

Sustainable Forever: How to Develop Income for the Long Term

These case studies show how any nonprofit can become financially empowered.

By Karen Eber Davis

All nonprofit leaders want their organizations to be sustainable. Few are. Most have a plan they hope will work, but it often depends on other people – government funders, key donors, business leaders – or circumstances, such as the weather on the day of a special event. Sustainability that depends on something other than the efforts of your board, staff, and supporters is *not* sustainability.

Is sustainability just the destiny of a lucky few? Not at all. Every organization, including yours, can create a sustainable organization. It has little to do with luck. It has to do with identifying a practical income strategy and using it for decades in a consistent and focused way.

Earned income is great. You can bring in money by starting a business in any field you choose. But mission-earned income is even better, because it does more than bring in money and help your organization become self-reliant. It strengthens your mission at the same time. Here are three enterprising nonprofits who show how it's done:

Case #1: A 35-Year Focus on Individual Donation Income

Mission: 22 research and 23 education programs

Income: \$18 million

During his 35-year tenure at Mote Marine, Kumar Mahadevan helped Mote Marine Laboratory grow from a small research lab into a major institution. In the late 1970s, Mote's senior leaders realized that to fund research – the Laboratory's key goal – Mote needed to obtain individual donations from the local community. Research grants were never going to provide 100% of the funds needed.

To grow donations, Mote began a long-term process. It started expanding its youth programming by developing science-education resources and summer camps. In the 1980s, Mote continued its effort by opening an aquarium. The aquarium now provides over \$1,000,000 in operating support and brings in 350,000 visitors each year.

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What's the goal of the programs, aquarium, and special exhibits? While these look like earned-revenue enterprises since they provide earned income, their real function is to create relationships with local donors.

Case #2: A 20-Year Focus on Mission Income, Donors, & Government Income

Mission: Jobs and services for 3,000 special needs adults and a reputation as Las Vegas' favorite charity

Income: \$26 million

Opportunity Village's income strategy focuses on three sources:

- mission-earned income, 50%
- individual donations, 25%
- government funding, 25%

To support government funding, staff continuously visits elected officials in their offices in Carson City, Nevada, and Washington, DC. They invite these officials to visit Opportunity Village campuses.

To support individual donations, among other activities, Opportunity Village offers a holiday multi-day event, called the Magical Forest, to the Las Vegas community. The event celebrates the holidays and brings a forest to the desert.

To support mission-earned income, Opportunity Village develops thousands of job opportunities, many by turning seeming disadvantages into advantages. (See “Find Your Aces” in the “Put These Lessons to Good Use” box on page 11 for more about this aspect of their work.)

Case #3: A 10-Year Focus on Volunteers

Mission: Helps 137,000 individuals each week

Income: \$148 million

A critical constraint that the Food Bank of Houston found in providing more food to the community was the need for hands to organize food for distribution. For instance, the content of donation barrels must be sorted. To provide more mission, the Food Bank of Houston's in-kind strategy is to maximize volunteer hours. Executing the strategy includes being open 22 hours per day and using state-of-the-art sorting equipment that makes the task of sorting fun and interesting.



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The distribution center includes a conference center that’s available at cost to businesses and community groups, who are encouraged to volunteer while on site. These efforts have resulted in over 23,500 individuals donating 200,000 hours of their time.

The Lesson for You

Is it your goal to be sustainable? If yes, develop an income strategy. Use it for the long haul. It will:

Shine as a beacon despite hurricanes, polar vortexes, and darkness. The day after your gala, board retreat, or grant submission, you awaken knowing what to do next.

Create experts on your staff. By focusing on the income streams in your strategy, staff will gain the 10,000 hours of practice that Malcolm Gladwell tells us creates experts.

Allow you to decline interesting but time-sucking activities that don’t fit your strategy. Few entities can be experts in everything. Most don’t need to be.

Challenge you to build good habits and excellent discipline.

Provide sustainable income.

Long-term income strategies are lighthouses that everyone – you, your board, your staff, your volunteers – turn to on moonless nights. Year after year after year, through light and darkness, a good income strategy guides. To become sustainable, determine your income strategy – then work it forever. Start today. 

Put These Lessons to Good Use

For details on applying this guidance in your organization, see articles such as these at NonprofitWorld.org:

Purging Misinformation, Hearsay, & Errors about Nonprofit Income (Vol. 34, No. 4)

Not a “Someday” Dream: The Steps to Sustainable Income (Vol. 37, No. 4)

Finding Value & Income where You Least Expect It (Vol. 33, No. 1)

From Government Funds to Income Diversity: A Map For The Quest (Vol. 35, No. 4)

Looking for Customers Rather than Handouts (Vol. 22, No. 6)

How Much of Your Revenue Should Come from Earned Income? (Vol. 23, No. 3)

Cracking The Diverse-Income Code (Vol. 35, No. 1)

Find Your Aces: Turn Your Handicaps into Opportunities (Vol. 35, No. 3)

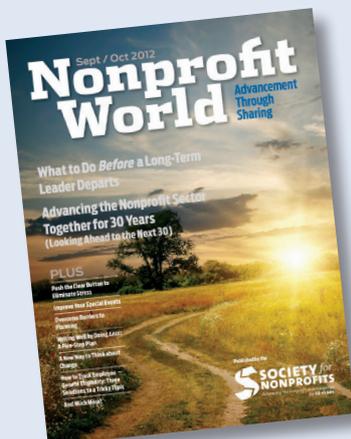
Making Much of Little: Turning Untapped Assets into Gold (Vol. 36, No. 1)

Cut Your Expenses: Become a Volunteer Magnet (Vol. 32, No. 2)



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