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Sustainability Is Made, Not Born: Enhancing Program Sustainability Through Reflective Grantmaking

Ann L. McCracken, Ph.D., and E. Kelly Firesheets, Psy.D., The Health Foundation of Greater Cincinnati

Introduction

Consistently, our Senior Program Officer and other people at the Health Foundation made it very clear that they really wanted this to be sustainable and offered help and direction. . . . That was so consistent. It was not a situation where six months before the project ended they asked for sustainability. All the resources were so helpful. – respondent, 2009 Health Foundation of Greater Cincinnati Sustainability Survey

In 2009, Grantmakers for Effective Organizations, in partnership with the Council on Foundations, released a report that stressed the importance of evaluation and learning in the field of philanthropy. The report noted that it is important that foundations learn from their work and share what they have learned with grantees, other funders, and the community. This includes reflecting on grantmaking practices with the goal of fostering improvements in the organizations that foundations fund and the communities those organizations serve.

As traditional funders embrace a giving-as-investment philosophy, there is movement toward quantifying social change as a measure of the return on grantmaking. If social return is the assumed goal of philanthropy, then the sustainability of grant-funded projects can be a useful indicator of successful grantmaking. To understand program sustainability, it is important for funders to consider what happens to grant projects after foundation funding ends and to reflect on why those things happen. The answers are not simple.

For more than 10 years, the Health Foundation of Greater Cincinnati has focused on the sustainability of our grantees’ projects and has gathered information from former grantees through surveys and structured interviews. Although this work was done systematically with repeated iterations and had similar results across years, it lacks the rigor that characterizes research and is not intended to "prove" or "disprove" attributes of sustainability. However, the data have been useful to the foundation and we share this information with our fellow grantmakers in the spirit of learning across the field. First, we review the literature on defining and improving sustainability. Second, we discuss how the foundation measures and collects information on sustainability and present...
a brief summary of the quantitative and qualitative analysis of the responses we have collected. Finally, the discussion section combines the survey findings and the reflections of program staff as they create a grantmaking strategy that will enhance sustainability.

**In general, funders who monitor sustainability tend to select the indicators that are most pertinent to their mission, grantmaking, and grantees.**

**Sustainability Literature**

**Defining Sustainability**

Funders who have attempted a basic follow-up on previous grant projects know that measuring program sustainability can be surprisingly complex (Beery et al., 2005; Scheirer, 2005; Annie E. Casey Foundation, 2002). Although it may seem relatively simple to determine if a program continues or not, funders who attempt to quantify sustainability must struggle to find a balance between factors such as the natural life cycles of programs, a desire to demonstrate the continued effects of the funded activities, and environmental factors that affect sustainability (Scheirer, 2005).

Intriguing questions arise:

- Should funders be responsible for their grantees’ sustainability? If so, at what point do funders cease to be responsible? Two years? Five years? A decade?
- Should a project be sustained if there is no demand for its services?
- Is a grant project sustained if the work continues, but the outcomes are poor?
- Do we consider a project a "failure" because the work is not sustained, even if the learning or ideas continue in the organization?
- Is a project sustained if work continues, but on a smaller scale?

These kinds of practical questions led researchers to identify four indicators of sustainability (Shediac-Rizkallah & Bone, 1998; Weiss, Coffman, & Bohan-Baker, 2002):

- maintaining individual-level outcomes,
- continued program activities,
- sustained community-level capacity,
- integration of the principles or values associated with an initiative.

In general, funders who monitor sustainability tend to select the indicators that are most pertinent to their mission, grantmaking, and grantees (Annie E. Casey Foundation, 2002; Beery et al., 2005; California Wellness Foundation, 2002, 2006). While some funders choose to focus on all four of the indicators, others may find only one or two of them to be useful or relevant. For example, a foundation that provides general operating support may be more interested in whether its grantees are able to maintain capacity, while a funder that provides program grants may be more interested in seeing a continuation of program activities and outcomes.

**Improving Program Sustainability**

In 1998, Shediac-Rizkallah and Bone explored potential strategies to improve the sustainability of programs in the community. They reviewed the existing literature on sustainability and identified three broad factors that influence the continuation of programs: project design, organizational culture, and community environment. The authors concluded that program sustainability doesn’t just happen, but requires the “formulating [of] sustainability goals and objectives and developing and implementing strategies specifically to foster sustainability” (p. 91). In other words, the design and management of a sustainable program requires an intentional approach.

While not all philanthropists aspire to fund long-lasting projects, those who do must develop a similar deliberate strategy for sustainable grantmaking. This demands a paradigm shift that includes a more active approach to funding (Annie E. Casey Foundation, 2002). As they make this shift, funders’ organizational benchmarks tend to move away from outcomes that reflect internal processes and toward measures of change in tar-
get organizations and populations. The goal is no longer getting "money out the door," but sustained community capacity and social change.

For this reason, a number of foundations have taken an interest in the sustainability of their programs. In 2002, the California Wellness Foundation reported that it had begun to taper funding to see its effect on project longevity. The same report also noted that, because the government is the single largest funder of services for low-income people, support for advocacy might be an effective strategy to enhance sustainability (2002). In the same year, the Annie E. Casey Foundation offered 12 suggestions for achieving sustainability in the field of philanthropy. These included planning for sustainability early in the implementation process, setting clear and realistic goals, using evaluation as a marketing tool, and being more intentional about public funding. The authors noted, “If [foundations] want to see a program endure, much less replicate and build to scale, investments in nonprofit capacity-building are essential” (2002, p. 9).

The Harvard Research Project explored the role of evaluation in sustainability (Weiss, Coffman, & Bohan-Baker, 2002). It concluded that sustainability must be treated as an outcome and used to “feed back regular information that can be used to ensure sustainability is on course, and if not, to point to opportunities for midcourse corrections” (p. 2). The project also noted that an exit plan should be in place from the earliest stages of an initiative.

In 2006, Stevens and Peiks reported that 92 percent of the Robert Wood Johnson Foundation's 112 Local Initiatives Funding Partners projects were sustained at least one year after project funding ended. The authors reflected on the characteristics of sustained projects, and noted that foundations can facilitate sustainability by providing financial support as well as advice and resources. In the same year, the California Wellness Foundation published a follow-up to their first “Reflections on Sustainability” report, which reported the sustainability rate of its projects. More than half of the funded projects – 51 of the primary initiative grantees – were sustained post-funding at levels comparable to those achieved during funding. The authors concluded that achieving sustainability is not just about money and described a number of other factors that affected their grantees’ sustainability, including project leadership, staff stability, fundraising skills, clear expectations, planning early, marketing a track record of success, having an evaluation feedback loop, phased-down funding, and opportunities for grantee networking (California Wellness Foundation, 2006).

The Health Foundation of Greater Cincinnati and Sustainability

The mission of the Health Foundation of Greater Cincinnati is to improve the health of people in its region – a 20-county area in three states. The foundation improves health by supporting work that increases access to quality care in four focus areas: community primary care, severe mental illness, substance-use disorders and school-age children's health.

Soon after its inception, the foundation’s trustees and staff identified values that permeate our grantmaking: supporting enduring projects, creating a culture of learning, and demonstrating accountability. Since the primary goal of the foundation's early work was increasing access to quality care, staff and trustees were interested in knowing whether the new treatment capacity created by foundation projects were sustained after the grants ended. Because the foundation is a continuous-learning organization, staff and trustees were also interested in knowing what barriers and facilitators grantees experienced as they worked toward sustainability, and if there were things the foundation could do to help them sustain their projects.

The Foundation Measures Sustainability

In 1998, the foundation’s evaluation staff developed a relatively simple survey to gather information about program sustainability and the environmental factors that can contribute to sustainability. The results of that survey were used by the foundation's program staff to identify opportunities for capacity building and technical
In monitoring and discussing sustainability, the foundation also considers changes in project scope, grantees’ institutionalization of knowledge and learning, and sustained client and community outcomes. The foundation also monitors the facilitators and barriers to sustainability, which are useful in guiding decisions about capacity building and technical assistance.

The foundation completed iterations of the sustainability survey in 1998, 2003, 2007, and 2009. Both the foundation’s grantmaking and understanding of sustainability advanced over time, and later iterations of the survey were adapted to reflect a broader definition of sustainability. Since much of the foundation’s funding focuses on increasing access to health services, the overall “sustainability rate” of our grants is based on continuation (“Was the project sustained at the end of the grant period?”). Keeping this measure constant allows for simple comparison over time. However, in monitoring and discussing sustainability, the foundation also considers changes in project scope, grantees’ institutionalization of knowledge and learning, and sustained client and community outcomes. The foundation also monitors the facilitators and barriers to sustainability, which are useful in guiding decisions about capacity building and technical assistance.

Projects are invited to participate in the survey if the grant closed in the previous two years and included work that was expected to continue. This generally excludes planning grants, program grants that did not produce successful outcomes, matching grants, and grants for capital or time-limited projects. Initial decisions on inclusion/exclusion are made by evaluation staff and reviewed by program officers who are more familiar with the projects. Data collection for the sustainability survey is managed by foundation staff and graduate-level interns. The past two iterations of the survey (2007 and 2009) were managed by an evaluation consultant with support from foundation interns. Copies of the survey are emailed to participants, who are given the option to fill it out and return it or to arrange a time to complete the survey as a structured interview. The vast majority (all but one or two per year) choose to complete the survey as an interview. Obviously, this arrangement does not allow for anonymity in responding that would be preferable in empirical research; however, we make every attempt to protect grantees’ identities by removing identifying information before sharing responses with program officers and other staff who are involved in decision-making about grant proposals.

The foundation uses the sustainability survey to collect quantitative and qualitative data about program sustainability. Quantitative data are coded and analyzed using statistical software, while open-ended questions undergo thematic analysis. For the past two iterations, qualitative analyses were conducted by two independent reviewers to help improve consistency of analysis. The themes and trends in the qualitative data have been very useful to foundation’s learning and decision-making.

Sustainability Responses

Quantitative analysis: Sustaining access to health services. Of the 129 projects surveyed across the four iterations of the sustainability survey, 113 were sustained at the end of foundation funding, indicating an overall sustainability rate of 88 percent. Overall project sustainability has remained
relatively consistent over time, with a low of 86 percent in 2009 and a high of 90 percent in 1998. Most of the projects (between 84 percent and 89 percent) surveyed over the past 11 years reported that their program numbers either increased or stayed the same after their grant funding ended, indicating that access to health services was maintained or expanded. Unfortunately, a lower percentage of projects (36 percent) in the 2009 survey grew after the end of the grant period. This is likely a reflection of the economic conditions at the time of the survey. Although most projects did not grow in 2009, only a relatively small percentage of projects (16 percent) reported that they scaled back services, suggesting that increased access was sustained after our grant funding ended.

To help us understand the financial challenges that grantees face in sustaining programs, the foundation collects information on the ways that funding sources change over the life of a grant. Our funding generally constitutes about two-thirds (between 53 percent and 70 percent) of a project’s budget at startup, and decreases to less than 2 percent at the end of the grant. In general, government entities are the largest source of support for grant programs after their grants end, making up more than half of grantees’ project budgets. This is not unexpected, since Medicaid revenue (included in “government entities”) is particularly important to health care providers. Medicaid income has increased across iterations of the survey from a low of 14 percent in 2003 to a high of 25 percent in 2009 (Table 1).

Qualitative analysis: Facilitators and barriers to sustainability. In the sustainability survey, grantees are asked to reflect on the barriers and facilitators they experienced in sustaining their programs. Although some issues have shifted in relative importance over the years, grantees’ responses have remained remarkably consistent across all the iterations of the survey. When asked to give advice on sustainability to others who might be starting a similar project, the most com-

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<sup>a</sup> Data for these sources of funding were not collected in the 1998 survey.

<sup>b</sup> To allow for comparison across cohorts, “all government entities” was calculated using “government entities,” “Medicaid,” and “other public funding” percentages from 2003, 2007, and 2009 respondents.
mon responses have emphasized the importance of:

• collaboration;
• planning (for the project and planning for sustainability);
• keeping staff on board;
• marketing, advertising, and communication;
• gathering and using program data; and
• taking advantage of capacity building and training.

**Treatment services are often funded by the behavioral health system, while the financial savings occur through decreased recidivism in the criminal justice system. To sustain these programs, it is important for partners from both systems to collaborate around payment and funding issues.**

**Collaboration**

We [behavioral health grantees working in diversion or re-entry] improved relationships with the court system – that’s the major one. We now have a better ability to deal with challenges in an open way, whereas it used to be a lot of manipulating and complaining. Now, if there’s a problem, you pick up the phone and talk. – respondent, 2009 sustainability survey

For nonprofit organizations, collaboration can be a complex and challenging task. While it can be difficult, collaboration is often necessary to overcome many of the systemic challenges that our grantees face in providing health services. For example, several of the foundation’s grantees are providing diversion and re-entry support for individuals with severe mental illnesses and substance use disorders who are involved in the criminal justice system. In those programs, the treatment services are often funded by the behavioral health system, while the financial savings occur through decreased recidivism in the criminal justice system. To sustain these programs, it is important for partners from both systems to collaborate around payment and funding issues.

**Planning**

[The planning grant we had prior to the implementation grant] was useful for bringing together all the parties from different systems. ... All the stakeholders were at the table. We put together the infrastructure so we were ready when it came to implementation. We had time to review other models and visit other programs so we could select the best model. – respondent, 2007 Sustainability Survey

Grantees also tell us that pre-implementation planning is critical to program sustainability. Organizations that take time to plan are able to assess the needs of their consumers and identify the best services, explore funding options, identify their capacity for a new project, and build relationships with important stakeholders in and outside the organization. The fee-for-service payments in the health care system make planning difficult for many of our grantees, and many skip this important step. However, those who are able to take time to plan for new programs and services find that they are easier to sustain and that implementation goes more smoothly.

**Learning From Projects That Were Not Sustained**

To identify and address barriers to sustainability, evaluation staff reviewed responses from projects that were not sustained. These 16 projects represent a small proportion of the overall sample; however, analyses of their experiences provided the opportunity for additional learning and insight into sustainability. Survey respondents reported that their programs were not sustained for a variety of reasons. The most frequently noted reasons were lack of funding streams (7), staff turnover (5), organizational changes (4), and not hitting targets (3).
Many of our grantees’ health-related services are funded through Medicare, Medicaid, and other government programs. This means that the financial sustainability of programs can be greatly affected by the political climate and state and national priorities. We have learned that grantee organizations and, in turn, their consumers are adversely affected if government policies change to decrease access or if funding streams are eliminated. Unfortunately, limited resources and lack of political experience make it difficult, if not impossible, for many of the foundation’s grantees to advocate for their clients. To respond to these challenges and an increasingly complex political landscape, the foundation collects and disseminates data on pertinent health-policy topics, hosts workshops that increase grantees’ understanding of work in the policy arena, and, when appropriate, funds local and state groups that inform policy. The foundation also encourages grantees to expand their revenue sources beyond traditional government funding, and provides assistance to grantees that are exploring ways to generate additional funding streams. We do this by providing workshops and technical assistance to help grantees with business planning, fundraising, and social enterprise ventures.

**Discussion**

In addition to the results of the sustainability survey, senior program officers review annual reports with grantees, and the program team reviews closeout reports from every grantee. This has helped the foundation develop a three-tiered approach to supporting the sustainability of projects. Our approach (Figure 1), which has developed over the past 11 years, is based on the factors proposed by Shediac-Rizkallan and Bone (1998) and is informed by the foundation staff experience and grantee feedback. The foundation uses a combination of grantmaking processes, capacity building resources, and policy work as a means of addressing the community environment and addressing the systemic factors that affect program sustainability.
Grantmaking Processes
The foundation has structured its grantmaking processes to make certain that funded projects are realistic and contain as many success factors as possible. To ensure that grantees have adequate time and resources to plan for sustainability, the foundation offers “planning grants,” small, short-term grants typically between $30,000 and $50,000 that can be used to support the process of planning and program development. During this time, grantees assess needs, explore interventions, establish working relationships with stakeholders, and develop a financial plan for their project. At the end of this period, organizations submit a completed business plan that includes service targets, financial projections, and a detailed funding plan.

Grantees’ business plans double as their grant proposals. At every step of the proposal process, grantees are asked to address the sustainability of the project. During the proposal review, senior program officers look for success factors (a realistic funding plan, collaboration, plans to attract and retain appropriate staff, etc.) and encourage grantees to strengthen areas that are lacking. Program officers complete a risk analysis for each project, along with a plan to mitigate program, organizational, community, and sustainability risks. Information from the risk assessment is incorporated into the grantee’s evaluation plan (Health Foundation of Greater Cincinnati, 2009), which is reviewed by the grantee and the foundation annually (or more frequently if the risk is very high).

Over time, the foundation has increased the length and dollar amount of its implementation grants, so that most implementation projects receive two or three years of funding. Like many other foundations, our grants are structured so that the dollar amount decreases over time; grantees receive the most funding in year one, and a smaller amount in year two or three. This provides the program adequate time to mature and “ramp up” revenue-generating or fundraising efforts. In some cases, the foundation awards a challenge grant following implementation, which gives the grantee an opportunity to “match” selected fundraising goals. Not only does this help grantees sharpen fundraising skills, but it also provides leverage for organizations in their “asks.”

Capacity Building and Technical Assistance
The impact of this project wasn’t about hiring staff. ... The real help came in the technical assistance, the coaching, training, etc. It really changed the way that we do our work at the agency. – respondent, 2007 Health Foundation of Greater Cincinnati Sustainability Survey

The foundation believes that organizational capacity is an important factor in program sustainability and ultimately in actualizing the potential of nonprofits to meet community needs. Ongoing training is a staple in the for-profit world, but the high cost of training locks most nonprofit organizations out of many of these opportunities. The foundation holds workshops, provides one-on-one consultation, and hosts grantee peer-learning groups to increase nonprofit proficiency. In 2008, the foundation convened 32 workshops, attended by 1,088 nonprofit professionals, board members, and volunteers. Workshops cover a wide variety of topics, including communications, evaluation, fundraising, business development, advocacy, project management, and client retention. Foundation staffers teach a number of workshops, but when there is not internal expertise on a topic we contract with external experts for teaching and consultation.

In addition to capacity-building workshops, the foundation provides technical assistance to grantees through one-on-one consultation and coaching. Senior program officers, evaluation, health data, and communications staff meet regularly with grantees to provide advice and consultation. This is particularly helpful to first-time grantees: The foundation’s proposal and reporting
requirements set a high standard for grantees, but staff are willing to provide coaching and support to help them meet those requirements. Other foundation resources include a print library and an online data archive and statistical software (OASIS, 2009) with mapping capabilities (Health-Landscape, 2009).

The foundation convenes grantee learning groups to bring together projects and organizations that are working in a similar area or field. Often, grantees within one area are from a variety of different systems (i.e., behavioral health, physical health, criminal justice), and grantee group meetings give them the opportunity to network, share information, brainstorm solutions, and develop partnerships. The groups are facilitated by the foundation’s senior program officers who have content expertise in the particular field or topic and are familiar with the grantee organizations and projects. Most group members reported that they found the grantee learning groups to be very helpful because they were able to learn from one another’s successes and challenges, and they became more tolerant by vicariously “walking in another’s shoes.”

Policy Work
The foundation’s policy work developed as a response to grantee feedback and our grantmaking experience. Policy and advocacy work are particularly relevant in supporting financial sustainability. The foundation often funds new programmatic approaches, which can be difficult to sustain because funding policies and requirements are based on more traditional approaches. The foundation supports evaluation of projects and, when appropriate, initiatives, and shares the results of those evaluations to inform policymakers and key stakeholders. Health surveys and policy polls also inform policymakers of regional health needs and the attitudes of constituents on health issues.
Conclusion
For many years, foundations have funded projects they judged to be good for their communities. Recent emphasis on impact has led some funders to focus on providing grants to the crème de la crème of nonprofits, with the assumption that premier organizations have the greatest chances of creating community impact (Ailworth, 2009). Still others advocate for providing operating support as a primary approach to grantmaking (Burd, 2009). Regardless of the approach, the money is gone at the end of the grant period. If foundations have not taken steps to build capacity in the organizations they support, organizations – and the communities they serve – may be left with programs that cannot survive.

Regardless of the approach, the money is gone at the end of the grant period. If foundations have not taken steps to build capacity in the organizations they support, organizations – and the communities they serve – may be left with programs that cannot survive.

To be a catalyst for community development, foundations must develop their full potential to be community change agents. Foundations can expand their funder role to include being capacity builders and advocates for nonprofits. Then, and only then, will the community good that is created by philanthropy result in enduring changes in the communities that are served. For the Health Foundation of Greater Cincinnati, this has meant developing strategies in funding, capacity building, and policy work.

References


healthlandscape.org.


Ann L. McCracken, Ph.D., is the Director of Evaluation at the Health Foundation of Greater Cincinnati. For the past 12 years, she has worked with grantees to evaluate funded projects, the program department to evaluate strategy impact, and with external evaluators to evaluate clusters of grants. Prior to working at the Foundation she was a professor at the University of Cincinnati where she was a two-time Fulbright Lecturer/Researcher in Norway and in Australia.

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