

Best-Managed Nonprofits

Over \$3 Million: Spaulding for Children, Southfield



GLENN TRIEST

Agency averts threat to solvency, diversifies funding

By ROBERT ANKENY
CRAIN'S DETROIT BUSINESS

Finding safe, permanent adoptive homes for special-needs children is a challenge in the best of times.

The ability of **Spaulding for Children** to navigate in tough times has earned the Southfield-based agency honors as *Crain's* Best-Managed Nonprofit this year for organizations with budgets of more than \$3 million.

Its financial stability almost was derailed during 2001 when the state, a major funding source, cut funding for specialized foster care.

Spaulding board members, including Susan Whitelaw and Bob Daniels, helped convince state officials that its services were unique and badly needed. Meetings with key legislators and testimony at public meetings helped halt the

proposed cutbacks.

Spaulding also has diversified its base of funding since 1994. Through a series of fund-raising drives that has included a Van Dusen Endowment Challenge Program grant, Spaulding has built an endowment of \$5.1 million.

The organization currently is asking banks and other financial institutions to pledge \$5,000 a year for five years as part of a plan to build the endowment to \$6 million by 2004. Spaulding is promoting the program by telling prospective donors that the \$25,000 will cover the adoption costs for five children.

Spaulding's operating budget is about \$6.2 million for 2002-2003. The agency placed 74 children for adoption last year and serves about 400 families with adopted or foster-care children.

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Executive Director Addie Williams said Spaulding for Children has changed as the definition of special-needs children has changed.

Spaulding also is a national leader in training adoption professionals. Its **National Resource Center and Institute** has trained more than 72,000 professionals since 1985.

Spaulding was founded in Chelsea in 1968. It began as a demonstration project to show that special-needs children — such as those with developmental disabilities, autism, cerebral palsy or epilepsy — could be placed in adoptive homes. Spaulding moved program offices to Detroit in 1985, then to Ferndale and then Southfield in 1987.

"We've used a variety of techniques," said Executive Director Addie Williams. "We were one of the first agencies to use video cameras to show that these children can laugh, play and have fun. We made it real to families who might be daunted by a long list of medical terms about the children."

Williams said Spaulding's focus has changed over the years as the definition of special-needs children has changed.

"Today it is more on children with emotional and behavioral problems, minority children and on brothers and sisters who should be placed together," she said.

Spaulding has completed the first two phases of a three-part campaign started in 1994. Phase one, a \$1 million Van Dusen Endowment Challenge, was finished the first year and made the nonprofit eligible for \$333,000 in **Kresge Foundation** matching funds.

As part of phase two, the organization sought and won \$5 million in a Partners Campaign of pledges of \$4,000 or more from corporations or individuals. Spaulding matched these contributions and placed the money in an endowment fund, which had \$4.2 million in 2001.

Phase three seeks the bank support.

John Barfield Sr., chairman of the **Bartech Group**, designed the three-phase plan and continues to oversee it, said Gary Dembs, president of the **Non-Profit Personnel Net-**

work in Southfield and a Spaulding board member and former chairman. Dembs is a judge for the *Crain's* nonprofit contest but abstained from voting on the Spaulding entry.

"Barfield is a visionary who gets the job done, and his enthusiasm is infectious," Dembs said.

Spaulding also maintained its stability during what Dembs termed a "sea change" at the helm of the organization. In June 2000, Williams was named president and CEO, succeeding Judith McKenzie, who retired after 22 years heading the agency.

Joseph Bianco, president of **Eagle Management Consulting L.L.C.** in Bloomfield Hills and one of the nonprofit contest judges, said Spaulding has a strong balance sheet and aggressive approach for fund raising.

"Spaulding for Children has a long track record and a clearly focused mission, with a board and executive director who operate with some of the best practices in

management," Bianco said. "They consistently deliver high-quality services to children and families they serve while maintaining financial stability and integrity."

He said that of 31 submissions, ranging from very small volunteer veteran groups to the largest nonprofits, there were many very good applications. "We had a lively and difficult debate."

"It's inspiring to see how much good work is done in the community, for runaway children, supporting the arts or building houses in dilapidated neighborhoods," Bianco said.

"I feel most strongly that the corporations, foundations and even individuals who support nonprofits need to put more money and effort to support best practices."

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