

Troubled Waters at Several United Ways

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“A ... woman, a priest, two ministers and a rabbi got together....”

“It sounds like the beginning of a bad joke,” according to the United Way on its website, “but they didn’t walk into a bar; what they did do was recognize the need to work together in new ways [in 1887] to make Denver a better place.”

More than 130 years later, in 2018, the organization is the largest privately funded nonprofit in the world with a presence in some 1,800 communities in more than 40 countries and territories. But, in Forbes Magazines’ list of 2017’s largest U.S. charities, author William P. Barrett notes that “[w]hile total donations to the 100 largest U.S. charities rose 3% last year, United Way Worldwide, the perennial No. 1, continued its long decline.” For over a decade, contributions (mostly made “by paycheck donations authorized by workers” to a “network of more than 1,000 legally separate local units”) have fallen off. Author Barrett diagnoses the problem as trying to “be many things to many donors” like “many social-service agencies” as well as competition via the internet and social media by smaller, narrower organizations for supporters and donors. In addition, the spectacular growth of donor-advised funds has siphoned off funds.

Against the backdrop of these fundraising challenges, several United Ways affiliates have been having unfortunate “public moments” recently, with notably bad messaging and worse optics.

United Way: Philly and South Jersey

In the middle of October 2018, the 100 staff members of the United Way of Greater Philadelphia and Southern New Jersey got a 1-2 gut punch from management. On Friday the 12th, they were told that “a ‘restructuring’ would occur.” On Monday the 15th, thirty-seven of them were called to a conference room one by one, where they were fired. The timing would never have been good, but this was right in the middle of the fundraising campaign season.

Bill Golderer, the new CEO of this United Way affiliate, denied the intention of this drastic move was

to cut costs, despite the falloff in the past year's campaign of some 22% from the prior year. Instead, he continued the earlier characterization of it as a "restructuring" while calling it "bold and painful." The layoffs, he explained, are a "first step in a transformational metamorphosis in a United Way that is going to be built for a purpose the board has adopted." That purpose is "the reduction of poverty."

A week later, CEO Golderer acknowledged to the *NonProfit Times* that the significant know "if it'd be the same conversation we're having. There's a sense of urgency around the need to evolve."

United Way: Greater Cincinnati

October 2018 was also a tough month for United Way of Greater Cincinnati, the nation's sixth largest UW affiliate.

Its CEO, Michael Johnson, took temporary "leave, charging that the board, particularly the chair, has been micromanaging and undercutting his work by issuing 'subtle threats' and creating a 'hostile work environment.'" But Mr. Johnson, the first African-American leader in the agency's 100-year history, had just come on board a few months before – in July 2018. He replaced a person who had served as chief executive officer for some 18 years.

Just days before his extraordinary exit, Michael Johnson had warned nonprofit organizations in the community that the United Way's local campaign would be off projections by some 15-20 percent, so there would be cuts in funding allocations.

For each of the past three years, there had been a fundraising shortfall. Cuts had been made – all before his brief tenure, of course – "in-house, but these options [were] closing out," leaving the only option to give less to the funded nonprofits. Johnson explained that "some other UWs were having similar or worse declines."

Any public personnel spat surely doesn't help in the final weeks of a fundraising campaign already plagued by challenges, but this particular dispute has created anger and blowback from black leaders in the city.

CEO Johnson had "left behind a letter that charged the board, and in particular its chair Julie Poston, with undermining him and issuing subtle threats" during his brief few months at his new post at the Greater Cincinnati United Way. According to Johnson, Ms. Poston described him as an "angry man," and "unfairly attack[ed] [his] credibility with key stakeholders" and created "challenges within [the] organization.

Ms. Poston and the board vice chair crafted a response to Mr. Johnson's letter which, suffice it to say, did little to tamp down the simmering tensions.

A dozen "prominent Black community leaders" reacted promptly, making a visit to the interim CEO, Ross Meyer, "to suggest that Poston should be the one to leave and that Johnson should be returned to his post and allowed to do his job."

Conclusion

Time will tell how these two affiliates recover from these setbacks which, set against a trend of fundraising shortfalls for United Ways generally, are exacerbated by self-inflicted missteps.