



Illinois  
Facilities  
Fund

# Capacity- Building Digest

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**Social Entrepreneurship:  
The Double Bottom Line**

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## Introduction

The nonprofit's role in society is much more than the presentation of the arts, the provision of services, the protection of the environment, or the promotion of better housing. Nonprofits are the vehicles through which all citizens connect with and express many of their beliefs about what American society should be. A strong nonprofit sector is as essential to maintaining our society's quality of life as is a good economy.

In the spring of 1998 the Illinois Facilities Fund and the Donors Forum of Chicago launched the first-ever financial study of Illinois nonprofit corporations that provide community support and services. The median annual revenue of the study's 500 respondents was \$690,000 in 1997.

Published in January 1999, *Illinois Nonprofits: Building Capacity for the Next Century* documented recent financial results, operating issues, key governance and management practices, data about facilities owned and leased, and attitudes about the future. The study provides a wide-angle snapshot of the many factors that make up the operations of a nonprofit corporation, as well as a close-up of the pressure points for change.

Any effort to measure a sector as diverse as that which comprises nonprofit corporations is a challenge. Performance groups and historical societies have built organizations that are different from those managing recreational facilities, caring for people who are elderly, or treating people who are mentally ill. And yet it is because their fundamental structure—governance by a voluntary board of directors—is a common bond of such strength, and the one which determines how problems are solved, that the IFF and the Donors Forum are certain the study knowledge is valued across the sector.

The start-up equity of most nonprofits is the efforts, beliefs and financial contributions of volunteers. Financial growth over time cannot come from issuing stock, but from the long and slow process of building net assets through earnings and savings, and from raising charitable

contributions (a requirement of tax-exempt status). This exhausting progress is well documented in the study. While nonprofit corporations have always implemented other strategies to build net assets, in recent years more nonprofits are using direct business principles in their programs; many more have identified the need to be innovative in their financial planning in order to diversify their unrestricted income sources—particularly those with a reliance on government—and they are all asking for help in doing so.

### Other key findings include:

- Nonprofits operate in a fragile financial cycle: financial margins are shrinking and deficits and cash flow problems plague them;
- Private fundraising is more critical than ever as clear bipartisan messages from government indicate a tighter funding future; and
- There are far too many unacceptable facilities, and the lack of capital grants is a barrier to improvement.

Overall, allocation and productivity of resources may well be the primary strategic issue for today's nonprofit board and executive. Many nonprofit corporations are efficient, resilient and adaptive, and many are well positioned for the future. Nonprofit leaders bring tremendous skill, commitment, passion and creativity to their work.

One of the purposes of the study was to identify areas in which the IFF and the Donors Forum could play a larger role in assisting these leaders, through communication, information and skill-building.

This *Digest* is the third in a series of issue-specific publications from the IFF which will provide stories, solutions, ideas, facts and figures as one way to assist nonprofits in their financial planning and other capacity-building activities.



## Social Entrepreneurship: The Double Bottom Line

Social entrepreneurship offers today's nonprofit boards and executives strategies to achieve financial stability. While entrepreneurial activities take many forms—implementation of cost-saving measures, more efficient allocation of resources, increased revenue diversification, and earned-income ventures—they all seek the delicate balance between mission and money. To Mary Birchard of the National Center for Social Entrepreneurs, entrepreneurship is an organization's ability to “take their strengths and capacity and match them to an opportunity they see in the marketplace—an opportunity that both meets their mission and provides financial stability—this is what we call the double bottom line.” These endeavors take time to achieve results in the form of revenue diversification and more effective management. While staying focused on their mission, boards and managers must take a long view on revenue diversification and cost efficiencies in order to ensure the success of any social entrepreneurial endeavor, whether it's new approaches to operations or the initiation of income-generating businesses.



## Background

One of the most visible stories in the popular press last year was the story of the acquisition of Ben and Jerry's Ice Cream by an international conglomerate. Why? Because the public raised questions about whether Ben and Jerry's would be able to continue its active support of other local businesses—milk producers and transportation providers, for example—in its home state of Vermont. Equally important, consumers feared that the quality of the ice cream would decline without local ownership.

The challenge of operating a profitable business—meeting commitments to a community, working with and honoring partners, and also delivering a product at the quality consumers demand—is the challenge of the new century. Our expectations of Ben and Jerry's are high because the company promoted itself—and practiced what it preached—as a corporation concerned with the public benefit as much as with profits.

It remains to be seen whether the new owner of Ben and Jerry's will maintain what is often referred to as the double bottom line—one of the company's original corporate goals. The double bottom line requires that equal attention be paid to social responsibilities and to profit.

For executives of nonprofit corporations, this balancing act of the double bottom line has always been at the heart and soul of their work. Nonprofits have complex missions integrated with commitments to their communities. Whether it is bringing care to the elderly, delivering the finest in dance or theater, making educational films, or immunizing poor children, the typical nonprofit manager is undaunted by the challenge of balancing business results with mission-centered goals.

But the environment in which nonprofit managers are working has become more dynamic and competitive. Demands and needs of donors, public policy shifts to performance-based contracts, economic slowdown, and ideas driven by the growth of small business have all opened new opportunities for maintaining the double bottom line.

Many nonprofits are well equipped to adapt to this dynamic environment. Yet for many others, their history, corporate structure and governance suggest that new skills and new resources are needed to assist in meeting the challenge. This *Digest* is a first step toward that goal: it describes social entrepreneurship and provides examples of endeavors undertaken by almost a dozen nonprofits in the Chicago Metro area.



## Changing Times Demand New Disciplines

Changes in funding trends are not new to the nonprofit sector. In the past, a traditional response to such a change might have been to raise additional funds from board members or foundations, or to ask the government for more funds. But, as the IFF's study, *Illinois Nonprofits: Building Capacity for the Next Century*, confirms, nonprofits in Illinois—like nonprofits across the country—are finding that government funding is being redirected. Nonprofits must now deliver government-funded programs more efficiently, and must find new resources to deliver programs that cannot be covered in any other way. In addition, today's nonprofit board members and donors, whose skills and interests often reflect their own successes in the corporate world, are more likely to be attracted to more business-like nonprofit corporations. Financial instability and crises are not acceptable to these leaders.

Today, nonprofits are increasingly finding that social entrepreneurship offers the tools and techniques needed to build capacity and to achieve and maintain long-term financial stability during times where there are changes in the economic environment. Social entrepreneurship is a strategic approach that encourages nonprofit corporations to both diversify revenue sources and develop new revenue-generating activities. Through social entrepreneurship, nonprofits across the country are developing new, innovative strategies for meeting their missions by adopting effective business practices that are the backbone of traditional business principles. Foundations that recognize the value of the trend are offering

specialized grant and loan funds targeted at enterprise-oriented activities.

Nonprofits practicing social entrepreneurship use business-sector disciplines and models within the core mission or program of the organization. For today's nonprofit executive, the management challenge is to allocate resources strategically and make those resources as productive as possible. Executives find they are able to meet their missions through many different strategies—often using new financial and marketing models—than in the past.

Social entrepreneurship can mean starting new endeavors or bringing new fiscal or managerial disciplines to old endeavors. Social entrepreneurship helps nonprofits to:

- Increase efficiency in all areas
- Conduct rigorous financial planning as a core activity—combining resource development with financial planning strategies
- Develop creative organizational structures and alliances
- Think strategically about competition and collaboration
- Evaluate the need for changes in the nature and skills of internal staff
- Review the need for changes in the nature and skills of the board of directors
- Identify new earned income opportunities that are aligned with mission
- Redefine mission in the context of market research

# A Process for Achieving Financial Stability and Changing Lives



In 1999, the Illinois Facilities Fund raised funds to bring the National Center for Social Entrepreneurs (NCSE) to Chicago. Based in Minneapolis, NCSE was founded in 1985 with a mission to encourage entrepreneurship throughout the nonprofit sector and to help individual nonprofits think and act in an entrepreneurial manner. Through the core NCSE program, the Entrepreneurial Roadmap, nonprofits develop the internal capacity to think and act in new ways and to evaluate opportunities in the context of market research and financial goals. The initial focus is on analysis of existing programs, products and services; NCSE does not assume that nonprofits must create new programs to increase earned income.

The program lays a foundation for nonprofits to increase earned revenue and operate in an entrepreneurial manner, with the ultimate goal of giving participating organizations the tools needed to carry out their chosen missions with greater flexibility and independence.

From an applicant field of 30 organizations, the following eight nonprofits were selected through a competitive process for participation in the Chicago Entrepreneurial Roadmap:

- Breakthrough Urban Ministries
- Equip for Equality
- Heartland Alliance
- Jane Addams Hull House
- National Lekotek Center
- Prevention First
- Seguin Services
- Southwest Women Working Together

These nonprofits range in size, mission and experience with social entrepreneurship. For example, two participants, Heartland Alliance and Seguin Services, came to the program already familiar with social enterprise concepts. “We had already developed employment- and income-producing programs, but we were looking for tools we could fit into our strategic process,” says Andrew Geer of Heartland Alliance.

Most participants, however, were less experienced with social entrepreneurship, having heard about it only relatively recently from a board member or at a conference. Bill Rodman of Jane Addams Hull House had previous experience in the for-profit sector but hadn’t yet brought many of its principles to his work with the social service agency. Says Rodman, “I had heard of the concept of social entrepreneurship and thought ‘we ought to take a look at this’.” When the IFF program was offered in late 1999, “the timing,” says Rodman, “was perfect.”



## A Strategy for More Efficient Operations

After a self-assessment that creates benchmarks, tests readiness and appraises capacity for change, the program applies the Mission/Money Matrix, a tool for evaluating existing programs and new ideas from the perspectives of mission, market realities and potential earnings. This phase of the program also includes conducting market research on both existing and new programs. By analyzing and interpreting these research results, a nonprofit learns to sharpen its focus, increase its impact and become more financially self-sufficient. The criteria leads to intentional, informed decisions about which programs and services to grow, maintain, restructure or eliminate.

The core to social entrepreneurship is new management strategies that focus on both program mission and revenue growth. The eight nonprofits that participated in the workshop considered such strategies as designing sustainable funding strategies, implementing more fee-for-service programs (and fewer requiring subsidies), and simultaneously scoring economic and program performance. These methods help the organizations realize greater financial independence and manage more efficiently, while achieving better outcomes for participants and clients.

The attitude necessary to embrace and employ these strategies (and many others that are specific to an agency's particular management structure, resources and mission) exemplifies social entrepreneurship. According to Mary Birchard of the National Center for Social Entrepreneurs, "some nonprofits take what they are already doing and find a market that is able and willing to pay for it. Others rethink what they do and deliver their services in a different way. Some convert what they already do to a product that is attractive to a marketplace. They begin to understand their competitive advantage and why that particular program or service will benefit them and their customers." The participating groups in Chicago illustrate the various paths agencies can take along the process of becoming a more enterprising nonprofit. These, and the examples of revenue-generating businesses run by nonprofit corporations included in this *Digest*, illustrate a few of the ways your organiza-

tion can use social entrepreneurship to meet your mission and increase financial freedom.

### Prevention First

Prevention First, which offers substance abuse prevention programs, was drawn to the idea of social entrepreneurship because of a desire to diversify its funding formerly from a single state contract. Perhaps the most significant outcome of its involvement in the Chicago Entrepreneurial Roadmap was the development of an identity beyond its previous image as an extension of the Illinois Department of Human Services. In addition, Prevention First has rethought its entire approach to serving its markets. The organization created its first-ever business plan, conducted market research to evaluate new and reconfigured service offerings, and identified new markets for existing services. Karel Ares, executive director, reports, "It has injected the organization with a new enthusiasm, energy, vitality and excitement about the future." And, in learning new skills, such as market research, data interpretation, and business plan development, the organization is better positioned for the future.

### Heartland Alliance

Heartland Alliance, an anti-poverty, human rights organization, provides housing, health care and human services to men, women and children who are homeless or low-income. The Alliance came to the Chicago Entrepreneurial Roadmap already practicing social entrepreneurship and, in the words of Andrew Geer, director of the Alliance's Century Development Corporation, "looking for tools we could fit into our strategic process." Through the program, the organization learned how to integrate business principles into its high-level strategic planning on an ongoing basis to earn more money and use its funds more efficiently. Already comfortable with mixed-income goals, the Alliance employed the Mission/Money Matrix to take stock of its nearly five dozen programs and gain an understanding of which programs are meeting the organization's goals and the extent to which each program provides an adequate financial return to the

Alliance. In addition, the Alliance completed a market analysis for an assisted living initiative that it is now pursuing, changed its contract negotiation strategy to focus more on the pricing strategy, and increased earned income from its consulting and training services.

### Breakthrough Urban Ministries

Using the Mission/Money Matrix gave Breakthrough Urban Ministries a new perspective on the earning potential of their programs. "It has helped us think about our work differently," says Executive Director Arloa Sutter. "The self-assessment we did gave us valuable insight into what we do well, and also showed us areas of weakness where we need to focus more effort." Participation in the Chicago Entrepreneurial Roadmap challenged staff members to rethink the revenue potential of at least one existing program. As a result, Breakthrough Urban Ministries has increased the fee it charges for out-of-town church groups to participate in its mission and it has also implemented Challenge 1000, a fundraising campaign designed to increase individual donations from those same groups. Sutter reports, "We're being more creative in thinking about how to work without mission groups. We're finding ways to tap into new sources of donations to achieve better financial results."

### Equip for Equality

A Chicago-based advocacy organization committed to advancing the human and civil rights of Illinoisians with physical and mental disabilities, Equip for Equality took the entrepreneurial process to heart, changing some of its business practices to use funds more efficiently. For example, by re-evaluating its contracts for legal research services, the organization is saving 40% on its annual fees. And Equip for Equality's leadership believes the tools and experiences provided by the Chicago Entrepreneurial Roadmap will make the organization less reliant on government funding and more focused on management systems that support growth. President and CEO Zena Naiditch reports that as the organization has broadened its outlook so has its board. Says Naiditch, "Our board is starting to look

further out—years instead of day-to-day. They're definitely thinking in more big-picture terms."

### Jane Addams Hull House

According to Bill Rodman, executive vice president of Jane Addams Hull House, the organization came to the Chicago Entrepreneurial Roadmap because of the programs focus on self evaluation. As a result of the program, the agency asks itself, "How do we use resources better to increase the benefit of programs to the organization, while also improving our marketing to the client and funding communities?" Hull House is also conducting research and feasibility analyses for new revenue-producing opportunities. One is the possibility of offering fee-for-service consulting to other agencies. "We're doing this slowly," says Rodman, "but we're now much more attuned to opportunities—both fee-for-service and expanding our markets. Now that we're thinking entrepreneurially, I find that it helps us every day."

### National Lekotek Center

The leadership at Lekotek, an organization that focuses on making play—and toys—available to children with disabilities, got involved in the Chicago Entrepreneurial Roadmap specifically to identify earned-income opportunities. The organization's self-assessment, however, opened up larger issues and created the awareness that Lekotek was in a period of transition—moving from its role as a local provider of educational and supportive services to a national organization with a specialized area of expertise. Lekotek took full advantage of its participation in the program and used NCSE consultants' time and expertise to research the feasibility of a line of Lekotek-branded toys and the implications of becoming a national player. Helen Hilken McCarthy, executive director of Lekotek, comments, "Our staff and our board are thinking more broadly about what it takes to be a successful organization—revenues being one of the things they'll now consider. And, it's sharpened our instincts; we see more clearly how the market values what we have to offer and how best to price those offerings."



## Using Social Entrepreneurship

### Southwest Women Working Together

Southwest Women Working Together (SWWT) helps women and their children on Chicago's southwest side achieve emotional well-being and economic self-sufficiency through its job training services, housing programs, domestic violence and sexual assault counseling, and family support services. As a result of its work with NCSE consultants, SWWT is now more focused on cost containment and program sustainability than ever before. This change served the organization well as it recently moved through the process of identifying, negotiating and purchasing a new headquarters building. And, thanks to the Chicago Entrepreneurial Roadmap's focus on developing earned-income sources, SWWT has developed a business plan for an income-generating thrift shop and is evaluating the possibility of charging for the case management and counseling services it currently provides free to other agencies. Shelley Crump Hughley, executive director, reports, "Historically, less than 3% of our funding has come from fee-for-service programs. In looking at these new opportunities, we are trying to lay a foundation that will allow us to sustain our services for as long as they are needed. By creating new sources of funding we can also be more creative in the services we offer."

### Seguin Services, Inc.

Seguin Services, an Illinois nonprofit offering services such as job placement, training, and community living arrangements to adults and children with disabilities has, according to Executive Director John Voit, "internalized the entrepreneurial approach." The organization has incorporated its learnings from the Chicago Entrepreneurial Roadmap into its most recent strategic plan and recently researched, reviewed and prioritized five revenue-generating opportunities that will provide employment for clients. Seguin initiated its first money-raising program—a car washing and detailing service operated by participants in their job training program. Seguin is soliciting donated cars that will be rehabbed by program participants and sold at auction to help cover the cost of the training. Seguin also plans to pursue other low-capital, low-risk ideas such as lawn-cutting services. Over time, Voit believes, the revenues created by such businesses will help the organization pursue more sophisticated and lucrative income-producing ideas. Seguin's board and staff are highly committed to exploring these new opportunities and the organization is now seeking funding for a top-level person to aid in pursuing earned-income endeavors. Reflects Voit, "Social service agencies sometimes blame others for their economic situation. We don't do that—we are running our operation effectively and we are taking advantage of economic opportunities that are out there."

*For further information on these organizations, see page 13.*

These examples show the potential and range of social entrepreneurship. They also demonstrate how social entrepreneurship can be used at any point in the management cycle. But these organizations see clearly that achieving improved financial balance and sustainability through social entrepreneurship will take time and, more importantly, a range of support services. As these organizations—and others in Illinois—strive to diversify income sources and maintain the double bottom line, what resources are needed to ensure ongoing support and encouragement of social enterprise?

First, nonprofit boards must embrace the shift to the enterprise mentality, creating environments in which nonprofit executives feel encouraged to pursue entrepreneurial goals and processes and where efficiency and effectiveness are rewarded. It is only with these sorts of assistance—and changes in thinking—that nonprofits will be able to achieve the greater financial security and greater financial freedom promised by social entrepreneurship. Also, the current funding environment for nonprofits is one that does not yet adequately support social entrepreneurship. Just as businesses in the for-profit sector look to lenders and investors for much-needed capital, management and board strength, nonprofits also require these resources. A vital aspect of this support includes access to financial vehicles that nurture social enterprise initiatives. As nonprofits seek to increase or diversify their revenues, investors are needed to seed ideas and provide working capital for earned-income endeavors. Access to capital is a necessary step toward social entrepreneurship, but it alone is not sufficient. Nonprofits also require access to experienced business professionals, such as those from the NCSE, to provide educational, mentoring and networking resources in the areas of financial management, strategic planning, marketing and general management.

Social entrepreneurship is a dynamic tool for nonprofits to improve financial management and obtain greater financial independence. A growing

source of support for these tools is available from the philanthropic and for-profit sector. As more examples of successful social entrepreneurship are available, these resources should develop further. The IFF will continue to expand its lending and financial services programs to respond to the needs of nonprofits engaging in revenue diversification activities. In addition to providing resources like this *Digest*, the IFF has developed a new loan product, *New Visions*, to cover the necessary costs for launching new enterprises or implementing activities like those mentioned in this publication, that will help agencies generate earned income. *New Visions* financing will be flexible and repayment will vary depending on the stage of business development. The IFF has also secured funding from The Chicago Community Trust to sponsor a second class of Chicago nonprofits in the National Center for Social Entrepreneurs Entrepreneurial Roadmap. These efforts are designed to address the growing importance social enterprise plays in strengthening an organization's financial position and furthering its mission.

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### A Continuum of Social Entrepreneurship

The concepts of social enterprise form a continuum of ideas, activities and methods of operation. Moving along the continuum, these can be as basic as conducting market research and financial analysis, as pivotal as charging for products or services previously provided at no cost, as invaluable as implementing a strategic planning process, or as groundbreaking and imaginative as launching a for-profit business. Over the last half decade, a number of nonprofits in the Chicago area have embraced social entrepreneurship. The following stories show just some of the revenue-generating enterprises that meet the double bottom line and provide new revenue sources to their core missions.

**The Academy Bakery** is a nonprofit, retail training bakery that started as a response to the need for skills training as part of an alternative high school. Now selling healthy and gourmet breads, cookies and sandwiches, Academy Bakery has better than a 90% success rate training high school dropouts and community residents from Chicago's Lawndale, Austin and Garfield neighborhoods. The training objective is to offer career training and work experience for youth and adults and prepare them to become independent, productive and contributing citizens. A supporting objective of the Bakery is revenue to support all education and training programs offered by the nonprofit parent organization.

For more information:  
**The Academy Bakery / Community Services West**  
 1231 South Pulaski  
 Chicago, Illinois 60623  
 773.762.2272

Similarly, the **Inspiration Café** has developed a mission-related program to respond to market needs. Started as a Red Flyer wagon with bagels and juice for people who are homeless and then developing into a place to provide free meals in a respectful environment, the Inspiration Café's mission is to restore a sense of dignity, respect and community to men and women who are homeless and help them to self-sufficiency. Guests and alumni can obtain on-site training and employment through the paid positions of kitchen aide and kitchen coordinator, assisting with Café maintenance, dishwashing, meal preparation and inventory. Inspiration Café is open to the public for lunch once a week. The revenues generated help support the costs of running the Café Too program and the goal is to develop Café Too into its own restaurant serving the public. For further information:  
**Inspiration Café**  
 4554 North Broadway  
 Chicago, Illinois 60640  
 773.878.0981  
 www.inspirationcafe.org

**The Enterprising Kitchen, Inc.** offers job training and life skills development programs for women living in poverty in Chicago. Within the context of a small business that produces high-quality handmade soaps and personal care products, women receive hands-on, intensive assistance that includes paid employment, work and life skills training, and a variety of other support services. The financial resources generated from product sales help to sustain and develop the program, specifically covering the cost of materials and a portion of fixed costs. Participants are employed twenty-five hours per week. The Enterprising Kitchen does not receive government funding. Since welcoming its first employees in the summer of 1996, The Enterprising Kitchen has worked with 70 women, 32 of whom have already "graduated" to mainstream jobs or other specialized training schools. For further information:  
**The Enterprising Kitchen**  
 4545 North Broadway  
 Chicago, Illinois 60640  
 773.506.3880  
 www.theenterprisingkitchen.org

**Search Developmental Center**, a provider of services for persons with developmental disabilities for 30 years in Chicago and the northern suburbs, offers another exciting example of innovative social enterprise. Its Planet Access business, started in 1997, is a strategic alliance with Horny Toad ActiveWear, an environmentally responsible outdoor apparel clothier that had been seeking ways to recycle the by-products of its manufacturing process. Together, the two organizations created a camping pillow, made from Horny Toad eco-wool scraps, that could be assembled by SDC members and sold through Horny Toad's sales force and catalog. Two years later, the alliance took a big step forward with the opening of Planet Access Fulfillment, a Northbrook-based fulfillment center servicing Horny Toad's business-to-business wholesale clothing operation. There, SDC members use state-of-the-art inventory and fulfillment systems to fill, check and ship orders for Horny Toad and other small businesses. Planet Access Fulfillment provides paid work and job training opportunities for SDC clients and also generates earned income to support other SDC programs. To learn more:  
**Search Developmental Center**  
 2001 North Halsted  
 Suite 201  
 Chicago, Illinois 60614  
 312.440.0700

**Deborah's Place** is an outstanding example of an organization with a fully formed, for-profit business that is distinct from the organization yet supports the organization's nonprofit mission. Founded in 1985, Deborah's Place opened Chicago's first year-round emergency shelter for homeless women. Today the organization is the largest provider of supportive housing for women in Chicago, offering education, housing and supportive services that empower women who are homeless and formerly homeless to take back and maintain control of their lives. **WomanCraft, Inc.**, a wholly owned subsidiary of Deborah's Place, is a for-profit business that produces and markets handmade jewelry and paper products through catalogs, direct sales and local shops. The business provides a supportive, realistic workplace where women participating in Deborah's Place programs can earn income, engage in meaningful work, improve job skills and build a work history. From its inception, WomanCraft has aimed to be fully self-supporting within five years; in its first two years of operation, WomanCraft boasts high levels of artisan retention and skill development, diversified marketing channels, and steady income growth. To learn more:  
**WomanCraft/Deborah's Place**  
 2822 West Jackson  
 Chicago, Illinois 60612  
 773.722.5080  
 www.deborahsplace.org



## Chicago Project for Social Entrepreneurs Pilot Class Participants

**Chicago-Area Nonprofits Participating in The Chicago Project for Entrepreneurs 1999-2001**

**Breakthrough Urban Ministries** is a nonprofit Christian ministry based in Chicago. Its mission is to foster a healthy community and to empower individuals with the love of Christ. Breakthrough operates a service center and shelter for men who are homeless, a drug and alcohol recovery program, an employment services program, a street ministry to prostitutes, a youth outreach program, and a recently opened shelter for women.

**Arloa Sutter, Executive Director Terry Truax, Board Chair**  
 5251 North Ashland Avenue  
 Chicago, Illinois 60640  
 773.989.4382  
 www.breakthroughministries.com

**Equip for Equality** advances the human and civil rights of people with physical and mental disabilities in Illinois. It is the only comprehensive statewide advocacy organization providing self-advocacy assistance, legal services, education, public policy advocacy and systems monitoring. Designated by the Governor to implement the federal protection and advocacy system, Equip for Equality has broad statutory power to enforce the rights of people with physical and mental disabilities, including developmental disabilities and mental illness.

**Zena Naiditch, President and CEO Pamela A. Hansen, Board Chair**  
 11 East Adams Street  
 Suite 1200  
 Chicago, Illinois 60603  
 800.537.2632  
 www.equipforequality.org

**Heartland Alliance** is an anti-poverty, human rights organization that provides housing, health care and human services to improve the lives of impoverished Chicagoans. Once known as Travelers Aid, the Alliance has helped marginalized men, women and children through services and advocacy since 1888. **Reverend Sid Mohn, Executive Director Elaine Klemen, Board Chair**  
 208 South LaSalle Street  
 Suite 1818  
 Chicago, Illinois 60604  
 312.660.1300  
 www.heartland-alliance.org

**Jane Addams Hull House Association** is a nonprofit social service agency dedicated to helping people build better lives for themselves and their families. For more than a century, the Chicago-based agency has continued the leadership and vision of founder Jane Addams, who is credited with starting the field of social work. Hull House takes a community-focused approach to solving social problems by fostering the spirit of "neighbors helping neighbors." **Clarence Wood, President and CEO Louise Smith, Board Chair**  
 10 South Riverside Plaza  
 Chicago, Illinois 60606  
 312.906.8600  
 www.hullhouse.org

**National Lekotek Center** believes that children learn best when play is a family-centered activity that includes all children, regardless of their abilities or disabilities, in family and community activities. Lekotek specifically works to contribute to the knowledge base about the link between play and early learning for children with special needs, and develops and demonstrates innovative practices for promoting learning-oriented play and providing family supportive services that help parents strengthen their parenting skills. **Helen Hilken McCarthy, Executive Director William Nelson, Board Chair**  
 2100 Ridge Avenue  
 Evanston, Illinois 60201  
 847.328.0001  
 www.lekotek.org

**Prevention First, Inc.** provides leadership and develops leaders in prevention of substance abuse and related issues. Its resources support educational institutions, community organizations, volunteers in prevention, and individuals, both adults and youth, who are interested in prevention and health reform issues. **Karel Ares, Executive Director Dan Piarro, Board Chair**  
 2800 Montvale Drive  
 Springfield, Illinois 62704  
 217.793.7353  
 www.prevention.org

**Seguin Services, Inc.** provides services and support to adults and children with disabilities. Its community living arrangements offer persons with developmental disabilities the opportunity to live in a family setting, and its specialized foster care program helps children with medical problems and/or developmental delays who have been abused or neglected. Other services include job placement and training. **John Voit, Executive Director James R. Donoval, Board Chair**  
 3100 South Central Avenue  
 Cicero, Illinois 60804  
 708.863.3803  
 www.seguin.org

**Southwest Women Working Together** is a community-based women's organization that serves women and children primarily from the southwest side of Chicago. The organization recognizes and frees the potential of women by empowering them to expand their options and by promoting women's fundamental rights. SSWT offers a range of training, counseling and housing programs and services. **Shelley Crump Hughley, Executive Director Margie Gonwa, Board Chair**  
 4051 West 63rd Street  
 Chicago, Illinois 60629  
 773.582.0550  
 www.sswt.org



## Defining Financial Health

The IFF and the Donors Forum of Chicago define financial health as a nonprofit's ability to maintain programs without interruption, to meet all financial commitments, and to end each year with positive net assets. In addition, a financially healthy nonprofit has a board of directors that assumes responsibility for the financial stability of the organization and has management that integrates financial and program planning.

Successful nonprofits operate with proactive strategies to define appropriate and balanced relationships with clients and constituents, with the government, with funders, and with the community, using dedication to mission as the driving force.

For a copy of *Illinois Nonprofits: Building Capacity for the Next Century*, or add a colleague to the mailing list for the *Capacity-Building Digests*, e-mail [iffmail@iffund.org](mailto:iffmail@iffund.org) or call 312.629.0060.

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