

GEO Member Spotlight



Elaine Mintz (left) and Karen R. Brown of Fairfield County Community Foundation

Through a new report, conversations with nonprofits and other methods, the Fairfield County Community Foundation is playing a key role in fostering effective grantee mergers

As the rolling effects of the 2008 economic recession continue to manifest themselves in the nonprofit sector, recent work by the Fairfield County Community Foundation has included a focus on a growing interest in mergers among the nonprofits in Fairfield County, Conn. — resulting in an increase both in services provided and the quality of those services.

A recent survey of nonprofit leaders in the county by the foundation found that 29 percent of respondents said their organizations had either merged or considered merging in the past three years. For those organizations that did merge, the survey found that 75 percent of them reported a positive change in the quality of services provided. And even more frequent than mergers were programmatic partnerships and shared back office services.

The survey revealed that the interest in mergers had grown since 2009, when the community foundation had previously questioned local nonprofits regarding their interest and found little.

Reductions or changes in philanthropic funding happen over time, and — especially when compounded with cutbacks in state and local funding — in some ways the effects may be felt further down the road in the nonprofit sector than in the public sector, said Karen R. Brown, vice president of programs at the Fairfield County Community Foundation.

“It sort of indicates that there is a lag in response in the nonprofit sector,” Brown said. “We didn’t see it at the height of the recession, when funders were perhaps thinking, ‘When the economy has a really precipitous drop, that’s when the mergers are going to happen.’”

Now that organizations’ structures have been tested by the recession, nonprofit leaders have come to a point where they are beginning to question how to improve those structures themselves.

“We’re doing a lot more work in this area now, with the survey results showing there is a lot more openness to it,” Brown said.



Trends in Nonprofit Mergers and Collaborations in Fairfield County

Report produced by
The Fairfield County Community Foundation's
Center for Nonprofit Excellence

A Summary of 2012 Survey Results

By Elaine Mintz, CEO
Center for Nonprofit Excellence

Brown — along with Elaine Mintz, the director of the foundation’s [Center for Nonprofit Excellence](#) — said that the foundation maintains two particular strategies in its approach to helping grantees with mergers. The first strategy centers around maintaining an emphasis on being supportive during the merger conversations, not directive. The second strategy directs foundation staff to wait until the conversations between interested organizations have matured before offering grant dollars, rather than investing too early in the merger discussion process. Both of these strategies require that the foundation keep a close ear to the ground, paying keen attention to possibilities for mergers between organizations in the county.

“We let the organizations know we’re here to help if they feel like it’s a good fit, but we’re not here to tell them what to do,” Brown said. “We don’t want to make the mistake of having them think that we’re pushing and that there is some kind

of quid pro quo going on.”

Once the nonprofits are in a space where they can commit to seriously exploring a merger, the foundation is able to provide grant assistance and connect the nonprofits with experienced consultants — the Fairfield County Community Foundation specifically has used La Piana Consulting in its work.

To facilitate collaboration and strategic mergers, the foundation also plays a crucial networking role. It organizes speed networking events for executive directors, roundtables for board chairs and shares resources to help grantees make informed decisions on collaboration.

“What we can do is create an environment of collaboration,” Mintz said.

Sometimes what started out as a back office collaboration has, over time, turned into a full merger.

“Community foundations can provide a huge value by using their visioning and expertise,” Mintz said. “Some nonprofits have articulated to us, ‘You should be involved in matchmaking because you have this 1,000-foot-high view of services being provided, and you can see services being duplicated that nonprofits may not.’”

As far as finding the right time for a merger to take place, the foundation has found that a transitional period between executive directors is a key time for a nonprofit’s board of directors to discuss the possibility of a merger. The community foundation can play an important role by simply suggesting the idea of a merger and sharing helpful resources.

“It’s always interesting to have that conversation with a nonprofit, because often boards haven’t even thought about it,” Brown said. “They’re often just ready to do a search and go find the next E.D.”

Additionally, large nonprofits shared that when it comes to merging with smaller nonprofits, they were much more interested in being able to adopt the services or geographic reach of a smaller organization once that organization had halted its own work — as opposed to trying to incorporate the smaller organization and its programs into the larger organization. This was particularly true when there was an incumbent executive director still leading the smaller organization.

When a merger happens at the right time, it can occur surprisingly swiftly. The community foundation’s survey found that 80 percent of organizations completed the merger in less than 12 months.

Mergers are a powerful tool for grantmakers, and it’s exciting to know that Brown, Mintz, the Fairfield County Community Foundation, and the nonprofit organizations in Fairfield County are finding ways to be more effective in their work. One of the most encouraging findings from the foundation’s survey is this: of all the organizations that had merged, 88 percent indicated that they were satisfied with the merger.

You can download the foundation’s [full report on mergers and collaborations](#) and additional resources on the [Fairfield County Community Foundation’s website](#).

GEO resource that relate to topics covered in this member spotlight:

[*Great Power, Great Responsibility: Grantmakers’ Role as Conveners*](#)

[*Catalyzing Networks for Social Change: A Funder’s Guide*](#)

[*Due Diligence Done Well: A Guide for Grantmakers*](#) (Produced in collaboration with La Piana Consulting)

“When funders force mergers, they will fail. Mergers have to come from the nonprofit side, ultimately from the board.” –Karen R. Brown