining funding to keep the program running.’ That’s not quite right. It’s primarily about perpetuating the results that are being achieved. Sometimes sustaining outcomes requires that you continue the program or some part of it – but not always.” - Barbara Floersch, Executive Director of The Grantsmanship Center “Sustainability After the Money Runs Out”, The Nonprofit Times, February 17, 2016

When presented with this, one program officer interviewed observed: “Sustainable outcomes, in and of itself, does not generate funds.”





# “Risk-taking” Answers

- Can you say you will need more than one year of funding – may take 3 or 5 years to become sustainable to ramp up, plan. Can we admit we need, and ask for, multi-year funding?
- Say the program will expand more slowly if full funding not secured? Fewer locations, fewer clients, students, etc.
- Can you ask for funding to create a plan to fund the program in future years? Or include funding for planning in the program budget?



# Conundrum: Can You Make Your Organization Look Too Good?

- One Executive Director observes about the sustainability question: “After five or more #!\*&-ing pages of explaining just *how much* you need the bucks, you are now invited to totally reverse yourself!”
- One program officer interviewed admits: the “double-edged sword” that showing financial sustainability may make it look like you are “all set”.



## “Answers if We Were Brutally Honest”\*

- “Program staff and the board will triple the amount of time they spend praying for money.”
- “Program participants will be asked to pray for money to provide for their services as well.”
- “10% of general operating funds will be used to purchase Power Ball lottery tickets.”
- “Fund development staff will regularly consult a reputable psychic to help track which direction foundations are trending to support.”
- Or “We will leave you alone and bother other people.”

\*Vu Le, Nonprofit AF, “The Sustainability Question, Why it is So Annoying”, 09/03/2013

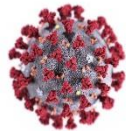


# Comparison

## **Foundations is to Nonprofits as Parents is to Millennials**

“Many foundations have this crippling fear that we nonprofits will become dependent on them. Like those Millennials who move back home to live with their parents after grad school\* and refuse to leave. Because of this fear, most foundations give one-year grants, usually restricted. Tough love, you know.”

\*Or pandemic?



Vu Le, Nonprofit AF, “Can we all just admit there is no such thing as nonprofit sustainability?”, 12/08/2014



# It's About You

What did you use to answer the sustainability question? Did it work? Did you get the grant?

What do you plan to use to answer the sustainability question next time?

Is there one thing you learned that you can use to answer the sustainability question in the future?



# Q & A

# Final Comments?

Thank you!

Ellen Gugel, [emgugel@verizon.net](mailto:emgugel@verizon.net)

Laura Katz Leacu, [lakatz52@gmail.com](mailto:lakatz52@gmail.com)



# References

- Nonprofit AF, [www.nonprofitaf.com](http://www.nonprofitaf.com), Vu Le, NWB Consulting, former Executive Director, Rainier Valley Corps, author, speaker
- “Sustainability After the Money Runs Out”, The Nonprofit Times, February 16, 2016, Barbara Floersch, Executive Director of The Grantsmanship Center
- “Sustaining Improved Outcomes: A Toolkit”, 2010, Scott Thomas, PhD and Deborah Zahn MPH
- “The Ultimate Guide to Answering the ‘Sustainability Question’ in Grant Applications”, GrantsEdge, October 14, 2016, Sheila Simpson
- “We Will Apply for More Grants”, GPA News, August 8, 2017, Diane Leonard
- “Are You Answering the Sustainability Question Correctly?”, GPA News, May 9, 2016, Danny Blich
- “Answering the Annoying Sustainability Question”, GPA News, August 28, 2017, Ellen Gugel

