

# Stanford SOCIAL INNOVATION<sup>Review</sup>

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***Supplement: From Philanthropy to the Front Lines***  
**Building Resiliency in Times of Crisis**  
By Hal Beckham, Jessica Dreher & Donna Scheck

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# Building Resiliency in Times of Crisis

Funders must shift their frameworks, expectations, and budgets to better serve nonprofits whose financial models are being tested during the coronavirus pandemic.

BY HAL BECKHAM, JESSICA DREHER & DONNA SCHECK

**T**he health and social justice crises of 2020 have affected organizations large and small in numerous ways, but nonprofits have had more distinct challenges than most. According to a 2020 Independent Sector survey, 83 percent of nonprofits reported a drop in revenue due to canceled events, less giving, and fewer grants. At the same time, some organizations—particularly community assistance organizations, such as those providing food, housing, or health-care support—have seen an increase in the need for their services.

During these crises, the Medtronic Foundation has worked closely with its nonprofit partners to help them adjust their financing and measurement plans and set realistic goals. Because of the economic consequences of the global coronavirus pandemic, many more organizations today need general operating support, and philanthropic foundations are helping them meet these needs in greater ways than they might during better economic times. Some nonprofits are focused more on keeping their doors open than achieving specific programmatic goals, and philanthropic funders can and should work with grantees to ensure our communities don't lose important resources.

Given the significant amount of change, there are challenges to traditional financing models but also significant opportunities to think differently about solutions. Funders understand that budgets are challenged and goals have changed or have been suspended, however temporarily. Still, it is important for funders to know if and how their nonprofit partners are adapting to these challenges. Open communication and trusted partnerships go a long way in supporting these adjustments. For example, connected care models can deliver improved health outcomes, so nonprofits can establish a measurement

plan that tracks both the training and addition of community health workers to the care community and the clinical outcomes of the patients they see.

When difficult decisions need to be made, organizations should use insights from people in need, coupled with measurement results, to focus their resources on activities most important to fulfilling their mission. This may include sustaining high-quality services, as well as adjusting activities—adding new services or taking some away—to position the organization well for the future.

## READJUSTING MEASUREMENT STANDARDS

Despite the sense of urgency in these uncertain times, nonprofits must apply the same rigor and planning to their work as they did before the pandemic. Many nonprofits are addressing similar questions as they did in the past, but are now revising those questions within the context of today's environment: What can be measured in terms of different outcomes? Can the data be collected in the same way as before? Does the frequency of data collection need to change? How will we know there is improvement? And, how can we explore disparities in these outcomes?

The absence of an effective public health system has exacerbated the gaps in community services and care. This lack of a system is also seen in the inadequate public sector financing of health for underserved communities around the world, including the United States. As such, private foundations and corporate philanthropy are often stepping up to fill the gap right now. Nonprofits should clarify what their communities need most, how their services must adapt to meet those needs, and how they will track outcomes that allow them to determine whether they have met the community's needs and delivered value.

## MANAGING THROUGH CRITICAL TIMES

Never before has it been as crucial for nonprofits to stay the course and focus on their mission than in this time of merging global health, economic, and environmental crises. In a survey conducted by Reuters and Charity Navigator, 83 percent of the nonprofit respondents reported they are suffering financially. Yet, 50 percent of the organizations reported that they have seen an increased demand in programs. Times like these require innovation while staying true to organizational strengths, especially as nonprofits are being asked to do more with less. Now everyone, regardless of sector or organizational focus, is facing the same challenges at the same time. Some organizations have taken this unprecedented opportunity to reshape their strategy and operations.

As challenging as these times are, they offer an opportunity for nonprofits to reset their strategies and operating mechanisms in order to meet the increased demand for their services. For some groups who have been sidelined due to COVID-19, this break has offered a chance to refine the way they operate.

## FINDING OPPORTUNITIES

While many nonprofits are struggling during the crises of 2020, many are also thriving. Nonprofits exist because there's a need for their support, and those needs haven't diminished. In some cases, they've grown. Remaining agile, creative, and optimistic can help nonprofits find new ways to continue to meet their constituents' needs during these challenging times.

For example, a Medtronic Foundation partner, the Center for Well-Being in Sonoma County, California, is leveraging local partnerships to expand community health worker training, as well as increase program access to youth and underserved populations. They have also found creative ways to optimize their use of space, technology, and scheduling to improve efficiencies.

This is one of countless nonprofit organizations that are working to adjust to the times, manage through them, and come out the other side as strong as ever. Foundations, corporate philanthropies, and donors have a responsibility to help them along the way, so we can collectively continue to meet the urgent needs of our communities. ●

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