

SHERI CHANEY JONES

Foreword by **BARBARA E. RILEY,**

Former Director of the Ohio Department of Aging

IMPACT & EXCELLENCE

Data-Driven
Strategies for
Aligning **Mission,**
Culture, and
Performance in
Nonprofit and
Government
Organizations

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IMPACT & EXCELLENCE

**Data-Driven Strategies for
Aligning Mission, Culture, and
Performance in Nonprofit
and Government Organizations**

SHERI CHANEY JONES

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Foreword

I have had the privilege of working with Sheri Chaney Jones, and I am honored to have been asked to provide a foreword for her book *Impact & Excellence*. Jones worked with me at the Ohio Department of Aging and was instrumental in developing our ability to give Ohio's seniors an opportunity to remain in their own homes, where they prefer to be, even when receiving long-term care. In fact, her use of data allowed our state agency to persuade lawmakers that giving older adults the option to stay home and receive their care there was a significant step in curtail- ing the unsustainable growth of Ohio's Medicaid budget. I only wish she had been with me throughout my career, as I believe her approach to leadership and agency operations would have resulted in improved outcomes for all those we served and in savings for Ohio's taxpayers.

During my tenure working with nonprofit and government organizations, I often wished for a manual that laid down a path to success in the social service sector. Jones has done that and so much more. In fact, it is tempting to lay out here a summary of the key provisions captured in *Impact & Excellence*, just in case you were to decide to read no further than this. But please read on, as this is one book that every nonprofit and government leader should take in and act on. It is a practical guide to making your way through the maze of change that social-sector agencies now face. Now is the time to apply a more organized, data-driven approach to making decisions about what we do, how we do it, why we do it, and at what cost. We cannot cling to the status quo. In fact, I would posit

that there is no status quo today; rather, change is a constant—and if you do not figure out how to achieve excellence as outlined here, you or your organization may not be here tomorrow.

Jones makes a strong case for how a high-performance measurement culture can work for you. She uses a workbook approach that provides an evidence-based formula for change. Her work targets the nonprofit and government social sectors and refutes the assumption that if the social sector acted more like a business we all would be more successful. She doesn't denigrate either nonprofit or government leaders; instead, she emphasizes the societal good that both sectors can produce, if they adapt. Adapting in the twenty-first century requires that you meet the expectations of funders, decision makers, taxpayers, and the general public, all of whom expect you to produce measureable outcomes that concretely contribute to the good of society. She clearly differentiates between the social sector and the business sector, and she lays out what it means to be mission driven rather than profit driven.

Included here are a formula for change and explicit guidelines that can position you and your organization to succeed. The journey to success begins with dissatisfaction with the current state, moves you forward to articulating your vision for the future state, and creates the model for taking the concrete steps necessary to get there. All of this builds on the foundation of collecting, analyzing, and using the right data derived by identifying your desired outcomes and knowing whom you need to persuade. Each chapter in *Impact & Excellence* reads like a workbook, making good use of case studies, citing available online tools, and posing end-of-chapter questions that will make you think and take action. Pay special attention to her chapters on what Jones calls the 5 C's, as those will lead you from what you do to why you do it—the essential building block for success.

My experience with social sector organizations taught me the value of the five C's, but that involved many years, and I believe this book may help you avoid some of the traps and pitfalls I encountered along the way. Jones believes that the hope and promise of a vital social sector begins with becoming clear on your organization's *culture and leadership*, followed by being able to articulate and *clarify your agency mission* and link it to what is important

to those you serve. Remember, you serve not just the consumers of your direct service, but also the funders, the decision makers, the general public, and the staff who work with you and share your vision. Next, you must *capture the impact* and link the collected data to the agency mission in order to measure your impact on what you set out to achieve. This data must measure not only the outputs but also the outcomes of your work, and the process does not end with data collection, or even data analysis, but puts the data to use in making decisions about what you will continue to do, what you will change, and what you may choose to abandon.

In presenting her case for data measurement, Jones takes into consideration how you will use that data externally as well as internally. She emphasizes the need to *communicate* what you learn. Tell others why what you do is important, set forth the positive impact your data shows you can have, and share what needs to occur for you to broaden and improve on those outcomes. Finally, the C continuum concludes with *change*—using the data analysis to determine what needs to be done differently to move you closer to excellence. Remember, you chose to read this book because you are unsatisfied with the status quo, you aim for excellence, and you want improvement; all of that equals change, change that you must embrace and sell. And, if you have followed Chaney Jones’s outline for excellence, you will find yourself ready to *celebrate* your organization’s high performance, borne of creating a new performance model based on data-driven decision making.

I believe *Impact & Excellence* can have a profound positive impact on the societal good you can bring about as an organization, and on your ability to lead your organization to excellence.

Barbara E. Riley
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Department of Job and Family Services
Columbus, Ohio

Preface

In God we trust; all others must bring data.
—W. EDWARDS DEMING

Whether we recognize it or not, W. Edwards Deming changed the world when he spoke the words in our opening epigraph. The American statistician and scholar was the first to provide both a philosophy for continual improvement and a method that allowed individuals and organizations to plan for improvement. His work removes blame, redefining mistakes as opportunities for improvement. Deming first helped the world understand the power of data.

Impact & Excellence is my gift to government and nonprofit leaders, who, like Deming, want to change the world in their specific way. This book is for leaders with big dreams, those who fully embrace a mission to solve complex and challenging problems, locally and globally. It is for those who know the status quo is not sustainable and for those who are looking for practical strategies that create more effective and sustainable organizations.

Impact & Excellence is written especially for those leaders who desire to strive for excellence, those who will not stop until they have achieved the greatest degree of impact possible for the constituents and communities they serve. It is the book I wished I had more than ten years ago when I began my career as the deputy director of performance evaluation for a local government organization.

A decade into my career, I had fallen in love with the mission of the social sector. It was a privilege to use my analytical

and organizational development skills to help strengthen organizations that were providing services for the greater good. I saw firsthand the good that organizations could do when they adopted cultures built on data, information, and learning.

During this time, I held two separate positions that allowed me to lead the transformation of organizations, helping them to be more impactful by incorporating data-driven strategies. I observed firsthand so many nonprofit and government organizations struggling with how to stay alive financially and obtain the necessary funding. Many were competing for the same coveted grants and missing the power of using data and outcome measurement practices to transform their organizations. *Impact & Excellence* was born from a desire to make a difference for these organizations.

It was in many ways an exercise of courage that would motivate me to leave my stable, responsible government job to start my evaluation and research firm, Measurement Resources, and make an even greater difference. Instead of being of service to just one organization at a time, I desired to serve as many as possible and help social sector organizations to recognize and implement the data-driven strategies I saw having such a clear impact. I wanted then and still want to play some part in transforming the sector into one that is thriving and providing positive, amazing results for communities across our nations and throughout the world.

I knew the power of data and wanted solid data to back up what I had observed firsthand. I decided to launch the Measurement Culture Survey project to gather the data and information that would illustrate clearly what data nonprofit and government organizations were collecting and how those organizations were using the data they collected. My initial motivation was to determine if there was a sufficient need in my immediate community to launch my business and to gather evidence I could share in communicating with prospective clients.

Within six months, I had gathered more than thirty surveys from a variety of nonprofit and government organizations. The survey results were a clear and powerful demonstration of the need; they brought tears to my eyes. I found a strong positive correlation between high measurement cultures and important and critical organizational outcomes. Sitting on these results was not an option.

My next step was further investigation to determine if these relationships would hold up with a larger and even more diverse sample. Four years and two hundred surveys later, the relationship between a high measurement culture and the achievement of desired results within the social sector is striking. If leaders of social sector organizations want what they say they want—increased revenues, increased impact, and increased excellence—then adopting high-performance measurement cultures is the natural, proven path to success.

What really surprised and also saddened me was the low percentage of social sector organizations that had reached a level of high performance and were actively using data to achieve better organizational outcomes. The vast majority of these organizations were missing a huge opportunity to increase the results they achieved for those they served. My research also uncovered the fact that although nonprofit and government leaders knew measures were important, they rarely felt they had the expertise, time, and resources to move forward to implement these measures.

I had a personal framework that allowed me to understand this perception, as both government positions I held were a result of the respective agency directors seeking out this very expertise. My former employers had recognized that to increase their agency's impact they needed to evaluate programs and use program evaluation data to improve program and operational efficiency; yet they did not have the knowledge to do so within the organization.

I was new to the social sector when I took the first position, and unsure of how, specifically, I would apply what I knew to institute a data-driven approach. I had a solid grasp of research methods and organizational development strategies, but the concept of program evaluation and applying data-driven strategies in the social sector was a new challenge. I accepted the challenge, conducting thorough research from as many sources as possible, using what I learned, and tweaking what did not work.

After ten years, I realized I had found the perfect combination of strategies for predictable success. Most of the strategies I have used are not new. Rather, they are borrowed from multiple fields—business, nonprofit, marketing, psychology, public performance, and management, to name a few.

My desire was to share all I had learned with nonprofit and government leaders. My goal was to share not only the theoretical evidence that demonstrated why using data mattered but also to provide resources that offered a path to developing successful, high-performance measurement cultures. I wanted to alleviate the continual searching for a solution in academic books and obscure sources. I saw the clear need for a book written specifically for the nonprofit and government practitioner seeking to master the strategies that would put their organizations on the path of greater impact and excellence.

My intention is that the reader will learn a few key strategies that will strengthen social sector organizations and ultimately drive these organizations toward greater performance. The overarching goal is to improve on how today's nonprofit and government organizations change lives and circumstances by identifying clear steps that make your work more meaningful, more impactful, and more efficient—as well as more fun! And as you do, I believe you will change the world in your own way.

Introduction

Planning for uncertainty asks, “What has already happened that will create the future?”

—PETER DRUCKER

Change is inevitable. It is how people, organizations, and systems adapt to predictable change that determines the degree of success achieved. Successful leaders and managers must do what Peter Drucker (1992) recommends; they must constantly scan the environment and ask one critical question, “What has happened that is likely to create your future?” Major changes are brewing for nonprofit and government organizations. How well social sector organizations respond to the changes at play will directly impact the long-term strength and vitality of the communities they serve.

The economic struggles following the Great Recession of 2008–2009 have resulted in deep repercussions that have had a ripple effect throughout our society. Social sector organizations have been impacted significantly. Charitable giving fell 15 percent during the height of the recession. Although philanthropic giving is coming back slowly, as of 2013 it remained 8 percent below giving levels prior to the recession (Hrywna, 2013). Deep and lasting budget cuts have led to the suspension of vital programs and the marginalization of needed services. Such diluted impact is not only undesirable, it is unsustainable. Without radical intervention, local communities and individuals will pay the ultimate price.

In addition to a decline in corporate philanthropy and government grant making, several other changes have occurred.

Even as social sector leaders seek to address the situation and funders justify drastic budget cuts, philanthropic leaders are urging nonprofits and even government organizations to become more entrepreneurial and strive to be more business-minded. At the local level, there are conversations about the importance of social entrepreneurship.

Meanwhile, grant makers are urging nonprofit organizations to consider how they can move away from a dependency on public funds and grants and develop for-profit arms that channel money into these organizations. One well-known organization using this model is Goodwill. The organization operates thrift stores and auto auctions in communities across the country. These profit centers support their social programs, which are designed to increase employment for several disadvantaged populations served by the organization.

A tendency to cling to the status quo has led to the closure of many nonprofits. Budget constraints, political pressures, shifting corporate priorities, undesirable media attention, and technological challenges are among the present-day challenges that will continue to impact the future for this sector. As of the writing of this book, the national debt hovers around seventeen trillion dollars. The question of how we will reduce this debt for future generations looms large. Intense public debate rages from all sides. Regardless of who is elected to public office, government officials will need to make difficult funding reduction decisions.

Mario Morino's observations in *Leap of Reason* (2011) highlight the situation: "The cold reality is that in our present era of unsustainable debts and deficits, our nation simple will not be able to justify huge subsidies for social sector activities and entities without more assurance that they're on track to realize results . . . Funders will have to make the difficult choices about what to fund and what to cut."

The mass media's frequent focus on the purported ineffectiveness of various charitable and government functions and their influence on the public's perception of the social sector continues to fuel this new reality. Recent examples range from media coverage of battles over public workers' rights nationwide to collective bargaining in Ohio and Wisconsin. The movie *Waiting for Superman* highlighted the alleged ineffectiveness of U.S. public schools.

The 2009 ACORN scandal and the debate over the effectiveness of Head Start programs have further eroded public confidence in the social sector. News coverage related to each of these has negatively influenced public debate and sentiments.

A recent conversation about this book underscores the influence of media on public perception. When I shared an early working title for this book, which included the term “social sector,” a friend expressed serious concern. “Why do you want to write a book for the social sector?” she asked. “Don’t you know that sector is ineffective and wasting my taxpayer dollars?” When I probed further, I found she had formed such strong opinions based on negative press reports during recent political debates. Regardless of whether one agrees with her assessment, my friend’s perception is one shared by many in our society. Yet she and many others are the very individuals nonprofit and government organizations rely on to fund and support their organizations.

To remain viable, today’s social sector organizations must find a way to rise above declining public confidence and stand strong on their own merits. Despite the stark reality, the future is not necessarily bleak for organizations that remain dedicated to filling the gaps where for-profit companies cannot. For communities to thrive, we must address issues such as housing, health care, education, public safety, arts, and culture.

An exciting new world awaits leaders who dare to think differently. Those organizational leaders who are willing to adapt to rapidly unfolding changes and strive for increased excellence and impact are making our world a better place. They refuse to wait on either the public or the media to make the case for funding. Such successful leaders are becoming more strategic and thoughtful as they demonstrate and communicate their unarguable value.

Even in today’s volatile economic climate, change *is* possible. One example: while most government and nonprofit organizations were cutting programs and services, leaders of the Ohio Department of Aging invested in and vigorously pursued excellence and impact. The organization successfully transitioned from the typical system of managing revenues and activities to a high-performance measurement culture that focused on constituents’ needs and outcomes.

As a result of this transformation, the state agency restored program funding after it was cut following an unprecedented, statewide budget crisis. The Ohio Department of Aging simultaneously held administrative overhead to less than 3 percent of its total budget and provided high-quality services that diverted seniors from nursing homes and allowed them to continue living in their own homes. These actions saved the state approximately \$250 million dollars over the course of a year (Jones, 2010).

Why does this matter on a national and global scale? Imagine a world where government and nonprofit organizations are fully realizing their respective missions—eradicating disease, minimizing personal and societal hardships, and strengthening communities. What if, as a result of effectiveness throughout the social sector, the public's tax burden decreased and our individual quality of life increased? Such a world *can* exist. It begins with the embrace of a culture of excellence supported by data-driven outcomes measurement within every nonprofit and government organization.

Contrary to public opinion, the answer does not begin with social sector organizations adopting the operating procedures of private enterprise. As we have seen on a massive scale in recent years, the private sector does not have it all figured out.

What is the answer? How can nonprofits and government organizations move forward? For too long our society has chosen to invest in nonprofits with our hearts instead of our heads. The secret of social sector success can be found in allowing our heads to lead us where our hearts want to go.

Data-driven outcomes measurement in the context of a high-performance measurement culture lays the foundation for repeatable, achievable results within individual organizations and rolls out a red carpet for radical transformation throughout the social sector as a whole.

As greater numbers of mission-driven organizations implement a measurement culture, our nation and our world will see the impact and excellence in an ever-increasing number of changed lives and communities. To succeed and sustain success in this time of economic and social upheaval, social sector organizations must operate more efficiently, measuring and communicating unique impact. They must become more entrepreneurial, more collaborative, and, ultimately, more strategic.

Impact and Excellence: Data-Driven Strategies for Aligning Mission, Culture, and Performance in Nonprofit and Government Organizations examines the current landscape and provides a roadmap for nonprofit and government organizations that recognize the necessity of adopting a high-performance measurement culture now so that they may ensure their continued survival and success. This book presents the case for change infused at every level of the organization, beginning internally with executive leadership and externally with the funding community that enables an organization to sustain its mission and vitality. Without consistent attention to the strategies outlined in this book, business-as-usual nonprofit organizations will become extinct, the impact gap will widen, and society will suffer.

Through the citation of statistical evidence and compelling case studies, this book lays out a clear path for the way forward, providing a roadmap for increasing efficiency in social sector organizations. Drawing on my own experience of working side by side with government and nonprofit organizations, most recently in my role as president of Measurement Resources, this book culls research gathered from a four-year study and distills the surprising findings into easy-to-digest, actionable success strategies for the leaders of today's government and nonprofit organizations.

Despite waning public perception and real challenges, success is possible for every social sector organization. Furthermore, in stark contrast to the link between money and market success seen in the for-profit sector, there is no correlation between successful high-performance measurement cultures and budget size in nonprofit and government organizations.

Currently, a scant 23 percent of government and nonprofit organizations are fully engaged in the proven practices that lead to an increase in revenues, positive press, and improved efficiency, leaving significant room for improvement at the remaining 77 percent of social sector organizations. This book is intended to equip committed public and social sector leaders with critical information and knowledge that will allow the organizations they serve to thrive in the twenty-first century and beyond.

When leaders implement the same critical elements used by the Ohio Department of Aging and other high-performing social sector organizations outlined in this book, the result is nothing

short of the transformation of our culture. Leaders no longer need to guess what to do first. *Impact & Excellence* provides a proven step-by-step plan for organizations to make such a transition.

The remainder of this book combines the technical elements of outcomes management, strategic planning principles, change theory, and real-world research written from the perspective of the public servant and nonprofit leader. Through data-driven conclusions and clear strategies for rapid organizational improvement, *Impact & Excellence* is a contributor to the shift that is imperative to the very survival of today's social sector organizations, providing proven practices that organizational leaders can implement immediately.

Overview

Chapter One of this book examines the call to be more strategic and presents the case for embracing change, not from a place of fear but rather with a spirit of opportunity. The funders of today and tomorrow will require organizations both to demonstrate impact and outcomes and to detail precise plans for the evaluation of efficient use of those funds. This chapter provides case studies of both government and nonprofit organizations and highlights how the new reality affords an opportunity for increased impact and excellence within, through, and among those organizations committed to the full embrace of a high-performance measurement culture.

The next two chapters draw on original research conducted with over two hundred nonprofit and government organizations. These chapters underscore the clear differences between social sector organizations content with “good enough” and those dedicated to excellence, demonstrating by the numbers that embracing an organizational culture built around performance and outcomes measurement is the defining differential between mediocre and thriving organizations.

Organizations with a high-performance measurement culture report success in terms of increased revenues, a boost in morale and efficiency, positive press, and overall impact at a much higher rate than those that have not yet embraced such cultures. Despite these remarkable findings, only 23 percent of social-sector

organizations surveyed are fully implementing the easy and impactful steps to embrace a measurement culture.

Chapters Four and Five address the similarities and differences between nonprofit organizations and government organizations that opt to develop high-performance measurement cultures. The Measurement Culture Survey research suggests that these two types of social sector organizations are more similar than different when it comes to establishing high-performance measurement cultures. However, when we consider what data to use and how to use that data, each type of organization has its own specific strengths and challenges. These chapters will discuss the different audiences for the data of government and nonprofit organizations and the types of actions that organizations need to take with data.

Chapter Six provides an overview of the exact plan any organization can follow to become a high-performance measurement culture. We will review the Five C's of Easy and Effective Impact and Excellence and lay the foundation for greater success throughout the social sector. Chapter Six speaks directly to social sector readers' current reality, acknowledging the real and significant barriers to developing a measurement culture, specifically those limitations related to time, resources, trained staff, and expertise within the organization. Although such limitations do exist, they can be overcome. This chapter introduces real-world success stories to inspire readers to rise above excuses and take decisive action.

The remaining six chapters, Chapters Seven through Twelve, provide detail about each of the five essential C's, which are the elements of success and reveal the specific strategies required to catapult the social sector from one that is merely sufficient to one that is efficient and has remarkable, far-reaching influence. These are the precise strategies that can and should be implemented by every government and nonprofit agency to ensure a successful future. These proven and practical steps go beyond other "call to action" books on outcomes and performance measures. The ideas and strategies in this book are categorized into the "Five C's": Culture and Leadership; Clarify Mission; Capture Impact; Communicate Value; and Change and Celebrate. These substantive chapters introduce actionable, easy-to-implement solutions that often lead to sweeping change within organizations and the communities they serve.

The final chapter invites organizational leaders to develop a unique action plan tailored to their organization's particular circumstance, based on a proven planning framework. Readers are encouraged to work through a series of experiences and templates to identify first steps toward predictable success, impact, and excellence.

Impact & Excellence contains the specific leadership, organizational culture, and outcomes measurement secrets that will help any organization excel in this challenging new environment. From the all-volunteer organization to those that manage federal programs of \$50 million dollars or more, organizational leaders will discover that not only is greater impact and excellence possible in today's challenging social sector environment, but it is predictable when data-driven strategies are applied. By applying focus and determination to the process of moving toward high-performance measurement cultures, government and nonprofit organizations can and will be transformed. In turn, a thriving social sector will potentially transform whole communities and perhaps, in time, our nation.

IMPACT & EXCELLENCE

1

Social-Sector Impact and Excellence

The Call to Be More Strategic

*Ask not what your country can do for you; ask what you
can do for your country.*

—JOHN F. KENNEDY

OVER FIFTY YEARS AGO, American citizens took President John F. Kennedy's ringing words to heart. In the years since, the number of registered tax-exempt organizations working to solve our country's most serious problems has grown by an astonishing 600 percent—from 200,000 organizations in the 1960s (Hall and Burke, 2002) to over 1.4 million in 2013 (National Center for Charitable Statistics, 2013).

In recent years, these organizations have faced much higher scrutiny of their value and societal impact than ever before. National, state, and local governments can no longer afford to fund initiatives simply because they propose a viable solution. Today, both public and nonprofit organizations are being asked to articulate, justify, and defend what they are doing for the country beyond consuming valuable resources. Funders expect organizations to clearly demonstrate how programs and services are making an impact. Effective measurement and communication of outcomes are essential components of future funding success across the social sector.

What quantifiable and socially desirable changes have occurred as a result of a particular programmatic or organizational effort? How was behavior changed, knowledge increased, the community strengthened, and quality of life enhanced? In other words, did the organization and its programmatic effort fulfill its stated mission? And to what degree were the anticipated results achieved? These are the central questions that must be raised about today's social sector organizations.

The Imperative of Managing to Outcomes

Funders are rapidly modifying grant application processes to include program outcomes along with a plan for the measurement and evaluation of those outcomes. Such expectations extend beyond government grants. Large corporate foundations are shifting requirements as well. One example: while many online grant applications had begun to shrink the physical space allowed for organizations to present the case for funding, Chase Bank now allows applicants approximately ten pages to capture the programmatic impact of previous grants and demonstrate a clear return on investment.

Some funders are providing substantial, unrestricted funding to those nonprofit organizations that align with the funder's mission and can demonstrate clearly how programs are achieving desired results. The Edna McConnell Clark Foundation provides an example. The foundation chooses and structures its investments largely on the basis of empirical evidence that a potential grantee's programs helps economically disadvantaged young people get an education, hold a job, or avoid risky behaviors (Edna McConnell Clark Foundation, 2013).

In order for a nonprofit to be considered for a multiyear investment designed for significant capital growth, it must demonstrate that the organization systematically collects data and verifies, on the basis of this internal data, that young people are benefiting from a particular program. Grantees must show the potential to produce a higher level of evidence through ongoing measurement, such as conducting an independent

evaluation of the program's effectiveness within the designated investment period.

Social-sector organizations that are thriving in this new reality are communicating impact and value in a clear and compelling fashion. These government and nonprofit organizations frequently turn to numbers to make the case for the investment of both public and private funding. Those serving in key roles at such leading-edge organizations are willing to engage in difficult conversations rooted in the facts.

Demonstrating value requires more than gathering client testimonials that speak to the effective delivery of a needed service. This type of data works well for communication materials, but it does not ensure immunity to funding cuts. For an illustration of this reality, we can examine what has happened in recent years to those organizations focused on arts education.

In general, people enjoy the arts and share the view that students increase their artistic skill in such programs. Yet these organizations have suffered significant program budget cuts. Why? Funding has decreased because many of these organizations have failed to offer solid data or proof about how programs and services solve community problems or address priorities identified by funders. The lack of concrete evidence makes it easier for funders to justify the elimination of funding support to these organizations.

This reality extends to all social-sector organizations. Successful organizations remain ahead of the curve in measuring and communicating outcomes. They adopt systems that align performance measures with both the organization's mission and the funder's priorities. Successful government agencies and nonprofit organizations share success stories that use a combination of facts and anecdotes.

The case study that follows traces the story of how a strong Medicaid-funded organization might make the case for funding and offers one example of a success story. By focusing on relevant and important outcomes, this hypothetical organization will significantly improve its chances of obtaining adequate funding. Notice the use of hard data and numbers in this example.

Making the Funding Case: A Case Study

Our program serves ten thousand seniors, providing nursing-home level as well as long-term care services and supports to patients in their own home. Without these services, 60 percent of our clients would require care in nursing homes. The remaining 40 percent would require a child or family member to quit a job or make significant economic sacrifices were they to continue to provide care.

Our programs are provided at one-third the cost of nursing home care, saving an estimated \$180 million annually in state Medicaid spending. We achieve this by keeping approximately six thousand seniors out of nursing homes. With federal and state Medicaid dollars received, we employ one hundred people and reinvest more than \$3.5 million back into our communities through salaries. In addition, we contract with nine local home care agencies, which collectively employ more than 270 direct care workers who provide critical care to the seniors in our communities.

These relationships result in the infusion of an additional \$6.7 million back into our local community in the form of salaries. Because employees no longer need to take off from work to provide care for their loved ones, employers save an additional \$40 million in annual turnover and absenteeism costs. In addition, our programs reduce the length of hospital stays and readmits for those served by a full 30 percent compared to those who do not receive our services, saving an additional \$50 million annually in Medicare spending.

A Closer Look. This case statement clearly demonstrates this program's unarguable impact. A cut to this program could result in more than 370 individuals becoming unemployed and consequently result in the likely tapping of unemployment resources. Ten local businesses would face significant economic trouble should funding be discontinued. Cutting funding to this organization would also result in an increase of over \$180 million dollars in state Medicaid spending for nursing home care and a possible additional \$50 million in Medicaid spending due to extended hospital stays.