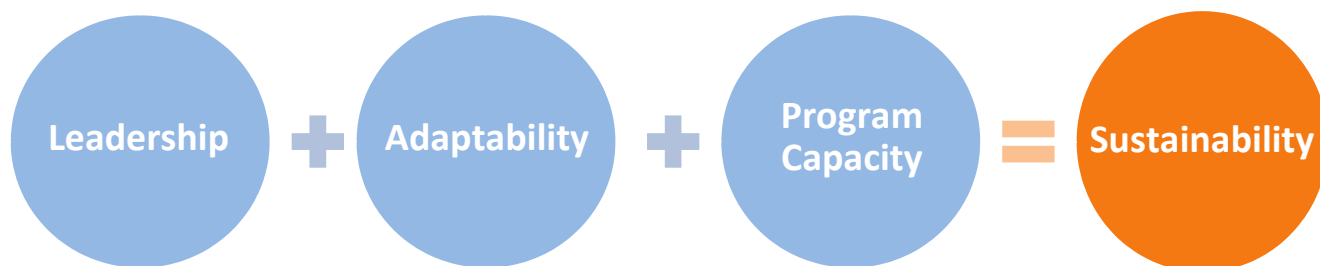


The Sustainability Formula

How Nonprofit Organizations Can Thrive in the Emerging Economy

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Nonprofit organizations, like all institutions, wrestle continually with the question of how to keep going and to improve their lot, especially during today's difficult economic times. In short, nonprofits must constantly strive for sustainability.

The mass media as well as newsletters, blogs, and reports that cover this topic often ask what it is that allows one nonprofit to survive, while another may have a tough time or even close its doors. There are, not surprisingly, many ideas about what an organization must do to remain resilient.

Some experts argue that the key to sustainability is adaptability - the ability of an organization and the individuals connected to it both to generate additional revenue successfully and to pull off the difficult task of doing more with less. Others say that leadership of both the staff and board is the answer. Still other authorities believe that the solution lies in improving management

systems to ensure greater cost efficiency and effectiveness. All these theories have their advocates as well as some truth.

So, what's the answer? Is one hypothesis correct, or should we look for a combination of ideas? What can we say about leadership, management, and adaptability that will constructively guide nonprofit organizations through the emerging economy?

Those working in the field want answers on how to provide sound advice, build up an organization, and offer support. Most important, everyone involved needs to know how nonprofit organizations, their leaders, and their funders will adapt to the shifting economy while achieving their visions.

In the end, it is our hope that by providing a context for sustainability, TCC Group can make it possible for nonprofit organizations to continue to benefit the individuals, families, communities, and systems that depend on their efforts.

For the past 10 years TCC Group (TCC) has evaluated national, regional, and local capacity-building initiatives and efforts. During this time TCC has developed and refined a reliable and valid survey, The Core Capacity Assessment Tool (CCAT), which assesses nonprofit effectiveness through the lens of four core capacities:

Adaptive Capacity: *the ability to monitor, assess, respond to, and create internal and external changes;*

Leadership Capacity: *the ability to create and sustain a vision, to inspire, to model, to prioritize, to make decisions, to provide direction, and to innovate - all in an effort to achieve an organization's mission;*

Management Capacity: *the ability to use resources effectively and efficiently; and*

Technical Capacity: *the resources (e.g., skills, experience, knowledge, tools, facilities, technology, etc.) needed to implement all programmatic, organizational and community strategies.*

The CCAT is administered independently and anonymously to a nonprofit's staff leaders and board members. The tool contains a comprehensive set of questions about organizational behaviors.

The CCAT also places an organization along a three-stage lifecycle continuum. Those stages are 1) core program development, 2) infrastructure development for the purpose of taking programs to scale, and 3) impact expansion which is defined as community leadership that changes the systems and policies that affect an organization's ability to achieve its mission.

This executive summary highlights findings from a statistical analysis of almost 700 organizationsⁱ that have taken the CCAT online during the past two and a half years.

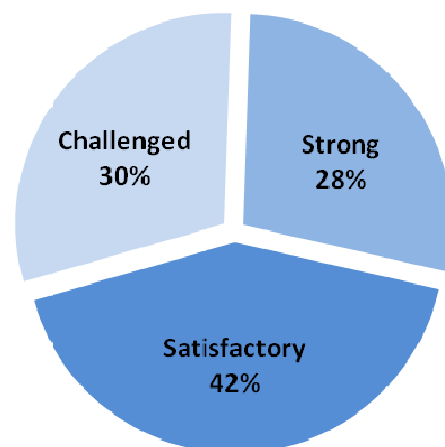
Through this analysis, TCC has identified specific capacities and behaviors that are most critical to sustainability. We have found that the key ingredients for nonprofit sustainability are decisive, strategic, and accountable leadership; financial and programmatic adaptability; and the resources to deliver core programs.

Let's further examine the key characteristics of sustainable nonprofit organizations.

Most Nonprofit Organizations Are Not Financially Sustainable

How sustainable are nonprofits that have taken the CCATⁱⁱ? We found that 28% of organizations in the CCAT database perceive themselves to be "strong" with regard to organizational resource sustainability. On the flipside, 30% perceive themselves as "challenged" in the attempt to attain sustainability.

Organizational Resource Sustainability of CCAT Organizations



It is clear from these findings that nearly three-quarters of nonprofits need to understand better what they can do to improve sustainability. So, what lessons might nonprofits need to grasp more fully and, more importantly, to respond strategically in order to thrive and grow?

Sustainable Organizations Exhibit Leadership That Is Visionary, Strategic, Inclusive, Decisive, Inspirational, Motivational, and Accountable

Using regression analysis,ⁱⁱⁱ TCC concluded that organizations that have strong “internal leadership” (leaders who apply a mission-centered, focused, and inclusive approach to making decisions and inspire and motivate people to act upon them) and “leader vision” (leaders who formulate and motivate others to pursue a clear vision) are **significantly** more sustainable than those that do not.

Unfortunately, only about one quarter (26%) of nonprofit organizations taking the CCAT scored high in both “internal leadership” and “leader vision.”

While this information is noteworthy, the CCAT survey findings begin to tell us more about the specific leadership behaviors that matter most to sustainability. By analyzing the relationship between 146 CCAT survey items, each of which assesses very specific organizational behaviors and organizational resource sustainability, TCC has learned a great deal about what effective leadership looks like in sustainable organizations.

First, having a mission and vision statement or even going through the process of developing one isn't enough. In fact, to be effective, the vision and mission statement must be communicated successfully by staff and board

leaders to the organization's internal and external stakeholders, constituents, and donors.

Ultimately, if organizational leaders and stakeholders are not motivated and inspired by the organization's mission and vision, these statements are nothing more than words.

Organizational leaders should not only connect with and be motivated by a common vision and mission, but they should also be able to convince staff that there are real consequences for individuals, groups, and the community if they do not succeed. Leaders must hold themselves, each other, and all who touch the work accountable for progress.

Second, sustainable leadership means sharing equally in the rewards of successful efforts and in the negative consequences of less successful ones, including the often avoided task of letting go of consistently poor performers, whether paid or volunteer.

Finally, successful leaders must make decisions that stakeholders agree are “cost-effective.” In other words, for leadership to produce results, decisions must be based on two key factors: 1) the cost of services on a per person basis; and 2) measures of effectiveness which define success through outcomes and/or behavioral changes for those being served and/or targeted.

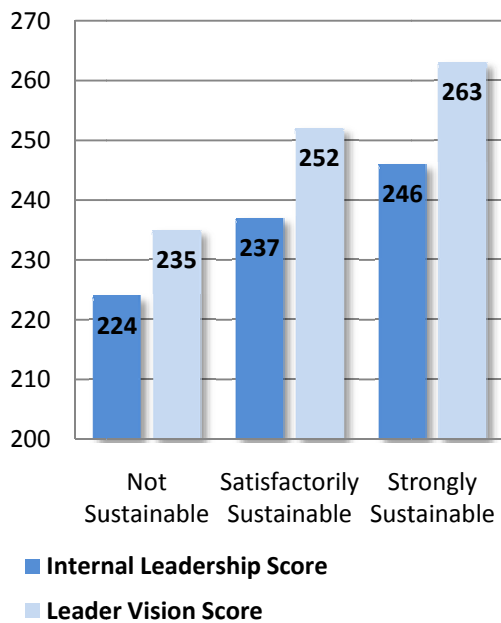
While many nonprofits measure how much they do and the cost of that effort, they should focus on the impact of their programs which nonprofits **must** define through the eyes of those they serve. For example, an after school program should measure cost per child who improves his or her classroom and study behaviors (cost effectiveness) rather than just the number of children served by the program (cost efficiency).

When leaders know the cost-effectiveness of their efforts, decisions can be made from a place of mission and vision and anchored by effectiveness metrics rather than the sheer number of strategies implemented or the cost of outputs.

Cost effectiveness then becomes synonymous with the mission-centered organizational goals and can be the foundation of leader-based decision making.

These particular behaviors lead to the conclusion that sustainable organizations communicate, motivate, make decisions, and hold themselves accountable to a shared operational and measurable mission and vision.

Average Leadership Scores at Each Level of Sustainability



Examples of Two Highly Sustainable Nonprofits

New York Cares is a nonprofit founded by a group of friends who wanted to take action to address a variety of serious social issues facing their city.

Their mission is to meet pressing community needs by mobilizing New Yorkers to service. New York Cares is one of a small number of organizations that met all of the threshold criteria for the capacities that predict sustainability in the CCAT survey.

New York Cares recently won the top award for Overall Excellence for Management at the 2009 *New York Times* Company Nonprofit Excellence Awards. Executive Director Gary Bagley says, “Staff morale is a high priority, and we excel in homespun morale boosting and team building activities, such as monthly ‘theme’ birthday parties, two annual all-staff outings, at least one annual all-staff volunteer project, and post day-of-service thank you celebrations. Practices like these, although low on budget, are high on enthusiasm and fun, and regularly remind staff that they are appreciated.

“When a position opens up, we rarely have to look beyond our outstanding ‘bench’ to find a highly qualified replacement. When managers feel ready to move on from their current job, they are seldom ready to move on from the organization and often set their sights on openings in other departments where they know they will continue to grow. As a result, 28% of current employees have held more than one staff position.”

Another nonprofit that scored highly on the CCAT sustainability analysis is The Family Center,

Strengthening Skills

Leadership

Leader vision and internal leadership are prerequisites for effective management. Executive coaching and peer exchange (if facilitated well with the same group of individuals over a period of time) have proven to be among of the most effective leadership development tools. They provide a safe place for nonprofit leaders to address concerns which they cannot discuss from the isolated positions within their respective organizations.

Fundraising

Employees who participate in both strategic and fund development planning will be strong fundraisers. Understanding the cost effectiveness and cost efficiency of running an organization's programs and services contributes to sustainability. Skills to strengthen fundraising include: networking, strategic alliance formation, and board development.

Program Capacity

As organizations evolve, there is a need to become more knowledgeable with respect to understanding and acquiring the service delivery skills necessary to go to scale. As an organization grows, managers should focus on staffing programs and be willing to make critical human resource decisions (including hiring and firing staff) to ensure the highest quality and quantity of services. Strong program managers act quickly, fairly, and consistently to resolve human resources or performance challenges or conflicts.

a New York City-based nonprofit that works to create a more secure present and future for children whose parents have a life-threatening illnesses. Ivy Gamble Cobb, one of organization's four co-founders and the current Executive Director, believes one reason for the group's sustainability is the organization's participatory decision-making style. "As a small organization, we are able to actively engage all of our staff in the decisions process and we appreciate the input we receive when we look for diverse thoughts."

When Paired with Strong Leadership, Effective Fundraising and Financial Management Really Matter

It will come as no surprise to most nonprofits, donors, and funders that both fundraising (the ability to develop the necessary resources for efficient operations, including management of donor relations) and financial management appear to predict^{iv} much of the difference between sustainable and unsustainable organizations.

Only one-quarter (24%) of nonprofit organizations taking the CCAT scored well on both fiscal resource acquisition and management skills. While this is also unsurprising, the CCAT survey data provides new insights into the financial behavioral differentiators between organizations that are sustainable and those that are not.

First, it appears that organizations that have the capacity to raise funds from institutional grantmakers such as private foundations, corporations, and/or government agencies are more sustainable. It's difficult to say if this is a cause and effect relationship - whether organizations that are sustainable receive more

grants or if an organization will receive additional grants as it becomes more sustainable. That said, receiving more grants is a clear measure of sustainability.

Another key differentiating behavior is the long-term relationships sustainable organizations build with key funders. Loosely translated, this seems to indicate that leaders of sustainable organizations connect with funders by sharing results at a level that resonates with them in order to inspire long-term commitments. Again, this is not particularly surprising, and the cause and effect relationship is unclear. Nonetheless, leaders must achieve credibility and community support in order to develop or strengthen long-term funding relationships.

A third and crucial piece of the CCAT fundraising data suggests that the board must be actively, intentionally, and formally engaged in the process of persuading others in the community to invest time, money, and other resources in the organization.

Fourth, organizations that effectively manage resources are more sustainable. The reason for this may seem self-evident; nonetheless, TCC hypothesizes that, while financial management is important to sustainability in and of itself, it is furthered by the ability of nonprofit organizations to develop and strengthen long-term relationships with donors and institutional grantmakers by confidently and validly communicating financial health and stability.

Finally, with respect to fundraising and finances, sustainable organizations are more deliberate, intentional, and deep in their efforts to remain informed of local, regional, and national trends that affect funding. Sustainable organizations have staff and board leaders acting in a sophisticated manner with respect to how they

answer questions about funding. This includes consistently challenging their assumptions and beliefs against what they learn more objectively in the field.

It is clear that what is common to fundraising and financial management behaviors is the need for and dependency on effective leadership. Woven throughout this section of the report are leadership words and ideas such as “credibility” and “reputation” which suggest high levels of trust and loyalty between sustainable nonprofits and their funders.

The real take away about fundraising and financial management from the CCAT results is not that organizations need these skills, but rather that, above all, they require leadership in these areas. Too many unsustainable organizations have staff with the right skills but lack effective, operational, measurable, and inspirational leadership.

Again, the nonprofit New York Cares scored highly in the CCAT survey’s fundraising category, as it sets measureable goals to track effectiveness with donors, corporate sponsors, and project partners. Bagley says, “We focus on developing relationship-based, general operating support; we start and end programs based on community need, not the vagaries of funding. We have dedicated account teams and plans for all our corporate sponsors. New York Cares quadruples the value of every dollar donated through our volunteer services and the resources we leverage for our project partners.”

Diversification, engagement, relationship building, and transparency are the mantras of New York Cares fundraising efforts and have helped the organization increase revenues at an average rate of 10%-15% per year for the past

decade, Bagley explains. He says, “We regularly engage the philanthropic community in our work, giving donors the opportunity to experience, first hand, the quality and impact of our projects and the individual and team benefits of volunteering.”

Through a “know thy donor” approach New York Cares builds personal relationships which Bagley says are continued over the long haul. “Our most generous corporate, foundation, and individual donors have been with us for many years, regardless of economic climate.

Transparent information-sharing and the fact that we adhere to every supporter’s recognition and communication preferences further cement our donor loyalty,” he adds.

New York Cares excels at securing millions of dollars worth of in-kind support and prides itself on engaging a full range of stakeholders in resource development. The Board Development Committee meets regularly to discuss strategies, assist with prospecting, and plan friend and fundraising events, Bagley explains.

Having the Capacity to Manage and Deliver High-Quality Services Ensures Sustainability

Sustainable organizations maintain high quality control through effective program management. Specifically, these organizations have program managers who take quick and decisive action when program quality or quantity is reduced or compromised, including making critical staffing decisions such as those mentioned earlier. Additionally, sustainable nonprofits differentiate themselves by having adequate resources and facilities to deliver their services. Only 14% of nonprofit organizations that have taken the

CCAT scored strongly with respect to these program management capacity factors.

Again, these findings are most likely not surprising. So, what more can be said that will help nonprofit organizations and their program leaders further understand and address these important factors?

Many nonprofits enlarge programs only by adding staff and facilities. TCC has learned that it is not enough for an organization simply to increase and expand service delivery without becoming more knowledgeable about program management roles and responsibilities; it must also continuously improve and evolve service delivery model and practices.

What differentiates the more effective nonprofit organizations is not only an increase in service delivery, but also the development of programs that actively evolve through lessons, evaluation findings, and ongoing needs assessments. Organizations must distinguish among “best practices” (those which maximize the likelihood of successful outcomes); necessary practices (needed but not critical); and, finally, unnecessary practices (a waste of resources).

Strategic Planning and Evaluation: Sustainable Organizations Are Learning Organizations

Organizations that collect and use high-quality data from program evaluation and gather stakeholder input for planning and strategy implementation efforts are **significantly** more sustainable than those that do not. Through evaluating capacity-building efforts, TCC has found that sustainable and effective organizations do not simply collect data on their

programs, organizations, and the community/environment, but their leaders also actively bring these findings to the planning table.

While there are many nonprofit organizations that gather program data and other information from key stakeholders and constituents, sustainable organization's leaders obviously value the *process of learning* from the data.

These leaders spend time reviewing and contextually explaining what the data are saying, creating meaning, and drawing conclusions about what worked and how, when, and why it did in order to inform strategic planning. Many organizations have expertise around data-gathering. However, many have not prioritized the time necessary to bring leaders and stakeholders together explicitly and formally for the purpose of contextually explaining and deriving implications and recommendations from their findings during the early stages of planning.

Another element that differentiates sustainable organizations from those that struggle financially is the intentional grounding of strategic planning around lessons learned from the successes and failures of core program strategies. Leaders from sustainable nonprofits strongly agree with the perception that all of the decisions reflected in the goals, objectives, strategies, and tactics in their current strategic plans prioritize core program success over everything else.

In other words, sustainable organizations develop, implement, assess, and correct their strategic plan not from the standpoint of increasing operating budgets, financial stability, or even (ironically) sustainability, but from the view of achieving success through measurable

changes in client outcomes and program effectiveness. An important behavior associated with this type of program-centered strategic planning is the decision to infuse data-driven learning processes formally into strategic plan development, implementation, assessment, and revision.

The Family Center is an example of a nonprofit organization that emphasizes evaluation. It has a full time research and evaluation manager on staff who not only works to monitor clinical trial programs with the Center's academic partners, but also reviews the Center's comprehensive legal, social services, education, and research work. Executive Director Cobb says, "We have a strong desire to evaluate all of our programs, constantly analyzing information about our audiences in order to be responsive to their needs. We learn from our data in order to modify programs and services, and we can see our results in the field."

[Pulling It All Together: The Sustainability Story](#)

So, how can we characterize what we've begun to learn from the 700 organizations that have taken the CCAT? The best way to think about these findings is to describe a hypothetical sustainable nonprofit organization.

Imagine an organization that is a drop-in center for the homeless within an urban setting and provides: case management; a safe, clean place for the activities of daily living; an address and phone number; food and clothing referrals; transportation assistance; and health and social services. The organization's vision is to end homelessness within the community. Let's assume this organization is highly sustainable and describe its associated behavior patterns.

First and foremost, the organization would be well-led. But, what does that leadership look like? The executive director, senior staff and all the board members would agree on the mission and vision of the organization, and all would similarly communicate the *measurable* change that the organization produces with its clients.

For example, if one were to ask any of the organizational leaders how they "operationalize" effectiveness, they would cite examples such as: 1) obtaining jobs beyond day labor or temporary work; 2) providing access to transportation in a sustainable way; 3) finding safe and permanent housing; 4) reducing joblessness and housing resulting from medical, social and/or behavioral assistance, including access to health services; and 5) decreasing recidivism and the use or need of the center or other homeless service providers in the community.

Additionally, all board and staff leaders would be aware of and could share data on the achievement of these measurable outcomes, as well as the cost to achieve success. Specifically, board and staff would be aware of and could produce answers to question such as, "What percentage of your clients obtains a permanent job and what does this success cost on a per client basis?" With the data, leaders would be able to communicate the contextual reasons behind cost-effective results.

The board would not only hold itself and the Executive Director accountable for measurable change, but it would collaborate even more strategically and deeply to improve cost-effectiveness via the following methods:

1) motivating others to invest resources by communicating the organization's mission and

vision and inspiring others by describing what the program and organization can accomplish;

2) describing what is necessary to increase success at every level;

3) providing the highest level of financial stewardship to ensure that stakeholders, investors, donors, grantmakers, and volunteers all have confidence that the organization will maximize their investments;

4) leveraging relationships with those interested in the homeless problem - business leaders, nonprofit leaders and other friends and peers who can bring dollars, in-kind assistance, and access to people such as local legislators, law enforcement officers, and employers who can open doors and address barriers that the homeless face with respect to getting jobs and permanent housing; and

5) talking with family, friends, and colleagues about where funders, donors, and other resource providers can be found and about the best way to access those resources.

Our hypothetical homeless agency would also be a very experienced data-user, able to implement formal "learning processes" at all staff levels, as well as at the board table.

Specifically, the board and executive staff would meet at least two or three times a year to discuss high-level data and the findings derived from the evaluation of services; to assess operational functions and capacities of the organization and the community within the context of the problem; and to review the funding environment and the strength and quality of its partnerships and collaborative activities. (In these activities organizational leaders take community action on behalf of their clients in order to address the

policy and systems barriers impeding progress.) Case managers, program staff, volunteers, and administrative staff would meet regularly, discuss data, and, most importantly, jointly create meaning in order to derive implications, lessons and recommendations for moving forward.

In essence, they would all be asking a similar set of questions on an ongoing basis: "Did our efforts work? Why or why not? How? And, for whom?"

Continuing our example, the homeless agency program manager and case managers might meet to dialogue about a new trend concerning a decrease in job placement rates over the preceding three months. They would talk about program implementation issues (such as being short staffed due to the departure of an employee), programmatic best practices, a job training or employment program that is now closing its doors, key relationships with business leaders who are no longer able to serve as an employer due to the economic downturn, and other issues.

Throughout this discussion, the program leaders and those who implement the program should be able to determine what's within their control with respect to service delivery, to understand the operational and infrastructure barriers in their agency that might impede progress, and to engage in community leadership activities such as advocacy or mobilizing that can multiply the effect of what a single program can do.

Last, by virtue of effective staff and board leadership, as well as sophisticated learning processes, organizational and programmatic leaders would track progress and accomplishments, including assessing the performance of human resources to ensure

future success. Over time, managers would have access to better tools and data to monitor program implementation as well as administrative and operational functions. With this information, swift action - including decisions regarding professional development support and staffing - could be taken if performance stagnates or fell.

Our theoretical homeless center might discover the reasons permanent job placements decreased were not only that the center was short staffed, but also one of the case managers was ignoring the mental health issues that often create barriers to clients attaining permanent job placement. The program manager could then provide professional development to the case manager to help her better learn how to assess clients with mental health problems and connect them with the right resources. This would be reinforced because ongoing evaluation data and intentional learning processes consistently prove that addressing mental health requirements leads to improved permanent job placement.

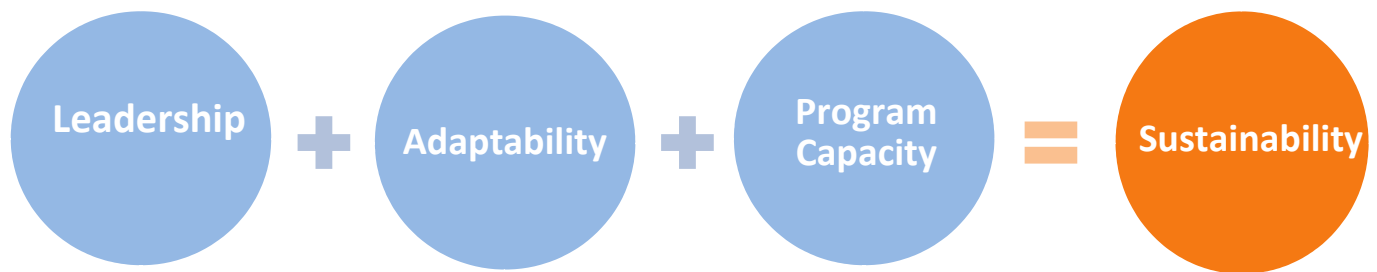
In the end, what would make this organization highly sustainable is effective leadership at all levels that would hold itself and everybody in the organization accountable for tangible, measurable success for the clients being served.

Such leadership would gather resources, be an excellent and accountable steward of those resources, and never forget that the "effectiveness" goal for the organization would be ultimately to eradicate homelessness. The leadership and management of core programs would be consistently served through intentional learning processes that asked and answered, if, why, and how programs achieved the types of outcomes that everyone would say led and/or contributed to the eradication of homelessness.

Overall, TCC believes our CCAT survey findings validate what we have learned in the field about the importance of leadership, adaptability, and the essential role of core programs. Taking these

findings one step further, we offer the following recommendations and formula which include descriptions of the key behavioral ingredients necessary for nonprofit sustainability.

The Sustainability Formula



Leadership

- Clarity of mission and vision
- Motivate others to mission and vision
- Decisive action when faced with challenges
- Decisions and accountability anchored in cost-effectiveness
- Engagement of key internal and external stakeholders in the strategic planning process
- Accountability for demonstrating success of a strategic plan as evidenced by program success

Financial Adaptability

- Community leaders, institutional grantmakers, and board leaders who believe in, invest in, and garner resources for the organization
- Long-term relationships with community leaders, institutional funders, and grantmakers
- Sophisticated financial management practices that include clear leverage and cost-effectiveness strategies
- Informed data collection around national, regional, and local funding trends

Mission Vehicle (Program) Adaptability

- Capacity to conduct program evaluation
- Managers who are willing to take immediate and decisive action on program effectiveness data at the human resources level

Program Capacity

- Adequate program staff with the requisite knowledge and experience to deliver services
- Proper facilities to run efficient programs

Recommendations for Sustainability

1. Spend the time necessary with board and staff leaders to respond to the following question: "What does success look like for those we serve/target in terms of new and/or improved behaviors?" (These can be individual, organizational, systemic, or community-based behaviors.) Thoroughly test whether these particular outcomes are feasible with your programs alone.
2. Construct cost-effectiveness measurement and discuss and develop formal and/or informal ways of analyzing financial data once measurable outcomes have been defined.
3. Require every board member to articulate and communicate the vision, mission, and measurable outcomes the organization plans to achieve.
4. Create specific goals and objectives for every board member with respect to garnering resources such as in-kind donations, facilities/equipment, access to networks (including leaders), or dollars.
5. Insist on conversations with current and potential institutional grantmakers about your organization, its learnings, and its contextual understanding of the nature and scale of the problem that it addresses. Initiating, developing and/or cultivating relationships with institutional grantmakers (at an individual level) are critically important steps to sustainability.
6. Thoroughly assess finances and address any financial management issues or challenges immediately. Organizational leaders must be aware of the relation of revenues to costs, as well as be accountable to the board for all key financial decisions.
7. Carve out time for multiple "learning" meetings to discuss and create meaning from program, operational, and community engagement findings jointly. Do not be concerned about the amount and quality of data. Coming together for intentional and formal learning will help organizations that are not sophisticated about data and knowledge management decide what is worth tracking and how to invest in doing so.
8. For the purposes of gathering data about client needs, community problems, the funding environment, and the policies and systems currently in place, engage and leverage partners, stakeholders and other constituents.
9. Revisit, refine, and continuously improve program management (quality control) practices in response to learnings about what works and why and how it does with regard to the juncture of programs and clients.
10. Clarify and agree on performance metrics for program implementers. Don't limit metrics to what is supposed to be implemented. Rather, take continual steps to understand objectively how outcomes are achieved from the client perspective and which particular practices predict these outcomes. Let objective, client-centered data about the relationship between program quality and outcomes determine performance metrics. Too many nonprofit organizations assess performance through program quantity as monitored by implementers, rather than program quality derived from client data and objective analysis.

What's Next?

The Sustainability Formula is simply a beginning recipe that needs further research and testing in many different laboratories. It begins to clarify the broad categories of leadership, adaptability and program capacity for further examination.

With respect to organizations taking the CCAT, less than a quarter have the leadership qualities present in the Sustainability Formula. The same can be said of their financial adaptability. Even fewer organizations are effective in program adaptability and program capacity.

Given these results, it seems appropriate to note that the challenge and opportunity in this economic crisis is not to start exclusively with fundraising. In fact, during tough economic times, sustainable organizations view their struggle as a leadership issue rather than simply a financial roadblock. Achieving financial stability through fundraising is only possible in a sustainable way when viewed holistically as a leadership challenge that must maintain primary focus on mission, vision, outcomes, and cost-effectiveness.

When mission and vision are measurably evident in all programmatic, organizational, operational, and community efforts of a nonprofit organization, then leader have the data, information, and learning processes necessary to make hard-line decisions in challenging times.

question has particular challenges with respect to accurate data. After cleaning the data, TCC determined that, there were too many organizations for which data entry was suspect or possibly erroneous to allow this study to use actual budget growth as the dependent variable for sustainability. It is also important to note that there are many disagreements in the field as to whether budget growth or other variables such as budget diversification are valid measures of sustainability. Given this, TCC conducted regression analysis to examine predictors of the remaining cleaned data to see which CCAT scales predicted whether, based on its operating budget, an organization grew, stayed the same, or shrank over a three-year period. TCC found that the statistically significant and uniquely strongest predictor of operating budget growth was the CCAT sub-capacity "organizational resource sustainability." This sub-capacity measures senior leaders' perception that an organization is both stable and sustainable. This sub-capacity served as the proxy dependent variable for sustainability for this study.

ⁱⁱⁱ In statistics, regression analysis refers to techniques for the modeling and analysis of numerical data consisting of values of a dependent variable and of one or more independent variables.

^{iv} All presentations of variables that predict sustainability are concluded based on two factors: 1) the original theory of organizational effectiveness and how TCC believes it relates to sustainability; and 2) regression analyses. True predictability will require further research and investigation.

ⁱ N=684

ⁱⁱ TCC's CCAT gathers operating budget data from each organization's executive director or finance manager/director for the previous three years. As is to be expected, collecting self-reported data on operating budgets through an open-ended