

Who is Supporting Nonprofit Financial Sustainability?

Cricket Island Foundation

Small funder seeks to maximize impact by providing eight years of general operating support, plus other capacity-building resources, for small organizations focused on youth-led social change.

Quick Grantmaker Stats

| | |
|--|---|
| Type of funder | Family Foundation |
| Geography/Issue Area | New York City and Chicago (pending work in New Orleans) |
| When founded | 2000 |
| Total assets (as of FY 2013) | \$44,101,284.07 |
| Annual giving (as of FY 2013) | \$1,417,432 |
| Number of staff | 2 full time, 2 part time |
| Website | www.cricketisland.org |
| Brief description of the program/ practice being discussed | Eight-year general operating support grants plus capacity building support for grantee cohorts. |

1. Describe the situation or practice.

As a small grantmaker, Cricket Island Foundation has settled on a fresh approach to ensuring that its grants have an impact on grantees' ability to succeed. By providing a limited number of small grantees with long-term general operating funds and additional capacity-building support, Cricket Island Foundation has become a key partner and resource for organizations working on youth-led social change.

The grantmaker made the switch to providing multiyear general operating support in 2007, after trustees and staff reflected on materials from GEO and others suggesting that nonprofits are more effective to the extent that they have flexible funding from grantmakers over the long haul. "We have always been committed to doing everything we can to support grantees to be more sustainable and more stable over time," said Executive Director Liz Sak. "So the discussion in the field about multiyear support and general operating support struck a chord."

2. What have you tried to do differently?

Cricket Island Foundation provides eight years of general operating support to grantees, broken up into an initial three-year grant and a second grant lasting five years. Its grantees currently operate in two geographic cohorts, seven are located in Chicago and another seven are in Cricket Island's hometown of New York. The grantmaker is currently in the process of launching a third grantee cohort in New Orleans.

Grantees are mostly smaller nonprofits with organizational or youth-driven program budgets between \$100,000 and \$1.5 million, so Cricket Island Foundation's grants are a vital source of support. Its grants generally support 10 to 15 percent of grantee operating budgets; the average grant is between \$60,000 to \$80,000 per group per year. Examples of grantees include the Albany Park Neighborhood Council in Chicago, whose mission is to unite youth and adults from Albany Park and surrounding communities to address issues of social justice; and DRUM – South Asian Organizing Center in New York, which describes itself as a multigenerational, membership-led organization of low-wage South Asian immigrant workers and youth in New York City.

In addition to general operating support, Cricket Island Foundation offers annual capacity-building grants to organizations for consulting support focusing on organizational development and sustainability in areas ranging from fundraising to board development. The grantmaker also has an Opportunity Fund that awards small grants to organizations for a variety of unanticipated needs. These funds are used for everything from sending staff to conferences to replacing copy machines that suddenly broke. Last but not least, Cricket Island Foundation supports its grantee cohorts to work together on shared organizational capacity issues that they work in partnership with consultants to identify. The New York Cohort, for example, recently began working with a consultant on board development issues such as the development of board committees, board member training and board recruitment and retention. This support includes regular grantee convenings, which provide a space for grantees to learn with and from one another, supplemented by ongoing individualized consulting support for each organization to help staff implement the information they are learning in the cohort sessions.

Sak said the cohort approach to supporting grantees stems from the foundation's recognition that grantmakers can support grantees by providing social capital in addition to financial capital. "We try to think about how we can help build a field in the communities where we are working," Sak said. This means supporting a group of grantees to get to know each other and work on

common challenges, while also providing access to shared sources of consulting and other support.

3. What has been the result?

Sak said Cricket Island Foundation is reluctant to claim that its support has been a game-changer for its grantees. However, she does cite numerous examples of organizations that have significantly grown their budgets, broadened their services and their reach in their communities, and attracted new support from larger funders while receiving support from Cricket Island Foundation. “We have seen time and time again that when you give these organizations breathing room to focus on strengthening their organizations and doing their work instead of always worrying about next year’s grant, then good things will happen,” said Sak.

“Small funders do not have enough money to singlehandedly help a grantee transform its work, so the question is how do you maximize your impact on grantees? We have found that providing multiyear support provides us with a platform to make more of a difference for these organizations.”

– Liz Sak, Executive Director

4. What are your key insights from doing the work?

Sak said an unanticipated benefit of providing grantees with multiyear support is that it can bring more honesty and transparency to the relationship between grantmaker and grantee. When an organization knows that a grantmaker is going to stick with it for an extended period, its leaders are more open to acknowledging challenges they are facing in their work, and seeking additional support and guidance in addressing those challenges. For example, the Cricket Island Foundation’s strong long-term relationships with three grantees led to its upfront involvement in facilitating the transition from one Executive Director to another. In this case, the foundation was among the first to know about the planned leadership change and was therefore well positioned to support the organizations’ sustainability throughout the transition period.

“We have found you cannot have an honest conversation with a grantee if they think you might decide to pull money from them in one year,” Sak said. She did acknowledge, though, that even after Cricket Island Foundation makes a commitment to an organization, it can take a couple of years for that organization to open up in this way because they often enter the relationship

not fully trusting the money — and the funder — really will stick with them through mistakes.

Another important takeaway from Cricket Island Foundation’s work is the importance of keeping an eye on the long-term sustainability of grantees after a grantmakers funding is gone. In addition, Cricket Island Foundation’s trustees recently decided to add a matching requirement to the grants awarded in the final three years of its eight-year engagements with grantees. The match would grow from 15 percent to 40 percent during that period. “We want to know that these organizations can replace the money we provide and that they are thinking about how to keep this going after we’re out of the picture,” Sak said.