

# HOW TRANSPARENCY AND A BOARD REPLACEMENT SAVED A NONPROFIT DURING A FINANCIAL CRISIS

Howard Brown Health Center (HBHC), one of the oldest and largest LGBTQ health agencies in the country, faced a financial crisis in October 2010 that threatened its existence and called for swift action to restore confidence and mobilize community support.

In the preceding months, the Chicago-based center had fallen into a deep financial deficit as a result of mismanagement of over \$3 million in grant funds between 2006 and 2010.

Having lost the trust of the community it serves, and lacking a crisis communications plan, HBHC reached out to Chicago-based Public Communications Inc. (PCI) in October 2010 in dire need of PR help: Unless it raised \$500,000 before Christmas, HBHC would close.

HBHC's CEO Jamal Edwards, who had started at the center in June 2010, says the organization needed an agency that could help communicate quickly and clearly the severity of financial need, and why HBHC was deserving of support. A three-person PCI team, led by president Jill Allread with the help of Edwards and his development director, created the "Lifeline Appeal" campaign and crisis communications plan with the objectives of restoring public confidence in, and support for, the HBHC by proactively telling a complete and transparent story; raising \$500,000 in 50 days, reaching more than 1,000 donors; increasing the center's social media presence on Facebook and Twitter by 100% and using social media as a fundraising awareness building tool; and counseling the board of directors to restructure in order to restore public confidence.



## STRATEGY

Interviews with stakeholders and a review of previous media coverage showed high public criticism of HBHC and its board, and a perceived lack of transparent communication with the public. In addition, the Windy City Times, the leading LGBTQ community newspaper in Chicago, had run an investigative series



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critical of HBHC that helped fuel the community's skepticism.

PCI's first course of action was to disclose all details related to the center's financial crisis and accept responsibility to repair the damage done by former leadership. PCI's Allread says she and her team had one strong philosophy: If you tell your story, it will be news, but if someone else tells your story, it will be an investigation.

Thus, the "Lifeline Appeal" campaign was formally launched at a news conference at HBHC headquarters on Nov. 4, 2010. To address the negative perception in the LGBTQ community, Allread, with two other members from PCI, worked around the clock with Edwards on messaging to prepare him for difficult questions at the conference. "The culture of the institution was not to talk publicly about what its problems were, so it meant a whole culture shift," says Allread.

Plans for sustained media and LGBTQ community outreach were also quickly devised, and the PCI team created the "Lifeline Appeal" logo—a heart with the Chicago skyline in the middle—to help chart the campaign's progress both online and in the community.

With just 50 days to raise the necessary funds to remain operational, the PCI team posted weekly updates online and distributed news releases to key news outlets—including Chicago and national gay media. Fortuitously, a \$200,000 private and anonymous donation was made early on when the father of a former patient saw the media coverage.

On Dec. 1, World AIDS Day, the team allocated \$25,000 of the anonymous donation and announced "The Power of 25 Campaign," an initiative to stimulate excitement and build a stronger Facebook audience for more effective outreach. A \$25 donation from the anonymous donor was to match each new Howard Brown Facebook fan, up to \$25,000. The goal was matched in fewer than 72 hours and produced nearly 10,000 new fans.

For Edwards, the most difficult part of the campaign was answering the question of why the organization should be trusted. To reiterate HBHC's value to those it serves, the "50 Stories in 50 Days" series was launched. Reaching out to community members, past and present clients, staff and supporters, HBHC asked the question: "How has Howard Brown been a lifeline for you?" Fifty two-minute videos—showcasing individuals talking about how HBHC had changed their lives—were produced and posted as daily vignettes on Facebook.

As awareness, donations and campaign participation grew, some community leaders questioned whether the same board members who served during the financial crisis could regain full community support and trust. As such, the team developed and announced a "Responsible Transition Plan" that would strategically replace board leadership and nearly all board members by July 2011.

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## RESULTS

After a jam-packed 50 days, Allread wished she had devoted more staff to the project. “In those 50 days, it felt like we squeezed two days in every single day, and it became extremely taxing,” she said. The crisis program results far surpassed the objectives, however, accomplishing what Edwards calls “a community miracle.” The results included:

- ▶ More than 1,600 individuals and businesses donated during the 50 days, and Howard Brown staff supported 24 small community-based events that generated from \$2,000 to \$10,000 for the appeal.
- ▶ Media relations generated more than 162 million impressions with 90 placements, including a story in The New York Times.
- ▶ Raised more than \$500,000 in 50 days. On Dec. 23, the 50th day of the “Lifeline Appeal,” the team orchestrated a news conference that turned into a community celebration. Leaders unveiled the campaign’s official final number—\$633,474. Then, during the news conference, Walgreens presented a \$25,000 gift, raising the total to \$658,474.
- ▶ Increased Facebook followers and raised funds online. HBHC’s Facebook network increased followers by 600% with “The Power of 25 Campaign,” and nearly 10,000 new fans and engaged followers helped raise \$25,000 for “Lifeline Appeal.”
- ▶ Changed Board and Leadership: Allread says that board leadership came to understand the importance of demonstrating to the LGBTQ community that it is really a “new day” at HBHC. On Jan 1, 2011, a new chairwoman assumed leadership of the board, and all board members who served prior to June 2010 agreed to resign.

HBHC finished its fiscal year on June 30, 2011, in the black, marking a dramatic turnaround by the organization with the help of PCI, which is now the agency of record. In June, the GE Foundation selected HBHC as one of five organizations for its Developing Health Chicago initiative, providing a grant of \$250,000—a major vote of confidence for an organization that didn’t know if it would survive just a few months earlier.

## LESSONS LEARNED

Jamal Edwards, CEO of the Howard Brown Health Center, says his organization suffered from a perception of being dishonest and less than transparent. Since surviving a 2010 financial crisis to remain operational, HBHC enacted the following practices to keep stakeholders abreast of the organization’s fiscal responsibility:

**BE HONEST INTERNALLY.** An at-least quarterly staff-wide communications meeting was adopted, where management delivers updates on all aspects of the organization’s financial standing through data-driven

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presentations. A similar meeting is held with other stakeholders, while corporate donors, government supporters and individual donors receive the data directly.

**BE SOCIALLY ACTIVE.** Through the “Lifeline Appeal” campaign, HBHC gained almost 10,000 new Facebook fans. The organization communicates regularly through social media as a source of engagement with the community.

**REPORT EARLY AND OFTEN.** The HBHC prepares not just an annual financial report but a mid-year report to touch base with the community.

*Editor’s Note: A version of this case study appeared originally in PRNEWS in July 2011.*