

# IN SEARCH OF

HOW NONPROFITS ARE MAKING A DIFFERENCE

# AMERICA'S

# BEST

# NONPROFITS

Filled with

Useful Tools

Including

the Job-Seeker

Checklist and

the Donor

Checklist

Determine the Best Places to Volunteer

A Guide to

Excellence

and Innovation

HARD STECKEL, Ph.D. ★ JENNIFER LEHMAN

# In Search of America's Best Nonprofits

.....

**Richard Steckel, Ph.D.**  
**Jennifer Lehman**



---

JOSSEY-BASS PUBLISHERS • San Francisco

Copyright © 1997 Richard Steckel and Jennifer Lehman, 1350 Lawrence St., #2H,  
Denver, CO 80204.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of Jossey-Bass Inc., Publishers, 350 Sansome Street, San Francisco, California 94101.

Substantial discounts on bulk quantities of Jossey-Bass books are available to corporations, professional associations, and other organizations. For details and discount information, contact the special sales department at Jossey-Bass Inc., Publishers (415) 433-1740; Fax (800) 605-2665.

For sales outside the United States, please contact your local Simon & Schuster International Office.

Jossey-Bass Web address: <http://www.josseybass.com>



Manufactured in the United States of America on Lyons Falls Turin Book.  
This paper is acid-free and 100 percent totally chlorine-free.

### **Library of Congress Cataloging-in-Publication Data**

Steckel, Richard.

In search of America's best nonprofits / Richard Steckel, Jennifer  
Lehman. — 1st ed.

p. cm.

Includes index.

ISBN 0-7879-0335-3 (acid-free paper)

1. Charities—United States. 2. Nonprofit organizations—United  
States. I. Lehman, Jennifer, date. II. Title.

HV91.S648 1997

361.7'63'0973—dc21

97-21018

*HB Printing* 10 9 8 7 6 5 4 3 2 1

FIRST EDITION

# In Search of America's Best Nonprofits

Dedicated to the serious-minded, principled people  
who work endlessly to raise the standards  
of accountability and excellence within the nonprofit sector



To Shelli, Robin, Will, Traci, Jeff, Jill, Taylor, Conor, and Aidan,  
who are perpetual gifts in my life

—Richard Steckel



To Zach and Benjamin, Chris and Lisa, Jack and Jean,  
and Phil and Lydia Lehman, who have across four generations  
shown me that, along with love, service to others  
is the greatest quality of the human heart

—Jennifer Lehman

# Preface



One of the great satisfactions in a search for quality performance—in any area of life—is the opportunity to see human beings at their best and to relish their enthusiasm for what they do. In America, we can usually expect people to get a twinkle in their eye when asked about their priorities and valued experiences such as family, hobbies, or sports. When they are asked about institutions—such as workplaces and schools—their responses are often more tempered. But that hesitancy disappears when they are asked to describe the nonprofit organizations they admire. And when individuals invested directly in the progress of such nonprofits—directors, managers, and volunteers—are asked to comment on even modest accomplishments or innovations, smiles burst across their faces and twinkles dance in their eyes. “Let me tell you about this earned-income idea we have for improving the computer equipment in our office,” said one executive director, leaping from her chair. That kind of exuberance is commonplace in America’s best nonprofits.

*In Search of America’s Best Nonprofits* grew out of enthusiasm for several books on quality performance in the for-profit sector. To date, the nonprofit sector lacks a resource for behind-the-scenes analysis or a system for review and assessment that offers practical as well as philosophical perspectives. Such publications on the subject of performance and quality in corporate America are quite easy to find on bookstore shelves. This book is intended to fill the void in the nonprofit sector,

providing an inside look at admirable organizations and a clear paradigm to evaluate excellence in nonprofits.

Being able to approach and then identify quality organizations is important to all Americans, not only to nonprofit leaders but also to job seekers, volunteers, and individual donors. “‘Knowledge is power’ is a cherished value in our society,” notes nonprofit author Joan Flanagan, “and we all need to know the truth about charities before we give to them.” Understanding what makes a nonprofit admirable allows everyone invested in the future of charitable efforts to determine excellence for themselves and to experience the satisfaction of discovering organizations of remarkable character.

Compelling mission, effective leadership, innovative strategies—these are some of the common denominators among organizations of quality character and activity; they are necessary prerequisites for being judged “excellent.” However, every person brings a unique set of values to the evaluation process. Readers will note that many high-profile and respected Americans featured in this book were asked to provide their own definition of an “excellent” nonprofit. *In Search of America’s Best Nonprofits* combines the suggestions of national leaders and trendsetters with a thorough research process to help citizens assess their own priorities when deciding which organizations they wish to participate in. The decision to donate to, volunteer with, or work for a nonprofit should be based on thoughtful consideration and the evaluation strategies described in these pages.

In conducting research for this book, we sought out leaders and government officials, recognized observers of contemporary values, and other participants in American nonprofit organizations and asked, “What is working? What are you excited about?” First of all, people are thankful for the opportunity to focus on the positive. Second, they know when they’ve got a good thing going, and they want to stay close

to it and enjoy it and in many cases spread the word to others. Third, the people who responded to our exhaustive research questionnaires or submitted to our interviews have found in the nonprofit sector a real secret to a successful life: the fact that investing in something that makes a difference, that matters to you, is the most rewarding experience you can hope for.

Many individuals expressed the frustration that they care deeply about particular nonprofits but see problems, shortcomings that detract from the honest ability to call an organization “excellent” or even to acknowledge that they admire its performance. They are still thankful for opportunities to work for, volunteer with, and donate to meaningful charities, but their enthusiasm is tempered by awareness of patterns or blind spots that don’t allow the organization to grow and adapt to changes in society.

Given a few moments to collect their thoughts, virtually all persons interviewed could articulate what they admire in nonprofit organizations—qualities of mission, leadership, and day-to-day practice that these individuals hold as standards for every charitable entity with which they would consider involvement. The conclusion: Americans know what is right about nonprofit organizations. Sometimes the standards are a carryover from best business practices, such as expecting an annual outside audit of financial statements; other times the standards are a direct result of experiences with the finest traditions of charitable activity, such as looking for a mission statement that clearly addresses meeting the needs of a particular population. “I give to the American Red Cross,” said one state official, “because a year ago, donations of blood to this organization saved my brother’s life. I know the good these people do, and I want to be a part of it.”

Americans also know generally how to look for information. Facts about the organization should be offered to anyone considering



a donation, employment, or volunteer service. The lack of a mission statement—setting forth the “reason for being”—is not a good sign. Cooperation with national oversight structures is considered a good sign: it suggests a willingness to be held accountable and is thus an indication of financial integrity.

None of us has the time to do a thorough analysis of every charity we hear about. Americans appreciate an “inside peek” at how the best organizations function. By going behind the scenes at nonprofits with a variety of service agendas, we can gain an understanding of the underpinnings of outstanding leadership and quality mission fulfillment. And we also learn from the observations of others, in this case fellow citizens who have served in some of the country’s finest nonprofits and American leaders who have spent their careers forging a strong economy built in part on the contributions of excellent organizations and nonprofit agencies.

Many people participated in the exhaustive process of creating this book through candid dialogue about the organizations they admire most. They invested their time and energy, as well as a generosity of spirit, to share their experiences and observations. It is also important to acknowledge the attitude that these individuals brought to the questionnaires and interviews: they weren’t simply good sports about the countless questions and clarifications; they were active partners in the discovery process. Dozens of people took the process of nominating excellent nonprofits as an opportunity to renew their understanding of and appreciation for the organizations they contribute to or serve. “We came out of this soul-searching process with some fresh ideas for the agency,” commented one volunteer, “and that made the investment most worthwhile.” One prominent community organizer noted, “I have encountered so many organizations over the years that I think I’ve come to evaluate them almost intuitively. It has been useful to me to

articulate clearly the kinds of questions I would want others to ask before they invest in a nonprofit.”

It is also important to call attention to the many organizations who submitted documentation but were not selected to be a part of this text. The standards of excellence suggested in this text are remarkably high, and there were many stable and well-managed organizations that only just missed the final cut. They deserve thanks for their willingness to undertake the self-evaluation process.

As virtually every nonprofit investor noted, the present pace of change is remarkable, and the challenge for sustaining top-caliber organizations is powerful. Everyone who participates in nonprofits, no matter how modest the impact, makes a contribution toward keeping the sector dynamic and flexible, prepared to face change with energy, enthusiasm, and a wealth of ideas for improvement.

Organizations that reflect these admirable qualities are precious gems in our society. Some of the organizations we learned from are diamonds in the rough. They are young organizations formed to meet social needs that are only just emerging; or they are nonprofits that serve rural communities or populations in Third World nations; or they deal with not-so-media-attractive clients and thus don't garner much publicity but are run by people who have a vision for what they do and whom they serve. Admirable organizations like these have philosophies and strategies that the most established sector executives can learn from.

Other nonprofits are dazzling creations of amazing scope and size. Their integrity, like a powerful magnet, draw large numbers of people from all walks of life as donors and volunteers. They are large, well established, and well managed. Dozens of individuals cited the same well-known organizations as the ones they admired most. It is important to seek out the little-known gems, but these jewels of the sector were also a pleasure to explore.

The Americans who have shared their observations of admirable nonprofit organizations for this text offer inspiration and practical guidance to their fellow citizens—to the donors, board members, volunteers, clients, employees, advocates, and analysts who sustain America's best nonprofits. A handful of individuals manage these organizations, but many others recognize the value of their service. The search for the finest nonprofits is an effort to polish the diamonds of the sector and to reflect on the reasons for their value. Calling attention to admirable organizations and guiding the process of evaluating them will help Americans to be well-educated participants in the nonprofit community and to be more aware of and active in this cherished heritage of giving to others.

*July 1997*

Richard Steckel  
*Littleton, Colorado*

Jennifer Lehman  
*Denver, Colorado*

# In Search of America's Best Nonprofits

# Contents

.....

Preface	xv
Introduction: Role Models in the Nonprofit Sector	1
<i>Chrysalis—Jobs for L.A.'s Homeless: Mara Manus</i>	2
<i>Trinity Services, Inc.: Art Dykstra</i>	4

## Part I

\*\*\*\*\*

### A Look Inside

America's Most Admired Nonprofits	13
• Questions About the Search for the Best Nonprofits	15
• Setting the Evaluation Benchmark	17
1 The Nonprofit Mission: Making a Difference in American Communities	19
• Clarifying the Mission	20
<i>The Gathering Place: Collaboration in the Community</i>	20
<i>Habitat for Humanity: Mission and Operations in Unison</i>	22
<i>American Heart Association: Candid Self-Assessment</i>	24
• Change Drivers: Issues Relevant to Communities and the Organizations Working to Improve Them	29
• Tool Kit 1: Obtaining Information on Nonprofits	33

2	Inspirational Leaders in the Nonprofit Sector	37
	<i>AmeriCares: Robert Macaully</i>	42
	<i>The Drucker Foundation: Frances Hesselbein</i>	44
	<i>I Have a Dream Foundation: Eugene Lang</i>	45
	<i>May Institute: Walter Christian</i>	47
	<i>National Center for Family Literacy: Sharon Darling</i>	48
	• Tool Kit 2: How Effective Is the Leadership at Your Favorite Nonprofit?	51
3	Nonprofit Organizations Get Ready for the Twenty-First Century	53
	<i>Boy Scouts of America: Turning an Expense     into a Profit Center</i>	58
	<i>CARE in Partnership with Starbucks Coffee</i>	60
	<i>National Crime Prevention Council: Brand Development</i>	61
	<i>Recording for the Blind and Dyslexic: New Technology</i>	63
	<i>Second Harvest: Expertise in Public Policy Development</i>	64
	<i>SunShares, Inc.: Profit-Minded Recycling Initiatives</i>	64
	• Tool Kit 3: Questions to Ask About Income Generation	67

## Part II

\*\*\*\*\*

	Learning from Exceptional Nonprofit Organizations	71
4	Knowing Who You Are and Where You Are Going: Well-Focused Nonprofit Organizations	75
	<i>Foundation for International Community Assistance</i>	76

---

	<i>American Lung Association</i>	78
	<i>Council on Economic Priorities</i>	79
	<i>Big Brothers/Big Sisters of America</i>	80
	<i>City Year</i>	82
	<i>Gifts in Kind America</i>	83
	• Tool Kit 4: How to Tell If a Nonprofit Is on the Right Track	87
5	Avoiding Roadblocks on the Road to Excellence	89
	• Public Demand for Accountability	94
	• Continued Reductions in Government Funding	95
	• Continued Reductions in Government Oversight	95
	• Technology on the Rampage	96
	• Competition for High-Quality Workers	97
	• Temporary Business Alliances and Virtual Corporations	97
	• Tool Kit 5: How to Help Your Favorite Organizations Avoid Traps of Mediocrity	105
6	Recurring Themes of Excellence	107
	• Remember That Employees Matter	108
	• Maintain an Open Door Management Philosophy	109
	• Keep an Eye on the Future	111
	• Engage in Constructive Self-Criticism	113
	• Excel at One Unique Purpose	114
	• Do the Right Thing	116
	• Be Mission-Driven, Stay Mission-Driven	118
	• Be Financially Accountable	119
	• Celebrate!	120
	• Tool Kit 6: How to Find Out What It's Like on the Inside	123

---

Part III

\*\*\*\*\*

	What to Look For in a Nonprofit Organization: A Guide for Contributors, Job Seekers, and Insiders	127
7	The Donor Checklist: What to Ask Before You Give	133
	• Making a Decision About a Specific Organization	134
	• Identifying the Best Organizations Dedicated to a Particular Cause	136
	• Using the Internet	139
	• Tool Kit 7: The Donor Checklist	141
8	The Job Seeker's Checklist: Nonprofits as Employers	143
	• Considerations Unique to the Nonprofit Sector	144
	• Considerations for People Not Seeking Employment in the Sector	150
	• Tool Kit 8: The Job Seeker's Checklist	151
9	The Insider's Audit: Evaluating Your Own Nonprofit Organization	153
	• Relationship Between Programs and Administration	154
	• Fairness of the Management Structure	155
	• The Role of the Board of Directors	155
	• Employee Benefits, Including Salary Levels and Incentives	156
	• Job Security	157
	• Career Opportunities	157



## Contents

---

• Reputation of the Organization	158
• A Sense of Purpose	159
• A Sense of Strategy	160
• Organizational Culture Issues	161
• Enterprise Issues	162
Conclusion: Supporting the Best in Our Nonprofit Sector	165
<i>Arapahoe House</i>	166
<i>Ducks Unlimited</i>	167
<i>Futures for Children</i>	168
*****	
Resources	171
A The Organizational Audit: Tools for Extensive Evaluation of a Nonprofit Organization	173
• Questionnaire: Excellence in Nonprofit Organizations	175
• Evaluating the Questionnaire: Subsequent Research into Nonprofit Excellence	184
B Twenty-Six Categories for Researching Nonprofits	187
The Authors	189
Index	191