



Not-for-Profits: There Is a Difference

LeadingAge is the leader in engaging providers, policymakers, researchers, advocates, regulators and consumers to develop policies and practices that continue to make our field the center of innovative, quality housing and care for those who need it most in our society.

Six Elements – Numerous Examples

- Setting the Standard
- Mission-Driven Values
- Accountability
- Quality
- Leadership
- Innovation

To expand the world of possibilities for aging, LeadingAge members and affiliates touch the lives of **4 million** individuals, families, employees and volunteers every day. The LeadingAge community (www.LeadingleAge.org) includes **6,000** not-for-profit organizations in the United States, **39** state partners, hundreds of businesses, research partners, consumer organizations, foundations and a broad global network of aging services organizations that reach over **30** countries. The work of LeadingAge is focused on advocacy, education, and applied research. We promote adult day services, home health, hospice, community-based services, PACE, senior housing, assisted living residences, continuing care communities, nursing homes as well as technology solutions and person-centered practices that support the overall health and wellbeing of seniors, children, and those with special needs.



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Leadership and Innovation

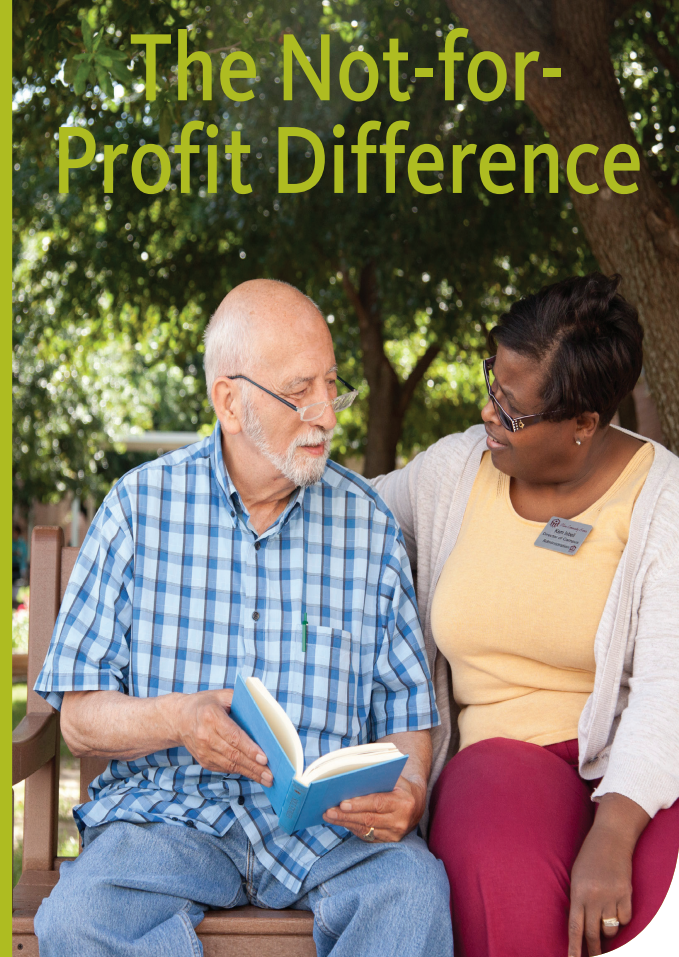
Since 1961, LeadingAge has continuously evolved to meet the needs of its members and those they serve. Over time, the needs for evidence-based research, aging-adapted technology and housing with a supportive service infrastructure have grown exponentially.

It is imperative that LeadingAge members create a climate that promotes innovation and ensures that effective programs and practices are implemented. Through members' long history of innovation in aging services, the not-for-profit sector has been—and is expected to be—the crucible of creative, entrepreneurial development of housing and services to meet consumers' ever changing needs and preferences. LeadingAge and its members are recognized as leaders in innovation.

In an effort to encourage and grow member creativity, LeadingAge initiated a grant program in 2012 to financially support projects that have demonstrable impact on residents, clients, families, employees and the broader community. Grant awardees have demonstrated proactive and potentially replicable approaches to serving consumers of the present and future.



Standing the Test of Time AGING SERVICES



The Not-for-Profit Difference

Not-for-Profits: Standing the Test of Time

“The good that men may do separately is small compared with what they may do collectively.”¹

—Benjamin Franklin

Benjamin Franklin penned these words in the 18th century, acknowledging the value of committed individuals coming together to solve shared concerns through collective action. Franklin’s Leather Apron Club was the vehicle for his philosophy to become practice — the first, “not-for-profit movement” in America.

Playing a crucial role in American society for more than 250 years has earned not-for-profit organizations the trust of their local communities and the respect of the entire nation. Telling the not-for-profit story continues, as modern-day scholars stress the importance of the not-for-profit sector in our democratic system.

“The role of not-for-profits, as one of three major institutions in America, is nothing less than to change lives.”²

—Peter Drucker

Peter Drucker, a leading management consultant, characterized not-for-profits as one of three major institutions in America, the others being government and business.

“A great organization is one that delivers superior performance and makes a distinctive impact over a long period of time. For a business, financial returns are a perfectly legitimate measure of performance. For a social sector organization, however, performance must be assessed relative to mission, not financial returns.”³

—Jim Collins

Jim Collins, best known for his *Good to Great* book, also wrote a monograph in which he details special characteristics of mission-driven versus profit-driven enterprises.

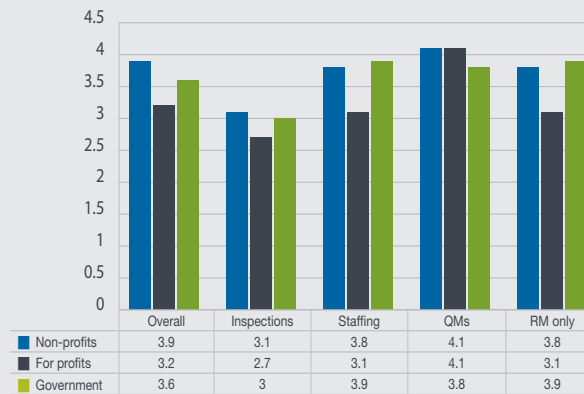
Many not-for-profit aging-services organizations have existed in the same communities for generations, offering a stability that fosters peace of mind for both older Americans and their families. They are far less likely to sell or close due to fluctuations in the economy.

¹ Isaacson, Walter. *Benjamin Franklin: An American Life*. New York: Simon and Shuster.

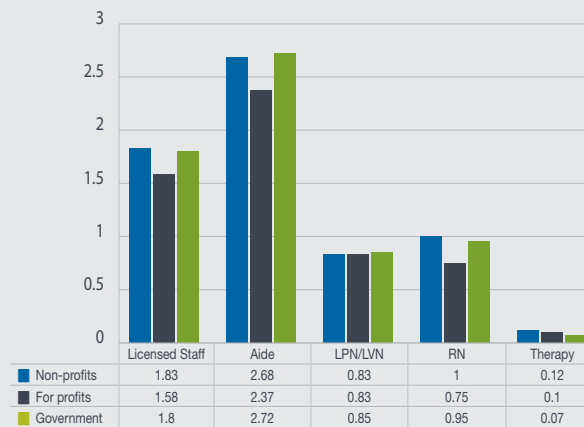
² Drucker, Peter. 1990. *Managing the Nonprofit Organization*. New York: Harper Collins.

³ Collins, Jim. 2005. *Good to Great and the Social Sectors*. www.jimcollins.com. Boulder, CO.

National Nursing Home 5-Star Ratings



Nursing Home Staffing Hours per Resident Day



Data source: Publicly reported Nursing Home Compare database downloaded on August 1, 2014 from <https://data.medicare.gov/>

Data on 5-star ratings, staffing hours and deficiencies comes from the NH Compare database downloaded from CMS on August 1, 2014. Staffing and deficiency data reflects facility’s most recent survey data. Quality measure data for this period reflects a 3-quarter average for the period Jan 1, 2013 – March 31, 2014.

Setting the Standard

Our nation’s not-for-profit housing, community-based and long-term care service providers are on a mission. Their objective: to provide the highest quality and the most compassionate care to those they serve. By continuing a tradition of mission-driven, consumer-centered management and competent hands-on care, not-for-profits set the standard in the older American housing and service continuum.

Mission-Driven Values

Not-for-profit organizations manage their financial resources in accordance with their missions. Many not-for-profit housing and service providers were founded by faith-based and civic groups of rich tradition, and their longstanding values are still reflected in their governance and management. They are not driven by a daily pressure to increase their bottom line for owners, investors or shareholders. Quality, rather, is the barometer of a not-for-profit organization’s efforts.

Accountability

Not-for-profit organizations are accountable to voluntary boards of directors, who donate their time and talent to ensure that ethical management, financial integrity and quality services are maintained. Not-for-profit finances are always open for public inspection. With such information readily available on the Internet, the information is literally at consumers’ fingertips. Not-for-profits have a responsibility to be active, contributing members of their localities.

Quality

Not-for-profit providers have a longstanding tradition of leading with quality. A review, in combination with statistical contrasting and combining results from 82 studies that compared not-for-profit and for-profit nursing homes, found that not-for-profit facilities produced superior outcomes on the several quality measures.