

The Role of Local Governmental Funding in Nonprofit Survival

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Abstract: *Nonprofit social service organizations in America originally relied on private donations and charitable events to sustain their operations. As the number of nonprofit organizations has proliferated over the last few decades, so has nonprofit dependency on governmental and other sources of revenue. A case study design was used to examine factors that have impacted the survival of the original Indiana Youth Service Bureaus. This study highlights salient factors that influence survival and explores the characteristics and circumstances of selected organizations that enhance their sustainability. The findings suggest that social work administrators need to foster long-term relationships with local funders as a means of enhancing organizational survival.*

Keywords: *Governmental funds, nonprofit survival, youth services*

As many as one in every four nonprofit organizations in the United States are forced into bankruptcy every decade (Indiana Donors Alliance, 1998). Considering the number of organizations that close operation, it is clear that systematic analysis of the factors that contribute to the survival of nonprofits is needed. The history of Indiana Youth Service Bureaus parallels this national trend as more than 10 bureaus in Indiana closed operation since 1972. Using a case study approach, this study examined the factors that have contributed to the survival or closure of the original 17 Indiana Youth Services Association (IYSA) bureaus.

Youth service bureaus formed a statewide network in Indiana in 1972. The IYSA network was formed to provide and advocate for statewide support for bureaus. IYSA's original mission included delinquency prevention, youth advocacy, community education, and information and referral. During the peak years, 45 bureaus operated throughout Indiana. When federal funding for the bureaus was depleted during the middle 1970s, many agencies were forced to close (*IYSA Red Book*, 1998). Ten of the original 17 youth service bureaus currently operate within Indiana.

In this study, the term *organizational survival* refers to more than the maintenance of agency identity and the provision of human services over a long period of time. Rather, survival also involves successful competition for a limited number of

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resources. The process of becoming more adept in acquiring life-sustaining resources catalyzes the physical and intellectual growth of life forms. In the same vein, organizational survival is synonymous with organizational growth, since stronger, more adaptable agencies will eventually engulf inferior agencies. The substantial numerical growth of the nonprofit sector, coupled with governmental cuts, or at best, incremental funding increases, has created an environment where only strong organizations survive (Hodgkinson, Weitzman, Abrahams, Crutchfield & Stevenson, 1996). These dynamics have created an economic arena for human services where nonprofit agencies increasingly have to compete with for-profit agencies for market share. While this author assumes that a relationship between organizational survival and effectiveness does exist, this study focuses on organizational sustainability rather than service quality.

IMPORTANCE OF SOCIAL WORK RESEARCH TO ORGANIZATIONAL SURVIVAL

Systematic research about the survival of nonprofits is almost nonexistent. Moreover, professional disciplines outside of social work have also ignored the field of organizational survival. Most studies conducted in the organizational behavior field focus on productivity or profitability, rather than survival (Peters & Waterman, 1982). The limited number of studies on organizational survival typically use for-profit or public organizations for analysis (Sheppard, 1995).

One of the few studies of nonprofit survival was conducted by Baum and Oliver (1991). They examined 1,028 child care service organizations in Toronto, Canada, from 1971 to 1987. The authors devised a theoretical framework for the study by integrating the main points of institutional and population ecology theories. This study claims to be among the first to substantiate that institutional linkages with governmental entities enhance the likelihood of survival. The authors defined an institutional linkage as a direct and regularized relationship between an organization and an institution in the organization's environment. In fact, this research succeeds in providing a comprehensive and testable theory for analyzing nonprofit mortality. Unfortunately, the authors were unable to obtain detailed information about the income that child-care agencies derived from subsidized fees, and, therefore, were unable to determine the individual impact of institutional linkages.

Relationship Between Agency Survival and Recent Policy Initiatives

Organizational survival has become increasingly important for nonprofit agencies over the past decade (Bocage, Homonoff & Riley, 1995; Jarman-Rohde, McFall, Kolar & Strom, 1997). Due to federal and state funding cuts that began during the Reagan Era, nonprofit organizations continue to explore ways to sustain their operations (Motenko et al., 1995). Many nonprofit organizations are turning to creative strategies to ensure survival. Typically, these strategies employ merging, decentralizing, or cost-cutting measures that parallel recent trends in the for-profit sector (Ortiz & Bassof, 1988; Strom-Gottfried, 1997).

In line with the cutbacks in fiscal support for human services that started in the mid-1980s, during the late 1990s government officials encouraged nonprofits to provide welfare-to-work programs. Federal granting institutions have earmarked

considerable funding for nonprofits to develop training, mentoring, and cultural sensitivity programs on behalf of welfare recipients. Nonprofit organizations are also being encouraged to expand their existing childcare, counseling, transportation, and housing programs so that welfare recipients will have the necessary resources to continue employment once they are adequately trained. A multitude of federal grant opportunities are currently available to nonprofit organizations that provide educational, job training, and other human services to low-income families (Family Services Report, 1999). At first glance, governmental strategies that provide significant monetary incentives for nonprofits to pursue and/or expand welfare-to-work related programs give the appearance of systematic planning. However, the plans do not adequately account for or address the previous difficulties in sustaining locally based nonprofits. For example, the Community Mental Health Centers Act of 1963 resulted in the creation of community-based mental health organizations that could be accessed by every American citizen regardless of their income. Similar to welfare-to-work implementation strategies, federal funds were granted to community-based mental health organizations with the eventual goal of sustainability by local and/or state funding. Yet, many of these mental health agencies were forced to close operation. Ultimately, many of the surviving organizations had to develop private sector growth strategies that made their services less accessible to low-income clients (Greer & Greer, 1983). Continued research on the survival of social service agencies will guide our understanding of the ethical dilemmas faced by struggling nonprofits, as well as the capacity of these organizations to undertake new service delivery strategies prompted by welfare-to-work legislation.

METHODS

Seventeen youth service bureaus were selected for analysis in this multiple case study. Multiple and varied data sources were used to examine the impact of the independent variables. This technique, known as triangulation, is useful in ruling out the possibility of other variables besides the selected independent variable influencing the dependent variable. The following data sources were used:

1. written historical information from the bureaus;
2. interviews with key actors; and
3. quantitative reports (i.e., annual audits, agency financial reports).

The data gathered through these sources were used to explore the following questions:

1. How significant is the generation of local funding streams to the survival of nonprofit organizations?
2. Does an interrelationship exist between the generation of local funding streams and other factors, such as the size of individual bureaus?
3. How significant are regional differences, such as county population size, in the survival of organizations?

The key actors interviewed consisted of eight current directors of surviving bureaus that had served their agencies for at least five years, two former bureau directors, and four other individuals who played a significant role in establishing

the Indiana bureaus. These individuals were identified through the use of “snow-ball” sampling techniques. A semi-standardized interviewing method that incorporated the use of both closed and open-ended questions (Berg, 1995) was employed. The main questions included in the interviews were:

1. What is the main factor (or factors) that determines the survival of a youth service bureau?
2. What factors led to the closing of the original bureaus?
3. Do you think the generation of non-local funding (state or federal monies) contributes significantly to the survival of youth service bureaus?

While the interviewing tool included “probes” for each of the aforementioned questions, most of the interviewees expanded upon the issues without additional prompting. Telephone interviews were conducted between June 1999 and February 2000.

The 17 organizations chosen for the study were intentionally selected because all 17 of the bureaus:

1. were established between 1970 and 1974;
2. joined the IYSA network by 1975, and, therefore, participated in statewide lobbying campaigns with other bureaus; and
3. were still operational in 1975.

These selection criteria were established in order to identify reasonably similar bureaus that had begun operations at about the same period in time. As discussed previously, 45 Indiana bureaus were in operation at one point during the 1970s. While the closure and/or survival of bureaus established after 1974 may resemble the growth patterns of the 17 selected for this study, additional threats to validity may have resulted from the inclusion of less similar bureaus. Membership the IYSA network of bureaus was used as a selection criterion since bureaus that joined this statewide network agreed to establish similar mission statements and programming strategies as a part of their membership. Bureaus that were still operating in 1975 were included because budgetary and programming data were not available for those that closed before this time. The absence of information about bureaus that closed prior to 1975 made them inappropriate for the study.

Consequently, this study refers to these 17 youth service bureaus as the “original” bureaus. Ultimately, the rationale for selecting these bureaus for a study of organizational survival pivots around the opportunity to investigate the impact multiple factors among a group of nonprofit agencies that share common missions, funding bases, and membership within a statewide network. In addition, fairly detailed written budgetary and program information, as well as the availability of key players involved in the initiation and growth of the Indiana youth service bureaus, allowed for extensive comparisons between closed and surviving bureaus over the course of three decades.

Not all 17 bureaus were 501.c.3 organizations throughout their entire existence. Two bureaus changed their legal status during the period. One private nonprofit

organization voluntarily became a public agency of the county. The other bureau, a public county agency, involuntarily became a private nonprofit organization. A third bureau has operated as a city government agency throughout its history. Technically, these three bureaus have not always been private nonprofit. However, they were included in this study for the following reasons:

1. As a result of the "voluntary failure" of nonprofit organizations (Salamon, 1987), nonprofit agencies, especially those in the human services field, rely heavily on governmental grants for their operation. This growing reliance on governmental funds has caused nonprofits to resemble public organizations in their accounting and funding practices. This shift from acquiring funds from private to governmental sources has created a fading distinction between governmental and nonprofit agencies (Ferris & Graddy, 1989).

2. One of the advantages of case studies over experimental or quasi-experimental research methodologies is the opportunity to conduct in-depth investigations of a particular social phenomenon (Yin, 1984). Despite the constant pressures upon human service agencies by federal, state, and local officials to deliver a multitude of social services that are increasingly unavailable through governmental agencies, researchers have not thoroughly examined strategies adopted by organizations to address these operational strains. By including three youth service bureaus that do not, or formerly did not, conform to a narrow legal definition of a nonprofit organization, this researcher attempted to account for the occasionally divergent survival patterns of organizations. In addressing the complexities of organizational survival, this study also investigated some of the reasons that nonprofit and governmental organizations voluntarily or involuntarily change their legal status. Two complementary theoretical frameworks were used to investigate nonprofit organizational survival.

Both institutional and ecological frameworks suggest that institutional relations increase an organization's survival prospects. However, few studies have examined the presumed effects of institutional relations on organizational mortality (Miner, Amburgery & Stearns, 1990; Zucker, 1987). Baum & Oliver's (1991) investigation of the impact of institutional linkages on the survival of child-care organizations may be the only organizational behavior study that investigated the role of institutional linkages in the survival of nonprofit agencies. Since developing funding strategies has become a primary issue for nonprofit organizations (Bocage, Homonoff & Riley, 1995; Jarman-Rohde, Kolar & Strom McFall, 1997; Mordock, 1989), theoretical frameworks must consider the impact of fiscal streams upon organizational survival. Previous organizational behavior studies have emphasized the importance of budget size (e.g., Downs, 1967; Starbuck, 1964), and service mix (Mordock, 1989). This study acknowledged that interrelationships may exist between the generation of local fiscal streams and these two variables, yet proposed that the ability of a nonprofit organization to consistently generate local revenue was the primary determinant of survival. The size of a bureau's operating budget was assumed to impact the ability of a bureau to generate local funding, since larger organizations are perceived as conforming more with the traditional norms and beliefs of the institutional environments.

Findings from Quantitative Reports

The analysis conducted through the examination of quantitative reports found that larger bureaus, and those that served more densely populated counties, were more likely to survive than smaller bureaus. However, the consistent generation of local fiscal streams was found to be the primary determinant of survival. Table 1 shows that a significant percentage of funding streams generated by surviving bureaus over a 21-year period were from local sources. In 1975, four of the 10 surviving bureaus acquired more than 50% of their funding from local sources. By 1976, the number of bureaus receiving more than half of their funding from local sources had increased from four to five. By 1996, seven of the 10 surviving bureaus received more than 50% of their funding from local sources. This overall percentage increase in the amount of funding secured from local sources by surviving bureaus depicts a pattern of organizational survival related to the consistent generation of local revenue. In contrast, only one of the seven closed bureaus in 1975 received more than half of its revenue from local sources. While some surviving bureaus, such as the Monroe Bureau, initially exhibited limited funding from local sources (5% in 1975), they were progressively able to generate an increased percentage of revenue from within their county/counties of service (54% by 1996). It is also significant to note that the one bureau that secured more than half of its funding from local sources in 1975 (Indianapolis) was forced to close its operation by 1976 as a result of a falling-out with its primary funding source, the local United Way.

The comparison of local funding streams between 1975 and 1976 also demonstrates that bureaus that were more reliant on local institutions for revenue were more equipped to handle the depletion of federal Criminal Justice Planning grants in the middle 1970s. Three of the seven bureaus that closed were forced to terminate their services between 1975 and 1976 (see Table 1). During this same time period, four of the 10 surviving bureaus successfully managed the depletion of federal funds to Indiana bureaus by securing percentage increases in local funding.

Most of the surviving bureaus became increasingly reliant on local funding from 1975 to 1996. The Delaware County bureau appears to be somewhat of an anomaly in that it experiences a significant decrease in local funding during the early 1990s. In 1999, the Delaware County Youth Service Bureau merged with the significantly larger Youth Opportunity Center, possibly as a result of the depletion of a local revenue source that provided the agency with a substantial and consistent stream of funding for two decades. Currently, the Youth Service Bureau operates as a division of the Youth Opportunity Center, rather than an autonomous agency. Thus, the Delaware Bureau has technically managed to “survive,” yet operates with relatively less autonomy since its merger with a larger human service agency.

Findings from Interviews with Key Actors

Table 2 lists key actors' responses to the question, “What is the main factor (or factors) that determines the survival of a youth service bureau?” Half of the interviewees (seven out of 14) reported that “local community support and local funds” was the primary factor that impacts survival. Local community support and local

Table 1: *Percentage of Youth Service Bureau Operating Budgets from Local Sources in 1975, 1976, and 1996*

Survival Status	County of Y.S.B.	1975	1976	1996
Closed	Cass	6	0	.
	Howard	27	.	.
	Marion (Indianapolis)	78	.	.
	Spencer	5	.	.
	Tippecanoe	25	0	.
	Wabash	5	1	.
	White	13	0	.
Surviving	Delaware	11	99	5
	Elkart	99	85	53
	Lake (Gary)	87	55	63
	LaPorte	11	63	60
	Montgomery	27	44	78
	Monroe	5	44	54
	Perry (Lincoln Hills)	*	36	25
	Porter	57	73	70
	St. Joseph	78	18	78
	Vanderburgh (E'ville)	17	33	33

Source: 1976 and 1977 IYSA Handbooks and 1996 Financial Audits and 1997 Annual Reports from Surviving Bureaus.
 Code for YSB Budget Tables:
 . = Agency closed operation
 * = Data were not available for this year

funds were grouped together since the directors interviewed consistently described a linkage between the two. Responses such as “funding is definitely tied to networking in the community” and “you need to have community connections to get local funds” were typical. While the definition of what constituted “community support” varied from director to director, community support was generally viewed as being synonymous with local funding. Reasons surviving bureaus were able to cultivate community support include the following:

- A good working relationship between a bureau’s executive director and key public officials, such as local judges, probation officers, and school administrators.
- An active board of directors that is able and willing to assist the executive director secure and maintain financial resources.
- Consensus by county residents that the bureau’s services are needed.

Table 2: *Survival Factors as Reported by Key Actors (n=14)*

Survival Factor	Number of Directors Reporting
Local Community Support and Local Funding	7
Ability of Board and Director to Secure Resources	3
Positioning Agency to Receive Funding	2
Diverse Funding Base	2

Many directors, especially current directors of surviving bureaus, pointed to the importance of maintaining good working relationships with key public officials. Directors often cited county commissioners, judges, and the director of the county probation and/or welfare department as playing crucial roles in funding youth service bureaus. One director stated a need to "have two or three of my staff" read all written correspondence to the local welfare department in order to ensure that "we are presenting the image of being cooperative and positive, yet getting the point across." This director took great strides to portray his bureau in the most favorable light, since agency administrators "Get rewarded the most for doing networking and politicking. If you know your representatives and scratch their back, funding will come your way." While the term "representative" was used in this statement in reference to elected local officials who had some control over public resources, this director also elaborated on the need to align with non-elected county officials, such as welfare and probation directors. In some cases, the directors interviewed were cynical about the motives of county officials with regard to allocating tax dollars to youth service bureaus. A current director of a surviving bureau stated, "Our bureau has been able to secure ongoing funding from the county because of laziness from the court." This director proceeded to explain, "It's easier for them to continue what they are doing. They often don't seem to care about the services. Funding our bureau gives the illusion that they are advocating for their constituents." Thus, this director believed that a local judge or other county official gained political points by supporting the delinquency prevention programs offered by the local youth service bureau. While all the directors interviewed did not necessarily share these sentiments, most indicated that the quality of their relationships with local officials was linked to agency survival.

One director stated, "All the things that can check the quality of your agency's programs can be deceived." This quote represented the view of several directors that current methods for assessing the actual impact of human services were flawed. The definitions and methods of measuring quality in service delivery often vary and are generally difficult, if not impossible to quantify, this ambiguity with regard to program effectiveness makes the political nature of sustaining agency resources a focal point.

Closely related to community support is the ability and willingness of an agency's board of directors to assist in securing and maintaining fiscal streams. Public officials often assumed roles as board members and governing officials with the original youth service bureaus. Many of the directors interviewed discussed the pivotal role elected public officials, such as county commissioners and judges, have played in bureau survival. As branches of city or county government, three of the 10 surviving bureaus operate in contexts where public officials exercise considerable control over a bureau's financial resources. As public agencies, these bureaus are subject to a governing board that includes county commissioners, mayors, and/or judges. The former agency director of one of these agencies noted the influence a county judge played in the bureau changing from a nonprofit to a public agency. This judge, who happened to be the board president at the time of this monumental decision, concluded that the bureau had a greater chance for survival if it became a part of the county government. The judge believed that the

annual allocations that the bureau would receive as a local governmental agency would provide a more stable financial base. While the other interviews did not reveal similar stories of a bureau's fate being placed so firmly in the hands of a public official, most directors of surviving bureaus stated that their bureaus had historically recruited judges, probation officers, and school officials to become members of their board of directors. These elected officials and civil servants often used their influence to secure service contracts and governmental subsidies for bureaus. In some instances, these officials could also refer clients to bureaus. Indeed, the interdependence between the government and nonprofit sector with regard to providing human services may be reflected by the number of directors who reported including these professionals on their governing boards.

In addition to recruiting public officials to serve as board members, some directors reported that they actively sought out key business leaders, such as bank executives and other corporate chief executive officers, as board members. Some of these board members made sizeable donations to the bureaus they served. In addition, some possessed contacts within the community that increased the public awareness and visibility of a bureau. "Our agency received a \$25,000 contribution from an individual who stated that he gave to our agency because he knew everyone who knew us." This statement, made by a director who strategically recruited bank executives as members of her board, speaks to how some directors have enhanced their bureaus' fiscal resources through planned board member recruitment efforts. This same director reported that she made the relationship between the agency and a board member "as easy as possible by providing a dinner at every meeting, having the executive director take minutes, and not overloading members with tasks." Several directors mentioned the importance of finding the right mix between active board involvement in securing resources and not burning-out volunteers. Since "board members don't have the social service background to know what's coming or going" with regard to program development, most directors stated that their board members were typically charged with fundraising events, connecting the agency with potential funding sources, and policy-making. The responsibility for "running the organization" was seen as the jurisdiction of the executive director. In some cases, directors were still working at mobilizing board members to take more active leadership roles with the agency. A director of a surviving bureau stated, "Our board has traditionally gone along with everything that the executive director wanted. Now we are to a point where we want them to be more active." Overall, the key actors interviewed perceived a need to utilize board volunteers in acquiring and maintaining bureau financial resources. The short-lived nature of many grants, public allocations to bureaus that were occasionally subject to changing political climates and taxpayer sentiments about social service spending, and growing competition among human service providers, were directly or indirectly given as reasons for needing an active board of directors.

Although the "people served by bureaus often do not have the political clout to lobby for services on their own," the key actors cited several examples of how county residents aided bureau survival. Some directors emphasized the historical contributions of volunteer groups, such as the League of Women Voters, in lobby-

ing for county and state funding for local bureaus. In some cases, the "grassroots" nature of bureaus and the active involvement of the general citizenry played a part in bureau survival. Some bureau directors perceived the longevity of their organization as being at least partially related to the perpetuation of this grassroots mission "by not affiliating with any national organizations," such as "Big Brothers-Big Sisters and the YMCA." While the majority of interviewees did not agree that affiliation with national organizations was problematic, the continuation of local funding for some bureaus may have been tied to primary or exclusive strategic alliances with county-based organizations. Two directors pointed to the maintenance of primarily local affiliations as somewhat related to continued tax dollar support for their bureau. In some cases, "good press" at the local level mobilized county residents to rally around youth service bureaus when elected officials threatened to cut public subsidies. Several bureau directors noted that "the uniqueness of the services we offer" enhanced public support. For some bureaus, the fact that they provide the only shelter care for county youth placed outside the home is a huge selling point for county residents. Other bureaus were among the few agencies providing delinquency prevention services. This induced favorable public sentiment when agency funding cuts were threatened. Directors placed varying degrees of emphasis upon the importance of these elements of community support. However, they consistently indicated that the establishment of strong relationships with community leaders resulted in stable local funding streams. The network of community support that was fostered through relationships with other county organizations, effective board leadership, and public recognition, contributed to bureaus' reputations as quality service providers. One director reported "Getting funding for our agency has gotten a little easier since we proved ourselves during the '70s and '80s."

CONCLUSION

This study highlights the symbiotic relationship nonprofit human service agencies hold with local governmental institutions. All three data collection sources revealed the relationship between local funding and survival to be more significant than the other survival factors examined. As a result, positive relationships with key stakeholders are essential for organizational survival. In such circumstances, the nature of a social service administrator's job is extremely political. Efforts to more effectively lobby for increased funding support from governmental and private institutions may be improved if nonprofit social service agencies can demonstrate program successes. While the United Way of America (1996) has encouraged nonprofit organizations to develop methods of showing more tangible program results, this research and planning entity also cautions nonprofit administrators as to the limitations and potential problems of outcome measurement.

Even the most sophisticated attempts to assess program outcomes often fail to reveal the impact of service interventions on participants' wellbeing, nonprofit administrators may be inclined to view such efforts with skepticism. Indeed, agency directors may consider organizational survival to be the only truly "measurable outcome." Nonetheless, in the contemporary environment, social work administrators must engage in some form of program evaluation. Brief evaluation forms completed by program participants meet the basic requirements of some

funding institutions and are, therefore, readily utilized by administrators. While well-structured and clearly written participant evaluation forms may elicit useful feedback for improving programs, they fail to glean information from a key group of stakeholders within the nonprofit marketplace. *Findings from this study point toward the need to incorporate key stakeholders within program evaluation processes.* Stakeholders should be encouraged to participate in assessment activities because of their substantial influence upon and access to quality of services. Although key stakeholders are typically not direct recipients of human services, they make decisions that affect consumers. Consider, for example, the influence of local judges that determine placements for at-risk children. A judge who fails to see the justification for expanding a residential treatment center for youth may discourage county commissioners' approval of an agency's request to increase county allocations. Evaluation forms administered to stakeholders on a regular basis may be used to detect and follow-up on any concerns these influential individuals may have with regard to new program directions or expansions. These evaluations may also serve as a subtle means for involving stakeholders to a greater extent in an agency's future growth. Conducting follow-up interviews that address suggestions articulated in the written evaluations with stakeholders unobtrusively facilitates this involvement.

In order to enhance survival, social workers need to involve local stakeholders in specific ways, such as through program evaluation strategies. However, a broader implication of this study includes the largely political nature of running a nonprofit agency. The importance that networking with local political figures plays in bureau survival seems to stem from dependence on local governmental funding. Both the quantitative reports and interviews demonstrated that IYSB's have become increasingly reliant on revenue from county and city governments. In his examination of the political nature of organizations that depend on governmental revenues, Wilson (1989) characterized governmentally funded agencies that lack clear service delivery outcomes as "procedural organizations." Executives in procedural organizations depend less on technical knowledge than on skills to find political support, cope with critics, and negotiate a resolution to controversies. In order to compete with other human service providers for service contracts and informal endorsements of programs by stakeholders, nonprofit agencies need directors who can attain success in "currying favor and placating critics" (Wilson, 1989, p. 204).

There is a paradox here. Although a marketplace for human services does exist, it is often restricted by governmental regulations. While even the proprietary marketplace is subject to certain state and federal requirements, the governmental grants and allocations received by nonprofits often dictate the types of clients (i.e., showing proof that a certain percentage of low-income persons are served) and the kinds of fiscal control policies implemented. Non-profit agencies are typically affected more than for-profit agencies. In light of these unique marketplace dynamics and the dependence of nonprofit organizations upon key stakeholders within this market, nonprofit directors need to spend considerable time attending to the needs and demands of select community leaders. Some directors may conclude that the time spent currying favor and placating critics is time taken away from the real work of the agency (Wilson, 1989).

A feature that may distinguish nonprofit procedural organizations from their public counterparts is the time nonprofit directors spend in promoting their services. While nonprofits are primarily dependent on governmental revenues for survival, they also receive funding from other institutions. These non-governmental resources include community foundations and United Ways. Both of these institutions are primarily supported by local individuals and businesses that want to see their donations spent on worthwhile projects. To promote programs funded by these private institutions, nonprofit directors and volunteers may decide to participate in community service groups or local festivals.

The stakeholders described thus far act as a primary constituency group for nonprofit organizations. Wilson (1989) postulates that a common denominator in successful agency executives is their ability to find a constituency. Based on this study's findings, local judges and other county officials are logical constituency groups for human service providers. Furthermore, public officials often speak on behalf of social work consumers, such as children who are wards of the state.

The findings of this study suggest that university courses in social work administration need to prepare students for the political nature of nonprofit agencies. Professors might invite "typical" stakeholders in human services, such as local judges, county commissioners, and other public officials to speak to their students on issues pertaining to human service delivery strategies. These lectures and/or discussions may be followed by exercises in the construction of program tools to elicit feedback from key agency stakeholders. Through the presentation of various scenarios, students might learn skills and strategies for networking with local community leaders. They could explore common ethical dilemmas that stem from attempts to balance needs of clients and those of key stakeholders. Within the contemporary environment, administrators require such knowledge and skill to maintain the survivability of nonprofit agencies. Ethical dilemmas stemming from balancing the needs of public officials with those of clients also need to be explored within social work classes. Case studies that examine funding dilemmas and successes experienced by nonprofits also need to become an integral part of administrative classes. Business and public administration classes already make frequent use of "real life" examples with regard to organizational survival. In this effort to advance student understanding of nonprofit survival techniques, social work researchers should subsequently pursue studies that further investigate the pivotal role local stakeholders play in sustaining these agencies.

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