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United Way's New Approach Deserves a Try

By Pablo Eisenberg

The Ford Motor Company used to broadcast television ads with the caption "Ford has a better idea." One of its better ideas included a redesign and subsequent devastating loss of popularity of the Taurus, which at one time was America's best-selling car.

Now Brian Gallagher, chief executive of United Way of America, has a better idea for the future of the nation's nearly 1,300 United Ways, as well as for the country as a whole — one that he and others hope will not share the same fate as the unfortunate car.

Mr. Gallagher has announced an ambitious plan called [Goals for the Common Good](#), which hopes to persuade United Ways throughout the country to focus their giving and other activities on efforts to reduce the dropout rate in schools by 50 percent, cut by half the number of low-income families that lack financial stability, and increase by one-third the number of young people and adults who exercise, avoid smoking, and take other steps to improve their health. Goals for the Common Good comes six years after United Way announced that it would increasingly seek to narrow its focus and measure the results of the money it provides to nonprofit groups, an approach it often calls "community impact."

In pushing these plans to transform United Way, Mr. Gallagher and others are acknowledging that United Ways' old role of raising and distributing money to a wide variety of unrelated local nonprofit groups was not effective in solving the most urgent community problems — or in showing donors that their contributions had produced measurable results.

While the latest plan was developed by many players, it is clearly Mr. Gallagher's vision.

He realized when he took over United Way that the organization had to change if it expected to remain relevant and a significant player in the cities and towns it serves. Donations to local United Ways totaled \$4-billion last year but have stagnated, in part perhaps because United Ways continued to be seen as fund raisers and not change agents that had much of an impact on their communities.

Mr. Gallagher believes that to shake up the system it is necessary to set demanding, even aspirational, goals — markers that will force local United Ways and their leaderships to change.

Whether a "build it and they will come" strategy is attainable is open to debate. Many large United Ways have already bought into the plan to focus their giving on projects to meet the goals set out by Mr. Gallagher.

However, not all local United Ways are ready to accept these goals and priorities. Small and rural United Ways are likely to be the most reluctant to accept the new approach. Asked to comment on Mr. Gallagher's plan, one United Way leader said simply, "What's he smoking?"

Even so, Mr. Gallagher appears confident that, with time, most United Ways will focus their efforts more narrowly and set goals that allow them to measure their results. While not offering financial perks to encourage local United Ways to adopt the new approach, the national organization believes that by providing guidance and mobilizing support from corporate and nonprofit leaders, it will be able to persuade most groups

to go along.

That is excellent news for the working families who will get assistance in gaining financial stability, but Goals for the Common Good will do little to aid people who are the most vulnerable: the poor, especially those who are elderly or disabled. Charities that serve those groups have been beneficiaries of United Way campaigns that allow donors to earmark their dollars for specific causes, and many of them worry that they will suffer drastic cuts under the new approach by United Way.

Mr. Gallagher says such people — and the charities that serve them — will not be ignored, and that it is important to help the growing number of working families at risk of sliding into financial despair.

It probably does not hurt that such people are the very ones that Americans who donate money to United Way want to assist, far more than poorer people who need public housing, welfare, and other types of aid.

What's more, the chances of achieving success in aiding working families are somewhat easier than helping the most vulnerable people in society — and that is important for a plan that wants to show donors results.

For such a bold, long-term effort, United Way doesn't bring much money to the table. Even if half of United Ways give money to the new goals, that is just \$2-billion. That is the reason that United Way says it wants to collaborate closely with other organizations.

A report accompanying the announcement of the new priorities lists more than 100 organizations that United Way says plan to collaborate to meet its goals.

Most of the listed organizations to which I spoke knew little about United Way's plans, had not been consulted, had not formally agreed to collaborate, and had made no financial commitment.

Mr. Gallagher told me the list was not a roster of who had agreed to collaborate, but merely a group of corporations and national nonprofit groups with which the United Way has worked in some capacity in recent years. When I asked him about financial commitments such groups had made, he cited a few corporations that recently have increased their giving specifically to help United Ways meet the new goals.

While he was optimistic about future contributions, one is left to wonder whether many significant commitments will be forthcoming in tough economic times that will most likely cause companies and individuals to hold back on their giving and create financial woes for nonprofit groups of all kinds.

And no matter how much money United Way is able to raise, Mr. Gallagher and his colleagues know that the organization's resources are inadequate to meet the 10-year goals they have set. Only the federal, state, and local governments have the money with which to transform the country.

Yet the report never mentions the only approach that can achieve legislative results and additional public resources: lobbying. This is the missing link in United Way's plan.

Without a serious, sustained, and activist public-policy dimension, Mr. Gallagher's call to action cannot meet its admirable goals. With its nearly 1,300 affiliates, its millions of donors, and its powerful supporters and allies, United Way has the capacity to start massive lobbying campaigns that could influence members of Congress and state legislators and substantially increase the amount of money available for government programs that help people meet their basic needs.

The large majority of local United Ways, however, are hesitant to engage in lobbying activities for social change. Many of their boards prohibit United Way staff members from lobbying. Corporations and wealthy donors, which provide a big source of United Way money, generally don't like to see their beneficiaries getting involved in advocacy. They are especially unlikely to want United Ways to be lobbying for additional

government spending on social programs, since that is bound to unleash demands for tax increases.

So Mr. Gallagher and his colleagues are caught between a rock and a hard place. On the one hand, they want local United Ways to become more involved in policy and advocacy. On the other hand, they don't have the wherewithal to persuade those groups to mount extensive lobbying campaigns that could significantly increase government funds needed to meet their 10-year goals.

We should respect Mr. Gallagher for starting what might be an irreversible process to change and modernize the nation's United Ways. But we should also be realistic about our expectations. He may succeed in persuading local groups to become stronger community advocates and lobbyists, but it will take many years, if not decades, before United Ways can turn into a major national force for social and systemic change.

Without a drastic change in domestic policies and priorities, the 10-year goals will not be met. But some new productive programs and efforts will probably take place across America as a result of the new effort. That would be an encouraging development.

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