

APPENDIX M

United Way Organizations in Michigan

WHAT IS THE UNITED WAY?

The United Way system, which is based on the concept of community volunteerism, is uniquely American. The Charitable League Society, founded in 1887 in Denver, Colorado, was the first such organization in the nation. The society was founded by a group of religious and lay leaders to bring into being a coordinated, efficient way to help people in need in the Denver area.

The concept proved practical, and the idea spread. Over the years, these volunteer organizations have had a number of names—Community Chest, Red Feather, United Fund, and United Foundation, to name a few—but in the early 1970s, most communities adopted the name United Way. A United Way organization is created and governed by local volunteers; it must receive an IRS 501(c)3 tax-exempt letter, register with the State of Michigan as a nonprofit health and human service agency, and register with the national trade association—United Way of America. These steps assure volunteers and contributors that the organization to which they are donating their time and/or money is a legitimate, tax-exempt, health and human service entity.

Today there are more than 1,600 United Way organizations worldwide, of which 1,400 are in the United States. Michigan has 90 United Way organizations, and they vary greatly in size: Annual contributions collected and distributed in the various communities range from \$5,000 to \$60 million.

In 1997 the United Way organizations in Michigan collected and distributed more than \$145 million to human care agencies. The funds came from individuals, corporations, foundations, special events, and memorial gifts. Of the money collected, approximately 75 percent came from individuals and 25 percent from corporations and foundations. Michigan is credited with instituting payroll deduction for United Way giving, which allows tens of thousands of Michigan residents to conveniently and generously support the services that people in their community need.

HOW DOES A UNITED WAY FUND SERVICES?

Each local United Way organization is governed by a board of directors who are volunteers from the community. They are business people, labor union mem-

bers, civic group representatives, homemakers, retirees, and clergy. New board members, who are selected by the current board, usually have been recruited and their “fit” with the needs of the organization determined by a board nominating committee.

The board of directors makes the decisions about how the local United Way funds shall be disseminated. The board assesses the community’s human service needs, meets with service providers to discuss funding requirements, and approves the funding level for the various programs and agencies.

As part of the decision-making process, “program outcome measurement” increasingly is being employed. This is a fairly new assessment tool that measures the effect a program has on the people that have used the service. Rather than ask candidate programs, “How many people have used your service?” the query is now, “How has your service affected the people who have used it?” Agencies applying for funding from a local United Way must

- be a charitable health and human service organization,
- fully describe their array of services,
- demonstrate how they meet local needs, and
- prove their cost-effectiveness and accountability to the community.

United Way funding typically supports the operating expenses for the programs of the agencies that meet the criteria for funding, but the United Way volunteers making the funding decisions have many options in regard to how they make the awards. For example, they may award funds for one year or make a multiyear commitment to a program, or they may impose, as a condition of funding, that certain performance objectives be met. They determine how, to what extent, and when funds shall go to local human service providers.

WHAT ELSE DO UNITED WAY ORGANIZATIONS DO?

Besides collecting and distributing funds to deserving human care organizations, many Michigan local United Way organizations serve people in their community directly or in collaboration with other local nonprofit organizations. An example is “Information and Referral,” or “First Call for Help.” Through this program a single local telephone number is established that people in need may call and immediately be referred to the community service(s) that can help them.

Some other services offered by various local United Way organizations are training for labor union members in how to become effective nonprofit board members or counselors in their local, recruiting volunteers for special community projects called “Day of Caring,” and making grants to local emergency food and shelter efforts (such as those operated by the Red Cross and Salvation Army), homeless shelters, and utility-assistance programs; the emergency food

and shelter grants are a cooperative program between the federal government and the local United Ways across America.

WHAT IS UNITED WAY OF MICHIGAN?

The mission of United Way of Michigan is to help local United Way organizations to increase their capacity to meet the human needs of their community. United Way of Michigan offers a variety of services and maintains an information database on local United Way organizations and their activities. Contact information for United Way of Michigan is as follows:

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