

Here Today ... Here Tomorrow

Building Sustainability

When students arrive at Concord Neighborhood Center, some as early as 6 a.m., they're greeted with warm smiles and a hot breakfast.

Menu items are diverse – multigrain muffins one morning, French toast the next – and are prepared by staff members with decades-long connections to the center. During the course of the day, Concord will deliver on its tagline's promise to reach out to "people ages 3 to 103." It seeks to build enduring relationships with neighborhood residents and families. Preschoolers will participate in early childhood education activities. Older kids will board the center's bright purple buses for the commute to local elementary schools. Senior citizens will stop by the tiny Dynki Deli, where the day's special is available – carry out or eat in – for \$3. Later, high school equivalency classes will meet in the computer lab, after-school tutoring sessions will get under way, and the gym will reverberate with the thump, thump of basketballs.

"We're a community gathering place," explains Niki Girls, executive director of the historic facility on the near south side of Indianapolis. "It's not uncommon for us to host weddings, baby showers, retirement parties and even funerals."

The oldest neighborhood center in the state, Concord has a 142-year tradition of offering programs that Girls says "remove barriers and level the playing field" for residents of one of

the city's most impoverished areas. Operating on a modest budget of \$1.2 million, the center focuses on preschool education, youth development and a range of social services for adults. Although Girls admits that raising funds to support the programs is "a steep hill to climb," she and her board do it annually. Their success has enabled the center's staff to respond to neighborhood needs and report encouraging outcomes. Recently, they revamped the daycare and preschool programs to focus more on

closing the achievement gap for underprepared preschoolers.

"In July, our early childhood education program received its national accreditation," says Cindy Wood, chair of Concord's board of directors. "We completely upgraded the learning center's classrooms, and the staff adopted and implemented a new curriculum and a new style of teaching. It's been a game changer." As proof: "This past year, 100 percent of our preschool students tested as 'kindergarten ready.'"



Here today and here tomorrow

Concord is among 15 Indianapolis-based human service agencies to receive Lilly Endowment grants in 2016 aimed at building long-term financial sustainability. The \$100 million initiative reflects the Endowment's ongoing commitment to help charitable agencies that strive to improve the lives of low-income individuals and families. The scale of the initiative is similar to that of a 2015 Endowment initiative to promote the long-term sustainability of selected arts and cultural organizations. Through the 2015 initiative, 14 central Indiana arts and cultural institutions received grants to create or bolster endowments and engage in other projects or activities designed to improve their financial conditions.

Ten of this year's grant recipients are neighborhood community centers – like Concord – that provide comprehensive services to help children, families and senior citizens thrive. The other grantees, which frequently work in partnership with the community centers, include a



counseling organization; two hunger-relief agencies (see sidebar); an organization that provides a range of services during the daytime to help homeless individuals and families; and a regional organization that offers employment opportunities as well as education and health programming to residents of central and southern Indiana.

Grant amounts ranged from \$5 million to \$10 million depending on the size of each agency's annual operating budget, among other criteria. The Endowment asked each grantee in preparing its proposal to assess carefully its financial condition and to describe the challenges it faces in developing a sustainable future. It invited each grantee to propose strategies to address the challenges. Fourteen of the organizations have earmarked major portions of their grants either to establish permanent endowments or to strengthen existing ones. The purpose of these endowments is not to reduce or eliminate the need for ongoing donor support. Instead, it is to help "smooth out changes in income streams, give stability through difficult times, and encourage the growth and development

of sustainable new programs," explains Eugene Tempel, founding dean emeritus of the Indiana University Lilly Family School of Philanthropy and professor of philanthropic studies.

Tempel says that ideally, a nonprofit organization should receive 20-25 percent of its budget from its endowment and have a "rainy day" fund to cover six months of expenses without making painful cuts. He admits, however, that few organizations, especially those that serve low-income and vulnerable populations, are able to achieve such ambitious goals. The reason: "Most



Concord Neighborhood Center on Indianapolis' southside is one of 15 Indianapolis-based organizations to receive grants of between \$5 million and \$10 million to promote their long-term financial stability. Concord's programs for children (opposite, left and above) are a cornerstone of the center's neighborhood-based approach to providing social services.

human service agencies spend every dollar they have to meet the current needs of their communities. They have trouble attracting gifts to their endowments because donors typically want to support specific programs.”

Investing in the future

This has been the challenge at the John H. Boner Community Center on the near east side of Indianapolis, even as it demonstrates extraordinary reach to the 15,000 residents it serves with strategies to help them find long-term success. Boner Center has a unique set of partnerships through which it helps its neighborhood and others across Indianapolis. Since 2015, it has served as a lead implementation agency in the IndyEast Promise Zone, one of 22 communities in the nation to receive this designation. The IndyEast Promise Zone engages local organizations along with city, state and federal partners to increase affordable housing and redevelopment, boost economic activity, improve educational options, decrease serious and violent crime, and spur job creation. The IndyEast Promise Zone designation has helped secure \$78 million in federal funds to help 23 local organizations achieve these goals.

Boner Center also operates a Center for Working Families, one of nine such programs across Indianapolis supported by the United Way of Central Indiana. Developed by the Annie E. Casey Foundation, the Center for Working Families model uses an evidence-based, case-management approach to help low-income families overcome poverty and build financially stable lives. The model arrived in Indianapolis in 2006 with significant encouragement and financial support from Annie E. Casey Foundation, LISC (Local Initiatives

Support Corp.), the Indianapolis Foundation and the Clowes Fund.

“A lot of our donors want to see where their gifts go and how those gifts have a positive impact on the people we serve,” says Lynn Smith, director of resource development at Boner Center. Of the center’s annual budget of approximately \$12 million, only \$600,000 is unrestricted and is used to fill gaps for programming or other expense. To ensure continuity during lean times, 10 years ago the staff set a goal to create a reserve fund ample enough to cover operating costs for three months.

“We had that goal for a decade, but we didn’t make much progress toward achieving it,” says James Taylor, chief executive officer. “Organizations such as ours definitely aspire to long-term sustainability, but we have to balance that aspiration with our mission and demands for our services. When the economy collapsed in 2008, demand for services went up and funding went down.” The choice was easy to make: Meeting neighborhood needs took

priority, and plans to set aside rainy-day dollars were put on hold.

Until now.

Recipient of a \$10 million Endowment grant, Boner Center has made the long-anticipated contingency fund a reality and is taking several steps toward securing a sustainable financial future. Salary adjustments will help attract and retain skilled employees; upgrades to the energy system will reap savings that can be invested in program enhancements; and technology improvements will make the center’s East 10th Street office more efficient by streamlining its business practices. “This means our staff can spend more time serving our neighbors rather than tending to back-office chores,” says Taylor.

Programs for seniors (below and opposite) is one aspect of the John H. Boner Community Center’s comprehensive support for the eastside Indianapolis neighborhoods it serves. A grant to foster long-term sustainability promises to strengthen that commitment.



Concord Neighborhood Center, like Boner Center, will use the bulk of its grant to establish a permanent endowment. Concord's executive director has pledged to use Concord's \$5 million grant to build the kind of financial stability that will fortify the center against dips in the economy. "We're going to break a sweat to achieve sustainability," says Niki Girls. "We won't rest on our laurels. Our goal is for this place to be here for the community for another 141 years."

Taylor is adamant that earnings from the new endowment won't become another line item in the budget used to cover routine expenses. Rather, it will use earnings from the endowment to address – on a short-term basis – unanticipated changes in funding streams and to test and evaluate new approaches to serve residents. Taylor says, "We'll be asking ourselves, how can we use the resources from the endowment to deepen and improve our work in a sustainable way?"

Housing, health, hunger and hope

A key to ongoing success for all the grant recipients is their ability to forge partnerships with a range of organizations, including each other. Community center executive directors meet monthly to discuss common issues and ways to work together. Concord collaborates with more than 100 agencies and relies on partners to deliver specialized services it doesn't provide. "We're kind of a meat-and-potatoes place," says Girls. "We handle the basics, but if a client has a particular health issue, an addiction problem or wants to learn a certain job skill, we act as a broker and make referrals."



Collaboration is important, as well, for Boner Center and Shepherd Community Center because they serve adjoining neighborhoods on the near east side. Frequently they support each other's initiatives. One such effort, Shepherd's Shalom Project, which was launched in 2015, is a comprehensive plan to curb crime, renovate homes and alleviate hunger in one of the city's most troubled areas. "We're focusing on housing, health, hunger and hope," says Jay Height, executive director at Shepherd, a faith-based community center. "We define hope as a job and the promise that life can change for the better."

Bringing the project to fruition will require time, which is why the Endowment grant of \$7.5 million to Shepherd is significant. "It makes sure that we're going to be here in 30 years to help the grandchildren of the folks we're working with today," says Height. The challenges facing the project are great. Some 39 percent of residents live below the poverty line; 35 percent of the homes are abandoned; the area is considered a food and medical desert;

and incidents of gun violence exceed the city's average by almost 400 percent.

"We measure progress in inches," says Height, listing recent successes that help to offset the sobering statistics. A mobile clinic from Eskenazi Health now rolls into the neighborhood twice a week; a full-time police officer regularly patrols the streets; construction crews are set to rehab 80 houses in 2017; urban gardens are in the works; and Shepherd recently opened a spacious kitchen equipped with individual work stations. "We're teaching basic cooking skills to help families eat healthier and make their budgets go further," says Height.

Then there are the personal success stories. Because Height and his wife and children live in the community that Shepherd serves, they view residents not as clients but as neighbors. "We've been here more than 20 years – long enough to see the kids we once worked with moving back to their old neighborhood. They tell us they want to make sure that their kids are touched by Shepherd just like they were."