

NONPROFITS: GOVERNANCE

More Troubles for the March of Dimes

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During the presidency of Franklin Roosevelt, it was not widely known that, as a younger man, he had been stricken with polio, then called infantile paralysis. Unlike the current practice of the news media poking its collective nose into the deepest crevices of public figures' private lives and concerns, there was an understanding that Roosevelt's deep desire to keep his medical condition private would be honored.

But Roosevelt actively tried to help the cause of his fellow victims, including opening his beloved estate in Warms Springs, Georgia, to afflicted people from around the nation, so they could benefit from its spa-like waters that provided some relief.

In 1938, he created the National Foundation for Infantile Paralysis, also known as the March of Dimes. Back in the mid-20th century, when a nickel or a dime could actually buy something, supporters including school children toted cardboard dime holders to fill up with small contributions from family and neighbors.

Ten years after FDR's death in 1945, there was a vaccine finally available and effective against polio. In 1958, the organization expanded its purpose to "broader medical causes" but retreated in 1965 to a narrower, birth-defects focus. In 1979, the group changed its name to March of Dimes Birth Defects Foundation, but the phrase "birth defects" was removed in 2006.

Struggles to Rebrand and Refocus

As with many venerable charitable organizations that have been around for many decades, the March of Dimes struggled over the years to rebrand and refocus. Its <u>revenues have been shrinking</u> for several years.

In 2017, the organization put its suburban New York headquarters building <u>up for sale</u>, moved its main office, laid off 100 people and made cuts to its pension program. "Internally, the March of



Dimes appears to have been trying to <u>maintain an image of vitality</u> in the face of a long-term decline." Unfortunately, its troubles continue and have accelerated recently and now extend beyond the organization itself.

March of Dimes had a history of funding "pioneering studies" on premature birth, infant mortality, and birth defects." But in late July 2018, the organization, without warning, told 37 of 42 of its individual research grantees that their multi-year funding would be cut off. "Worse, grantees were informed of this a month after funding had lapsed, leaving them presumably in deficit with no planning time." March of Dimes is also lowering grants to its prematurity research centers located within academic institutions around the nation. It will not award any new research grants this year except its 2-year, \$150,000, awards for young scientists in 2019.

Researchers also learned – at the time their grants were canceled – that the March of Dimes had been **delinquent on tens of thousands in grant payments** back to late 2017.

"The moves are part of an effort to slice about \$3 million from the March of Dimes's annual research budget of roughly \$20 million," according to Kelle Moley, the group's chief scientific officer. "It's vital," she says, "that we invest all of our resources into research programs that have the greatest potential to impact the biggest threat right now facing newborn babies, and that's preterm birth."

The organization has suffered declining donations, particularly from its signature fundraising effort, the March for Babies. "The walks were our main funding source ... and now there's a million different kinds of walks.

Consequences from Abrupt Cuts

It's unusual for a nonprofit organization to cut off grants without warning. Marc Kastner, president of the Science Philanthropy Alliance <u>told the *Baltimore Sun*</u> that he has "never heard of a case where commitments are not fulfilled. To get scientists working on a project and then cut them off is wasteful and creates enormous hardship."

Research grantees were left scrambling to find other sources of funding in the middle of ongoing projects. Chromosome biologist Andreas Hochwage was "was startled to learn [in early August] that the organization would only disperse 2018 funding owed through the end of June. 'For the whole month of July, they didn't tell me that I wasn't being supported anymore...that I find a little outrageous.' Molecular cell biologist Andrew Holland of Johns Hopkins University Medical School characterized "the way they've approached this" as "completely inhumane," adding: "The lack of transparency has been nothing short of appalling."

Conclusion

The funding shortfall facing the March of Dimes in the middle of 2018 did not happen overnight or without warning. To make sudden cuts to one of its key program efforts – research – in such an abrupt manner was a major failure in organizational planning. Time will tell, but it's unlikely that the organization can or will regain the trust – and the research services – of the scientists whose work and livelihoods were tossed aside.