

# Who is Supporting Nonprofit Financial Sustainability?

## Pierce Family Foundation

*Chicago foundation provides multiyear operating grants to core grantees, plus a range of focused capacity-building support.*

### Quick Grantmaker Stats

Type of funder	Family foundation
Geography/Issue Area	Chicago/Housing and homelessness
When founded	2007
Total assets (as of FY 2013)	\$10.5 million
Annual giving (as of FY 2013)	\$1.5 million in direct grants and \$400,000 in grantee support services and programs
Number of staff	3 full-time plus team of contractual support specialists
Website	<a href="http://www.piercefoundation.org">www.piercefoundation.org</a>
Brief description of the program/practice being discussed	Multiyear operating grants of \$25,000, plus extensive package of other services and support for core grantees.

### 1. Describe the situation or practice.

The Pierce Family Foundation supports nonprofits working on housing and homelessness in Chicago. Its focus is to help those nonprofits build the capacity they need to operate effectively. One way the foundation does this is by providing long-term general operating support. The grantmaker defines this support as “full mission funding for the essentials that keep organizations strong and programs thriving — things like staffing, technology, and fundraising capacity.”

Executive Director Marianne Philbin said the foundation’s commitment to core operating support comes directly from its founders, Denis and Martha Pierce. Based on Martha’s experience running a small nonprofit, she and Denis had “a firsthand understanding of the trials and challenges nonprofits face on a day-to-day basis,” Philbin said. When they started their foundation, the couple was committed from the start to providing unrestricted general operating grants, as well as other capacity-building support to help nonprofits build strong and sustainable organizations.

## 2. What have you tried to do differently?

The Pierce Family Foundation supports a select group of core grantees, with these grantees receiving ongoing general operating grants from the grantmaker for five years or more, plus a range of other services. Typically, these grantees receive renewable annual grants of \$25,000. In addition to the financial support, the foundation's core grantees are able to access consulting and other help from support specialists on the foundation team, who have expertise in everything from board development to proposal writing and HR.

In 2013, the foundation was supporting 12 core grantees and another 80 organizations with more traditional grants. The foundation also does an enormous amount of “matching and problem-solving” across grantee agencies, Philbin said, and recently created an online portal and formal program to further this support of nonprofits. The program, called Peer Skill Shares, initially was available to Pierce Family Foundation grantees but has since been expanded to the grantees of 12 foundation partners. The Peer Skill Shares program enables nonprofits to get targeted one-on-one advice from peers with related expertise; participants also get a micro-grant from the foundation for participating.

The foundation has supported about 200 Peer Skill Shares sessions already, involving about 70 different agencies. Topics have included everything from message development for nonprofits to attracting corporate sponsorships to serving gay and lesbian families.

*“We try as much as we can to make our work about them rather than about us by maintaining reasonable, streamlined procedures, by being accessible, by being willing to fund the real costs. You can’t raise money without fundraising. You can’t retain talented staff without paying professional salaries. You can’t get the meal without the kitchen.”*

*– Marianne Philbin, Executive Director*

## 3. What has been the result?

In annual grantee surveys, core grantees report that the greatest impact of Pierce support is that it “enabled us to take the next step in our development as an organization and program provider.” Another common response is that the support “helps us increase the efficiency of our operations.” With a number

of organizations, intensive support from a Pierce HR specialist helped the agency through a leadership transition. Some have expanded their grants lists because the foundation supplied them with prospect research and training from a seasoned proposal writer.

A grantee shared: “I imagine technology infrastructure probably isn’t the most glamorous way to support charities, since it seems to be going to the business’ side of a nonprofit, not directly to the people we’re serving. However, I really see so much benefit from the IT funding you give out, and I feel like it is so valuable to our being able to function and serve folks.”

## A Range of Support

In addition to their general operating grants, core grantees of the Pierce Family Foundation receive the following:

- \$2,000 per year for professional development, including memberships, workshop fees and classes.
- Access to free legal services from a Chicago law firm, such as free phone consultation on HR and other nonprofit legal concerns.
- \$5,000 per year for event sponsorship, such as fundraising events, community forums, and more).
- Technology assessment from the grantmaker’s IT experts, plus \$5,000 for IT support.
- Up to \$5,000 for other direct consulting and services as needed. Services provided by the foundation’s team of nonprofit support specialists include fundraising consultation, communications, video, operations, HR and other areas that contribute to organizational stability and sustainability.
- Invitation to free workshops hosted by the foundation. Previous topics have included board development, storytelling techniques, reading financial statements and HR legal issues.
- Access to Peer Skill Shares, an online portal where nonprofits can share resources and advice.
- Invitation to send mid-level and senior managers to the Top Talent Institute, an eight-month professional development program designed by the foundation especially for grantee staff in emerging leadership positions.



## 4. What are your key insights from doing the work?

Philbin said that by providing unrestricted general operating grants, the Pierce Family Foundation is able to invest “in mission and organizations, rather than getting bogged down in or becoming overly consumed by the ebb and flow and minutiae of one-off projects.” Supporting real costs related to the “back office,” she added, puts the foundation’s support where nonprofits need it most. “What this is really about is debunking the myth that high program outcomes can be achieved with low investment in operations,” Philbin said.

Supporting nonprofits to use technology more effectively has been a priority for the Pierce Family Foundation from the start. “Technology is a huge challenge for nonprofits, not because they are naïve about its requirements and realities, but because technology has fallen into the category that funders so often dismiss as overhead,” Philbin said. That is why the Pierce Family Foundation provides free technology assessments and grants for IT support for core grantees.

Philbin added that the foundation continues to experiment with how best to support grantees’ core operations. As an example, she noted that there is no easy answer to the question of how best to help nonprofits build their fundraising capacity. She also said grantees regularly struggle with the costs of losing talented senior staff who sometimes exit the nonprofit field altogether.