
The Baby Bird Syndrome. Whose Fault Is It?

It's a fact.

For many nonprofits, funding from traditional sources such as the federal government and even corporate and foundation funders has shrunk or even disappeared. Those organizations that for years and years and years have relied on "renewing the grant" to fund vital programs and services are now faced with the dilemma of finding new revenue sources...and they may not be there...or reducing staff and cutting back on programs and services.

So Whose Fault Is It?

Perhaps we might lay some of the blame on the traditional funding sources who have taught nonprofits to keep coming back for more, just like little baby birds. This has resulted in an entitlement generation of nonprofit leaders who have known no other way to manage their agencies. I've actually heard nonprofit execs say things such as, "The feds have sent us money forever. We've always gotten it, regardless. Recently we got an infusion of cash from the ARRA pot. There will be more, for sure."

If we are realistic, when we look at the history of traditional funding, we can see that nonprofits have been trained to ask for more, to rely on others to sustain them, to become less and less self-reliant, to take less and less responsibility for their futures.

For many organizations, the warnings have been written on the wall for years, but the baby birds have not been willing to jump to the edge of the nest. And that is understandable because for many, the warnings have been more like Chicken Little alarmists messages, and the status quo just took over.

Who's to Blame?

But now the warnings are louder. Nonprofits are hearing No more often. They are having to wake up to the fact that it is way past time to take responsibility for themselves, to seek and secure new sources of revenue, especially those sources that the agency can control to a greater extent.

And so, we must place some of the blame on the nonprofit sector itself. Complacency has become the norm. "Things aren't perfect, but at least this way of operating is what we know. We have learned to work within the entitlement process and have managed to make it work for

us. Besides, what else is there?"

What Can We Do?

Well, instead of hand wringing and running around like a Chicken Little predicting the end of the nonprofit sector, nonprofits have a choice. Actually, the choice has always been there, but few nonprofits have stepped to the edge of the nest, tried their wings and found a new level of freedom from tradition.

These savvy nonprofits have learned to diversify their funding sources. Their leaders, both board and staff, have been proactive, they have understood the reality and inevitable result of relying on funding sources over which they have little or no control.

The savvy nonprofits have learned to operate in a more business like manner that protects their valuable programs and services from the whims of donors, economic slowdowns and federal budget issues. They have begun social enterprises. They have taken charge of their funding.

Dependence or Independence?

The choice is yours. I am not a Chicken Little alarmist, but I can promise you that the entitlement generation of nonprofits is now faced with a steep learning curve that will rock it to the foundation. The new generation of nonprofit leadership must be realistic and must take responsibility for its own capacity and sustainability. They must be willing to look at mergers and a higher form of collaboration than ever before. They must be willing to put traditional turf issues aside and work for a greater purpose.

It's a hard fact, but if a nonprofit's mission, purpose, programs and services are really needed, then a deep commitment to change is required...from nonprofit leaders to funders.