

JFCS takes entrepreneurial approach

Justin Berton, Chronicle Staff Writer

Monday, March 16, 2009



At a time when CEOs of nonprofits are bracing for severe funding cuts, Anita Friedman, executive director of the Jewish Family and Children's Services, managed to collect \$600,000 in private donations at an annual fundraiser last weekend.

"We've been preparing for this moment for 30 years," Friedman said inside her San Francisco office before the event. "A social services agency in the 21st century needs to be more entrepreneurial. It needs to operate in a more business-like way, and it needs to generate earned income, in order to support its social goals and to survive."

Friedman, who celebrates her 30th year overseeing one of the Bay Area's largest family service organizations, was one of the first executives in the nation to steer her nonprofit from what she called the "tin-cup model" to a "social enterprise model" - a revenue-generating enterprise that relies on a diversified mix of government aide, private donations and profit-earning programs - designed to withstand harsh economic times.

A "diversified revenue stream" may sound sensible in today's market-savvy culture, but in 1979, when Friedman took over the struggling nonprofit on Post Street, such organizations were still largely dependent on government funding.

Friedman recalled that her charity, founded in 1849 and the city's oldest, was understaffed, suffered from sinking morale and was housed in antiquated facilities.

Opportunity in crises

"But crisis creates urgency," Friedman said, noting that the incoming Reagan Administration would further cut funding. "The best time to make changes is when there's urgency."

Jim Schorr, a lecturer at the UC Berkeley Haas School of Business who has taught classes on the social enterprise movement, said when Friedman's organization adopted the model in the early 1980s, the concept was still controversial. Adopting a business approach could distract from an institution's social mission, critics feared. And turning to the private sector for funding could lead to tangled agendas and potential conflicts of interest.

"Social enterprises are designed to be more insulated from the ups and downs of philanthropy and economic cycles," Schorr said. "But of course, these times are so unusual, it's hard to say if anything can withstand them entirely."

Schorr estimated only about 10 percent of the nonprofit sector has assumed a social enterprise model since the late '80s, but she said that not all nonprofits make good candidates for revenue-generating organizations. Still, the social enterprise movement is growing, especially in the Bay Area, Schorr said, and the concept is widespread among social service programs in the United Kingdom.

Those who can, pay

Some JFCS clients can pay for the organization's services, Friedman said.

"We serve people in Pacific Heights who are the pillars of the community and we serve people in the Tenderloin with the same services," she said. "For the people who can afford to pay, we charge; for those who can't afford to pay, we subsidize."

Friedman, who immigrated to the United States after World War II, understands the difficulties families can face and the importance of community services. After her sister, brother and grandparents were among 200 family members killed during the Holocaust, mostly in the Warsaw ghetto, she and her relatives settled in Brooklyn.

"It gave me a special sensitivity to suffering and why it's important for a community to care for its members," she said. "And why it's important for all of us to be involved in social action."

In 1969, Friedman left New York City for UC Berkeley, where she took part in the student activism - the anti-war movement, the women's rights movement, the civil rights movement - unfolding on Sproul Plaza. "Not a lot of school happened that first year," Friedman recalled. "A lot of our leaders of institutions today came out of that period and brought with them, as I did, a lot of values about equality and social justice."

National recognition

During Friedman's tenure at the JFCS, which provides services to 60,000 people of all religions annually, the organization has received national recognition for its programs, including: Parents Place, a resource center for new parents; Seniors-at-Home, an outreach and education system for the elderly; and more recently, the Early Childhood Mental Health Program, which aims to diagnose and treat children's mental health issues "before they become a larger problem," Friedman said. The program was recently studied by Yale University and recognized as a public policy model in children's services.

Given the economic decline of the past six months, Friedman said requests for services have increased 50 percent, an additional seven to 10 cases a day, and the institution has opened or expanded five food pantries.

Still, Friedman said JFCS will have the funds to support its expansion of services. "When you have really deep roots in the community, you find that there are hundreds of thousands of people who deeply care about quality of life and will continue to give even in difficult times," she said. "Because they understand now more than ever is the time to give."

E-mail Justin Berton at jberton@sfgate.com.

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/03/16/DDCJ16E9F4.DTL>

This article appeared on page E - 4 of the San Francisco Chronicle

