

RURAL NONPROFITS SERVING OLDER ADULTS:
ENTREPRENEURSHIP, PHILANTHROPY, AND EVOLVING SECTORS

39TH SUMMER INSTITUTE
ON AGING
JUNE 6-8, 2017 SCHOOL
OF SOCIAL WORK
WEST VIRGINIA
UNIVERSITY



NEW NICHE After retiring from Merrill Lynch in 1998, the lady standing, began teaching computer skills.

► Professor, Karen Harper-Dorton, PhD, MSW, MA
Director, Burgess Center
School of Social Work
West Virginia University

AGENDA FOR OUR TIME TOGETHER

- Welcome and Meet Your Neighbor
- Important Terms for Entrepreneurs as WE Look Forward (Intersectionality, Economic Sectors, Social Entrepreneur)
- Review Private, Public, Nonprofit, and Hybrid Nonprofit Sectors
- Explore Emerging Sector of L3C and B-Corp Organizations
- Discuss Implications of Emerging Sector for Rural Seniors
- Can you identify any keys to economic and service sustainability?

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Intersectionality

Kimberle Crenshaw is credited with formalizing the theory of intersectionality as recently as 1989. Human lives are multi-dimensional within the relevant cultural context and are influenced by gender, age, location, disability, ethnicity, religion, and more. Multi-faceted and overlapping aspects go beyond just personal identity, but rather as socially constructed categories represent an overarching analysis of power hierarchies present within identities and extend to age and location.

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People in the World


There are now just over 7.5 billion people in the world with about 46 percent being rural dwellers. Asia and Africa account for nearly 90 percent of the world's rural population. The United Nations Population Division (2014) projects the worldwide rural population dropping to 34 percent by 2050.

<http://www.tradingeconomics.com/united-states/rural-population-percent-of-total-population-wb-data.html>

Rural population (% of total population) in the United States was last measured at 18.38 percent of 326+ million in 2017

<http://www.worldometers.info/world-population/us-population/>

- ▶ 16% of people in West Virginia are 65+, just behind Florida with 19%
- ▶ By 2035, projections call for 1 in 4 West Virginias to be 65+
- ▶ 1 in 3 in fair to poor health
- ▶ 30% rely on Medicaid
- ▶ And more women than men 65+ (100 women for every 90.5 men)




- ▶ 50 million 65+ in US
- ▶ ^70 million 2035
- ▶ By 2035, about 1 in 5 at 65+

QUESTION: *WHAT IS IMPORTANCE OF NONPROFITS TO SENIORS?*

HOW MANY ECONOMIC SECTORS

- ▶ Private For-Profit (Corporations)
- ▶ (supply, demand, buyers, sellers)
- ▶ Public(Government)
- ▶ (taxes, loans)
- ▶ 3rd Sector: Nonprofit Organizations
- ▶ (public goods and services, donations, volunteers, staff—no profits)
- ▶ 4th Sector: Emerging
- ▶ Low-Profit Limited Liability Company
- ▶ Benefit Corporation

Fourth Sector 

Social
 entrepreneurs enterprise services new

PRIVATE SECTOR

GENERAL CORPORATION FOR-PROFIT, GENERATE REVENUE, FEDERAL/STATE CONTRACTS, NOT GRANTS, NOT DONORS
 SEPARATE LEGAL ENTITY, OWNED BY STOCKHOLDERS, LIABILITY LIMITED TO AMOUNT OF INVESTMENT, CORPORATIONS PAY FEDERAL CORPORATE INCOME TAX, AND SHAREHOLDERS MUST REPORT DIVIDENDS AS PERSONAL INCOME.

LLC LIMITED LIABILITY COMPANY
 LIMITS PERSONAL LIABILITY FOR DEBTS AND ACTIONS OF THE INCORPORATED LLC BUSINESS. OWNERS REPORT PROFITS /LOSSES ON PERSONAL TAXES

S CORPORATION LIMITED LIABILITY FROM DEBTS, ALL LOSSES AND PROFITS ARE REPORTED ONLY ON PERSONAL RETURNS OF SHAREHOLDERS. CORPORATION IS NOT TAXED AT HIGHER CORP RATE

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PUBLIC SECTOR-- GOVERNMENT


US:

Legislative – Judicial-Executive Branches

National, state and local governments

SERVICES such as national defense, homeland security, police protection, fire fighting, urban planning, corrections, taxation, and various social programs

Financed by taxes and debt, grants, contracts



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NONPROFIT SECTOR: 501(C)3

CALLED THE NOT-FOR-PROFIT SECTOR, THE THIRD SECTOR, THE INDEPENDENT SECTOR,
THE PHILANTHROPIC SECTOR, THE VOLUNTARY SECTOR, CIVIL SOCIETY, OR THE
SOCIAL SECTOR

---Charities, Foundations Social Welfare Organizations, Community
Social Service Agencies, etc., etc., = 1.5million+ in the US

☐ 501(c)3 benefits charitable causes (those with AIDS, homelessness, other at-risk, etc.)

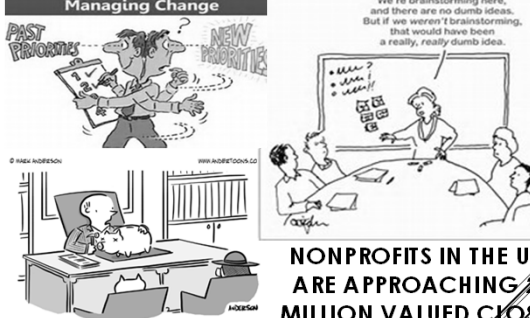
engages in activities that are non-political in nature
derives at least one-third of support from general public

501(c)3 - Public Charity
donors may donate up to 50% of their adjusted gross income
Eligible for State and Federal Grants

Exempt from State and Federal Taxes (No owners, limits on revenue generation
ALL BUT 5% OF NONPROFIT'S INCOME MUST GO TO FURTHER THE MISSION OF THE ORGANIZATION

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Managing Change



**NONPROFITS IN THE US
ARE APPROACHING 2
MILLION VALUED CLOSE
TO \$900,000,000!!**

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**WE ARE THE CAPTAINS OF THE
SOCIAL SECTOR**

- Service Provision - meeting unmet need
- Value Guardian - Initiatives for Public Good
- Advocacy - Public Attention to Societal Issues
- Social Capital - Increase Sense of Community and Social Welfare
- Philanthropy - Concern and Fundraising for Human Welfare
- Volunteerism - Corporation for National and Community Service report about 63.4 million Americans — nearly 27 percent of the adult population — contribute a collective 8.7 billion hours of volunteer service worth \$169 billion a year.

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SCSEP: SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM, TITLE V \$\$\$ US DEPT OF LABOR LOCATIONS IN WV



SOME NONPROFITS IN MORGANTOWN

- ▶ Literacy Volunteers
- ▶ Rosenbaum Family House
- ▶ Rape & Domestic Violence
- ▶ Your Community Foundation
- ▶ Salvation Army
- ▶ Mon County Habitat for Humanity
- ▶ Senior Monongalians, Inc
- ▶ Christian Help, Inc.



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The boundaries between the public, private, and social sectors are blurring... A Fourth Sector is emerging.

venture philanthropy *microfinance*
corporate social responsibility
sustainability *social enterprises* *community development* *socialization*

[HTTP://WWW.FOURTHSECTOR.NET/](http://www.fourthsector.net/)

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FOURTH SECTOR EMERGING: NEW HYBRIDS ENROUTE

FOUNDATION AND GRANT \$\$\$ TIGHTENING FOR SOCIAL CAUSES

Low-Profit Limited Liability Corporation (L3C)

Benefit Corporation (B Corps)

creatures of state law

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LOW-PROFIT LIMITED LIABILITY COMPANY (L3C) --Four Priorities.



"Sure the coffee and other products that they use helps the farmers that grow it--- Changing the world one cup at a time---

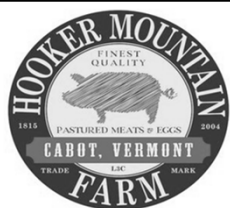
Overflow Coffee Bar is more than a typical coffee shop. For starters, we give our profits back into the community for non-profit activities.

Providing High-Quality Organic and Fair/Direct Trade Products -
Our products, from t-shirts to salads to coffee, make a real difference in the lives of farmers who grow the raw materials, in the lives of the workers who assemble them and for the environment

Community Building -
We bring Chicago's South Loopers of all different backgrounds and life-stages together and empower them to make their community and the world a better place for generations to come.

Inspiring Volunteerism -
We help South Loopers give back to their community and the world by promoting volunteer activities with non-profits conducting activities locally.

Promoting Local Artists -
Showcase local artists through having visual art on our walls, hosting poetry readings, producing theatrical productions, being a venue for musical performances and having open-mike nights.



Hooker Mountain Farm, L3C

Hooker Mountain Farm, L3C is a small, 65-acre farm in the foothills of Cabot, Vermont, committed to preserving Vermont's working, agricultural landscape, and raising happy, wholesome animals on a sustainable scale. High quality meat, eggs and maple syrup are produced. As an L3C organization, the farm's profits are reinvested into furthering the mission to protect and enhance the region's working landscape.

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BENEFIT CORPORATION RECENT FROM 2010

FOR-PROFIT corporations, B Corps now number about 775 in 27 countries and 60 industries and have social and environmental missions (2014, 1000+ in 30 countries)

Directors and officers hold mission-driven responsibilities as non financial stakeholders and have the best financial interests for their shareholders. For-Profit and taxed at corporate rates

Many are Certified by B-Lab for social and environmental performance



Overall Purpose: "Redefine Success In Business" Retrieved from: <http://www.bcorporation.net/>

BENEFIT CORPORATIONS

- Believed to create more charity, more volunteerism, and fewer problems with less likelihood of creating social or environmental problems.
- Meet rigorous standards of social and environmental performance, accountability and transparency
- Purpose to create material positive impact on society
- Accountability to shareholders, workers, community, and environment
- Transparency- annual reports on social and environmental value

<http://www.bcorporation.net/what-are-b-corps/the-non-profit-behind-b-corps> 22

ESSENTIAL LIVING FOODS, INC. B-CORP

organic foods, health & beauty products, and functional foods industries.

BeOn Holdings became a B Corporation because we want to:
a) help "announce" our corporate values with third party validation, and b) support the widespread adoption of the B Corp standards and mission

- | | |
|------------------------------|---------------------------|
| Conscious Consumerism | Verify Source of Products |
| Unrivaled Quality and Purity | Equitable Trade |

Employees: All employees paid a living wage, >6% of profits included in profit sharing plan, 100% of individual health insurance premiums covered

Community: >50% of customers are local, >15% suppliers in low-income communities, >10% profits given to charitable organizations, >50% employees are women, >20% employees from low-income communities

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▶ **SO WHAT DOES ALL THIS HAVE TO DO WITH SOCIAL WORKERS?**
 ▶ **WITH YOU??**
 ▶ **ON TODAY'S ECONOMIC STAGE!**

BE A SOCIAL ENTREPRENEUR

CREATE A PROFITABLE BUSINESS THAT DOES NON-PROFIT WORK

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WHAT DO SOCIAL ENTREPRENEURS DO?

Create social value or mission rather than personal gain or financial wealth

Identify an unjust equilibrium>create a transformational response>gain equilibrium

Change, leadership, advocacy, focus on change not profit,

THINK OUT OF THE BOX “through entrepreneurial thinking guided by social work ethics and based on the integration of social services business, and public relations skills.” (Young, 1991).

Social Entrepreneurship

“is fiscal innovation associated with business strategies to meet social needs and realize social change”
(M. Bull, 2008)

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WHY SHOULD WE CARE AS SOCIAL WORK EDUCATORS AND PRACTITIONERS?

- ▶ Social workers are in the midst of the nonprofit arena.
- ▶ Social entrepreneurs are doing business differently.
- ▶ Charitable giving is changing—profit is important.
- ▶ Other disciplines are managing many nonprofits.
- ▶ Ethics of balancing commitment to clients and to stakeholder (forecast demand and funding both)
- ▶ Ethical dilemmas of balancing fees, services, and sustaining services
- ▶ Ethical questions of multiple streams of funding beyond gifts and donations

COSA and Management Education

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- ▶ Current tax plans call for lowering marginal tax rates, raising the standard deduction, capping itemized deductions---all will reduce individual giving---one estimate is at \$26 bil.
- ▶ Government contracts and grants could be hit very negatively.
- ▶ How will regulations change? How will social services be valued?



POTENTIAL DEMAND FOR SERVICES FROM NONPROFIT SECTOR COULD SKYROCKET!

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SO, WHERE ARE YOU WITH SOCIAL ENTREPRENEURSHIP AND SERVICES RURAL ELDERLY?

Aging in Place		TOUGHER IN RURAL THAN URBAN
❖ Physical and Social Isolation	❖ Out-migration reduces generational caretaking	
❖ Grantmaking Lower in Rural	❖ High Rates of Poverty	
❖ Disabling and Chronic ILLS Obesity, Substance Abuse	❖ Lack of Access to Health and Community Care	
❖ Self-Reliant Maybe to the End - Refusing Help	❖ Housing, repairs, accommodations	28

**ANTICIPATING INCREASED DEMANDS:
SOME WAYS TO COPE**

Increase Collaboration and Partnerships

Optimize data collection and reporting
- maximizing outcomes

Communicate with donors, volunteers

Focus on outcomes and evidence-based practice

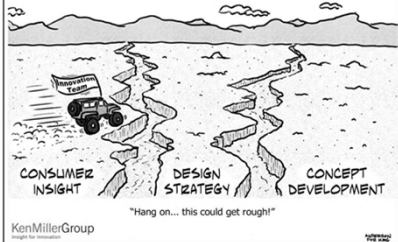
IDEAS??



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IS THERE A DICHOTOMY BETWEEN TRADITIONAL SOCIAL WORK VALUES AND ECONOMICS, L3C, B CORP, ENTREPRENEURIAL ENTERPRISE

BRIDGING INNOVATION PROCESS GAPS



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