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Chicago Confidential: Eleanor Foundation to merge into Chicago Foundation for Women

Experts say more nonprofit mergers are needed because of declining government funding and a difficult economy

Melissa Harris' Chicago Confidential

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The Eleanor Foundation, a nonprofit primarily assisting single mothers that is more than 110 years old, will soon wind down its operations and transfer its approximately \$7 million in assets to the Chicago Foundation for Women.

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"This is not done in a crisis," **K. Sujata**, president of the Chicago Foundation for Women and the former director of programs at the Eleanor Foundation, said Wednesday. "The crisis is of women struggling for economic security. I think what this does is put the attention on the women, not on the organizations. We have a bigger commitment together."

The alliance — a merger of sorts — will double the amount of money the Chicago Foundation for Women gives away every year, with a goal of \$3 million in annual grants by 2015.

The numbers show why it made sense for the Eleanor Foundation's board to swallow its pride and go out of business in the name of better serving Chicago women.

According to IRS filings, the Eleanor Foundation has the larger bank account of the two groups, with about \$8.5 million in assets at the end of 2011 compared with CFW's approximately \$6.5 million at the end of June 2011. But the Eleanor Foundation was quickly and intentionally spending that money at a rate of about \$1 million a year in an effort to achieve results. (A few thousand dollars here and there won't make a dent.)

However, the same records show that the Chicago Foundation for Women has built a fundraising engine that the Eleanor Foundation tried but found impossible to replicate in this economy. The Chicago Foundation for Women, for instance, raised a little more than \$1.7 million in contributions and grants during the fiscal year ending mid-2011 while the Eleanor Foundation raised a little more than \$181,000 in 2011.

"At the end of day, did we want to see the (Eleanor Foundation's work) continue for the next five to six years or

for the next number of decades?" said **Nick Brunick**, the chairman of the Eleanor Foundation's board. "We knew we needed to find a way to raise more funds or join forces with another organization to help us raise more money."

Experts say more mergers are needed in the nonprofit sector in the face of declining government funding and a difficult economy.

"Efficiency is a big buzzword throughout the sector, but people often focus on ... how to make an individual organization work better," said **Bryan Preston**, chief executive of the Back Office Cooperative, which helps nonprofits combine procurement and other administrative efforts. "But the larger issue, which is even harder to tackle, is sector efficiency. A lot of people say: 'There's just too many of these organizations.'"

Indeed, the Eleanor Foundation's work overlapped with a portion of the Chicago Foundation for Women's. The latter has a slightly broader mission; it also supports nonprofits in the health care and violence-prevention sectors.

The founder of the Eleanor Foundation, **Ina Law Robertson**, was a contemporary of legendary reformer **Jane Addams**. As the Tribune reported in 2001, Eleanor residences "provided inexpensive, dormitory-style housing for single women," and at the nonprofit's zenith in the early 1900s, "Eleanor was a vast social organization. There were Eleanor banking facilities; an Eleanor League for girls; an Eleanor monthly magazine; and an Eleanor Camp in Lake Geneva."

Eleanor closed its last residence in 2001, switching to a grant-making model. In many ways, its board has overseen a thoughtful and strategic denouement that stands in contrast to the demise of the Jane Addams' Hull House Association, which abruptly announced it was closing in January, leaving its employees and those who depended on them in limbo.

The Eleanor Foundation, meanwhile, just took in 38 grant proposals over the summer, and its all-volunteer programming committee will transfer to the Chicago Foundation for Women so the committee can continue to evaluate those proposals and decide how its funds are spent. Six members of the Eleanor board also will transfer, two of whom will join the executive committee, and its three employees also have been invited to apply for jobs at the Chicago Foundation for Women.

Of the highest importance to Eleanor leadership was the commitment from the Chicago Foundation for Women to spend \$1 million per year for the next three years on economic-security grants and to name them after "The Eleanor Network." That means its brand and its impact will remain for now and hopefully grow.

"With the federal and state funding cut back further and further and further with respect to programs for women, we have to maximize every dollar we can as funders," said **Andrea Kramer**, a lawyer and head of the Chicago Foundation for Women's board. "This is one of the ways to do that. Each group that has a mission has to realize it doesn't have to have its own bricks and mortar."

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