

## BUSINESS

# Memphis-based United Way leverages funding to target poverty

By Kevin McKenzie of The Commercial Appeal

Challenged by a 25 percent decline in contributions in recent years, the United Way of the Mid-South is sharpening its focus on fighting poverty and helping families become self-sufficient.

Now the United Way is beginning to leverage the millions of dollars it distributes to nearly 80 high-performing nonprofit agencies, guiding them to focus on the same goals and to work together to form a social services system of care.

"United Way is doing something which in the for-profit business is not unusual, but it has been fairly unusual for United Way," said Dr. Kenneth Robinson, chief executive officer of the Memphis-based organization since February 2015.

"We have a mission and we are simply aligning our work and our grants more deliberately and intentionally toward our mission, and particularly to drive a level of assumed community impact," said Robinson, a former state health commissioner and a retired pastor.

For the first time, organizations receiving a total of \$13.7 million in the new fiscal year for United Way funding are finding somewhat more, or fewer dollars based on the poverty-fighting mission.

A total of \$634,000 is shifting to organizations that are early adopters of United Way's new "Driving the Dream" initiative.

Agencies, in addition to their own services, are expected to provide referrals, share data and collaborate and partner in a variety of ways to drive "client-centered" routes out of poverty.

Trends for several years have been pushing for more collaboration and measurable results in the nonprofit world. The United Way's realignment, which Robinson said has been known for a year to organizations receiving funding, is bringing the message home.

Alpha Omega Veterans Services, for example, received a 20 percent boost, to \$222,000, from United Way for the 2016-17 budget year that began July 1.

Robinson said the additional funds are to help Alpha Omega expand its services, but with more referrals, linking with other agencies and "more intentionally."

Cordell Walker, executive director of the 30-year-old agency that operates six facilities and provides services for homeless and disabled veterans, said United Way funding increases are rare and every penny helps in Alpha's budget of about \$2.1 million.

Walker said potential uses for more funds include expanding services for female veterans or for preventing suicides among Iraq and Afghanistan veterans.

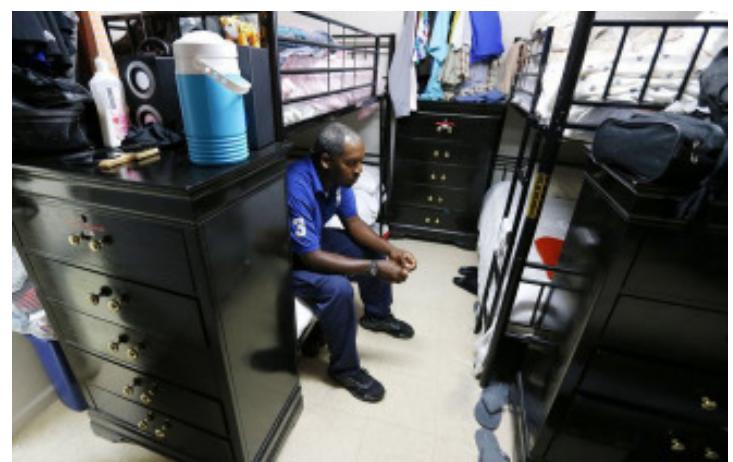
He said United Way's new initiative is too new to assess.

"I will say that United Way has always been on the cutting edge of community service and make sure that individuals network so that there are no gaps between services," Walker said.

The Chickasaw Council of the Boy Scouts of America is an example of an agency that received decreased United Way funding.

Richard Fisher, the Chickasaw Council's top executive, declined to say how much of a decrease because his board hadn't been informed. United Way also declined to provide figures.

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July 19, 2016 - United States Army combat veteran Sean Clark sits on the edge of his bed in a room he shares with four other veterans at the Alpha Omega Veterans Services in Midtown. Clark, who was homeless before becoming a client of the program, supported by United Way, that helps veterans find their footing. He is about to transition out of the facility and into his own permanent housing. (Mike Brown/The Commercial Appeal)

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United Way's financial statements for 2014-15 show an allocation of more than \$247,000 for the Boy Scouts, not including more than \$84,000 earmarked by donors.

Fisher said an anti-poverty focus is not new for the Boy Scouts, although safety-net programs may fit the model more easily than the leadership development and self-reliance mission of the scouts.

Helping make youths job-ready; a scouting program linked to science, technology, engineering and math, and teaching Cub Scouts about financial sustainability to avoid cycles of poverty are examples of the Chickasaw Council's initiatives, he said. The council's total revenue in 2014 was more than \$4 million, an IRS filing shows.

"We will have to make up the difference in what we lost in other ways so we can continue expanding quality programs," Fisher said.

For Big Brothers and Big Sisters of the Mid-South, United Way funding remained "flat" with the new focus, said Rychetta Watkins, executive director of the mentoring nonprofit organization for about a month.

"We anticipate that going forward we will be able to build a stronger relationship with United Way, especially as we retool ourselves," Watkins said. "We're going to be much more forthright about reporting on our own impact, the outcomes of the youth that we serve."

Robinson said a good example of the United Way's new focus on poverty — a daily reality for 47 percent of Memphis children — is a partnership with the Memphis Public Library for the LINC/211 community information resource center.

The federal Earned Income Tax Credit is considered the nation's largest anti-poverty program, and by providing pretax appointments through 211, the United Way increase by 1,000 the number of people seen, he said.

United Way itself is "driving the dream" with a broader collaboration with the Greater Memphis Chamber Chairman's Circle, the city's Workforce Investment Network and the Greater Memphis Alliance for a Competitive Workforce, among others, Robinson said.

The reinvention of United Way comes at a time that the organization has stopped a trend of year-over-year losses, he said.

While figures comparable to the \$13.7 million allocation were not immediately available from the agency for previous years, tax filings show public support dropped 25 percent, from about \$26.5 million in 2010 to \$19.8 million in 2014 and the organization reported shortfalls of more than \$2 million in 2014-15 and \$1.5 million the previous year, IRS filings show.

The 2014-15 fiscal year also marked the departures of a former United Way president, two senior vice presidents and a vice president. Their annual compensation ranged up to about \$375,000 and totaled more than \$970,000 for the four executives, IRS forms show.

The United Way, whose board members include George Cogswell, president and publisher of the The Commercial Appeal, also moved its headquarters from the Lenox Center outside the Interstate 240 loop to an office building in the Binghamton area, on Tillman near Jackson, donated by GP Cellulose.



Dr. Kenneth S. Robinson  
President and CEO  
United Way of the Mid-South

Robinson said that 96 percent of United Way contributions are made through workplace campaigns, where payroll deductions and in some cases, company matches are available.

Downsizing among companies during the Great Recession, coupled with a rising preference by firms and the millennial generation for direct giving and engagement with charities, have been cited as factors.

An Alliance for Nonprofit Excellence report on the Memphis metro nonprofit sector said that experts warned that state and federal budgets, foundation endowments and the withering middle class could delay a return to pre-recession funding for a decade or more. It's a trend experienced by nonprofits throughout the nation.

Robinson, said that while the classic United Way workplace contribution model is on the decline, it lacked engagement, transparency and mission.

"What I am finding in my brief tenure to date is that it is very compelling to our executives and to down-line employees that when there is a purpose, a unifying purpose, guess what?" he said. "It galvanizes interest again, it is intuitively logical to those donors, so there's nothing wrong with the mechanism of workplace campaigns."

"What has been missing is the messaging and a structure to really move the needle on the things that have been impacting our communities, and that's what we're providing and that's what we're intentionally shifting to."