

Positioning Nonprofit Organizations for the New Economy



our mission

THIRD SECTOR NEW ENGLAND provides information and services to build the knowledge, power and effectiveness of nonprofit organizations that engage people in community and public life. We act also to promote wider recognition of community-based organizations as the primary stewards of our core societal values. The ultimate intention of our work is to create a more just and democratic society.



FROM THE EXECUTIVE DIRECTOR



Third Sector New England turned 50 last year, with an expanded vision and a number of new programs and services well beyond its original fiscal sponsorship mission. Since the late 1990s, TSNE has evolved into one of the region's leading capacity-building nonprofits, providing a range of innovative ways to help organizations more effectively serve communities. Our work has become especially important as nonprofits have faced the challenges of the Great Recession and its aftermath.

One of our early responses last year to the economic upheaval was to add critical organizational transition services – from sharing services to strategic alliances and more – to our consulting practice.

Fiscal sponsorship is another way to make limited dollars stretch further while enabling leaders to focus on mission-related work. In 2010, we added several exceptional projects to our fiscal sponsorship family, including BUILD Initiative, which helps states construct a coordinated system of programs, policies and services responsive to the needs of young children and their families. Another new TSNE fiscal sponsorship project, Campaign for a Commercial-Free Childhood, works for the rights of children to grow up – and the freedom for parents to raise them – without being undermined by commercial interests.

■ Our practice is to work closely with clients to help them design the organizational structure that best reflects their culture and serves their constituents.

In 2010, TSNE also provided \$284,000 in grant funds to help nonprofits strengthen their infrastructure, capacity and ability to collaborate through our two targeted grant programs.

By the end of the year, the NonProfit Center was home to 39 tenant organizations and had a vibrant program that brought members of the center community together for training, lectures, book and clothing drives, social networking activities and much more. Our work with the center has established TSNE as a leader in the emerging area of shared services among nonprofits. And a continuum of educational opportunities has seen TSNE expand its management training series to communities beyond the NonProfit Center and Greater Boston.

While the current economic reality for many nonprofits has helped shape TSNE's external services, we have also focused internally on issues of diversity and inclusion to ensure that we are representative of our constituencies and well prepared to serve the sector.

With a dedicated and experienced staff and strong board leadership and support, we will continue to find innovative and effective ways to build a stronger nonprofit sector in the years to come.

Sincerely,

Jonathan Spack



Helping Nonprofits Deepen Their Community Impact

Third Sector New England provides resources and services to help other nonprofits become more effective so they can better fulfill their missions and impact their communities. We focus on organizations in New England that work to advance social justice. We offer multiple points of entry for organizations seeking support or new knowledge, from our well-respected training programs to fiscal sponsorship to a comprehensive array of consulting services. Unlike most other management support organizations, TSNE also makes grants in two specified areas.

TSNE programs strengthened more than 250 organizations over the past year. Groups ranged from very small community and faith-based organizations working on issues of equity and justice in their neighborhoods to large, established institutions seeking guidance for their executive or organizational transition work. In addition, TSNE provided training to more than 220 staff members from dozens of nonprofits.

Consulting: Navigating a Changing Environment

TSNE provides consulting services that help clients:

- Navigate a constantly changing environment.
- Develop skills that enable them to think critically, adapt strategically and embrace new learning.

Our consulting is assessment-based, enabling us to more deeply understand the complex internal and external issues affecting an organization.

Last year, TSNE consultants worked with 48 organizations in southern New England with missions ranging from ending homelessness to wellness for women in recovery and from ending poverty to food security for local and regional communities. Client budgets ranged from \$50,000 to \$13.4 million.



Adding Value

Our work in 2010, as in previous years, was well regarded by clients, as evidenced in the rigorous evaluations we do of our services. Eighty-seven percent of our consulting clients said their organization was strengthened by our services, and 100% felt they received good value for their money.

Helping Clients

Respond to the New Normal

TSNE introduced the Organizational Transitions Program in mid-2009 to help nonprofit leaders examine the current state of their organizations, and decide what they might need to remain relevant to their constituents. Some groups decide to restructure staff internally. Others engage in new collaborations or mergers. Our new and fast-growing coaching program, staffed by skilled practitioners, provides a supportive environment for leaders' professional growth.

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We helped groups select new executives, consider new directions, work on alternative structures, tighten their financial management and learn how to fundraise better. Working with nonprofits at this deep level can have lasting impact on an organization's ability to fulfill its mission.

For example, the consulting staff completed deep assessment and organizational development work with Grassroots Initiative groups. These groups, lacking resources for needed consulting support, were selected through a rigorous application process to receive pro bono consulting services from TSNE.

Also introduced in 2009, TSNE's Human Resources Consulting practice helped groups develop and maintain fair and equitable employment practices that reflect organizational values. It also supported organizational effectiveness by building the skills of the individual staff members. The practice helped over 40 nonprofit leaders develop strategies to support employee morale and professional development in the face of challenging economic realities. And TSNE provided one-on-one employee relations and professional development coaching to over 75 nonprofit supervisors and managers – enabling staff to do their very best work.



The Human Resources Consulting practice also grew its onsite training and facilitation to provide 11 regional and national trainings for over 225 supervisors working in community-based groups, human services agencies and other nonprofit organizations. Participants practiced critical adaptive, communication and feedback skills to better support their colleagues and ultimately their organizations' success.

Fiscal Sponsorship: Helping Projects Focus on Program

Third Sector New England serves as a fiscal sponsor for unincorporated social change groups. We're the "back office" for our projects, so they can focus on their mission and programs. Last year, we provided financial and human resources support to 40 groups with budgets ranging from \$60,000 to \$4,000,000. These social justice projects, based in New England and New York, work on varied, community-critical missions such as education equity, food security and the state of our oceans. Others monitor and guard against commercialism and its impact on children, support the re-entry of prisoners into the mainstream and protect open space.

We are one of the largest and most well-respected fiscal sponsorship partners in the country. In addition to offering back office services, we provide capacity building support to enable sponsored groups to learn, grow and spin-off, if so desired. TSNE is a founder of the National Network of Fiscal Sponsors.

Many groups choose to remain for many years as part of the TSNE family, because our support allows them to focus their staff energy and resources on critical program work – in service to their constituents and community.

As one project coordinator said about our unique relationship last year, "I appreciate the almost flawless way TSNE handles all of the financial needs, and the human resources staff has been indispensable over the years."

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■ *Project Coordinator*

Grants Programs That Build Capacity

TSNE's two grants programs enhance organizational effectiveness, enabling groups to create critical change at the community level. The Capacity Building Fund and the Diversity & Inclusion Initiative are supported by TSNE board allocations as well as external funders.

■ Capacity Building Fund

In 2010, the Capacity Building Fund made nine Implementation Grants and five Continued Learning Grants totaling \$125,000. These awards supported the collaborative work of 90 organizations. Since its inception in early 2004, CBF has made 120 grants totaling \$1.3 million. Funding is provided from TSNE's internal resources.

The Capacity Building Fund's mission – to strengthen a network of community-based, social change oriented nonprofits – reinforces our belief that groups, working together, can support and strengthen their communities more effectively than individual organizations working on their own.

CBF provides grants to networks of five or more organizations in Rhode Island and Massachusetts who are interested in collaborating to bring about change in their community. Rather than focus on specific “deliverables,” TSNE is most interested in the actual learning – institutional and collective knowledge building – that takes place when network partners choose to learn together. We want to know how this new knowledge affects their work on the ground with their communities and constituents. This, in turn, helps us shape our own work with constituents – and provides new knowledge for the nonprofit sector.

A unique aspect of CBF is that the process begins with the awarding of small Planning Grants. Over a three to four month

TRAINING PROGRAMS

TSNE provided training for over 220 individuals and 143 organizations through its Better Nonprofit Management training and another 200 through the Bottom Line series. We created the Bottom Line program to help organizations, especially small grassroots groups lacking training funds, to navigate the changed nonprofit landscape resulting from the Great Recession. We also partnered with organizations like Progressive Communicators Network, MetroWest Nonprofit Network, Idealware and the Foundation Center to bring or expand their unique brand of nonprofit training to the region.



period, grantee groups work together to develop their projects. Most then submit an Implementation Grant proposal for review by the CBF Advisory Committee. A subset of planning grantees receives larger grants to implement 18-month learning projects.

In Rhode Island, CBF supported groups last year that were advocating for green and accessible transportation options, and focused on building the efficiency and advocacy capacity of small afterschool arts programs. In Massachusetts, CBF funded a community-building project across two towns in the North Quabbin area aimed at increasing civic discourse and engagement in order to improve the quality of life in those towns. In Greater Boston, we funded a network of immigrant-led worker centers to develop opportunities for cross-community organizing to address workplace justice for immigrant workers.

Projects funded during FY10 included:

Implementation Grant Networks

- Adolescent Consultation Services, Inc.

- Class Action, Inc.
- ECRI Fund
- Immigrant Worker Center Collaborative
- Henry Lee Willis Community Center
- Metropolitan Boston Housing Partnership, Inc.
- The Center for Teen Empowerment, Inc.
- United Teen Equality Center
- Youth in Action

Continued Learning Grant Networks

- Roxbury Cultural Network (RCN)
- Hands Across North Quabbin
- Leadership Development by the Mass Council of Family Serving Agencies
- The Sharon Pluralism Network (SPN)
- Strategic Planning to Increase Food Access in Springfield

■ Diversity & Inclusion Initiative

Last year, the Diversity & Inclusion Initiative (DII) provided 11 grants totaling \$159,000 to Greater Boston organizations striving to begin or continue institutionalizing diversity and inclusion as values, behaviors and policies in the workplace. This transformational mission increases effectiveness and systemic change within individual organizations and, ultimately, within the nonprofit sector by promoting cultural inclusion and organizational diversity.

A highly specialized grantmaking program, the DII not only provides funding, but also offers ongoing guidance to grantee organizations. In addition, the program provides access to a supportive peer learning community of past and current grantees where lessons learned and best practices are shared.

In its 20-year history, the DII has funded 102 organizations with grants totaling \$1.9 million.

The Barr Foundation, the Boston Foundation and the Hyams Foundation supported the DII in 2010, making the program's re-granting, peer learning convenings and public events possible.



DIVERSITY & INCLUSION INITIATIVE: OUR FOCUS

During the past year, the peer learning community focused on understanding structural racism *and* its impact on workplace efforts to become more inclusive. As part of its related program work, the DII also sponsored annual educational events. These included bringing Georgetown professor and cultural and political critic Dr. Michael Eric Dyson to Boston to kick off the DII's new lecture series "Conversation with..." In 2010, Dr. Maureen Scully (UMass Boston) and Dr. Stacy Blake-Beard (Simmons College) conducted a "Bystander Awareness" workshop for over 60 people aimed at providing individuals with simple but effective strategies to "act" rather than be a bystander to bias, prejudice or hate.



The DII's FY10 grantees included:

- Ballet Theatre of Boston
- Family Equality Council
- Gay and Lesbian Advocates & Defenders (GLAD)
- Homes for Families
- Interaction Institute for Social Change (IISC)
- Mass Audubon
- Opera Boston
- Perkins School for the Blind
- Robert F. Kennedy Children's Action Corps
- The Theater Offensive
- Year Up

NonProfit Center: Providing a Home for Nonprofits

By the end of 2010, its sixth year in operation, TSNE's NonProfit Center was proud to be home to 39 nonprofit organizations dedicated to progressive

social change. One of the largest centers of its kind in the United States, the NonProfit Center served a diverse array of organizations, including those advocating for elder services, disability rights, support of public education, animal welfare and environmental sustainability. In addition to traditional office suites, last year saw growth in the number of groups interested in co-locating in the center's Shared Space work area, including Generation Citizen and the Cape Eleuthera Foundation and the Island School.

In addition to serving more than 200 staff who work at the center, our community-building programs helped thousands of other stakeholders last year. The NonProfit Center provided wellness classes, a Community Supported Agriculture farm share program and charitable donation services like the Prison Book program that saw more than 10,000 books donated in a single weekend. We also hosted conferences, networking events and other programs like Be the Media that were open to the broader nonprofit sector and the public.

The NonProfit Center is a founder of the national NonprofitCenters Network. In 2010, staff from Third Sector New England coauthored the network's publication, *A Guide to Shared Services*, and participated as trainers in numerous workshops and webinars.

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Third Sector New England, Inc. Financial Snapshot *

Revenue

Consulting & contract fees	516,845
Fiscal sponsorship	985,209
Rental income NonProfit Center	2,490,002
Other income	31,658
Subtotal, earned income	4,023,714
Non-operating income	5,154,102
Total revenue	9,177,816

Expenses

Salaries & benefits	3,756,968
Consultants & subcontracted svcs	610,950
NonProfit Center	3,403,329
Other expenses	575,448
Grants, awards, scholarships	284,500
Total expenses	8,631,195
Excess revenue over expenses	546,621



* Year Ending June 30, 2010

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THIRD SECTOR®
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