Consulting Capstone
Final Report
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Prepared By:
Xiaojie Jimmy Feng, Bobby Gentry, Rachael Lanier, Morgan Loth,
Jonathan Mann, Marty Mulgrew, Seth Smitherman, & Caroline Wold

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Faculty Advisor:
S. Catherine Cole MSSW, MBA, PhD
Executive Summary

OnRamp is a 501(c)(3) nonprofit founded by Pastor Blake Jennings in 2017 to serve residents of the Brazos Valley by donating and repairing vehicles. OnRamp’s mission is to offer people in need a reliable form of transportation that allows them to attain self-sufficiency and receive God's grace. However, OnRamp currently experiences limitations due to its nature as a recent start-up. Our Capstone was tasked with providing evidence-based recommendations for attaining long-term success. OnRamp’s leadership initially identified sustainability, growth, and transferability as critical concerns. In the end, informed by a review of the literature and original research, our team provided OnRamp with a series of recommendations based on factors falling under three themes: strategic concerns, services, and expansion.

This report details the process of arriving at our recommendations. We conducted a scoping review of the relevant literature, encompassing academic articles, government documents, and open-source information. Our findings affirmed the importance of OnRamp’s services and allowed our team to refine the scope of our research moving forward. Informed by our scoping review and feedback from OnRamp’s board of directors, our team constructed a tool used to interview representatives of other transportation nonprofits about their practices. We conducted additional elite interviews with OnRamp’s board of directors and the organizational partners of a transportation nonprofit with similar methods and mission to OnRamp. Our original research also included a review of OnRamp’s internal client data, website searches, an analysis of U.S. Census Bureau demographic data, and a review of available Forms 990 data.

Our results, coupled with our findings from the literature, provide the basis for the recommendations we detail in the penultimate section of our report. The literature and our interview responses reveal best practices in the areas of strategic concerns, services, and expansion, while at the same time indicating that transportation nonprofits sometimes fail to abide by them. Among the most important findings from our original research and scoping review are the following:

- Vehicle ownership plays a crucial role in self-sufficiency; owning a car has a greater impact on likelihood of employment than having a high school diploma (Lichtenwalter, Koeske, & Sales, 2006; Fletcher et al., 2010).

- Robust client data collection before and after receiving a vehicle is crucial for evaluating success.

- The ideal board for a transportation nonprofit is between 8-10 members; includes President, Vice President, Treasurer, and Executive Director roles; and
includes an attorney, a corporate executive, and a nonprofit executive or former client.

- Requiring some form of buy-in for the client, whether in terms of a fee or asset requirement, is important to ensure that the vehicle provided will be a benefit and not a burden.

- Client base (i.e., individuals who cannot afford a reliable vehicle but can afford to maintain one) and donor base (i.e., a middle class willing to donate cars matching the ideal profile) are key considerations for transportation nonprofits when selecting a new location.

Our research offers a glimpse into the field of transportation nonprofits, the valuable services they provide, and the practices that allow them to be successful. We intend for it to inform OnRamp’s approaches to leadership, service provision, and expansion for the better as it continues to grow beyond the start-up phase. However, this report can also be used to inform the nonprofit transportation industry as a whole and connect what has been largely isolated organizations across the United States.

We would like to extend our warmest and most sincere thanks to Pastor Blake Jennings and the current board of directors. Without them, this research would not have been possible. Their enthusiasm was contagious, and it was an honor to be a part of such a meaningful project.
# Table of Contents

Chapter 1: Scoping Review........................................................................................................................................5
  I. Definitions..................................................................................................................................................6  
  II. Methodology..........................................................................................................................................8  
  III. Transportation Access.........................................................................................................................11  
  IV. Nonprofit Organizational Management..............................................................................................24  
  V. Performance Management .....................................................................................................................40  
  VI. Discussion............................................................................................................................................51  

Chapter 2: Study Methodology..........................................................................................................................52  
  I. Introduction...............................................................................................................................................53  
  II. Methodology...........................................................................................................................................54  

Chapter 3: Findings & Discussion.......................................................................................................................58  
  I. Strategic Concerns.................................................................................................................................59  
  II. Services..................................................................................................................................................70  
  III. Expansion............................................................................................................................................79  
  IV. Other Data Collection............................................................................................................................85  

Chapter 4: Recommendations.............................................................................................................................88  

Chapter 5: Conclusion........................................................................................................................................94  

Chapter 6: References......................................................................................................................................96
Chapter 1: Scoping Review
I. DEFINITIONS

1. **Associational Value** - derived benefit accruing to one or both partners simply because it is known that the two organizations have a collaborative relationship with one another (Austin & Seitanidi, 2012a).

2. **Cross-sector Partnership** - an arrangement between two or more entities across the three main organizational domains – government, business, and nonprofit – to work towards an agreed-upon social goal (Jawahar & McLaughlin, 2001).

3. **Emerging Growth Phase** - a nonprofit’s second organizational phase, characterized by a broadly expanding customer base and an expanding employee workforce (Miller & Friesen, 1980).

4. **Governance** - overseeing the executive’s operational and financial decision making, pay, strategic planning, and adherence to the stated mission of the organization (Peppiatt, 2015).

5. **Interaction Value** - benefits derived from the positive intangibles of teamwork, for example, trust and social capital (Austin & Seitanidi, 2012a).

6. **Knowledge Work** - work that requires the intellectual capital of skilled professionals (Pearce & Manz, 2005).

7. **Mission Fulfillment** - the operations of a particular nonprofit to achieve some goal (Peppiatt, 2015).

8. **Monitoring Role** - Evaluation of executives and staff, and the provision of financial and legal oversight (Cumberland, Kerrick, D’Mello, & Petrosko, 2015).

9. **Opportunity Gap** - people have varying levels of opportunity to achieve their potential in school, careers, and citizenship because of where they live or the transportation that they lack (Kenyon, et. al, 2015).

10. **Organizational Capacity** - skills, practices, and systems that allow nonprofits to operate sustainably (Trzcinski & Sobeck, 2012).

11. **Outcomes** - The changes and impacts a program will make (Garney et al, 2013).

12. **Outputs** - the direct, often quantifiable, result of a program (Buckmaster, 1999; Lee & Nowell, 2015; Ceptureanu, 2017).

13. **Partnering Role** - Assist the organization with strategy and planning both in setting the mission and values and in providing long-range planning (Cumberland, Kerrick, D’Mello, & Petrosko, 2015).

14. **Prospect Theory** - a behavior theory that suggests that individuals are more risk averse to potential losses than they are to potential gains (Kahneman & Tversky, 1979).

15. **Representing Role** - Represent constituencies by advocating on behalf of the constituent groups (Cumberland, Kerrick, D’Mello, & Petrosko, 2015).

17. **Shared Leadership** - involves maximizing all the human resources in an organization by empowering individuals and giving them an opportunity to take leadership positions in their areas of expertise. Self-Leadership - self-directed strategies that can influence behavior, internal systems of reward, conceptions of effectiveness, performance standards, and outcomes (Pearce & Manz, 2005).

18. **Social Exclusion** - when a people group is denied the ability to participate in their community (Kenyon, Lyons, & Rafferty, 2002).

19. **Spatial Mismatch Hypothesis (SMH)** - the assertion that minorities face more geographic barriers to gaining employment because of trends in population dispersion (Gobillon, 2007).

20. **Start-up Phase** - a nonprofit’s first organizational phase, characterized by careful consideration of mission, vision, and organizational structure (Miller & Friesen, 1980).

21. **Supporting Role** - Securing financial resources and legitimizing the organization to the external world (Cumberland, Kerrick, D’Mello, & Petrosko, 2015).

22. **Synergistic Value** - benefit derived from the increased ability to accomplish things that the two organizations, if working independently, would not have been able to accomplish (Austin & Seitanidi, 2012a).

II. METHODOLOGY

To familiarize ourselves with the appropriate body of literature, identify possible variables for original research, and refine our original research questions, we conducted a scoping study. According to Grant and Boothe (2009) a scoping study is a type of literature review allowing the researcher to include a wider range of information when peer-reviewed scholarly studies are limited. Using Arksey and O’Malley’s (2005) approach we included a variety of sources of information from peer-reviewed journals, government documents and reports, and nonprofit research foundations.

i. Strategy

Research Question

When conducting research for a scoping review it is important to examine a range of information relating to the topic of research (Arksey & O’Malley, 2005). Using this approach, we examined information from scholarly sources and local government demographic reports. Using this information our research question for the scoping review was:

What information exists regarding transportation start-up nonprofits regarding sustainability, growth, and transferability?

Search Strategy

We started our search through the Texas A&M University online library database system using all of the available 122 databases. We included the terms “nonprofit,” “leadership,” “development,” “transportation access,” “success,” “sustainability,” “growth,” “management,” and “board of directors” to identify relevant publications. This yielded a large number of specific scholarly articles to the Brazos Valley and articles generally relevant to nonprofit start-up organizations. These publications were exported to RefWorks for organization and sharing. To widen our search, we then searched GuideStar, a data aggregation site filled with financial and organizational data pulled from the Form 990 filings of eligible nonprofits. Specifically, we followed the process described below in the Nonprofit Partnerships section to find the appropriate nonprofit comparables.

ii. Inclusion and Exclusion Criteria

To add rigor to our scoping study, we established inclusion and exclusion criteria to guide our selection process through group consensus. As stated previously, we did not limit our sources to traditional scholarly sources. We therefore created two tiers of criteria: one for scholarly articles and one for non-academic sources. For traditional scholarly articles, we limited our selections to peer-reviewed literature published in or after the year 2000. However, we established an exception to the publication year rule for articles we considered
foundational. For a paper to qualify as foundational, it must have been cited by at least 75 subsequent papers, as determined using a reverse citation index, Google Scholar. By including these foundational works published pre-2000, we allowed ourselves to incorporate earlier scholarship still considered a key part of the literature into our scoping review.

Our non-academic sources fall into two categories, namely 1) government publications and data and 2) nonprofit reports and annual summaries retrieved from GuideStar. Government publications provide insight into existing transportation gaps in the Brazos Valley and neighboring areas, while government data offer up-to-date demographic information for the above locales. Likewise, nonprofit reports or summaries for other transportation donation-based nonprofits inform about current approaches in the field. Scholarly articles are unlikely to offer the above information, given their highly specific and localized nature. However, for that very reason, they provide a critical baseline for our project moving forward.

We limited both categories of our non-academic sources to data and documents published after the year 2010 to ensure that they were as current as possible. For nonprofit reports or annual summaries, we restricted our research to the GuideStar website. In our review of the GuideStar site, we sought to find all organizations currently operating in this service area throughout the United States in a manner similar to OnRamp. Therefore, we chose only 501(c)3 organizations with some assets and receipts (indicating some cash flows in and out). Further, we chose NTEE code P (human services) and sub code P52 (transportation assistance). Documentation found on the GuideStar website was subject to the following search criteria:

- Geography: US-wide
- IRS status: 501(c)3
- NTEE code: P
- NTEE sub-code: P52
- Excluded revoked/defunct/merged organizations
- Assets, Gross Receipts, and Expenditures: > 0
- Verified Financial Statements from GuideStar

Limitations

While we designed our inclusion and exclusion criteria to be as rigorous as possible, we nevertheless faced limitations in our research. Establishing a publication date cutoff is limited by the inherent arbitrariness of the decision. Sources published immediately below the cutoff are unlikely to differ substantially from included work in relevance. Our exception for foundational papers mitigates this downside to an extent for our scholarly sources, but the issue nevertheless remains.

Note on Report Structure

The following sections contain the bulk of our scoping review findings organized into three sections. These include III. Transportation Access, IV. Nonprofit Organizational Management, and V. Performance Management. Within these sections we include narrative
findings, and when appropriate, data extraction. We conclude the scoping review with a discussion (VI).

III. TRANSPORTATION ACCESS

i. Social Impact of Transportation

An Introduction to Social Exclusion

People experience social exclusion when they are denied the ability to participate in their community (Kenyon, Lyons, & Rafferty, 2002). Social exclusion is significantly connected with transportation access. Kenyon and colleagues (2002) indicated that the “mobility dimension” of social exclusion is “The process by which people are prevented from participating in the economic, political, and social life of the community because of reduced accessibility to opportunities, services, and social networks due in whole or in part to insufficient mobility in a society and environment built around the assumption of high mobility” (Kenyon et al., 2002). In an influential article explaining the concept of social exclusion Church, Frost, and Sullivan (2000) identify seven common types of social exclusion that people can experience. Each of the types are, in some way, connected to transportation access.

The first type of exclusion Church, Frost, & Sullivan (2000) identify is physical exclusion, meaning people are excluded from their communities due to old age, disability, language barriers, and other physical characteristics they possess. Second is geographical exclusion, which is when people cannot travel beyond their immediately accessible surroundings due to an inaccessibility to private or public transportation. The third type of social exclusion, exclusion from facilities, occurs when people, are unable to access quality shopping, leisure, healthcare, and other facilities. People who face this type of exclusion are often living in food deserts. The fourth type of social exclusion is economic exclusion, which is when people who are considered low income and lack transportation access are impeded in their job search and are unable to get adequate information regarding the job market. Exclusion type five is time-based exclusion, essentially meaning that the struggle with transportation causes people to lack the time to adjust their schedules to meet various commitments. Sixth, fear-based exclusion, is the concept that public spaces make some people fearful for their safety (e.g. public transport), and this fear can change how they use those public spaces. Finally, the seventh type of exclusion, space exclusion, asserts that how public spaces are managed and kept secure can potentially exclude some people from using those public spaces.
Figure 1.1 Types of Social Exclusion

<table>
<thead>
<tr>
<th>Physical Exclusion</th>
<th>Physical barriers prevent access to an individual’s community groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographical Exclusion</td>
<td>An individual does not have access to transportation to reach communities outside of their immediate access</td>
</tr>
<tr>
<td>Exclusion from Facilities</td>
<td>An individual cannot reach service deliverers</td>
</tr>
<tr>
<td>Economic Exclusion</td>
<td>An individual faces limited choice in their job search because of a lack of resources</td>
</tr>
<tr>
<td>Time-Based Exclusion</td>
<td>An individual cannot honor their commitments because they do not know when they will have reliable transportation</td>
</tr>
<tr>
<td>Fear-Based Exclusion</td>
<td>Public transportation is not an option because of a fear of public spaces</td>
</tr>
<tr>
<td>Space Exclusion</td>
<td>Some are excluded from public spaces because of safety measures</td>
</tr>
</tbody>
</table>

Social Exclusion as a Result of a Lack of Transportation Access

A common theme in the literature is that transportation access is connected to the concept of social exclusion. As stated above, social exclusion occurs when people are, for one reason or another, denied the ability to connect with and participate in their communities (Kenyon et al., 2002; Stanley & Vella-Brodrick, 2009). When people have access to a private vehicle, they rely on it to transport them most places (Newman, 2015). When people lack access to vehicles, both private automobiles and public transportation, it puts them at risk of experiencing social exclusion (Stanley & Vella-Brodrick, 2009; Mackett & Thoreau, 2015). This does not mean that people who lack access to transportation are inevitably going to experience social exclusion, or that socially excluded people are only those who lack transportation access, but that lacking access to transportation is one of the primary causes of experiencing social exclusion. The consequences from experiencing social exclusion due to a lack of transportation access, then, can impact every aspect of a person’s life.

One area of impact is on economic well-being. Many people who do not own or have access to a vehicle are cut off from job opportunities they might otherwise be qualified for (Newman, 2015; Hu, 2017). Being cut off from jobs, makes it more likely that these families will
have lower incomes, and lower income families are more at risk of becoming socially excluded (Stanley et al., 2011). Gaining access to an automobile increases a person’s chance of finding and getting a job. It also increases one’s ability to move out of high-poverty neighborhoods (Blumenberg & Pierce, 2017; Dawkins, Jeon, & Pendall, 2015; Hu, 2017; Clark & Wang, 2010; Gurley & Bruce, 2005; Fletcher, Garasky, Jensen, & Nielsen, 2010). Gurley and Bruce (2005) found that gaining access to a car increases a person’s opportunity to be weaned off of welfare services. Some scholars have even found that private vehicle accessibility increases employment income (Gurley & Bruce, 2005; Clark & Wang, 2010). Though there is conflicting evidence showing that this might not be the case (Lucas et al., 2016). Getting access to a car, however, is difficult because of the high cost of vehicle ownership, which many low-income families cannot afford (Blumenberg & Agrawalthen, 2014; Garsky, Fletcher, & Jensen, 2006; Mackett & Thoreau, 2015). When low-income families can obtain vehicles, they often must use less reliable vehicles because they are more affordable (Garsky et al., 2006).

Socially excluded people, as a lack of access to transportation also experience impacts to their physical well-being. In order to pay for the high cost of transportation, many low-income families will spend less money on food and other expenses, which can negatively impact their health (Blumenberg & Agrawal, 2014; Rose, Witten, & McCreanor, 2009). Not only do these families eat less, but the food they can afford is often less nutritious (Mackett & Thoreau, 2015; Strome, Johns, Scicchitano, & Shelnutt, 2016). In addition to affecting food consumption, a lack of reliable transportation access also decreases a person’s access and therefore use of healthcare services (Newman, 2015; Bostock, 2001; Yang, Zarr, Kass-Hout, Kourosh, Kelly, 2006; Alaniz, Burdine, Rivas, & Catonac, 2016). Large numbers of people who lack transportation access miss medical appointments and may not be able to pick up medications (Mackett & Thoreau, 2015). Yang and colleagues (2006) found that problems with transportation are a significant reason why Latino parents delay their children’s medical appointments. They also found that the lack of transportation was seen as a major barrier for children from urban, low income families to receive dental care, immunizations, and chronic illness care and was an often-cited reason why children missed medical appointments (Yang et al., 2006). Bostock (2001) discovered that low income mothers who are forced to walk everywhere would ask for rides from family members to take their children to the doctor but would not ask for a ride for their own appointments, meaning their health suffered. Lastly, in connection with the decreased access and use of medical services, experiencing transportation-related social exclusion leads to negative health outcomes. Despite the health benefits associated with it, having to walk everywhere can be dangerous and can create physical and mental exhaustion (Kenyon et al., 2002; Bostock, 2001). There are higher rates of child and adult road injuries and fatalities in low-income areas, and low-income families still must face the negative externalities of transportation such as smog (Mackett & Thoreau, 2015).

The socially excluded are also impacted in the area of social and psychological well-being. A lack of transportation access can cause people to experience high levels of stress. For example, the women observed in Bostock’s (2001) study often had to walk through run-down, depressing areas while also having to deal with their tired children. Worrying about the safety of their children as they walked from place to place also augmented their stress. Not owning or being able to drive a private vehicle can also cause people to feel like they lack independence.
(Rose et al., 2009; Davey, 2007; Bostock, 2001). Owning a vehicle gives people the feeling that they can take care of themselves and their family, while not owning or having access to a vehicle can make people feel like a prisoner in their own home (Rose et al., 2009; Davey, 2007). Third, a common worry that many people who lack transportation access express is that they will be a burden on others (Davey, 2007; Rose et al., 2009; Bostock, 2001). This worry can be expressed as concern that they are a “drain on the resources of others” or as fear that constantly asking for rides will burn bridges with friends and family members (Rose et al., 2009; Davey, 2007; Bostock, 2001). Additionally, many people who cannot own or get access to a vehicle feel socially isolated because they are unable to travel and participate in many leisure activities (Rose et al., 2009; Newman, 2015; Stanley et al., 2011; Gordon et al. as cited in Stanley & Vella-Brodrick, 2009; Kenyon et al., 2002). Additionally, the worry about being a burden on others causes some people to choose to stay home rather than asking for rides from friends and family to pursue leisure activities (Davey, 2007). Those who cannot access transportation may lack interactions with people in the community and, thus, may lack networks of social support and social capital (Stanley & Vella-Brodrick, 2009; Stanley et al., 2011; Kenyon et al., 2002). These networks are important, since they can be pillars of strength during times of difficulty, and the absence of these networks could contribute to feelings of social isolation (Bostock, 2001; Stanley & Vella-Brodrick, 2009).

Problems with the Concept of Social Exclusion

While social exclusion illustrates many of the consequences faced by people who lack access to transportation, there are limitations to this concept that merit discussion. One problem that arises when looking at the concept of social exclusion is that it suffers from circular logic (Stanley & Vella-Brodrick, 2009). In the research, the effects of social exclusion are also considered the causes of social exclusion. For example, having a low income puts people at risk of experiencing social exclusion, but at the same time, people who are socially excluded often experience the effects of a low income. A lack of transportation access is both a risk factor and a consequence of social exclusion. It is difficult to identify which comes first, the condition or social exclusion. Thus, while the concept of social exclusion is very helpful in understanding the problems people may face when they lack transportation access, we must be careful in assigning causality.

The second limitation of social exclusion as a concept is that poverty and social exclusion are not the same thing (Kenyon et al., 2002). As pointed out by Kenyon et al. (2002), poverty is what happens when someone lacks access to material goods while social exclusion is about the “processes” whereby people do not participate in their community. Thus, as Kenyon et al. (2002) emphasize, people may experience poverty but may not necessarily be socially excluded, and vice versa. Once again, we must be careful to not jump to conclusions concerning causality.
Transportation Access by Groups: Who is Most Affected?

Some groups of people are more likely to experience a lack of transportation access, and thus are more at risk of experiencing social exclusion. Not surprisingly, researchers consistently find that families with low incomes are more likely to experience a lack of transportation access than families with higher income (Klein & Smart, 2017; Clark & Wang, 2010; Newman, 2015; Pucher & Renne, 2005; Garasky et al., 2006; Lucas, 2012; Lucas, Bates, Moore, & Carrasco, 2016). The costs of car ownership and maintenance are out of reach for many low-income families, and even public transport is too expensive for some (Blumenberg & Agrawal, 2014; Fletcher et al., 2010; Newman, 2015; Garasky, Fletcher, & Jensen, 2006; Bostock, 2001). Even when people with lower incomes buy cars, and more low-income families are doing so, they do not increase the number of trips they take or the distance they travel and the cars they use are often more unreliable (Lucas et al., 2016; Garasky et al., 2006). Higher income individuals travel further distances and make more social and leisure trips per week than lower income families (Lucas et al., 2016). It is important to note that the “workers at the bottom of the economic ladder are disproportionately female, minority, young, with health limitations, and without a college education” (Garasky et al., 2006). Those in this group are also “more likely to live in households with children, that are headed by single females, that contain fewer adults, and that have fewer secondary workers” (Garasky et al., 2006). Understanding the demographic make-up of those in the low-income, transportation deprived group can help us understand where to target services.

Racial minorities are more likely to experience transportation deprivation. In their study regarding the fluctuations in automobile ownership, Klein and Smart (2017) found that “poor, [as well as] foreign-born and non-white families” are much less likely to own a car than their white, domestically born, non-poor peers. Of the population sample in their research, 45% of poor families and 30% of non-poor black families did not own a car. They found that poor families, families headed by a black individual, and Hispanic families are more likely to transition in and out of car ownership. Klein and Smart’s (2006) findings are corroborated by Clifton and Lucas, who found that minorities are less likely to own a car than whites, with 20% of African Americans not even having access to a car (Lucas, 2012).

A third group that is significantly impacted by a lack of transportation access are those who live in rural areas. The distance spanned by needed facilities and services in rural areas means that those who do lack transportation access are at an even greater disadvantage than those in urban areas (Pucher & Renne, 2005). The lack of public transportation in rural areas means they are more heavily reliant on the private transportation (Pucher & Renne, 2005; Fletcher et al., 2010). Thus, those who live in rural areas are essentially forced to buy a car no matter how much income they have, which means that low incomes families in rural areas spend a greater percentage of their income on transportation costs than higher income families (Pucher & Renne, 2005; Newman, 2015; Pyrialakou, Gkritza, & Fricker, 2016). If these low-income families cannot afford to buy a car, they will be cut off from many essential services and opportunities since there are not feasible (Newman, 2015; Fletcher et al., 2010; Rose et al., 2009). Unfortunately, rural areas commonly have higher rates of poverty and lower levels of
education, and, as stated earlier, when the poor do purchase vehicles, they often have vehicles that are less reliable (Fletcher et al., 2010; Garasky et al., 2006).

Along with those listed above, there are many other groups of people who are more likely to experience a lack of transportation access. In addition to low income and minority families, researchers have also found that the disabled and the elderly, the young, and single parents are more likely to be impacted by a lack of transportation access and experience social exclusion (Mackett & Thoreau, 2015; Kenyon et al., 2002; Davey, 2007). Having to give up their license means the elderly are unable to drive personal vehicles and being too physically weak to walk to public transit means that, for many, public transportation is inaccessible as well (Davey, 2007; Mackett & Thoreau, 2015). Those who are disabled may struggle to walk on uneven terrain, they make fewer trips than those who are not disabled, and their disability can make it difficult to take jobs or attend job interviews (Mackett & Thoreau, 2015). Young people may be cut off because they are unable to afford driving lessons or public transit and their parents may be unable to take them to after-school activities (Mackett & Thoreau, 2015). Single parents make more frequent, shorter trips on a weekly basis, usually by car, even though almost half of them do not have a car (Lucas et al., 2016). A larger share of single parents walks or ride a bicycle compared to others (Lucas et al., 2016). This higher trip frequency may indicate that single parent households may benefit more than many others in receiving a car or assistance with transportation access.

Public vs. Private Transport

Private transportation is the most used form of transportation in all areas, both urban and rural, and has been shown to be the only form of transportation that fully meets the needs of welfare recipients (Pucher & Renne, 2005; Clark & Wang, 2010; Fletcher et al., 2010). Automobile ownership has a greater impact on a person’s chances of being employed than having a high school diploma and is the greatest indicator of the quality and likelihood of a person’s employment (Lichtenwalter, Koeske, & Sales, 2006; Fletcher et al., 2010). Vehicle access reduces poverty exposure and increases a person’s chances of keeping a job (Blumberg & Pierce, 2017a; Blumberg & Pierce, 2017b). Hu (2017) discovered that while job accessibility by automobile has a significant impact for low to medium income groups, having a car has the greatest impact for the lowest income group. Owning a private vehicle can have psychological benefits as well, as it can give people a sense of independence and give them confidence that they can take care of themselves and their families (Rose et al., 2009). On the other hand, public transportation access, while helpful, does not help everyone (Kenyon et al., 2002). Living near public transportation does not increase a person’s chances of employment nor does it
increase low income workers’ access to employment (Lichtenwalter, Koeske, & Sales, 2006; Hu, 2017; Blumberg & Pierce, 2017a). Many low-skilled workers work shifts that are not conducive to riding on public transport, such as night shifts that begin or end after public transports have stopped for the night (Clark & Wang, 2010). Public transport increases people’s travel times, which might make it an especially unfeasible option for people in rural communities (Fletcher et al., 2010; Rose et al., 2009). Multiple researchers have found that some people do not feel safe using public transportation and others feel looked down on when they use public transport (Mackett & Thoreau, 2015; Church et al., 2000; Rose et al., 2009).

Private automobile accessibility is not a full-proof solution, however. While several researchers have found and argued that car ownership increases employment wages, Lucas et al. (2016) found that car ownership among the lowest income group increased even though income did not (Gurley & Bruce, 2005; Clark & Wang, 2010). Additionally, multiple researchers have found that one of the significant problems faced by low income families who acquire a vehicle is that they struggle to pay for the maintenance of the vehicle (Clark & Wang, 2010; Mackett & Thoreau, 2015; Garasky et al., 2006; Johnson, Currie, & Stanley, 2009; Fletcher et al., 2010; Blumenberg, & Agrawal, 2014; Rose et al., 2009). Thus, low income families need to be prepared to pay for car ownership, although this can be difficult (Johnson et al., 2009).

**Gaps in the Literature**

Despite the important conclusions that can be drawn from the literature regarding transportation access and social exclusion, gaps in the literature do exist. First, most of this research has been done in the United Kingdom, Australia, and New Zealand. While there is some research that has been conducted in the United States regarding social exclusion and the lack of transportation access, it is not as extensive. Much more research needs to be conducted in the United States, especially because it is such an automobile-dependent country. Second, although Hu (2017) looked at how the impact of car accessibility changes depending on a person’s level of income, hers was the only research study we found that looked at the impacts of automobile accessibility within

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Automobile ownership has a greater impact on a person’s chances of being employed than having a high school diploma and is the greatest indicator of the quality and likelihood of a person’s employment (Lichtenwalter, Koeske, & Sales, 2006; Fletcher et al., 2010).
racial groups. Most of the other research studies we found simply compared low to high income individuals. More research needs to be conducted that looks within groups of disadvantaged people to see at what point gaining access to an automobile is the most beneficial. Similarly, while the research we found mentioned that more minorities and women lack transportation access than whites and men, research is lacking an explanation for which racial groups would truly benefit the most by gaining access to a car or improved public transit.

**ii. Demographics of the Brazos Valley**

*Identifying the Need*

According to the scholarly literature, transportation needs may be related to how urban or rural a community is as well as the racial composition and educational attainment of the community. Because specific scholarly research was not found regarding the urban/rural, racial, and educational characteristics of the Brazos Valley, non-scholarly information was reviewed and compared with the current scholarly literature on trends in transportation access in the United States.

The Brazos Valley has seen population growth slightly lower than the state average. In fact, the population of the Brazos Valley is significantly different than that of the state of Texas; the racial and ethnic composition of the Brazos Valley is more reflective of the rest of the United States (Alaniz et. al., 2016). Though there is variation across counties, the Brazos Valley is about 60% Caucasian, 12% African American, and 22% Hispanic. The rest of Texas has a much higher Hispanic population, about 40% as of 2014 (Alaniz et. al., 2016). Across the Brazos Valley 8,031 homes have a single parent as the head of household- 2,504 of which are single fathers (Alaniz et. al., 2016). The highest rate for females as single heads of household with children under 18 is Robertson county where 7.4% of homes have a female single head of household (Alaniz et. al., 2016).

The Brazos Valley faces unique challenges regarding transportation access that are shaped by the demographics and opportunities in the counties that make up the region. In order to better serve the community, it is necessary to have a clearer picture of the makeup of the population. The demographics of the Brazos Valley are reportedly quite different than those in Brazos County (Alaniz et. al., 2016). The Brazos Valley is significantly more rural and public transportation options decrease in counties further from the Texas A&M University campus. According to the 2016 Brazos Valley Health Status Assessment Report, the Brazos Valley ranks lower than the national and state averages on several indicators, including health, education, and income attainment, which are factors that can be improved by better access to transportation (Alaniz et. al., 2016). For example, Leon County faces a greater challenge in access to healthcare than the rest of the Brazos Valley. In Leon County, residents can expect a ratio of 17,000 patients per primary care physician (Alaniz et. al., 2016). If residents do not have private transportation, they cannot seek more available healthcare services outside of Leon.
County. According to the literature, we have identified rural-ness as a factor affecting access to transportation, and the rural nature of the value makes this a factor of interest for the region.

Race is also an influencing factor regarding access to transportation, and some argue that this is caused by the Spatial Mismatch Hypothesis. This hypothesis states that African Americans have less access to low-skilled job opportunities because they tended to remain in inner-cities while jobs suburbanized with white populations (Gobillon, 2007). Ironically, technological advances in transportation contributed to this suburbanization as private ownership of a vehicle became more common (Gobillon, 2007). Governments have responded to this need through transportation initiatives primarily focused on public transportation. Because most public transportation is designed to bring people into the city center, these programs do not tend to do much to help African Americans reach suburban jobs (Gobillon, 2007).

According to research, African Americans are more likely in general to take public transportation systems, meaning it often takes longer for them to get to their jobs, if the transportation program allows them to retain a job (Gautier & Zenou, 2009). Gautier & Zenou have hypothesized that private car ownership might allow people to accept and hold onto jobs that they might otherwise be forced to turn down (Gautier & Zenou, 2009). This problem is further exacerbated by the initial wealth differences between whites and African Americans that typically allow whites to be able to afford cars more often than their African American counterparts (Gautier & Zenou, 2009). These factors influence the ability of whites to more quickly lift themselves out of poverty than other groups and to remain that way.

What Programs Succeed?

Private vs. Public. Affordable public transportation is one of the primary concerns expressed by residents of the Brazos Valley (Alaniz et. al., 2016). However, considering the spatial mismatch hypothesis, public transportation may not be the most appropriate solution for the transportation needs of the Brazos Valley. There is currently very little evidence that public transportation helps those in lower income neighborhoods expand the reach of their job opportunities, as previously discussed (Sanchez et al, 2004). Although public transportation can be beneficial in connecting people to the city center, it is incredibly time consuming as a primary mode of transportation. Legislation aimed at bettering people’s employment through public transportation has mostly failed to stabilize families enough to stay off welfare programs (Sanchez et al, 2004).

Comprehensive vs. Single-issue Programs. Economic development initiatives that focus on a single barrier to employment are often only marginally effective. Instead, comprehensive programs that address transportation, education, healthcare, and other issues are more successful at lifting families out of poverty and keeping them above the poverty line (Blumenberg, 2002). If families face transportation as a barrier to employment, they likely face other barriers as well such as low educational attainment and health related problems. Within the Brazos Valley, a consolidation of local initiatives has seen more successful outcomes than
programs with overarching priorities established by organizations outside of the community (Garney et al, 2013). The institution of Communities of Solution has been more successful at bettering health outcomes in the Brazos Valley than requirements placed on local governments from higher institutions (Garney et al., 2013).

Comprehensive programs aimed at improving transportation can begin to address the “opportunity gap” that many children face because of where they live. Access to private transportation can expand choices on what schools’ children can attend, what after school programs they can participate in, and what jobs or internships they can accept as they get older (Kenyon, et al., 2015). Pairing existing housing and education initiatives with transportation programs can allow families that face this opportunity gap to take full advantage of the benefits of these initiatives. Improving private transportation is a reasonable way to accomplish this as parents with private transportation can be more selective about the schools, they choose to send their student since public transit systems often route to struggling schools (Kenyon et al., 2015).

iii. Nonprofit Location and Expansion

Among OnRamp’s goals is to expand operations to new cities and regions within Texas. Therefore, we considered the elements that should inform OnRamp in their future expansion locations. What factors into nonprofits’ decisions when choosing where to locate largely depends upon the type of nonprofit and the region it operates in (Marchesini da Costa, 2016)? Moreover, research into nonprofit location is limited to factors affecting the concentration of nonprofits and rarely examines what prompts relocation or expansion choices. As such, it is difficult to generalize from the literature. However, three elements are frequently associated with nonprofit location decisions: resource availability, the demographics of need, and social capital. We examine the evidence for each of these in turn and then discuss their implications for OnRamp moving forward.

Resource Availability

For the most part, researchers have consistently concluded that resource availability, including funding and human resources, is an important motivator for nonprofit location across the globe. Bielefeld, Murdoch, and Waddell (1997) find that the higher the average income of an area, the more likely health, social services, and education nonprofits are to locate within its vicinity; the authors attribute this finding to higher earners’ ability to provide financial contributions. Joassart-Marcelli and Wolch (2003) reach similar conclusions in their study of Californian nonprofits, determining that nonprofits tend to locate in more well-off cities. Alongside community finances, human resources are key, according to Grønbjerg and Paarlberg (2001). Using measures of human capital that include the percentage of the population with an advanced degree, they find a positive relationship between human resource availability and nonprofit concentration.

Additionally, government funding at both the local and federal levels plays an important role in determining nonprofit concentration. Drawing from county-level longitudinal data in the
United States, Bae and Sohn (2018) conclude that funding from local governments and from the federal government is positively associated with nonprofit concentration. Their work largely affirms earlier findings from Grønbjerg and Paarlberg (2001) and Joassart-Marcelli and Wolch (2003). While Grønbjerg and Paarlberg do not find that federal funding plays an important role in determining nonprofit location, they nonetheless noted a small but significant relationship between nonprofit concentration and local funding. Likewise, Joassart-Marcelli and Wolch (2003) suggest that nonprofits and government function as complements, finding that government provision of social services via outsourcing is associated with a greater concentration of nonprofits in the area.

Marchesini da Costa (2016) represents a distinct dissenting voice. Studying nonprofits across Brazil, he finds that the availability of resources does not affect nonprofit concentration; he measures resource availability using a variety of variables, including rural population, population density, capital, and government investment. However, it is worth noting that Marchesini da Costa’s (2016) study is conducted in a country with many political, cultural, and other factors that differentiate it from the United States. Indeed, he points out in his paper that human services, education, and health nonprofits constitute the largest portion of American nonprofits, while they make up a minority of Brazilian organizations. As such, his results may or may not be completely applicable in an American context. The fact remains that the other papers assessing the relationship between area resources and nonprofit concentration, which all situate their analysis in the United States, find a significant and positive relationship between the two.

To some extent, these findings are somewhat intuitive; without funding to bankroll operations and a capable staff to carry them out, it is unlikely that a nonprofit will be successful. Indeed, for young nonprofits, financial difficulties are among the early struggles most associated with failure (Andersson, 2018). Considering these results together, it would appear that locations offering abundant resources—governmental and otherwise—are the most likely to provide successful grounds for a nonprofit organization. Therefore, the resources a new area offers should rank high on a nonprofit’s list of deciding factors when seeking to move or expand to new locations.

**Demographics of Need**

The picture presented above, portraying nonprofits as dependent upon resource-rich locations, is somewhat complicated by their propensity to locate in areas with high demographics of need. While some researchers do not find a positive connection between community need and nonprofit concentration, others—particularly those directly examining anti-poverty nonprofits—determine that nonprofits do locate in needy areas. These locales do not possess the resources that have been established to attract and retain nonprofits. This apparent contradiction has not been entirely resolved; it is obvious that nonprofits locating in areas of need draw their resources from outside the community, possibly from nearby resource-rich areas or from external funding mechanisms such as state or federal grants.
Several experts obtain results showing an uncertain or even negative relationship between nonprofit concentration and area need. Grønbjerg and Paarlberg (2001) find a negative relationship between their measures of need—child poverty and diversity—and nonprofit location, though they indicate that the relationship is weaker for charitable nonprofits. Bielefeld et al.’s (1997) results are somewhat mixed; while finding that nonprofits are more likely to locate in well-off areas than needy ones, a finding shared by Joassart-Marcelli and Wolch (2003), they determine that increasing income to a point results in a lower concentration of nonprofits. They describe these findings as “consistent with the idea of nonprofit service to those with low incomes” (p. 223). Similarly, Marchesini da Costa (2016) finds that various measures of community need influence nonprofit location, but that multiple are negatively related to nonprofit concentration.

At the same time, other researchers contend that nonprofits do locate in areas with substantial levels of need. Exploring anti-poverty nonprofits in Phoenix, Arizona, Peck (2008) finds that these organizations tend to concentrate in Phoenix’s needier regions. Yan, Guo, and Paarlberg (2014), conducting a similar study in the greater Hartford area in Connecticut, also find a positive relationship between a location’s need and the number of anti-poverty nonprofits situating there. Although these studies are fewer in number than those finding a mixed or negative relationship, it is noteworthy that these authors uniquely focus on anti-poverty nonprofits, a group to which OnRamp belongs. This commonality suggests that the results of these studies are particularly pertinent for OnRamp.

Nevertheless, there exists an evident tension between securing resources and fulfilling a needs-based mission. In fact, the authors of one study examining job placement nonprofits found that although receiving a federal grant made organizations more likely to stay put in general, recipient organizations located in low-income areas became more likely to move to higher-income areas (Never & Westberg, 2017). Demographics of need evidently play a significant role in some nonprofits’ location decisions, but their interaction with resource availability is complex and difficult to parse.

**Social Capital**

Scholarly opinion regarding the role of social capital and relational networks in influencing nonprofit location choices is also somewhat murky. Researchers are divided on the importance of social capital, associations, and existing networks of nonprofits, with some finding these factors important determinants of nonprofit location and others finding the opposite. Grønbjerg and Paarlberg (2001), Marchesini da Costa (2016), and Marquis, Davis, and Glynn (2013) all find a positive association between the presence of social capital and the number of nonprofits in an area. However, Bae and Sohn (2018) note that their chosen measure of social capital, the number of associations, is unrelated to nonprofit concentration. Relatedly, while Saxton and Benson (2005) find that social capital as measured by political engagement and “bridging” social ties is positively related to nonprofit concentration, they do not find any relationship between interpersonal trust and nonprofits’ locations.
While the voices in favor of social capital’s significance outnumber those against, some scholars finding a positive relationship between social capital and nonprofit sector growth also determine that the relationship is not necessarily clear-cut. Social capital is difficult to define precisely, as illustrated by the multitude of scholarly definitions offered in Bae and Sohn’s (2018) paper. Likewise, as indicating by Saxton and Benson’s (2005) research, some measures of it are positively associated with nonprofit location while others are not. Indeed, researchers employ a wide variety of measures representing social capital, including but not limited to the existing number of nonprofits, population, and employment structure (Marchesini da Costa, 2016; Grønbjerg & Paarlberg, 2001). In the literature, concrete associations with existing local entities like businesses and other nonprofits appear to be the most relevant in determining the location of nonprofits, as evidenced by the findings of Marchesini da Costa (2016) and Marquis et al. (2013); the authors conclude that the existing concentration of nonprofits and relationships with business entities, respectively, are associated with nonprofit location. Community characteristics may be important factors to consider, but above all the capacity for relationships with existing organizations is critical for nonprofits beginning work in a new locale.

The above elements are important to consider when evaluating OnRamp’s expansion plans. The organization’s leadership would do well to account for resource availability, social capital, and the demographics of need when selecting new sites, with careful attention to the balance between area resources and area need. However, it is worth noting that the results of the above research are an imperfect proxy for expansion or relocation motivations, as most concern where nonprofits in general tend to congregate rather than the specific drivers of individual nonprofit decisions. Literature on considerations for nonprofit expansion locations does not appear to exist despite its usefulness, suggesting a gap in the research worth filling.
IV. NONPROFIT ORGANIZATIONAL MANAGEMENT

i. Board of Directors

Nonprofit boards of directors are a fundamental driving force for nonprofits, and they are especially important in emerging nonprofit organizations. Board members tend to serve a variety of functions including engaging hands on with other volunteers to accomplish the organization’s mission. Like everything involving people creating an effective board for a nonprofit organization and encouraging growth and development is complicated because of the unique context in which each organization exists. Part of the difficulty lies in determining what actually defines “effective” in terms of the nonprofit board. Aulgard (2016) explains that a comprehensive definition of effectiveness does not exist because of this complexity in the nonprofit sector, however we can make comparisons to similar organizations to gain a better understanding of what effectiveness means in the context of their organization. In our review of the literature on nonprofit boards we have found four key areas that are relevant to an emerging nonprofit: board creation, board governance & mission fulfillment, board roles, and finally board effectiveness.

Board Creation

Thorough examination and preparation are fundamental in creating a nonprofit board that will ensure the long-term success of a fledgling nonprofit (Pakroo, 2017). Considerations on what makes a good board, board member’s duties and tasks, board policies and procedures, recruiting board members, holding effective board meetings, and the role of committees within a board are all examined. It is especially important for a new nonprofit to create a diverse board with clear roles and responsibilities that can help grow the organization from a startup stage. Understanding that board members are volunteers and may not have experience in the specific niche their organization is working in is a key first step for an organization to take when creating a board. Knowing that an organization will need train its board members on what it is trying to accomplish means that an organization should define what it is exactly that it is trying to accomplish. By setting clear, measurable, and attainable goals a nonprofit can provide guidance on what it is the organization is actually trying to accomplish and how they can help it reach those goals. The organization needs to also set the specific roles and clearly define the duties required of those roles – create a job description and clearly outline what the president of the board will do. Do they set agendas for the board meetings and keep said meetings on track? Are they the main point of contact with the organization executive director? Does the president conduct the executive director’s performance evaluation or is that done by the board as a whole? An organization could have a number of board vice presidents, a treasurer, a secretary, or another position that is any combination of those. What truly matters is setting the expectation for each role and defining what is they will be doing. By setting these clear expectations when creating a board an organization can set its board up for success in achieving its mission. This combination of board processes and involvement leads into the importance of balancing governance and mission fulfillment.
Board Governance & Mission Fulfillment

Governance best practices do not always result in actual improvement in governance from a nonprofit board (Peppiatt, 2015). Though governance and mission fulfillment are related, they are separate focuses of the nonprofit board and require a balance from the board to ensure proper governance and mission fulfillment. Still, the board should be balancing the goals of mission fulfillment and governance to ensure the most effective operation of their organization. Bifurcation of the Board to address governance and mission fulfillment is not recommended as it limits the resources the Board can direct towards each cause. As discussed earlier the expectations of board members in their specific roles must be clear so that the board can properly govern the organization as a whole. These expectations themselves are a form of governance in the organization as they set the standard for how the board will operate. Northrup (2018) explains that one of the most important things a board can do is conduct assessments and change their roles and expectations as needed to accomplish the mission of the organization. And just as important as board policy changes, the board should periodically evaluate their organization’s mission and set a metric to determine what success means and then make changes if goals are not being met. As we dive deeper into board operations it is clear the roles board members play is very important.

Board Roles

There are four key roles that board members must fulfill and balance for their organization to be effective (Cumberland, Kerrick, D’Mello, & Petrosko, 2015). These are: the monitoring role, supporting role, partnering role, and representing role. Research shows that when board members perceive one or more of these roles to be lacking, that the overall perceived effectiveness of the organization is reduced. Board members should review their roles to ensure these four key role sets are being met to ensure effective operation of the organization. The monitoring role relies on agency theory in that it requires the executives to be monitored by the board to protect the stakeholders and mission the organization serves (Fama & Jensen, 1983). The Supporting Role relies on resource dependency theory in that nonprofits require resources to operate and that board members play a pivotal role in procuring those resources (Pfeffer & Salancik, 1978). The Partnering Role focuses on stewardship theory with the idea that resources should be managed responsibly, and a key component of that management is planning and strategy (Hung, 1998). The Representing Role relies on stakeholder theory with the board members making decisions that are in the best interest of their stakeholders, namely the clients that they serve (Wang & Dewhirst, 1992).

Ingram (2015) has laid out ten additional roles and responsibilities of nonprofit boards that includes the following: determine mission and purpose, select chief executives, support and evaluate the chief executive, ensure effective planning, monitor and strengthen programs and services, ensure adequate financial resources, protect assets and provide proper financial oversight, build a competent board, ensure legal and ethical integrity, and enhance the organization’s public standing. Each these ten roles are a specific part of the four board roles outlined earlier and can help an organization understand specifically what goes on in each role.
Utilizing the monitoring role, the following roles and responsibilities can be categorized as monitoring – ensuring effective planning, monitoring and strengthen programs and services, and protect assets and provide oversight.

Under the supporting role umbrella, one might find selecting the chief executive, supporting and evaluating the chief executive, and ensure adequate financial resources. These responsibilities are clearly things a board would do to support the executive and the organization as a whole. The partnering role holds the responsibility of building a competent board – no one will be a better recruiter for the board than a previous member on their way out due to term limits. Finally, the representing role is pretty straightforward encompassing that the board should enhance the organization’s public standing and ensure legal and ethical integrity.

**Board Effectiveness**

Ultimately what you are doing with the board is setting them up to be as successful and effective as possible. But what defines effective in the nonprofit sector? Earlier it was discussed how complicated defining effectiveness is. In the research conducted it has been found that a balance of influence is critical for Board Chairs to exert in order to be as effective as possible (Harrison & Murray, 2012). This includes communication of the responsibilities and authority the chair holds and how it relates to the other Board members, evaluation of the leadership of the chair, provision of training and development opportunities of the chair’s successor, and finally – creation of a succession plan for the Board Chair. In this way, authority roles are clear and there is a plan for the board chair successor. That influence can be used to impact each of the key areas outlined in this paper, ultimately resulting in a more effective board. As long as nonprofit organizations have existed they have operated in a much more complicated fashion than any for-profit business or the public sector and this complexity is their key to success and helps the reader to understand that these organizations are standing on the shoulders of giants, building upon the successes and failures of the boards that have become them and succeed or fail.

**ii. Leadership Practices**

Leadership strategies are essential to the stability and growth of startup nonprofit organizations. It is crucial to differentiate leadership positions from managerial roles because managers tend to seek stability and certainty of an organization while leaders are focused on change, complexity, and innovation (Nanus, 1999). Leadership capabilities can vary among organizations and depending on what strategies are appropriate. A leader can have a considerable impact on the success of an organization. Researchers have identified several methods to leadership of an organization as well as ways to evaluate current and future individuals in leadership positions. It is crucial to understand the changing role and practices of successful leaders in order to determine which methods will allow an organization to optimize the available resources and achieve the goals of the organization.
With the number of skills needed from those in leadership positions, it is becoming more difficult for a single individual to assume all these roles. Traditionally, leadership has been perceived as one individual that leads a group of followers or a team within an organization to reach any potential goals. These characteristics tend to align more with the self-leadership style of an organization. According to many researchers including Pearce and Manz, when an organization operates on knowledge work, it is essential to promote both shared leadership and self-leadership. Pearce and Manz describe knowledge work as work that requires the intellectual capital of skilled professionals, and they recognize the importance for leaders in an organization to have the ability to work independently as well as to work as a team to achieve the goals of the organization (Pearce & Manz, 2005). In recent studies, there has been more implementation of team-based knowledge work to expand the traditional methods of leadership and allow for a potential increase of intellectual capital within the group (Houghton et al., 2003). Although with the expectations of successful leaders on the rise, it is still necessary to determine whether shared leadership is the most effective. According to researchers Hooker and Csikszentmihalyi (2003), unintended consequences may appear as more work becomes knowledge work. This is because when the work becomes more flexible and varied, it will be necessary to use different types of leadership such as decentralized or shared forms.

Succession Planning

Self-leadership is not only an important part of running a successful organization but is also necessary to determine when the organization needs organizational and leadership change (Gothard & Austin, 2013). According to Hardy, the concept of self-leadership is defined as self-directed strategies that can influence behavior, internal systems of reward, conceptions of effectiveness, performance standards, and outcomes (Hardy, 2005). The use of self-leadership strategies can help executives develop an organizational climate of trust that enables others to more successfully and openly navigate difficult conversations about organizational and leadership change (Hardy, 2005; Austin & Gilmore, 1993). Although it is difficult for nonprofits to choose a successor due to limited resources, it is important to be vigilant in planning to avoid disruptions in the organization (Santora, 2007). With the high turnover rate of executives in nonprofits, it is essential to have a plan of succession for leadership in these organizations. It is vital for nonprofits especially to be aware and detailed when it comes to succession planning.

Accountability and Evaluation

Accountability is necessary when evaluating a leader as well as the organization. According to researcher Dennis R. Young (2002), the “ultimate test of accountability for a nonprofit organization is whether its leadership can responsibly interpret, and honestly and energetically promote, the organization’s mission, even when environmental, stakeholder and governance pressures make other paths more comfortable and secure.” For an organization to operate efficiently, individuals taking on the role of a leader should try to hold the organization accountable for their performance, and the organization should do the same when evaluating
the abilities of their leader. Challenges may emerge as external pressures set in, but it is crucial for the leader of the organization to maintain the goals of the organization to deliver the intended services regardless of the influence present from donors and stakeholders (Young, 2002). Through unquestioning acceptance of private sector values and methods, it is possible for nonprofits to risk losing sight of the spirit of cooperation and participation traditional in the nonprofit sector (Bush, 1992). It is essential not only for a leader to hold the employees of the organization accountable for completing their responsibilities but also for the organization to hold the leader responsible for performing at the highest level.

One of the primary roles as the leader of an organization is knowing how to evaluate an organization and understanding how to implement changes in areas of that organization when needed. According to researchers Nanus, Dobbs, and Bass (1999), leaders must determine the strengths and weaknesses of their organizations, and they suggest looking at four specific divisions within an organization. Leaders should assess the key stakeholders both current and potential, financial or physical resources, organizational character and effectiveness and lastly the community characteristics or the services provided by the organization. After gauging the current state of the organization, the leader should make changes in order to optimize the strengths and eliminate the weaknesses of the organization.

*The Roles of Nonprofit Leaders*

Successful leaders obtain the ability to wear multiple hats to lead an organization towards their mission. According to many researchers, the roles of leaders can vary. Some are strategists, those who decide when the organization needs a new strategy, and some may play the role of a coach guiding a team to reach their collective goals. Successful leaders may need to play the part of a politician, building relationships internally and externally to advocate for the mission of the organization. An essential characteristic of an individual in a leadership position is knowing when to play which role. The challenge for a leader is to determine which role is necessary when taking into account both internal and external pressures. According to Holloway (2012), one of the main details separating nonprofits and for-profit organizations is that nonprofits must satisfy the wants and needs of multiple constituencies to remain competitive and successfully deliver services. It is difficult to cooperate with different groups in the creation of long-term goals for an organization. This task alone can create differences in how leaders of non-profit organizations behave.

The success of a leader can be determined not only by the strategy they implement but also by their ability to build relationships with those in their organization as well as outside of the organization. According to researcher Holloway (2012), effective leaders possess both a concern for the task and for the individual relationships with their employees. For this reason, team building, and knowledge management should be made a priority in any organization that demands success. Successful leaders must be willing to build relationships within their organization so that they are comfortable with performing tasks at any level in the organization as well as leadership of others towards the goals of the organization. An attribute held by successful leaders is the ability to be fluid within an organization and be able to work with a
team to achieve a common goal. According to research completed by Hopen, success is less dependent on personal knowledge and skills and more dependent on the leader’s ability to encourage and support others’ efforts. To best establish lasting relationships within an organization, a leader must first understand the importance of building trust. By using the concept of followership, organizations can build a relationship between leaders and followers and establish role fluidity to achieve the mission of the organization more effectively (Gilstrap & Morris, 2015). According to many researchers including Lee, Gillespie, Mann, and Wearing (2006), a conceptual framework shows how trust in a leader and a team can provide the best platform for knowledge sharing that will lead to a more efficient organization. According to the study completed in the research, when team members share knowledge, their team was better able to meet project goals, achieve quality results, meet customers’ expectations and reach efficiency (Lee, Gillespie, Mann, Wearing, 2006). According to Wang and Shyu (2008), there is a direct connection between employees, their productivity, and the organization’s performance. Therefore, it is essential for leaders to maintain a positive work environment to maximize and enhance their employees’ efforts to reach organizational efficacy (Holloway, 2012).

**Knowledge Management**

After the organization has successfully hired a capable team and determined the principal roles, one of the strategies that have been most effective in building trust is knowledge management. According to many researchers including Swap, knowledge management is a challenging yet critical strategy because it is a way to transfer experiences and other intangible assets within and across organizations. Lee, Gillespie, Mann, and Wearing (2010) also agree that knowledge management is essential, and the research shows that leaders can foster the sharing of knowledge within their organization by building team trust (Lee et al., 2010). A platform built on trust is essential because knowledge sharing in a team is not automatic, and the team’s leader has the potential to influence the extent of knowledge sharing strongly. Trust in the team aspect of the organization is a better indicator of success that trust in the leader. According to the research, when team members share knowledge, their team was better able to meet project goals, achieve quality results, meet customers’ expectations and reach efficiency (Lee, 2010). Accountability is a factor that should remain the priority for assessing the strength of the leader to implement changes for the organization to operate most effectively. Simultaneously, it is crucial to establish and develop relationships within the organization both as a leader and a team player.

**iii. Nonprofit Partnerships**

Much scholarly literature is devoted to examining the formation of cross-sector community partnerships between nonprofit organizations and for-profit firms. Further, other literature intended to model partnerships between for-profit firms is easily adapted to partnerships that transect sectors or partnerships between two nonprofit organizations.
However, merely studying how nonprofits choose a compatible partner is not sufficient on its own. In order to achieve a comprehensive understanding of nonprofit partnerships, it is equally important to examine factors crucial to strengthening and maintaining relationships. Themes in the literature are centered on four key aspects of a partnership: (1) its formation, (2) its nature, (3) its governance, and (4) its funding.

**Theoretical Perspectives on Partnerships**

**Formation of Nonprofit Partnerships.** Perhaps the most important and directly relevant paper written on this topic was written by Jawahar & McLaughlin (2001). They highlight and attempt to bridge a clear gap in the literature on organizational management: most articles focus on mature nonprofits, failing to capture the differences in priorities that organizations emphasize at different stages of their development. To close this gap, the authors draw upon three existing theories of organizational management: (1) resource dependence theory, (2) prospect theory, and (3) organizational life cycle theory. They apply these theories to partnership formation by hypothesizing that organizations value relationships with different stakeholders at different stages of their life cycle.

Resource dependence theory, initially advanced by Pfeffer & Salancik (1978), describes the actions of organizations based on the resources they require to fulfill their mission and the steps they take to acquire those resources. The theory implies that organizations will pay more attention to the resources which are critical to their ability to operate. Prospect theory, drawn from the work of Kahneman & Tversky (1979), is a decision-making theory that implies that individuals are more sensitive to losses than they are to an equivalent amount of gains. Finally, the authors employ the four-stage organizational life cycle described by Miller & Friesen (1980) – birth, growth, maturity, and revival.

Using these theories, the authors discuss how organizations value relationships with different stakeholders in the context of life cycle stages. Two of these sections are potentially relevant to OnRamp: Start-up and Emerging Growth. In the Start-Up phase, theory suggests that nonprofits commonly identify that financing and marketing concerns as most pressing. As a result, nonprofits likely prioritize stakeholders with start-up capital most closely during the start-up phase. Emerging growth, characterized by increases in organizational size and expertise, is punctuated by a focus on internal stakeholders like employees and other organizations performing similar work.

Tsarenko & Simpson (2017), detail an experimental study of nonprofits and for-profit organizations and the nature of partnerships across sectors. This study models conceptual government strategies of cross-sector relationships to understand the reasons why organizations from separate sectors may form partnerships and what complications may emerge from their differences. Tsarenko & Simpson (2017) lay out a relationship model based on three factors: fit, governance, and performance of the relationship. They suggest that partnerships form because organizations have compatible or complementary fit, relationships are governed either by mutual trust or mutual commitment, and performance is measured by
effectiveness or by legitimacy brought to each group. Their analysis of interviews of nonprofit and for-profit organizations has several important implications. First, a strong sense of fit, whether as a result of compatibility or comparability, can have a mediating influence on governance disputes that come up as a result of cultural differences. Further, the study found that trust in governance is significantly more important to nonprofit organizations than corporations, and that trust deficiencies hurt relationship effectiveness more than they damage relationship legitimacy.

Hartman & Dhanda (2018) offer another perspective on the formation of nonprofit partnerships. In some respects, they complement the work of other researchers, but draw distinctions in other areas. One such distinction: the authors suggest that much of the difficulty experienced by partners in these relationships comes as a result of a perceived imbalance of power that may not actually exist. This is in contradiction with a fair amount of literature that is highly critical of the fundamental nature of cross-sector partnerships. The most common standard for evaluating power in a cross-sector partnership appears to be financial strength, which positions the for-profit favorably. However, the authors contend that despite the lack of financial power, nonprofits have many things to offer for-profits, like market insights, local knowledge, and social legitimacy. With knowledge of what they bring to the Figure in mind, nonprofits seeking to partner with other organizations should keep several criteria in mind to create a successful partnership: (1) selecting a compatible partner, (2) clearly enumerating shared goals, and (3) closely monitoring shared impact.

Seitanidi, Koufopoulos, & Palmer (2010) offer a final model of evaluating the formation of cross sector partnerships. The authors use a case study approach between the nonprofit Earthwatch and Rio Tinto, a global for-profit mining organization. Based on a series of in-depth interviews with the relevant stakeholders on each side of the partnership, the authors concluded that there were three interrelated aspects of the partnership’s formation that directly related to the partnership’s potential efficacy. First were the organizational characteristics of each group, which spoke to the transformative capacity that, when efforts were combined, the organizations could jointly have. Second, the motivations for joining the partnership, which were also considered to be crucial as these motivations spoke to the transformative intentions of each member. Finally, the history of the interactions between the organizations was considered, as this spoke to the transformative experience the organization already had working together. All three of these aspects, the authors posit, are crucially important to consider when considering a new partnership.

**Nature of Nonprofit Partnerships.** Once a relationship is established between suitable partners, maximum value is created when both parties maintain their commitment to one other. Two obstacles stand in the way of meaningful commitment: different goals regarding value creation and over commitment by one or both parties. Austin and Seitanidi (2012a) describe the spectrum of value that can come from a cross-sector partnership: (1) associational value, (2) transferred resource value, (3) interaction value, and (4) synergistic value – with associational value being the most surface-level type of value and synergistic value representing the peak potential of a collaboration. If, for example, a nonprofit organization is interested solely in gaining transferred resource value and their business partner is only
interested in the associational value, the cross-sector partnership will never reach its full potential.

As partners move towards more advanced, interdependent stages of teamwork, the resources shared and the corresponding value co-created increases for each party. However, the type of value also shifts further down the spectrum, from surface-level associational value to synergistic value created by the sharing of time, goals, and core competencies. If both parties are not fully committed, the lagging commitment of one partner can cause the failure of the partnership. In their discussion of the costs of alliances, Bae & Gargiulo (2004) use profitability to gauge the relative results of alliances of varying density, finding that the more commitments an organization has to different partners, the less each partner gains from that partnership. However, they also find that a dense network of common partnerships amongst organizations leads to greater profitability for all firms, implying that increased depth (as opposed to breadth) of commitment to a partnership facilitates greater sharing of human capital, core competencies, and strategic direction.

Governance of Nonprofit Partnerships. Equally as important as commitment from both parties is a well-defined structure of governance that dictates how decisions will be made, how resources are allocated, and how disputes will be resolved. Proper design of a cross-sector partnership creates the interaction value discussed by Austin & Seitanidi (2012b). While the authors admit that these structures can start as more informal relationships revolving around shared trust or charismatic leaders, they posit that as a partnership develops, these types of governance structures are institutionalized. As these structures of governance imprint on both organizations, their employees, and their cultures, it is highly likely that the norms and rules guiding the governance of the partnership will seep into the governance of the individual organizations, creating a positive feedback loop strengthening the relationship between the two organizations. The takeaway from Austin & Seitanidi (2012b) is that institutionalization of a partnership lends legitimacy and strength to the nature of the partnership.

Funding for Partners. In their discussion of collaborative convergence and partnership formation, Austin & Seitanidi (2012a) warn against the dangers of always prioritizing the needs of one partner over another. However, in relationships where one partner is perceived as the benefactor, or has more resources, it is tempting to think in this manner. To combat the dangers this inevitably brings, nonprofits should aggressively engage in fundraising of various types to diversify their revenue streams. Froelich (1999), using resource dependence theory as a framework, does an in-depth review of three such potential revenue streams: (1) individual donations, (2) government grant funding, and (3) commercial activity. Nonprofits should seek not to become too reliant on one partnership or one source for funds and resources, even if that means developing their own revenue streams from services or products offered.
Case Studies: Partners and Practices of Transportation Nonprofits

We searched for comparable nonprofits in GuideStar according to the methodology outlined in the Inclusion and Exclusion Criteria above. We limited search terminology to simple words: “transportation”, “car/cars”, and “vehicle/vehicles.” Results were filtered by gross receipts in decreasing order and qualitatively judged to be either sufficiently similar or dissimilar to OnRamp. “Transportation” returned 158 nonprofit results, all of which offered ride assistance services as their primary offering, not car donations. “Car/cars” found 18 results, of which 11 were sufficiently comparable to OnRamp. Finally, “vehicle/vehicles” found 24 results, most of which were repetitive from “car/cars”, but one unique result was judged to be comparable to OnRamp. These twelve organizations are described below, with two additional organizations – God’s Garage and Newgate School, added on request of Pastor Jennings:
### Figure 1.2 Comparable Nonprofit Organizations to OnRamp

<table>
<thead>
<tr>
<th>Organization Name</th>
<th>Founded</th>
<th>Operating Location</th>
<th>Gross Receipts</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charitable Adult Rides &amp; Services, Inc.</td>
<td>2003</td>
<td>San Diego, CA &amp; Nationwide</td>
<td>$6,400,269</td>
<td><a href="https://careasy.org/home">https://careasy.org/home</a></td>
</tr>
<tr>
<td>Vehicles for Change, Inc.</td>
<td>1999</td>
<td>Halethorpe, MD &amp; Detroit, MI</td>
<td>$4,570,886</td>
<td><a href="http://www.vehiclesforchange.org/">http://www.vehiclesforchange.org/</a></td>
</tr>
<tr>
<td>Wheels4 Hope</td>
<td>2000</td>
<td>Rahleigh, NC &amp; Greensboro, NC</td>
<td>$2,361,757</td>
<td><a href="http://wheels4hope.org/">http://wheels4hope.org/</a></td>
</tr>
<tr>
<td>Wheels of Success, Inc.</td>
<td>2003</td>
<td>Tampa, FL</td>
<td>$885,511</td>
<td><a href="http://www.wheelsofsuccess.org/index.html">http://www.wheelsofsuccess.org/index.html</a></td>
</tr>
<tr>
<td>Second Chances Garage, Inc.</td>
<td>2010</td>
<td>Frederick, MD</td>
<td>$624,361</td>
<td><a href="https://secondchancesgarage.org/">https://secondchancesgarage.org/</a></td>
</tr>
<tr>
<td>Lift Garage</td>
<td>2013</td>
<td>Minneapolis, MN</td>
<td>$596,547</td>
<td><a href="https://www.theliftgarage.org/">https://www.theliftgarage.org/</a></td>
</tr>
<tr>
<td>Cars For Neighbors</td>
<td>1999</td>
<td>Blaine, MN</td>
<td>$423,629</td>
<td><a href="https://carsforneighbors.org/">https://carsforneighbors.org/</a></td>
</tr>
<tr>
<td>Way To Go, Inc.</td>
<td>2005</td>
<td>Massanutten, VA</td>
<td>$306,554</td>
<td><a href="http://w2ginc.org/">http://w2ginc.org/</a></td>
</tr>
<tr>
<td>2CB, Corp. – The Car Ministry</td>
<td>1984</td>
<td>Falls Church, VA</td>
<td>$234,147</td>
<td><a href="https://www.carministry.org/">https://www.carministry.org/</a></td>
</tr>
<tr>
<td>God's Garage</td>
<td>2015</td>
<td>Conroe, TX</td>
<td>-</td>
<td><a href="https://godsgarage.org/">https://godsgarage.org/</a></td>
</tr>
<tr>
<td>Newgate School</td>
<td>2002</td>
<td>Minneapolis, MN</td>
<td>-</td>
<td><a href="https://www.newgateschool.org/our-programs/wheels-for-women">https://www.newgateschool.org/our-programs/wheels-for-women</a></td>
</tr>
</tbody>
</table>
What follows is a short case study of organizations selected by their size or availability of a financial report. It focuses on the portfolio of services these organizations offer and the types of partners they engage with to offer these services. In studying each nonprofit, every attempt was made to find a recent copy of their audited financial reports or an annual report. If neither was found, and no report was cited, information presented here was gleaned from the website of each nonprofit or from their most recent 990 filing.

**Charity Adult Rides & Services, Inc.** CARS is the largest nonprofit in this service area for which neither an annual report nor audited financial statements were available online. However, their website and their latest Form 990 are a wealth of information regarding the programming mix and partnership profile of the organization. Different from OnRamp, CARS is more of a hybrid organization, providing rides for seniors aged 60+ while also facilitating a car donation service.

The eye-popping assets and gross receipts are largely the result of the extent of their car donation service. CARS has partnered with 3500 nonprofits to offer a unique program through which individuals can donate their car directly to their preferred organization in the CARS network. Managing this program requires a large base of individual donors as well as an extensive, nationwide network of towing and car repair companies. However, CARS’ most important partnership is with Jewish Family Services, a nonprofit who contracts CARS to provide over $750,000 worth of ride share services to beneficiaries in the San Diego area. This memorandum of understanding appears to form the core of CARS’ programming services.

**Vehicles for Change, Inc.** Vehicles for Change (VFC) is uniquely relevant to OnRamp because it has successfully launched an expansion from their original service area to Detroit, Michigan, in June 2015. The most recent annual report available online is their 2014-2015 report, which paints the picture of a private transportation nonprofit with the pieces in place to expand not just across cities but to a new service area several states away (Vehicles for Change, 2015).

VFC is very similar to OnRamp in terms of the services they offer, operating as a full-service car donation program. Key to their operations are two wholly owned subsidiary organizations, the Center for Automotive Careers and the Full Circle Service Center. The Center for Automotive Careers acts as a prison re-entry program, providing education to 52 interns. These students work in the Full Circle garage, which provides service and maintenance to the individuals and families who receive cars through VFC’s donation program. Graduates of the program are later placed, pending availability, at five partner detailing shops in the community. VFC engages many partners in service delivery. Outside of the detailing partners, VFC receives at least eleven grants per year, five of which are from local government entities. They also have another eleven corporate partners listed ranging from restaurants to the Detroit Lions football team.

**Good News Garage.** Good News Garage (GNG) also has unique aspects that set it apart from other car donation programs. As a member of the Ascentria Care Alliance, a group of multidisciplinary nonprofits serving the New England region, they have access to the resources of nearly 60 partner organizations (Good News Garage, 2017). One unique programmatic
element is the auction system they have developed to maximize the benefit they receive from
donations of luxury cars. Partnering with Owls Head Transportation Museum, they auction
luxury and unusual cars, providing multiplier effects that often fund several average program
cars from the proceeds of one auction. Like other nonprofits in this area, they have diversified
their service offerings, also offering rides through their Ready to Go program in Vermont. They
also operate a Retail Garage Service to provide continual repair services to clients and the
general public. To provide such an extensive array of services across two states, GNG partners
with fifty-five named partners, including three towing companies, twenty-two garages, an
insurance company, eight churches, and several auto enthusiast clubs and other organizations.

**Wheels4Hope.** Though Wheels4Hope does not make an annual report available, their
website is an extensive source of information. Wheels4Hope operates using the exact model
that OnRamp has conceived – clients are only eligible for a donated vehicle if they are referred
by one of eighty-eight partner agencies, a mix of local government agencies and other
nonprofits. Wheels4Hope is a faith-based initiative, and although not explicitly Christian, has
ties to a number of churches in their community. Importantly, these churches are not among
the organizations that can sponsor individuals for a donated vehicle. It appears that
Wheels4Hope, like OnRamp, contracts out most of its repair service needs to nearly forty
partner garages through their three-city service area.

Distinct program differences are worth highlighting in this case. Unlike OnRamp,
Wheels4Hope does not provide donated vehicles completely free. Typically, beneficiaries
receive a car with a fair market value of $2,000-$3,000 for $500. They also own and operate a
“show room,” basically a car dealership wherein they sell certain high-value donated cars to
create revenue for service delivery.

**Lift Garage.** Lift Garage is a unique organization because, while it does not currently sell
or donate cars to individuals, it is focused on making low cost repairs to cars already owned by
families in need. The organization also provides free pre-purchase inspections of cars, advises
individuals on purchasing decisions, and teach free car-care classes for clients after purchase
(Lift Garage, 2017). Although the organization is smaller than some of those discussed above,
they do partner with eleven organization, like repair shops and project management platform
providers, to accomplish their mission.

**Cars for Neighbors.** The last profiled organization, Cars for Neighbors has a slightly
different service model as well. Cars for Neighbors accepts clients for car donation and repair
on an application basis rather than a referral basis, meaning that they take on the case
management workload typically reserved for partner agencies under the OnRamp model.
However, they have one of the most extensive and diverse networks of partners in this service
area, featuring twelve supporting shops, twenty-one parts and repair companies, seventeen
clubs, foundations, and organizations, thirty other community partners, five churches, and four
promotional partners. Of these, the twelve supporting shops, which handle the majority of their
repair work, appear to be their most important partners (Cars for Neighbors, 2016).

Interestingly, Cars for Neighbors also profiles the demographics of their clientele in their
most recent annual report (Cars for Neighbors, 2016). They find that 60 percent of their client
base is white, while nearly 60 percent are single. 75 percent are women, the most common age bracket is between 31-40, and 85 percent of all clients are on some form of public assistance.

Partnerships allow nonprofits to increase their capabilities and opportunities for service delivery. Research on how other similar nonprofits partner with organizations in their community, we better understand how nonprofits increase their ability to deliver services beyond the scope of their own resources.

iv. Nonprofit Growth and Building Capacity

The speed and degree to which nonprofits build their capacity is determined both by factors in an organization's environment and by characteristics of the organization itself. Although a number of internal and external factors affect the growth of nonprofit organizations, nonprofits that receive donations for their primary funding will grow faster if they have strong network ties and a good reputation within their community. Nonprofits that do not invest in increasing their capacity will not achieve growth as quickly as organizations that are planning strategically for the long term. Building capacity is a central issue for startup nonprofit organizations as they struggle to divert funds from factors that directly promote the mission of the organization. Often, organizations must look to external actors for funding. Capacity building grants aid in the increasing professionalization of a nonprofit, allowing for growth and financial stability in the long term. However, the usefulness of these grants is limited by the potential for co-optation of the mission and an inability to allow nonprofits to increase their performance.

Revenue Sources

The type and stability of a nonprofit’s revenue sources can determine the speed and degree with which the nonprofit grows. Nonprofits typically receive funding from donations, public funds (such as grants), or revenues from fees-for-service (McDonald et.al, 2015) (Kim & Kim, 2016). Though some successful nonprofits have pursued funding strictly from one type of revenue source, it is considered common knowledge that it is best to diversify sources of funding. Of these sources, charitable donations are actually the least common and least stable source of funding for most nonprofits (Kim & Kim, 2016).

However, nonprofits that receive donations actually have a better forecast for growth. Nonprofit organizations that receive donations grow faster than other organizations that receive funding from more stable sources, so long as the organization has strong network ties within its community (Galaskiewicz et.al, 2006). Diversifying resource streams can be helpful for nonprofits trying to grow, so that the organization can minimize risk. Growth can be very difficult for nonprofits relying solely on donations, however, especially if the organization does not have strong network ties or the organizations within the nonprofit’s networks do not have elite access to resources or skills.
Networks

Networks are an important factor in a nonprofit’s likelihood of achieving growth. Networks are used by nonprofits to access information, skills, and resources that would otherwise not be available to the organization (Galaskiewicz et al., 2006). Connections with elite groups that have an interest in the mission of an organization have proven to be most beneficial to organizations that receive donations, probably because those who have connections to funders have ties with more than one beneficiary (Galaskiewicz, et al., 2006). If a nonprofit can strategically leverage their networks to meet their needs, maintaining elite connections can be the determining factor in the ability of nonprofits to grow beyond their own resources. Nonprofit organizations that do not leverage these networks fail at building capacity and ultimately do not grow (Trzcinski & Sobeck, 2012). If an organization strategically manages their connections and revenue streams, they will be able to serve more clients, offer more programs, and hire more staff (Trzcinski & Sobeck, 2012). However, an absence of these factors has been found to be associated with negative growth (Trzcinski & Sobeck, 2012). Organizations that do not invest in understanding how their environment can increase their skills and resources, will not grow or be sustainable in the long term.

Capacity Building for Startup Nonprofits

Building capacity in this way may look different for young nonprofit organizations than it does for those that have been established for many years (Trzcinski & Sobeck, 2012). It is important for young nonprofit organizations to capitalize on opportunities with other organizations that align with the nonprofit’s mission. Nonprofits that are successful at producing growth in their organizations have developed networks that complement their revenue streams and missions. If a nonprofit receives donations as a regular part of their revenue sources, the establishment of a strong elite network is necessary to foster long term growth.

Capacity building is a process designed to increase the effectiveness of an organization with limited organizational and administrative resources (Minzner et al., 2014) (Connolly & York, 2002). For nonprofit organizations specifically, capacity can more accurately be defined as the ability of an organization to fulfill its mission (Faulk & Stewart, 2017). Capacity building is particularly important for startup nonprofits that must establish sustainable sources of revenue. However, it is also a unique challenge for this type of organization because it is difficult to invest funds in anything other than the mission during the first few years of a nonprofit’s life. At such an early stage of development, startup nonprofits tend to be less professionalized and often rely on grassroots support. Organizations often struggle with key components of capacity building such as clear oversight, stable sources of revenue, and formalized policies and procedures (Kalesnikava, 2017) (Minzner et al., 2014). However, some level of professionalization is necessary for startups if they have any desire to expand their services (Kalesnikava, 2017). To access funding for resources outside of the organization, capacity building grants are an option.
Capacity Building Grants

Capacity building grants have become increasingly accessible and many are available to startup nonprofit organizations (Faulk & Stewart, 2017). This source of funding can be a stable alternative to organizations that are not based on a fee-for-service model and struggle to develop capacity internally (Connolly & York, 2002) (Faulk & Stewart, 2017). There is evidence that capacity building grants can create the financial stability that allows for a future of growth. The reputation of a nonprofit organization can benefit from the receipt of a grant (Faulk & Stewart, 2017). If a nonprofit receives public funding, it is a signal that the organization can demonstrate that it is providing a public good and it is worth investing in its growth. Faulk & Stewart (2017) found that nonprofits receiving capacity building grants were financially stronger than before. Additionally, this stability was consistent across many years and allowed the organizations to expand their service delivery (Faulk & Stewart, 2017). Of specific interest to our capstone project, it has been found that both faith-based and secular organizations can experience the same financial benefits from a capacity building grant (Minzner et al., 2014). However, there are limitations to this particular source of revenue.

Though capacity building grants may allow nonprofits to be more financially stable, this does not guarantee nonprofits better performance outcomes as a direct result of the grant (Faulk & Stewart, 2017). Better outcomes upon receipt of a grant are also based on a nonprofit’s ability to manage and leverage funds in a way that can support growth. If a startup does not have the resources to manage the funds received or the wherewithal to complete the paperwork necessary for the accountability that comes along with public funds, then the grant will not be as useful of a tool to these organizations. Additionally, startups are particularly susceptible to mission drift as a result of restrictions placed on public funds (Connolly & York, 2002). Public funds tend to limit how and to whom an organization can deliver services. Startup nonprofits that must rely on grants as a source of funding could be more susceptible to this mission drift as they are developing their methods of service delivery.

Capacity building grants can be a useful tool for startup nonprofit organizations that have little fundraising experience and need to develop revenue sources that will encourage future growth (Minzner et al., 2014). Though they serve a necessary function, capacity building grants cannot be the ultimate solution to nonprofit growth because of restrictions, stricter accountability standards, and the potential for mission drift. Faulk & Stewart (2017) recommend that it is better for young organizations to seek out more long-term grants that allow for greater managerial discretion in the use of funds.
V. PERFORMANCE MEASUREMENT

i. Financial Practices

It is a widely accepted theory that no simple financial measure exists that can serve as a basis for delegation in nonprofits (Brinckerhoff, 2010). Therefore, it is out of necessity that other measures be incorporated to define responsibility and accountability for a nonprofit organization. The ideal performance assessment system in a nonprofit organization would acknowledge the existence of multiple stakeholders including the general public, beneficiaries, and partners. It would acknowledge relationships between achieving an organization's mission and their operative goals, and the financial responsibility to sustain their efforts and expand and develop objectives for both the short term and the long term. (Speckbacher, 2003). It would guard against falling into any of the traps outlined by developing an explicit but complex array of tests of performance that balance clients and donors, board and professionals, groups of managers, and any of the other stakeholders in the organization (Speckbacher, 2003). Above all else, an organization has to determine who and what they want to become and determine the type of value that they would like to create in the world, and with whom they would like to do it with. Nonprofits do not have a bottom line that they can use for guidance. The lack of a bottom line creates the need to establish a proper way to assess value. Even when properly defined, the endeavor of holding all of these relationships together can be a daunting task. When the proper restraints are missing, this job can be downright impossible. We explore the various ways to examine the relationships, services, and beneficiaries that a nonprofit has, and the impact that they can have on the organization's mission for the purpose of determining value. Determining value requires an understanding of an organization's financial responsibilities and strategic plans to utilize their resources with the goal of mission achievement.

Financial Responsibilities and the Need for Strategic Planning

A challenge that faith-based organizations face is understanding the financial responsibilities to their donors, who provide continuing funding toward the specific purpose of fulfilling the organization's missions and goals (Brown, 2001). Some of these responsibilities are being accountable for the resources which have been entrusted to them and building value in the communities in which they operate. These are two responsibilities that every nonprofit has, however finding the right balance between these forces is complicated all the same. To that point, Anne Abraham said that, “Nonprofit organizations are melting pots combining mission, members and money. Mission is the central thrust of a [nonprofit], the very reason for its existence. But there is no mission without members. This centrality of mission and members means that [nonprofits] cannot make seeking a profit their bottom line,” (Abraham, 2006). Although this statement has its merits, it neglects to state that without the bottom line the thrust of the mission will cease, and without the perception of value by the members (beneficiaries, donors, and etc.,) there will not be any members. So how can one assess a nonprofits ability to create and maintain the right partnerships, the appropriate level of value created, and the proper level of the efficiency or cost of creating or maintaining value as it
relates to the bottom line? Well, that’s a complicated question with a vast amount of answers. For the purpose of this document The Benefit Theory, The Strategic Triangle Model, and The Balanced Scorecard will be presented and evaluated to address the previously mentioned issues.

**Benefit Theory**
It is quintessential that nonprofit organizations maintain financial strategies that allow for the sustainability and expansion of resources for the organization’s mission and goals. The benefit theory, created by Dennis Young, a professor of public management and policy at Georgia State University, is a great starting point for the planning and decision-making process that it takes to accomplish this (Weikart, Chen, & Sermier, 2013). The benefit theory suggests that there are four benefit categories, private, public, group, and trade. An analysis of an organization is conducted by focusing on the relationships that exist between a nonprofit’s mission, services, beneficiaries, and sources of financial support. They are classified in the benefit section based on the benefits they generate. Upon understanding their classification, it is suggested that nonprofits seek financial support from the sources that demand their services (Weikart et al., 2013). To state this plainly, a nonprofit organization should seek partnerships and funding from those who stand to benefit from the services that they provide. For example, if a nonprofit were to donate cars to needy families for the purpose of being able to get groceries or visit a doctor’s office, it would be wise for them to create partnerships with car dealers, grocery stores, medical care offices and auto mechanic shops.

**The Strategic Triangle Model**
It is a widely accepted and mutually contested theory that financial performance is a sufficient way to assess a nonprofits success. This idea is partially built on the premise that where there’s no cash there’s no mission, and a nonprofit with closed doors cannot help anyone. (Weikart et al., 2013). This view fails to fully capture the justification behind nonprofit organizations themselves. The most obvious value produced for society by a nonprofit organization is the value associated with the achievement of the organization’s mission and goals (Moore, 2000). Those values can be categorized as either social or public values and are the focus of the strategic model. When utilizing a strategic triangle model, one defines the value to be created by the organization in terms of missions and goals rather than in terms of financial performance (Moore, 2000). Furthermore, when utilizing the strategic triangle method in the planning process, nonprofit managers are expected to set goals in terms of the social value of particular missions rather than of the profitability or financial sustainability of their enterprise.

**Social Capital as a Social Value**
Social capital is a very important, yet challengingly unquantifiable value created by nonprofit organizations. Social capital improves the quality of life for individuals and creates and maintains the improvement of many public operations. One could also argue that the value
of this product by nonprofit enterprises can be gauged by how nonprofits increase their stock of social and civic capital in society, the networks of reciprocity and trust that make life enjoyable, and how this greases the millions of transactions that allow the society to be productive as a whole (Putnam, 2002).

Stated another way, if a nonprofit organization donates cars so that a disenfranchised or marginalized sector of society can become fully incorporated into their community, then value is added into the lives of all involved with the organization and the recipients. Furthermore, the beneficiary’s attainment of employment or better employment because of the access that reliable transportation gives them, their increased involvement in the community, and their increased financial spending are also unquantifiable forms of values created as well. Thus, when monitoring an organization’s ability to create and maintain social capital, an organization as a whole look much more valuable from this perspective than from the perspective of the financial business models, because one must also consider the social capital that it creates (Putnam, 2002).

Public Value

The public value perspective embodied in the strategic triangle also transforms one’s view of the ways in which volunteers of money, material, and time contributed to the organization. Once we recognize that creating social value is not only a function, but an outcome of nonprofit organizations, it is easier to understand why success is difficult to quantifiably capture. As such, it becomes as important to focus on organizational satisfaction as it is to focus on the satisfaction of clients (Moore, 2000). An obvious example of this is the naming of buildings after benevolent donors.

The Balanced Scorecard

The balanced scorecard is a concept that combines financial and nonfinancial indicators to measure and monitor the firm’s ability to build up tangible and intangible assets like the skills and capabilities of its employees, customer acquisition and retention, innovative services, products, and information technology. These indicators are usually grouped into four perspectives: financial, customer, internal, and learning and growth. These are connected by cause-and-effect relationships that reflect the firm’s strategy (Kaplan, 2001). Why is this important one might ask? Well to state it plainly, up until this point the focus upon this section has been on assessing nonprofit performance utilizing non-financial metrics. The balanced scorecard allows one to clearly state what they are trying to accomplish, plan and strategize their overall goals and day to day actions to optimally accomplish what they set out to do. This allows an organization to prioritize their actions, establish a cost for these actions, and monitor both the cost of and progress toward accomplishing said tasks. It allows one to analyze all of an organization’s actions while simultaneously conducting a cost benefit analysis. Supporters and opponents both point towards the daunting task of effectively establishing the sufficient management tools and procedures necessary to provide the timely information required as well as properly communicating them throughout the organization. In addition, this process
requires a buy in from the organization, and a leader who can effectively articulate and monitor the organization's strategy, while simultaneously monitoring to ensure that everyone both understand what actions are necessary to ensure daily success (Kopecka, 2015). In this sense the balanced scorecard can be used as a communication tool between the organization and its key stakeholders and hence is a substitute for the financial statements that profit-seeking firms publish to inform shareholders about the value of their implicit claims. This could help to minimize costs for stakeholders and enhance public trust in the organization. In particular, it may be easier to attract new donors or volunteers to support the mission if the organization makes explicit its strategy for achieving the mission's goals (Speckbacher, 2003).

Financial Management

It is essential that a nonprofit establishes proper financial management practices (Brown, 2001; Abraham, 2006). Proper financial management practices begin with an annual budget (McMillan, 2010). That is to say, an organization should have an operating budget, a capital budget, and a cash budget. These budgets should be analyzed at the end of a year to develop the next year's annual budget. An annual budget should be founded on and developed by the organization's long-term strategic plan, in accordance with the organization's mission, and in conjunction with their goals for the upcoming year (McMillan, 2010). A big factor in making the annual budget is understanding the organization’s financial ratio analysis from the lens of a nonprofit organization.

Liquidity Ratios

Liquidity Ratios uses various cash-based ratios to determine an organization's ability to pay their short-term debts. Widely accepted liquidity ratios are Quick ratios, Cash reserve Ratios, and Target Liquidity Level (Zietlow, Hankin, & Seidner, 2007; Chabotar, 1989).

<table>
<thead>
<tr>
<th>Figure 1.3 Liquidity Ratios</th>
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<tr>
<td><strong>Quick Ratio</strong></td>
</tr>
<tr>
<td><strong>Cash Reserve Ratio</strong></td>
</tr>
<tr>
<td><strong>Target Liquidity Ratio</strong></td>
</tr>
</tbody>
</table>
Funding Ratios

Funding ratios detail how dependent an organization is on borrowed and donated money. Two funding ratios are Contribution Ratio and Debt Ratio (Zietlow 2007; Chabotar, 1989).

<table>
<thead>
<tr>
<th>Figure 1.4 Funding Ratios</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contribution Ratio</strong></td>
</tr>
<tr>
<td>(Total Contributed Revenue)</td>
</tr>
<tr>
<td>Total Revenue</td>
</tr>
<tr>
<td><strong>Debt Ratio</strong></td>
</tr>
<tr>
<td>(Total Liabilities)</td>
</tr>
<tr>
<td>Total Assets</td>
</tr>
</tbody>
</table>

Operating ratios

Operating ratios assess the cost coverage, expense composition, and return on investment in an organization's operations. Six operating ratios are the Return Ratio, Net Surplus Ratio, Net Operating Ratio, Net Asset Reserve Ratio, Program Expense Ratio, and the Support Service Expense Ratio (Zietlow et al., 2007).

<table>
<thead>
<tr>
<th>Figure 1.5 Operating Ratios</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Return Ratio</strong></td>
</tr>
<tr>
<td>(Total Revenue)</td>
</tr>
<tr>
<td>Total Assets</td>
</tr>
<tr>
<td><strong>Net Surplus Ratio</strong></td>
</tr>
<tr>
<td>Total Revenues - Total Expenses</td>
</tr>
<tr>
<td><strong>Net Operating Ratio</strong></td>
</tr>
<tr>
<td>(Net Surplus)</td>
</tr>
<tr>
<td>Total Revenue</td>
</tr>
<tr>
<td><strong>Net Asset Reserve Ratio</strong></td>
</tr>
<tr>
<td>(Net Assets)</td>
</tr>
<tr>
<td>Total Expenses</td>
</tr>
<tr>
<td><strong>Program Expense Ratio</strong></td>
</tr>
<tr>
<td>(Program Expenses)</td>
</tr>
<tr>
<td>Total Expenses</td>
</tr>
<tr>
<td><strong>Support Service Expense Ratio</strong></td>
</tr>
<tr>
<td>(Support Service Expense)</td>
</tr>
<tr>
<td>Total Expenses</td>
</tr>
</tbody>
</table>

The combination of these ratios gives an organization a rubric to help make decisions. A lot of opportunities can be great for an organization. For instance, great bargains on reliable cars can be a great deal for an organization that gives cars to the needy. However, if purchasing the cars drops their liquidity ratios into the negative and they will be unable to pay their bills in the short run, or exceed their capacity to properly services these vehicles or pay for other
programs that they are obligated to pay for, then the bargain is not really a bargain to them. Understanding their current ratios help nonprofit organizations avoid those types of situations.

Capacity and Sustainability

The highly cited Bowman model assumes that (1) a long-run objective is maintaining or expanding services, and (2) a short-run objective is to develop resilience to occasional economic shocks while making progress toward meeting long-term objectives. In either time frame, there is a financial indicator of capacity and a corresponding indicator of financial sustainability measuring the change in capacity. An organization’s mission, values, opportunities, and threats come into play when it determines its preferred level of capacity in the long term, but the long-term rate of inflation unambiguously establishes a floor under the rate of return on assets necessary to sustain it at any given level (Bowman, 2011; Abraham, 2006). However, organizations must take care to have an adequate short-term capacity or else external economic shocks may force them to liquidate (Bowman, 2011). The previously mentioned ratios are adequate for ensuring short term success, so the focus here will be on long term management.

Long-term Financial Management

Long-term sustainability requires total assets to grow at a rate no less than the long-run rate of inflation (Chabotar, 1989). While resilience in the short run requires financial resources without donor restrictions, which can be converted into cash during an economic downturn lasting one or several years, long term sustainability principles require annual surpluses sufficient to maintain asset values at replacement cost over the long term while also maintaining financial resources available short term (Bowman, 2011).

Financial Capacity

Financial Capacity Debt destroys an organization’s financial capacity because creditors possess a claim on the organization that takes precedence over all other claims. If assets are used as collateral, they become forfeit in case of nonpayment. Because borrowing takes less effort than fundraising, nonprofits must guard against becoming overextended. The Equity Ratio (ER) monitors the fraction of an organization's assets it owns free and clear (Bowman, 2011).

<table>
<thead>
<tr>
<th>Figure 1.6 Equity Ratios</th>
</tr>
</thead>
<tbody>
<tr>
<td>EQUITY RATIO (ER)</td>
</tr>
<tr>
<td>(TOTAL ASSETS - TOTAL LIABILITIES)</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
</tr>
</tbody>
</table>
An ER of 1.0 implies that an organization has no annual debts, including unpaid bills. An ER of zero means that it is operating entirely with borrowed assets. ER can even be negative if an organization's financial obligations are greater than the value of its assets—a condition known as balance sheet insolvency. Since this does not ensure that a nonprofit will be able to pay their bills on time, the previously mentioned liquidity ratios are necessary (Zeitlow, 2010). Typically, it is recommended that nonprofits operate with three months of operation costs in reserve, so that if the nonprofit face unforeseen circumstances they are able to pay their bills for three months (Bowman, 2011). This is considered a Months of Spending Ratio.

**Figure 1.7 Months of Spending Ratio.**

<table>
<thead>
<tr>
<th>Months of Spending</th>
<th>(Unrestricted Financial Assets - Unsecured Debt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 months x</td>
<td>Spending on Operations</td>
</tr>
</tbody>
</table>

**Financial Sustainability**

Equity Ratio can be used to measure long-term sustainability by the changing the numerator divided by total assets over the same interval of time. The ratio for sustainability is known in the business literature as return on assets (Bowman, 2011).

**Figure 1.8 ROA**

\[
\text{Return on Assets (ROA)} = \frac{(\text{Total Revenue} - \text{Total Expenses})}{\text{Total Assets}} \times 100\%
\]

Sustainability of short-term capacity is measured by the change in the numerator of Months of Spending divided by spending on operations, which is essentially the same as Mark Up (Bowman, 2011; Chabotar, 1989).

**Figure 1.9 Mark Up Ratio**

\[
\text{Mark Up (MU)} = \frac{(\text{Unrestricted Revenue Net Assets Released from Restrictions} - \text{Total Expenses Depreciation})}{(\text{Total Expenses} - \text{Depreciation})} \times 100\%
\]

When an organization has a Mark Up of 3.4 percent it is called the Status Quo Mark Up (SQ-MU). This premise is founded on the principle that the amount of cash that should be set aside every year for capital preservation including principal repayment of loans is 3.4 percent times Total Assets (Bowman, 2011).
ii. Measuring Success

One of the goals of our project is to help OnRamp determine an appropriate way to measure their success. In reviewing this area of research, we focus on how the literature defines the success of nonprofit and how it is typically measured.

Definition and Determinants of Nonprofit Success

The successes of nonprofit organizations have become a prominent theme in the literature over the last decades, but the definition still lacks a common agreement. Regarding for-profit enterprises, success revolves around a straightforward focus on maximizing profit; however, profit cannot be used as an ultimate indicator of nonprofit success, which are mission- rather than profit-driven (Herman & Renz, 2008; Sawhill & Williamson, 2001). Recently, researchers have painted nonprofit success as a multi-dimensional construct (Sawhill and Williamson, 2001; Lecy, 2011; Helmig, 2014; Bassi & Vincenti, 2015; Iwu, 2015; Lee & Nowell, 2015). However, different researchers study slightly distinct dimensions to capture this construct (Lee & Nowell, 2015).

Many researchers believe that the ultimate indicator of nonprofit success is the realization of the objectives enumerated in its mission (Sawhill & Williamson, 2001; Helmig, 2014; Iwu, 2015). But nonprofit missions are often abstract and vague, and the achievement of those objectives can be difficult to measure (Westover, 2010; Iwu, 2015). Traditionally, nonprofits use “Bucks and Acres” style metrics to measure the achievement of mission objectives, such as donations raised, member growth, customer growth, area served, cost growth, or the number of clients reached to capture target achievement. Although such proxy measures can be easily collected, they do not necessarily reflect mission accomplishment (Sawhill & Williamson, 2001; Caroll, 2005).

In addition to mission completion, good financial performance has become more relevant to nonprofits during the past decades because governments have reduced public subsidies (Helmig, 2011). Researchers have focused on the ability of a nonprofit to acquire necessary assets (financial and commercial) and efficiently use those resources to achieve resiliency, growth, and long-term sustainability (Lee & Nowell, 2015; Iwu, 2015). Other researchers believe survival is the prerequisite for mission accomplishment and suggested that survival is the ultimate criterion of measuring nonprofit success (Helmig, 2014). Some define success in terms of the degree to which organizations can meet stakeholder demands (Kaplan, 2001; Hsieh, 2010), while others prefer to examine “effectiveness” rather than success, even though “effectiveness” as a concept engenders similar controversy as does “success” (Lecy, 2011). Given that the fundamental questions regarding nonprofit success have remained unanswered, it is easy to appreciate how difficult it is for nonprofit managers and leaders to effectively measure success as they go about the business of accomplishing their mission.
Assessing the Success of Nonprofit Organizations

Even though the study of nonprofit success metrics commenced decades ago, there is still no consensus in the field because of the ambiguous nature of the topics under study. Scholars have developed a variety of success measurement approaches for nonprofits, but most of them emphasize only certain aspects of success. For example, some approaches focus on the sustainability of nonprofit; Ceptureanu (2018) and his colleagues published research providing a comprehensive system for analysis of a nonprofit’s sustainability. Complementing the sustainability work, some researchers place emphasis on assessing the performance of the nonprofits relative to sector as a whole. Representative examples are Kaplan’s (2001) balanced scorecard for nonprofits and Lee & Nowell’s (2015) performance framework. Besides, effectiveness of nonprofit, financial performance are also popular dimensions for researches (Lecy, 2012; Iwu, 2015; Hodge & Piccolo, 2005).

Although these approaches generally emphasize only certain types of success, they offer some valuable insights. This research is part of an integrated analysis. We reviewed literature relevant to nonprofit success measurement and tried to encapsulate them in a more manageable framework. To make such a framework more systematic and readable, we utilize a structure largely based on one commonly used among the literature based on four factors described in Figure 6 below: (1) inputs, (2) activities/capacity, (3) outputs, and (4) outcomes (Buckmaster, 1999; Lee & Nowell, 2015; Ceptureanu, 2017).
## Figure 1.10 Core Framework for Measuring Nonprofit Success

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Definition</th>
<th>Researchers</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Input</strong></td>
<td>The ability of a nonprofit to acquire necessary resources (financial and nonfinancial) and efficiently use those resources to achieve resiliency, growth, and long-term sustainability</td>
<td>Bagnoli and Megali (2011), Kaplan (2001)</td>
<td>Increase in revenue</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Westover (2010), Kushner and Poole (2006)</td>
<td>Difference between the amount of funding received and the amount of funding used.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ceptureanu (2017)</td>
<td>Diversity of revenue sources</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kendall and Knapp (2000)</td>
<td>Strength of the relationship with resource providers</td>
</tr>
<tr>
<td><strong>Activities or capacity</strong></td>
<td>The ability of a nonprofit to deliver service and conduct programs.</td>
<td>Ceptureanu (2017), Sowa (2004)</td>
<td>Efficiency of operations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kaplan (2001)</td>
<td>Employee satisfaction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Helmig (2013)</td>
<td>Relationships with their environment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sowa (2004)</td>
<td>Capacity to expand</td>
</tr>
<tr>
<td><strong>Output</strong></td>
<td>Activities and service relevant to the organization’s mission</td>
<td>Westover (2010), Moxham (2009)</td>
<td>Achievement of the designed yearly goal</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bagnoli and Megali (2011)</td>
<td>Frequency and hours of services provided</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Westover (2010)</td>
<td>Quality of services provided</td>
</tr>
<tr>
<td><strong>Outcomes or impact</strong></td>
<td>Focuses on the differences and benefits accomplished through the organizational activities</td>
<td>Bagnoli and Megali (2011)</td>
<td>Improved condition/status (health, education, food, poverty rate...)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Westover (2010)</td>
<td>Client/customer satisfaction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kushner and Poole (2006)</td>
<td>Satisfaction of key stakeholders</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kluger (2006), Kaplan (2001)</td>
<td></td>
</tr>
</tbody>
</table>
Even though there is a large amount of information available from the existing literature regarding nonprofit success metrics, important gaps remain. There is no consensus on which framework is most appropriate for measuring nonprofit success. Here, we describe one which is utilized in three separate research articles, but even this framework is flawed. Also, articles rarely mention how to operationalize these measures in practice. Overall, this review is still based solely on theory and has yet to be convincingly applied to a nonprofit operating in this service area. The gaps point to the conclusion that OnRamp should take an active role in preparing its own, unique success metrics specific to the goals and mission of the organization.
VI. DISCUSSION

This study has reviewed literature and other documents pertaining to the various aspects of sustainability and growth that an organization such as OnRamp needs to understand in order to effectively accomplish its mission. The topics discussed in this study can be grouped generally into three themes: (1) nonprofit organizational management, (2) performance measurement, and (3) demographic analysis. These themes were studied in order to understand what it takes for an organization like OnRamp to sustain itself and fulfill its mission, how it can best assess its performance, and where its services are most needed. A common theme in the literature is that transportation access is an important arbiter of social exclusion. Those who experience transportation-related social exclusion may experience social isolation (Davey, 2007), a lack of access to health services (Newman, 2015; Bostock, 2001; Yang, Zarr, Kass-Hout, Kouros, Kelly, 2006; Alaniz, Burdine, Rivas, & Catanach, 2016), being cut off from job opportunities (Newman, 2015; Hu, 2017), and other negative consequences. Researchers have shown which groups are more likely to experience transportation-related social exclusion; even so, a gap remains in this area of the literature. More research needs to be conducted to fully understand which subset of this target demographic would most benefit from ownership of an automobile and how the cost of living in an area impacts car ownership.

Additionally, while the need to solve the problems of social exclusion for those lacking access to transportation is apparent, how best to do so remains unclear. While increasing rates of private vehicle ownership is beneficial on the aggregate for solving problems of transportation-related social exclusion, it is not without its drawbacks. For instance, multiple researchers have found that one of the significant problems faced by low income families who acquire a vehicle is that they struggle to pay for the maintenance of the vehicle thereon (Clark & Wang, 2010; Mackett & Thoreau, 2015; Garasky et al., 2006; Johnson, Currie, & Stanley, 2009; Fletcher et al., 2010; Blumenberg, & Agrawal, 2014; Rose et al., 2009). Therefore, more research must be done to properly understand what, if any, additional services and resources need to be available before receipt of a car that will enable the beneficiaries of donated cars to not only maintain the vehicles, they receive but also to be able to purchase another vehicle.

Another challenge presented by the researchers in this study is that the best governance practices do not always result in actual improvement in governance from a nonprofit board (Peppiatt, 2015). Further, it is a widely accepted theory that no simple financial measure exists that can serve as a basis for delegation in nonprofits (Brinckerhoff, 2010). This is relevant because without a definitive list of metrics available for OnRamp to utilize for governance, leadership, and accountability purposes, OnRamp is tasked with prudently deciding which metrics to use. Therefore, more research needs to be conducted about how other boards of directors for nonprofits similar to OnRamp evaluate leaders and team members and what common leadership practices are being used by these organizations. Additionally, more research is needed to determine what the ideal financial ratios are for OnRamp and what are the most appropriate criteria to measure OnRamp’s success. Furthermore, metrics must be developed to evaluate the effectiveness of OnRamp’s board of directors, leaders, and team members. Despite the need for more research, by all indications it is possible for OnRamp to be successful and expand their services.
Chapter 2: Research Methodology
I. INTRODUCTION

Over the course of the fall semester, our research questions and themes went through three series of revisions, eventually culminating in three revised themes and corresponding research questions. Those themes are: (1) Strategic Concerns, (2) Services, and (3) Expansion. Table 2.1 describes these themes and the actions taken to investigate each. Each corresponding subsection is organized by presenting research questions, describing the actions taken to answer these questions, presenting the relevant findings, and discussing the results.

Table 2.1 – Summary of Themes and Corresponding Research Methods

<table>
<thead>
<tr>
<th>Theme</th>
<th>Actions Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theme 1: Strategic Concerns</td>
<td>1. Interviewed comparable organizations</td>
</tr>
<tr>
<td></td>
<td>2. Reviewed Form 990 filings from the first ten years and past five years</td>
</tr>
<tr>
<td></td>
<td>3. Analyzed and organized internal OnRamp client data from Year 1</td>
</tr>
<tr>
<td>Theme 2: Services</td>
<td>1. Interviewed comparable organizations</td>
</tr>
<tr>
<td></td>
<td>2. Conduced complimentary website search for the current makeup of comparable boards</td>
</tr>
<tr>
<td>Theme 3: Expansion</td>
<td>1. Interviewed comparable organizations</td>
</tr>
<tr>
<td></td>
<td>2. Surveyed the partners of Wheels4Hope</td>
</tr>
<tr>
<td></td>
<td>3. Compared demographic breakdown of potential expansion sites</td>
</tr>
</tbody>
</table>
II. METHODOLOGY

i. Interviews with Comparable Organizations

We sought interviews with 13 comparable nonprofit organizations and ultimately conducted interviews with 9 of them, a response rate of 69.2 percent. Specifically, we were unable to conduct interviews with Wheels of Success, Good News Mountaineer Garage, CARS, and Second Chances Garage. In the interviews, we questioned nonprofits on a wide variety of issues pertaining to our three themes of strategic concerns, services, and expansion. What follows is a brief list of the types of questions asked:

- Services offered, including the primary vehicle donation/sale services and any support services included before or after the main point of sale/donation
- Data collection practices, including the type of data, if any is collected about the client before and after the main point of sale/donation
- Eligibility criteria and the client selection process
- Definitions of success and outcomes tracking
- Types of partnerships
- Board composition, including size, roles, and professional expertise
- Expansion, including when and how an organization chose a new location, if they have expanded

When the team analyzed the mostly text answers to the interview questions, we noticed a high degree of similarity between responses across organizations, likely because of the inherent structural similarities between many of these organizations. Because of this similarity, many of the answers to the interview questions have been converted from open-ended, discussion-based questions into binary variables. We analyzed this data in Microsoft Excel and Stata 15, aggregating summary statistics to describe the frequency of common characteristics across the population. The goal of analyzing these dummy variables is to highlight programs, practices, and operational methods that are frequently utilized. At the same time, some of the more unique answers cannot be and were not converted into dummy variables, which means not everything pertaining to these research questions can and will be explained through the summary statistics. For that data, we conducted a qualitative analysis by looking through the data to find common themes and or phrases used by the different organizations to gain a better understanding and give more context to the summary statistics.

By interviewing comparable organizations that have existed longer and have had more time to develop into an established nonprofit, we hope to give OnRamp not only a picture of development, but also an idea of the types of practices that established organizations use to
maintain their operations outside of the startup phase. This methodology was foundational to gain a baseline understanding of the industry, and as a result, many of the answers to these interview questions serve as the primary response to the research questions posed by Pastor Jennings and this consulting team.

ii. Survey of Partnerships

In order to explore the extent to which comparable organizations work with and rely on their partners, we summarized the relationships each organization cultivated by partner type. We did this for each organization that we interviewed, with the exception of Newgate School, for a completion rate of 87.5%. For each of these organizations, we classified partners as nonprofits, churches, garages, government agencies, colleges, dealerships, towing companies, and other businesses. To complement this high-level discussion of the partnership mix, we performed a deeper evaluation of Wheels4Hope’s partners, for several reasons. Wheels4Hope is a faith-based organization that has experienced considerable success, uses many of the same business practices as OnRamp currently does, and has a diverse mix of partners. We conducted interviews with 23 of Wheel4Hope’s 91 Triangle (their original location) partners, a response rate of 25.2%. These interviews required partner organizations to describe their organization, the length of their partnership with Wheels4Hope, and the extent of the relationship, including whether they provided services, referred clients, or both.

iii. Forms 990

We also gathered IRS 990 forms that the comparable nonprofit organizations submitted at the end of each fiscal year. Specifically, we pulled all revenue and expense figures and their associated sources, including federated campaigns, membership dues, fundraising events, related organizations, government grants, other contributions, noncash contributions (i.e., cars), total revenue, and total program service delivery expenses. We analyzed the data for the first ten and last five years of operation. To assess administrative overhead, our team also aggregated information about key staff (including all executives, directors, office staff, and other key personnel), their hours worked per week, and their annual salaries for each year. We then analyzed the differences in fundraising from year to year for each category, noted the greatest sources of fundraising for each organization, and searched for changes over time. Additionally, we analyze the titles, hours worked, and salaries for each organization in comparison to their program expenses and sources of revenue, looking for any patterns in revenue/expenditure thresholds or sources in relation to the hiring of full/part-time employees. We finally looked for patterns in the titles and roles of the first employees of the organizations as indicated by their appearance in the 990 forms.
iv. Census Bureau Data

We obtained demographic data from the U.S. Census Bureau for potential expansion locations. Among the demographics we considered are population size, poverty rate, and median income. Our analysis of this content was mostly qualitative in nature. We analyzed this data by comparing it to the Bryan-College Station area’s demographics, and by examining it in light of the considerations raised in the literature and in our interview responses. We describe the results of our analysis through written description and a table displaying the demographic data side-by-side.

v. Website Searches

In addition to getting information about board practices from the organizations themselves, we also searched each organization’s website to collect data on the composition of each nonprofit’s Board of Directors. Each member was placed into one of the following categories based on professional expertise: (1) Attorney, (2) Accountant, (3) Business Owner (subcategories include: dealership, garage, or other business), (4) Other Nonprofit Executive, (5) Social Worker, (6) Corporate Executive, and (7) Former Client. Using this data, we have computed an “average board composition” by averaging the frequency of each profession across all comparable nonprofits’ boards. Further, above, we detailed the study of our comparable organization’s partnerships. In some cases, a partnership list was provided directly from the organization during or after the interview. However, in the cases of non-responses, we relied on the information available on their website to approximate a partnership list. Partnership information for Newgate School was not made available either during the interview or on their website, so as mentioned previously, they are not included in the analysis.

vi. OnRamp Client Data

Application data from the clients of OnRamp were received as Dropbox files from Pastor Jennings and were only made available to those students who signed the confidentiality agreement. Relevant information like income level, age, relationship status, and the number of dependents in the household (among other variables) was then stripped of identifiers and organized into a spreadsheet. Other data made available through the Dropbox files included pictures of cars in repair, headshots of the clients, and further documentation of the car repair process (i.e., bills of sale and title applications). The spreadsheet was divided into completed applications (meaning the car has been awarded to the client), in-process applications, and unaccepted/timed-out applications, mirroring the current organization of the internal Dropbox folder. This spreadsheet will be shared with the board as a tool to organize applications as they come in and are completed. We intend to present relevant descriptive statistics about application information in a section of the final report included only in the copy given to the board of OnRamp. We will also take account of potentially relevant demographic information that is not currently being collected, as it is excluded from the initial application and there is currently no systematic collection of information post-donation.
vii. OnRamp Board Interviews

In order to identify the similarities and differences between OnRamp and other transportation nonprofits, we sat down individually for interviews with each member of OnRamp’s Board of Directions alongside our interviews with comparable organizations. We summarize our findings in terms of measuring success, fundraising practices, board composition, leadership evaluation, hiring practices, client readiness and eligibility, and the true costs of services and mix of services offered.
Chapter 3: Findings & Discussion
I. STRATEGIC CONCERNS

i. Research Questions
1. What are the most appropriate criteria/variables/indicators to determine/measure OnRamp’s success?
2. What are the most appropriate fundraising strategies at different stages of organization growth?
3. What is the ideal composition and practices (number, expertise, roles, etc.) of Board members for OnRamp?
4. What leadership practices are being used by other nonprofits with a similar mission to OnRamp?
5. How do other nonprofits similar to OnRamp evaluate leaders and team members?
6. What is the most appropriate approach to hiring staff (roles, timing, volunteers, etc.)?

ii. Measuring Success

Findings

According to interviews with comparable nonprofits, not all organizations stated that they had an official measure of success, but 100% of organizations listed some measures that they use to identify success. Each organization’s definition and measures of success were fairly unique, with little overlap of specific measures between organizations. Measures that had some overlap include:

➢ 2 out of 8 vehicle awarding organizations mention whether or not the person who received the vehicle is still driving it at least a year later.
➢ 2 out of 9 organizations mentioned meeting people’s needs.
➢ 3 out of 9 organizations mentioned something about repairing or reconditioning vehicles.

Guided by the literature, we summarize these measures into three categories: input, output, and impact (Table 3.1). We find that faith-based organizations and non-faith-based organizations measure their success in a very similar way. All of them tend to use primarily output measures. For example, nearly all organizations consider the number of cars they donated an important metric of success. According to the literature, impact is abstract and very difficult to measure, so even those organizations who consider success in terms of impact measures are often also utilizing metrics focused on outputs.
Table 3.1 Success Measures

<table>
<thead>
<tr>
<th>How does a transportation nonprofit measure their success?</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measure by Input</td>
<td>3/9</td>
</tr>
<tr>
<td>Measure by Output</td>
<td>7/9</td>
</tr>
<tr>
<td>Measure by Impact</td>
<td>6/9</td>
</tr>
<tr>
<td>Measure by Input (faith-based)</td>
<td>2/4</td>
</tr>
<tr>
<td>Measure by Output (faith-based)</td>
<td>4/4</td>
</tr>
<tr>
<td>Measure by Impact (faith-based)</td>
<td>3/4</td>
</tr>
</tbody>
</table>

Of those organizations that identified challenges to their success, two mentioned that they receive more applications for car donation than they can accept. For example, one organization stated that “we get two applications per day and give away two to three cars per month” (Interview 9). In that same vein, another organization mentioned that they “only donate eight to ten cars per month,” and “to be successful, you need to be donating at least ten per month” (Interview 2).

Discussion

The fact that there is no common set of metrics used by these organizations to define or measure their success is consistent with what we found in the literature. As can be seen in the table above, nonprofits engaging in providing transportation assistance to families in need look at a wide range of metrics to define their success. Some of these metrics include input measures (e.g. financial self-sufficiency, amount of donations received), output measures (e.g. how many cars they donated, number of cars fixed, how many people are still driving the donated car X number of years later), and impact on clients (e.g. whether or not clients increase their number of visits to the doctor, how well people are making car payments, how much money the state saves on public assistance programs).

While we did find that the majority of these transportation nonprofits have a concern for their impact regardless of whether they are measuring it, we found that all but two of them primarily use output measures to approximate success. Importantly, the organizations that do look at impact often also use output measures to measure their success. Perhaps the reason that almost all of these organizations use output measures to determine success is due to the fact that measuring impact can require a long-term focus and necessitates following up with clients after awarding them a vehicle or providing them with services. We found that most of
these organizations do not follow up with clients afterwards, and since outputs can be easy to measure in the short-term, that may be why there is a large focus on outputs.

One of the most interesting measures of success used by an organization was how much money they were able to save the state by reducing their clients’ dependence on state-provided assistance. One organization using this type of impact metric is Good News Mountaineer Garage, whose website is, in the team’s opinion, an excellent example of these metrics in action. Similarly, Vehicles for Change also uses impact metrics, but these relate more to individuals’ welfare gains rather than the effect on state services.

Based on our findings, there is no clear idea model for measuring success. Since almost all of these transportation nonprofits use at least some output metrics to measure their success, including many of those who look at impact measures, OnRamp may consider using a combination of output and impact measures when they look at measuring success.

iii. Fundraising

Findings

The ambiguity of the Forms 990 does not allow us to expand on fundraising strategies in any informative way. This challenge largely results from the breadth of the category in the revenue section listed as “All other contributions, gifts, grants, and similar amounts not included above.” Because there are so many items that are included in this category, it is impossible to understand which specific item generated what amount of revenue for the organization. With the exception of Good News Mountaineer Garage, each organization’s largest sources are “All other contributions, gifts, grants, and similar amounts not included above” and “Noncash contributions.”

![Figure 3.1 Revenue Sources](image)
In addition to this, we also discovered that only one organization received funds listed under Federated Campaigns. Even then, the amount never exceeded $400, and they only received the funds for three years. Furthermore, less than half of the organizations that we have data for have consistent revenue categorized under fundraising events. In fact, those funds never reached 10% of the total revenue. None of the organizations charged membership dues. Lastly, the average growth rate of total revenue starts off high in the first years and declines until year 5 where it stabilizes around lower than 0.1%.

**Figure 3.2 Fundraising Growth Over Time**

![Figure 3.2 Fundraising Growth Over Time](image)

**Discussion**

Based on the forms 990, the financial statements of the organizations we interviewed do not accurately reflect the costs of services and so it is difficult to do an analysis. Most revenues for these organizations were filed under the categories of “All other contributions, gifts, grants, and similar amounts not included above” and program revenue. As noted in the literature, donations, public funds (such as grants), and fees for service are the most common sources of revenue for these organizations (McDonald et.al, 2015; Kim & Kim, 2016). Since donations, public funds, and fees for service would fall under the “All other contributions” and program revenue categories, we can confirm that our findings are consistent with the literature. Although it is likely that these two sources of funding are the most common for nonprofit organizations, the mix of the funding is highly individualized.

As a result, regardless of the organization’s Federated Campaigns, Membership Dues, Fundraising Events, Related Organizations, Program Revenue, Government Grants and Gross Sales from Inventory Strategies, annual revenue is driven by the organization’s ability to develop and maintain partner relationships, solicit donations and services, and attract and properly utilize volunteers. Likewise, organizations like OnRamp should strategically develop and maintain an effective mix of fundraising strategies. Furthermore, it is essential for these organizations to understand the financial responsibilities required by their organization and
mission in conjunction with their ability to obtain and maintain adequate revenue sources. It is likewise crucial to understand how to develop and maintain strategies necessary to fund their organization’s missions and goals. For example, these strategies may include charging for services or developing mutually beneficial partnerships within their community.

**iv. Board of Directors and Executive Leadership**

Nonprofit boards are the guiding body of a nonprofit organization setting the mission and goals for the organization; the executive director serves as the link between the board and the day-to-day operation of the organization and is tasked with guiding the organization to meet the goals and mission set by the board. Understanding this relationship is key - in the instances where an organization does not have a defined executive director, whoever primarily directs the day-to-day operations or work of the organization serves in a de facto executive director role. This might be a board member or more commonly, the founder of the organization. This section discusses the interaction between boards, executive directors, leadership practices, and appropriate times to begin hiring or paying a staff member.

**Expectations.** As with anything in life, having an understanding of the expectations for a given role sets the stage for success. This is as true in the world of nonprofit boards as anywhere else, and surprisingly, the organizations that we interviewed did not match the prevailing literature, which indicates that nonprofits typically do a poor job of outlining the roles and expectations of their board members (Pakroo, 2017). In our interviews, all of the organizations we spoke with had roles outlined for their board members with varying levels and types of responsibilities designated to each. What this means is that these organizations are doing a good job of setting themselves up for success by setting the stage for what exactly their board members should be doing in service to the organization they are a part of.

Our research found that the boards of comparable organizations focus largely on the operations, networking and fundraising responsibilities they have been tasked with by their organization to help fulfill the mission of their respective organizations. The literature describes a balance of both governance and mission fulfillment as key areas of emphasis for board members (Peppiatt, 2015). However, our research suggests that while comparable boards may be putting the proper emphasis on mission fulfillment activities, it is unclear to what degree they are focusing on governance. Proper nonprofit governance involves a level of introspection by the board members with a two-fold focus – externally at the operations of the organization and internally at the actions of the board itself. It requires taking an objective look at how both pieces of the organization are operating and whether or not they are meeting or not meeting the organization’s goals (Northrop, 2018). While it was unclear exactly how important the idea of governance was to these organizations the obvious importance of mission fulfillment speaks to the lack of activity dedicated to governance.

**Board Roles.** The findings from our research that did match the literature on nonprofit boards included a general lack of clearly defined succession plans for boards and virtually no established criteria for board member selection. Nonprofit board members should typically be
working in four distinct areas including monitoring, supporting, partnering, and representing with a variety of other general responsibilities falling under these broad categories (Cumberland, Kerrick, D’Mello, & Petrosko, 2015). What we found in our interviews was that board members for these organizations are typically working in roles revolving around operations, fundraising, or networking. These roles typically fall under the umbrellas of monitoring, supporting, and partnering. As a result, it appears that boards mainly seem to be lacking responsibilities in the representing role. This role is typically defined as one that focused on making sure the organization is making decisions in the best interest of its stakeholders, namely its clients. The lack of criteria and succession planning for board members makes it difficult to ensure all four key areas of responsibility are constantly being met by a board.

**Executive Director.** Much like when a founder seeks to establish a board of directors, it is essentially important that, when picking an executive director, a board choose someone who will clearly execute the nonprofit’s established mission. With the number of skills needed from those in leadership positions, it is becoming more difficult for a single individual to assume all these roles. It is important to decide between self and shared leadership or a mix of the two styles depending on the needs of the organization. According to many researchers, including Pearce and Manz (2005), when an organization operates on knowledge work, or the job that requires a specific set of skills, it is essential to promote both shared leadership and self-leadership (Pearce & Manz, 2005). Not only was this practice prevalent in the literature but when conducting elite interviews with the comparable organizations, the role of the leader in the organization was defined along with their responsibilities within the organization. A majority of those holding this position was either the founder of the organization or the first to be hired as the one in charge of the day-to-day operations. The leaders of the other organizations typically were either on the board or worked very closely in making decisions to fulfill the mission of the nonprofit. This particular characteristic is why it is crucial to not only have an active leader in the organization but the composition of the board of directors should complement both the strengths and weaknesses of this individual.

**Evaluation.** Attempting to define a board’s effectiveness is essentially an exercise in defining what makes it successful and how to measure that success. The literature on the effectiveness of nonprofit boards has generally found that the board chair’s ability to balance their influence on the board and the rest of the organization is significant in ensuring an effective board (Harrison and Murray, 2012). This requires the board chair to have an exemplary understanding of the organization, its mission and values, the expectations of the board, and the roles of each member. In regard to evaluation, accountability and expectations of each member of the board was a main priority for fulfilling each organization's mission which aligns with the research from Dennis R. Young (2002) in saying the “ultimate test of accountability for a nonprofit organization is whether its leadership can responsibly interpret, and honestly and energetically promote, the organization’s mission”.

**Findings**

**Board Composition.** What we found in our research was some commonalities in board composition and the professions of the board members. Boards of these nonprofits are
typically comprised of about 9 people with specific roles that include a president, vice president, and treasurer with the rest of the board members serving as members. The comparable organizations we interviewed seem to be using boards as a way to improve expertise in needed areas. Many fill their boards through social and network connections. An individual is valuable to the organization if they have connections to big donors or specific expertise. Furthermore, a few nonprofits use board terms to receive renewed talent and expertise on a regular basis. Boards in this industry regularly have corporate executives, other nonprofit leaders, and attorneys on their board. In our research we found that former clients, dealership owners, and accountants are not represented on these boards. This data describes 6 of the 9 interviews we conducted, as information on board member profession for 3 organizations - God’s Garage, Newgate, and The Car Ministry - was not available. The overall professional representation on the boards is a further example of the boards’ focus on their monitoring, supporting, and partnering roles. The fact that pastors and social workers held positions on the board only 17% of the time further speaks to the lack of attention on the representing role boards should play in these nonprofits. The average board spanned a diverse set of business experiences; in fact, only corporate executives, a broad category in itself, accounted for more than 1 member of a typical board, on average. From this data, we can see that lawyers, corporate executives, and business owners are represented as professions of board members on 83%, 67%, and 50% of all boards we evaluated.
<table>
<thead>
<tr>
<th>Role</th>
<th>Average Number</th>
<th>Average Percent of Board</th>
<th>Is on X% of Boards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lawyer</td>
<td>0.67</td>
<td>7.2%</td>
<td>83.3%</td>
</tr>
<tr>
<td>Accountant</td>
<td>0.00</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Business Owner</td>
<td>0.44</td>
<td>4.8%</td>
<td>50.0%</td>
</tr>
<tr>
<td>&gt;Dealership Owner</td>
<td>0.00</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>&gt;Garage</td>
<td>0.11</td>
<td>1.2%</td>
<td>16.7%</td>
</tr>
<tr>
<td>&gt;Other</td>
<td>0.11</td>
<td>1.2%</td>
<td>16.7%</td>
</tr>
<tr>
<td>Other Nonprofits</td>
<td>1.33</td>
<td>14.5%</td>
<td>66.7%</td>
</tr>
<tr>
<td>Social Workers</td>
<td>0.44</td>
<td>4.8%</td>
<td>16.7%</td>
</tr>
<tr>
<td>Corporate Executives</td>
<td>2.67</td>
<td>28.9%</td>
<td>66.7%</td>
</tr>
<tr>
<td>Government</td>
<td>0.22</td>
<td>2.4%</td>
<td>33.3%</td>
</tr>
<tr>
<td>Pastors</td>
<td>0.11</td>
<td>1.2%</td>
<td>16.7%</td>
</tr>
<tr>
<td>Former Client</td>
<td>0.00</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Organization Leadership</td>
<td>0.33</td>
<td>3.6%</td>
<td>50.0%</td>
</tr>
<tr>
<td>Educator</td>
<td>0.22</td>
<td>2.4%</td>
<td>33.3%</td>
</tr>
<tr>
<td>Unknown</td>
<td>2.56</td>
<td>27.7%</td>
<td>33.3%</td>
</tr>
</tbody>
</table>
Figure 3.3 shows how the composition of boards changes over time in regard to the titles that leaders take and the role that individuals play in the organization.

**Figure 3.3 Board Composition Over Time**

The composition of the boards largely stayed the same over time. The only significant difference is in regard to the executive director position. We found that more than two-thirds of the organizations we interviewed did not have an Executive Director in their first year of operation. As shown below in Table 3.4, only 27% of these organizations had an executive director in their first year of operation but by their fifth year, that share had grown to 73%. So, we conclude that executive directors are a necessary staff position for nonprofits like OnRamp, but most of them did not have one when they were founded.
**Table 3.3 Change in Officers, Directors, Trustees, and Key Employees over Time**

<table>
<thead>
<tr>
<th>Title</th>
<th>1st Year</th>
<th>5th Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>91%</td>
<td>100%</td>
</tr>
<tr>
<td>Vice President</td>
<td>82%</td>
<td>73%</td>
</tr>
<tr>
<td>Treasure</td>
<td>73%</td>
<td>64%</td>
</tr>
<tr>
<td>Secretary</td>
<td>55%</td>
<td>64%</td>
</tr>
<tr>
<td>Executive Director</td>
<td>27%</td>
<td>73%</td>
</tr>
<tr>
<td>Program Director</td>
<td>18%</td>
<td>18%</td>
</tr>
</tbody>
</table>

**Leadership and Board Practices.** Although there are no specific practices mentioned throughout the interviews, the focus from these comparable organizations was on the importance of both boards and volunteers. According to the data our team was able to collect through elite interviews, boards of these comparable nonprofits are commonly all-volunteer. The members of these boards typically provide high-level oversight, meaning they engage in decisions on the executive level rather than being involved in day-to-day operations. A few of these comparable organizations indicated the importance of moving towards diversity and including individuals of specific expertise while volunteers are in higher demand for day-to-day operations. For the most part, the board members in each organization have clear titles and responsibilities that revolve around either operation, fundraising, or networking. While the board of one organization, Second Chances Garage, does not focus explicitly on fundraising, other boards have an emphasis on this including individuals that have numerous connections within the community. Most organizations do not have a defined selection criterion in their search for new board members, with the exception of one organization. Still, some boards do meet to develop a strategic plan. These organizations often look for people with professional connections to serve on their boards, and a few indicated that they look for people who are "civic-minded" or have a passion for charity. While very few organizations tend to have defined selection criteria for initially choosing board members, there also appears to be very few organizations with structures in place to handle leadership transitions on the board. Of the 8 organizations reporting, just 3 indicated that they have a formal board member replacement plan in place.

In our interviews with comparable organizations, we found that when it came to evaluation of executive leaders and board members, there were no specific practices or indicators to determine success or failure in these positions. Most of these boards were more focused on achieving the mission of the organization and whether or not those individuals of the board and operational staff aided in reaching those goals. The research we conducted did not provide insight into evaluating their board or executives but the board’s focus on operations and capacity building for their organizations clearly exhibits that some level of
influence was exerted either by the board chair or executives of the organization to drive them to meet those goals and that this use of influence was indeed effective to those ends.

**Hiring Practices.** By looking at the Forms 990, we were able to summarize human resource costs from the salary information (Figure 3.5). According to the data, it appears that organizations commence hiring employees once they have reached $200,000 in annual revenue. In the first year, 83% of the organizations whose revenue was greater than $200,000 hired paid employees, compared with only 20% in organizations whose revenue less than $200,000. In the fifth year, all organizations whose revenue was greater than $200,000 hired and/or had paid employees, compared with 0% in organizations whose revenue less than $200,000. The top paid employees for all of these organizations are executive directors. Information pertaining to hiring practices is especially advantageous to OnRamp with their current growth. According to the information given by the comparable organizations, the position that was most essential in the startup stages in terms of paid positions was typically an executive director position. We believe this relationship in annual revenue and an increase in hiring demonstrates an organization’s financial capacity for hiring while retaining their ability to meet the needs of their clients.

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Organizations</th>
<th>Number of Organizations with Paid Employees</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>First (available) Year</td>
<td>11</td>
<td>6</td>
<td>54.55%</td>
</tr>
<tr>
<td>First Year &gt;$200,000</td>
<td>6</td>
<td>5</td>
<td>83.33%</td>
</tr>
<tr>
<td>First Year &lt;$200,000</td>
<td>5</td>
<td>1</td>
<td>20.00%</td>
</tr>
<tr>
<td>Third Year</td>
<td>11</td>
<td>9</td>
<td>81.82%</td>
</tr>
<tr>
<td>Third Year &gt;$200,000</td>
<td>9</td>
<td>9</td>
<td>100.00%</td>
</tr>
<tr>
<td>Third Year &lt;$200,000</td>
<td>2</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Fifth year</td>
<td>11</td>
<td>10</td>
<td>90.91%</td>
</tr>
</tbody>
</table>
II. SERVICES

i. Research Questions

1. What are the true costs of OnRamp’s and other similar nonprofit’s services (volunteer hours, partner contributions, etc.)?
2. What resources should a potential client have beforehand so that receiving a car would be a benefit instead of a burden?
3. What resources do clients need to have to be eligible to receive a donated vehicle from a vehicle-donation nonprofit?
4. What is the ideal mix of services for a transportation nonprofit?

ii. True Cost of Services

Findings

We took a high-level approach to estimating the true cost of a car donation. Rather than requesting and subdividing the financial statements of each organization, estimating the value of each in-kind donation and the time of all volunteers involved, we decided to categorize all expenditures of each nonprofit as relevant to the central mission of these organizations: donation, repair, or low-cost sale of vehicles. As a result, our estimates are simply the total annual expenditures of each organization divided by the donation or sale total, where data is available.

We were able to find a total of four organizations – Second Chances Garage, Cars for Neighbors, The Car Ministry, and Good News Mountaineer Garage – besides OnRamp that tracked the number of vehicles donated in a given year. That information is presented below. It is worth noting that of the four organizations, only The Car Ministry reported their vehicle donation figures consistently over time, with figures for fourteen of the last eighteen years. Of the other three organizations, one had only two years of data separated by six years of no reporting, one had only three years of data and all three years were sequential, and the last organization had a total of four years of figures with two years of data starting in 2000 separated by twelve years of no reporting and then two more years.

The following figures demonstrate the average expenditures and cost per vehicle. The Car Ministry’s data is the most accurate representation of vehicle donation costs because of their consistent reporting of vehicle donation numbers. When we compare OnRamp’s average vehicle donation cost to the overall average cost, they are 32% higher than the average.
Figure 3.4 Average Program Expenditure per Year, Selected Organizations

Average annual expenditures over the given time period reflect that, by far, Good News Mountaineer Garage was the largest organization of these in terms of throughput. All organizations were roughly equivalent in expenditure, with OnRamp coming in at roughly one-third of the expenditures of the next smallest organization.
Based on a cost per donation perspective, however, it appears that Cars For Neighbors and Good News Mountaineer Garage, two of the larger organizations, are the least cost competitive organizations, which violates the expectation that economies of scale would allow them to leverage their size and lower the cost per vehicle donation.

Discussion

The true costs of giving away a car is difficult to accurately assess based solely on the information available in the Form 990s and the comparable organization interviews due to a lack of delineation in the source of in-kind or noncash contributions. The majority of noncash contributions are received in the form of vehicles donated to the organizations. The remaining contributions do not indicate whether or not the in-kind or noncash contributions were partner contributions, volunteer hours, or from some other source. There is no indication in the Form 990s that volunteer time was tracked and counted towards in-kind contributions. There was also considerable inconsistency across the Form 990s in documenting the number of vehicles donated. These findings lead us to believe that most of the transportation nonprofits are not accurately accounting for the true costs of the vehicles they provide in terms of partner support, vehicle value, volunteer time, and other in-kind contributions.

However, based on the estimates we were able to provide, it appears that there is significant variation in donation costs across industries. This could be because OnRamp’s total expenditures also include providing one year of service and repair costs to their vehicles - for comparison, The Car Ministry does not provide repair or ongoing maintenance post-donation.
While we did not interview Cars for Neighbors, our evaluation of publicly available information on their website indicates they provide a large number of vehicle repairs. These findings are interesting, even with their limited validity. They indicate that, on the whole, while a repair is less expensive than a vehicle, the volume of repairs can increase the overall cost to an organization providing these services in a significant way.

iii. Client Readiness

*Findings*

Donating a car can be a great benefit to a family, but it also comes with a significant financial burden. Responses to interview questions from comparable nonprofits about client requirements as well as about what post-donation services are available can give some insight into how transportation nonprofits measure client readiness. Six out of seven respondents require their clients to have a low-income status. Few organizations, however, provide extensive post-donation services. Only one respondent indicated that they provided insurance for the donated car or gas vouchers, but about half of the organizations who responded did indicate that they provided some kind of warranty (of varying durations) as well as general maintenance for donated cars. So, most transportation organizations are requiring their clients to qualify under a low-income status but provide little financial support for the vehicle after it has been donated to the client.

Six out of nine of the organizations interviewed required their client to be referred to them by a third-party organization or a trustworthy individual. According to our survey of partner organization for the transportation nonprofit Wheels4Hope, about 78% of their partner organizations refer potential clients for donation. About 61% of those that refer clients are partners solely for that purpose. Though not generalizable for all transportation nonprofits, it is significant that the majority of Wheels4Hope’s partner organizations were partners for the purpose of referring clients.

*Discussion*

Considering most transportation nonprofits require clients to have a low income status but do not provide a complete set of post-donation services, we can reasonably conclude that transportation nonprofits are typically targeting high poverty populations; that is, those who cannot pay for a car, but have the ability to pay for the upkeep as long as the car would allow them to consistently get to their job. It is unclear whether this method is successful since follow-up is sorely lacking. If clients are able to maintain their cars for a few years before buying one of their own, then organizations might be appropriately targeting the population that need just a hand in lifting themselves out of poverty into self-sufficiency.

That many of these transportation nonprofits require a client to be referred by a third-party organization could be an indication that the partner organization plays a role in determining client readiness. It could be beneficial to outsource client identification to these partners so that the burden is not on the transportation nonprofit. However, varying partners are likely to have different metrics to determine whether a potential client might be ready to take on the financial burden of owning a car. Still, there is a significant opportunity for further
research in the topic of client readiness. A follow up survey of clients would allow a future capstone the ability to identify certain client characteristics that make a donated vehicle a benefit rather than a burden.

iv. Client Eligibility  

Findings  

Documentation of client’s ability to meet eligibility requirements is scattered; no organizations document citizenship, though four out of five organizations require clients to produce a valid state driver’s license. As previously stated, six out of seven organizations require potential clients to maintain and prove their low-income status. Five out of nine organizations indicated that they require clients to have a minimum level of assets before being eligible to receive a vehicle. Many organizations require some level of financial matching, offering a car not as a donation, but as a low-price sale. Those organizations who do require the sale tend not to be faith based. The only organization that is not faith based that offers a car at a full donation is the Newgate School.

Seven out of eight organizations required their clients to be employed, though less than half actually documented that information or required any proof of employment. Six out of nine organizations required their clients to be referred to their organizations by some kind of reputable partner organization. OnRamp is unique in being the only organization that requires potential clients to undergo financial trainings, though Vehicles for Change does require job trainings for certain clients.

Discussion  

It is significant that faith-based organizations represent the majority of organizations fully donating cars, while others provide them at a low-cost sale. The ideas expressed in interviews were such that most nonprofits want their client to have “skin in the game,” whether that be through a low-cost sale or in the client paying for insurance and repairs. Their belief is that if the client has given some payment towards the vehicle, they are more likely to take better care of the vehicle and more likely to use it to better their circumstances. Faith-based organizations, however, seem to place a higher value on providing a car as a full donation. It is imperative that this distinction informs recommendations on service provision as well as contributing to calculations on the total cost of donating a car.

Transportation nonprofits’ employment requirements signal that it is a characteristic highly important to such organizations. It also corroborates our intuition that transportation nonprofit target individuals at the upper end of the “poor” income spectrum. A car will be able to help them get to their job on a more consistent basis in a way that allows them to improve the well-being for themselves and their family.
Mix of Services

Findings

We found that there are four main services that these comparable nonprofit organizations provide: reduced-cost car sale, car donation, repair services, and vehicle warranty. Six out of the nine sell cars to clients in need at a significantly reduced price while five of the nine donate vehicles to clients at no cost. Some overlap exists because one organization donates cars at no cost and also sells cars at a reduced price to those that have the ability to pay. Four out of nine organizations provide low-cost repair services for clients, and four provide warranties on the vehicles, usually for about six months.

In addition to the four major services, some other services include financial assistance, job training, new car owner orientation, driving lessons, and help with maintaining employment. Only two out of these nine nonprofit organizations provide some form of financial assistance to clients, although in very different forms. One organization provides direct monetary assistance, which includes monthly vehicle payments to bank or finance companies, DMV fees for a year, vehicle insurance payments up to $300, $200 gas card to partner organizations, and assistance with repairs. The other organization simply acts as the guarantor for their clients’ car loans.

Regardless of which services they provide, we found that most of these comparable nonprofit organizations require clients to have some type of “buy-in” to the vehicle, no matter which type of service(s) they provide. Along with requiring clients to purchase the car for a low-cost (which is the most prevalent service), other ways to create client “buy-in” included making the client purchase the necessary insurance, titles, etc. for the vehicle, paying for parts, and more. The organizations that require client “buy-in” do so with the argument that clients who “buy-in” to the service will be more invested in it.
Only four of the nine organizations interviewed have physically expanded to a new location. Out of those four, we found that three provide low-cost sale of vehicles. Two donate vehicles, with one organization being able to donate because the state pays the cost of the vehicle. Only one of the four provides repair services, although three provide warranties of at least 6 months on their vehicles. One of these organizations provides job training as well as some financial assistance by being the guarantor of clients’ car loans.
We collected data on each organization’s level of financial growth to see if there was a connection between the services provided and how fast an organization grew financially. When comparing the rate of financial growth to the services offered by each organization, there does not appear to be a consistent link between what services an organization offers and either how fast they grow or their level of financial stability. Some organizations experienced significant growth (i.e., Vehicles for Change, Wheels 4 Hope, Ways to Go, The Lift Garage) when comparing their revenue and expenditures from their first to their most recent tax years. One remained relatively stable (i.e., Good News Garage), one seemed to experience wide fluctuations in its revenue (i.e., Second Chances Garage), and the other seemed to experience a slight decline in revenue over time (i.e., 2C8 Corp., The Car Ministry). Organizations that provide low-cost sale of vehicles were seen across both the financially growing and inconsistent organizations, as were organizations that donate vehicles. This analysis does have its limitations, however, because we do not have the financial information for all of the organizations with whom we interviewed.

**Discussion**

It is clear from our analysis that selling cars to those in need at a low cost, donating vehicles, offering repair services, and providing a warranty are the most common services that nonprofit organizations in this field are providing. The fact that OnRamp offers vehicle donations, repair assistance, and more means that it is providing services on par with their transportation nonprofit counterparts.
Despite the wide array of services that these organizations provide, however, the evidence from our literature review conclusively shows that vehicle provision is the only service provided by these organizations that has a positive impact on people’s well-being (Blumenberg & Pierce, 2017; Dawkins, Jeon, & Pendall, 2015; Hu, 2017; Clark & Wang, 2010; Gurley & Bruce, 2005; Fletcher, Garasky, Jensen, & Nielsen, 2010; Lichtenwalter, Koeske, & Sales, 2006; Fletcher et al., 2010). While providing vehicle repairs, warranties, and more may help ensure that the receipt of a vehicle does not become a burden for clients, we found no evidence in the literature that shows this.

In addition to the literature, the findings from our interviews with these comparable nonprofit organizations shows that there is likely a trade-off between the number of services an organization provides and how quickly that organization can expand to new locations or become financially stable. In other words, the more services an organization provides, the less cars they are likely to give away and the longer it might take to grow financially and physically. This finding means that OnRamp will have to decide on where to strike that balance. Knowing that the evidence shows that the provision of vehicles is the only service that improves people’s well-being (Blumenberg & Pierce, 2017; Dawkins, Jeon, & Pendall, 2015; Hu, 2017; Clark & Wang, 2010; Gurley & Bruce, 2005; Fletcher, Garasky, Jensen, & Nielsen, 2010; Lichtenwalter, Koeske, & Sales, 2006; Fletcher et al., 2010), OnRamp will have to decide if providing additional services is worth potentially giving away less vehicles and/or potentially growing at a slower pace.
III. EXPANSION

i. Research Questions
1. What are the ideal characteristics of a nonprofit ready to expand into another geographic location?
2. How do vehicle-donating nonprofit organizations take into account cost of living differences when deciding where to expand or who would most benefit from a donated vehicle?
3. What locations within Texas have both populations with the greatest need for OnRamp's services and the needed resources to contribute to OnRamp's success?

ii. Internal Expansion

Findings
Readiness is an important component of any expansion. In the interviews we conducted with comparable nonprofits, our team asked those that had expanded to new locations what factors they felt prepared them for expansion. At the time of our interviews, only four organizations had opened a second location. Two out of four stated that having a primary location was an important indicator of readiness; one described the situation as having a replicable model, while the other characterized its situation as “solid.”

Otherwise, the four nonprofits that did expand provided diverse explanations for what they felt made their organizations ready to expand. In one case, funding and other outside support proved crucial. In another, readiness was not actually a factor; instead, their expansion was motivated entirely by need—specifically, the need for an additional space, as their operations had outgrown their first location. In keeping with the nature of their motivation, this nonprofit did not open in a new service area, but rather within their original county. Two locations stated that assessing compatibility with potential expansion locations through fact-finding missions and site visits was key.

Expansion is not an inevitable course of action for transportation nonprofits, though a significant minority considers it important. Most of our sample, despite having histories much longer than OnRamp’s, have not expanded to new locations. A few even explicitly stated that they do not have any intentions of expanding. By contrast, others emphasized expanding to new locations as part of their five- to ten-year growth plan; both of the nonprofits that described expansion in their plans already operated in more than one location. Additionally, another of the organizations that expanded to a new area franchised their operations, a move that suggests an ongoing commitment to expansion.

Discussion
Nonprofit scholars do not discuss what internal institutional factors influence expansion decisions; a key gap revealed by our scoping review. Internal factors simply do not appear as a consideration in the literature. However, our interviews suggest that they are an important component of transportation nonprofits’ choice to expand to a new location. Institutional
readiness was most commonly cited as a key factor when considering an expansion. “Readiness” was nonetheless defined in vague terms, such as institutional stability and a replicable model. One response suggests that a sufficient level of funding is an indication of institutional stability, but otherwise the organizations did not elaborate what constitutes “stable.”

While OnRamp clearly should consider institutional readiness when deciding to expand, with particular consideration to finances, there does not appear to be a set list of internal milestones to meet. Ultimately, internal criteria must be set according to what OnRamp’s leadership considers best for their organization. Our research indicates that a broad focus on current financial resources, projected funding levels, internal organization, and standard policies would provide a helpful blueprint for establishing internal expansion criteria.

iii. External Expansion

Findings

The ability to serve clients well is a crucial component of a successful transportation nonprofit. Organizations like OnRamp exist to provide transportation options for individuals and families who lack access to reliable transit. Therefore, when considering a move to a new location, it is important to know whether or not a sufficient client base exists. While our interviews demonstrated that these organizations take into account who would benefit most from their services, cost of living did not appear as a consideration when evaluating client base. In the case of transportation nonprofits in the United States, the appropriate client base is made up of individuals at the intersection of need (for transportation) and means (to afford a vehicle of one’s own).

Comparable organizations evaluate need according to several key metrics. The most basic indication of need is the lack of a car or another reliable form of transportation. Nonprofits in this field typically make lack of vehicle ownership a requirement to receive services. Five out of the nine organizations our team interviewed do not permit clients to own another vehicle. In addition to car ownership, family status and income level are common measures of need currently used in the field. Of the nine comparable nonprofits our team interviewed, six primarily serve families; five of the six focus on single-parent families, and four of those five consider single mothers their client base.

Likewise, transportation nonprofits rely on measures of financial means when considering whether or not a potential client will benefit from a vehicle. The expenses associated with car maintenance mean that individuals below a certain level of financial resources may actually find vehicle ownership a burden. Transportation nonprofits evaluate individuals’ abilities to afford a car’s upkeep through a variety of means explored in our findings on client eligibility, including financial matching, employment requirements, and sponsorship arrangements.

However, our findings indicate that focusing solely on client base as an expansion criterion is a limited approach. Among the organizations we interviewed, client need was not
always emphasized as a consideration. Only two of the four nonprofits that had expanded to new locations acknowledged the role need played in their expansion decision. One expanded after people in that area reached out to their organization with demonstrated need, while another conducted a needs assessment of their new location. Moreover, nonprofit representatives described these approaches only when asked how they prepared for expansion. When asked directly about the factors they considered when choosing a new location, they overwhelmingly cited supply-side concerns. Of particular importance was finding an area with a reliable car donor demographic, reliably defined as a stable middle class. Three out of four nonprofits with multiple locations listed this consideration. One organization also discussed the importance of established networks, which nonprofits can rely on for donations, financial support, and volunteers.

Discussion

Our findings regarding expansion criteria largely follow the existing literature. Comparable nonprofits prominently cite area resources as an external impetus to expansion in a particular location, with a focus on car donations. In particular, they emphasized the importance of an established middle class, since this demographic donates cars fitting the ideal vehicle profile for clients. This finding confirms the results of a number of scholars (Bielefeld et al., 1997; Grønbjerg & Paarlberg, 2001; Marchesini da Costa, 2016) who find a connection between resources and nonprofit location. Likewise, researchers’ findings regarding the importance of need (Bielefeld et al., 1997; Peck, 2008; Yan et al., 2014) are echoed by nonprofits who reported conducting needs assessments, responding to expansion requests from locations themselves, and building measures of need into their client requirements. While the emphasis nonprofit scholars place on social capital (Grønbjerg and Paarlberg, 2001; Marchesini da Costa, 2016; Marquis et al., 2013) is not strongly repeated in our interview responses, the fact that one out of four comparable organizations with a second location reported relying on networks of support suggests that at least some transportation nonprofits consider this factor.

In contrast to our findings on internal expansion, these results provide clear direction for OnRamp on what to examine when preparing to expand to a new location. Client base as measured by need and means is an important factor, but area resources—particularly donor base—are crucial considerations during the evaluation process. Protocol also exists to help OnRamp evaluate potential expansion locations. In particular, needs assessments are useful when judging areas; OnRamp could easily amend one to include an evaluation of a possible donor population as well as a client base.

iv. Expansion Locations

Findings

In addition to investigating the external criteria transportation nonprofits have used for expansion purposes, our team also committed to conducting preliminary evaluations of prospective second locations based on the metrics we found. We used Census data to compare the average level of need and resources in comparable nonprofits’ areas of operations with
OnRamp’s service area. We also compared OnRamp’s location and the other organizations’ average to potential expansion locations for OnRamp. Three cities are located within Texas. Two are near the Brazos Valley area and/or are demographically similar, and one OnRamp’s leadership suggested as a possible expansion site. Only one city, Kansas City, Missouri, is located outside Texas. While our research question focused on locations in Texas, we added Missouri for an important reason: currently, an individual from Kansas City is in talks with OnRamp leadership about opening a branch there.

The table on the following page (Table 3.6) examines a series of demographic measures across the different cities described above. Some metrics, such as race, population, and educational attainment, provide a snapshot of the areas’ populations. Others are proxies for expansion criteria. While the external criteria we established through our interviews are difficult to measure, we found several measures that can provide us with a cursory understanding of area resources and need. The poverty rate and average travel time to work approximate need. An area with a sizeable portion of its population in poverty, one of nonprofits’ measures of need, will likely have a large client base. Likewise, citizens in a city with a high commute time will especially need reliable transit options — and people who lack them will be especially disadvantaged. Median household income and per capita income provide a rough estimate of the middle class that constitutes a vital resource for transportation nonprofits like OnRamp.

As indicated in the table, the average population for a transportation nonprofit’s location is approximately 160,000, larger than one city under consideration (Waco) but smaller than the other potential locations as well as OnRamp’s current service area. The average median income is above the national average, lending credence to the high importance comparable organizations place on the resources provided by a robust middle class. Kansas City has a median income closest to the average. It also has the closest poverty rate to that of the average among other nonprofit locations. While both figures are above the national average, the other cities’ rates are considerably higher, which can either indicate a broader client base or a narrower one; it depends upon whether or not the carless individuals in poverty possess sufficient resources to maintain a vehicle.
Table 3.5 Preliminary Analysis of Expansion Locations

<table>
<thead>
<tr>
<th>Metric</th>
<th>Bryan, TX</th>
<th>Kansas City, MO</th>
<th>Dallas, TX</th>
<th>Waco, TX</th>
<th>Houston, TX</th>
<th>Average among other nonprofit locations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>84,021</td>
<td>488,943</td>
<td>1,341,075</td>
<td>136,436</td>
<td>2,312,717</td>
<td>159,101</td>
</tr>
<tr>
<td>% Black</td>
<td>0.15</td>
<td>28.70%</td>
<td>24.30%</td>
<td>21.20%</td>
<td>22.90%</td>
<td>14.84%</td>
</tr>
<tr>
<td>% Hispanic or Latino</td>
<td>0.39</td>
<td>10.20%</td>
<td>41.70%</td>
<td>32.10%</td>
<td>44.50%</td>
<td>12.58%</td>
</tr>
<tr>
<td>% Non-Hispanic white</td>
<td>0.41</td>
<td>55.50%</td>
<td>29.10%</td>
<td>43.00%</td>
<td>24.90%</td>
<td>64.66%</td>
</tr>
<tr>
<td>% High school graduate</td>
<td>0.79</td>
<td>89.10%</td>
<td>75.90%</td>
<td>80.40%</td>
<td>77.90%</td>
<td>89.61%</td>
</tr>
<tr>
<td>% Bachelor's or higher</td>
<td>0.26</td>
<td>33.50%</td>
<td>31.60%</td>
<td>22.90%</td>
<td>31.70%</td>
<td>40.55%</td>
</tr>
<tr>
<td>Average travel time to work</td>
<td>16.5</td>
<td>21.8</td>
<td>26.8</td>
<td>17.7</td>
<td>27</td>
<td>23.82</td>
</tr>
<tr>
<td>Median household income</td>
<td>$43,310</td>
<td>$50,136</td>
<td>$47,285</td>
<td>$36,004</td>
<td>$49,399</td>
<td>$59,861</td>
</tr>
<tr>
<td>Per capita income</td>
<td>$23,092</td>
<td>$29,742</td>
<td>$31,260</td>
<td>$21,444</td>
<td>$30,547</td>
<td>$33,398</td>
</tr>
<tr>
<td>Poverty rate</td>
<td>23.60%</td>
<td>17.30%</td>
<td>21.80%</td>
<td>26.80%</td>
<td>21.20%</td>
<td>16.20%</td>
</tr>
</tbody>
</table>
Discussion

Ultimately, the data available from the Census Bureau are not sufficient to determine which location is optimal for an OnRamp expansion. The metrics offered imperfectly capture the considerations that determine where transportation nonprofits expand, namely need for affordable private transit and a client base for vehicle donation. However, they can point in the right direction. Based upon a comparison with the average figures among comparable nonprofits’ locations, Kansas City, Missouri appears the most in line with the profile of a city that can support an organization like OnRamp. All the same, we cannot reach a definitive verdict on which potential expansion location, if any, is superior. A conclusive judgement would require closer study, ideally through the assessment mechanism described in the previous section on external expansion criteria.
IV. OTHER DATA COLLECTION

i. Partnerships

Findings

We interviewed nine organizations, eight of which we were able to find information about their partnership mix. The graph below (Figure 3.8) breaks down the partnership mix of the interviewed organizations. Nonprofit organizations make up a plurality of all partnerships with organizations, while garages, churches, and other businesses are significant players as well.

![Figure 3.8. Breakdown of Partnerships, All Organizations](image)

We further disaggregated partnerships to individual organizations. There is significant variance in the partnership profiles of these organizations. Faith-based organizations, like Wheels4Hope, The Car Ministry, and God’s Garage, have substantial partnerships with local churches and religious organizations, while other organizations typically have higher percentages of government, nonprofit, and other business partners. Relatively few organizations partner with dealerships, towing companies, colleges, or government agencies, although those that do typically partner with several organizations of the same category.
An examination of Wheel4Hope’s partnership profile also yielded interesting results. Our sample included 12 nonprofits, 3 churches, and 8 garages (52%/13%/35%, respectively). While garages were slightly overestimated and churches slightly underestimated, this group gives us a view of the key players in Wheels4Hope’s partnership portfolio. It appears that garages have the longest average length of relationship at 10.8 years, then churches at 6.7 years and finally nonprofits at 5.6 years. However, on top of identifying the type of organization each partner was, we also broke down the extent of their relationship by examining whether they provided services, referred clients, or did both. This is summarized in the figure below:
Organizations that simply provided referred clients had the shortest relationship length on average, while organizations that provided services or did both made up a majority of the relationships over 5 years. This was consistent across types of organizations, as garages, nonprofits, and churches were all included in the category of partners that provided both services and clients.

**Discussion**

The general theme of the literature on nonprofit partnerships, both within and across sectors, was that partnerships are of greater value to both partners when the power dynamics between the two organizations are equal and both partners benefit from the relationship in the long term. These are the types of relationships that tend to last and strengthen over time. In light of this, it is not surprising to find that those organizations that both refer clients and provide services make up a higher percentage of the 5+ year partnerships, because these relationships have likely been built on a more intense mutual commitment that benefits both parties. For many of the organizations referring clients, Wheels4Hope provides them a service: in many cases, these organizations are churches or social services agencies, and Wheels4Hope’s intervention makes life easier for their client or member. In return, these organizations return the favor back to Wheels4Hope, often providing volunteers or case management services for the recipients of donated cars.

We were also unsurprised to find that, as a rule, faith-based organizations tend to partner with churches while other organizations did not. If properly engaged, churches tend to provide a large source of volunteer labor, potential clients, and opportunities for marketing and outreach. However, they lack the type of rigorous client management services provided by social service agencies and other niche nonprofit organizations.

One significant limitation of this approach is that as this is just a sample of the overall population of partners, we are unable to fully determine the effect that time has on the current partnership profile. For example, it could be the case that Wheels4Hope newer partners mostly refer clients because of churn in those relationships, or that could be the result of a strategic decision by Wheels4Hope. If, for example, the organization prioritized its relationships with service providers to create firm, foundational partnerships and then turned their attention to expanding their client base, we would expect to see very similar results to the ones presented above. In either case, whether this partnership profile exists as a result of strategic decisions made by the board of directors or careful cultivation of key partnerships over time, these results teach us that partnerships do seem to be influenced by mission (specifically, whether that mission is faith-based or not), and that there is no one way to approach partnerships and service delivery. However, we believe, based on their track record of success, their faith-based mission, and their wide array of partnerships, that Wheels4Hope represents a good direction for OnRamp to take their own partnership mix towards.
Chapter 4: Recommendations
Measuring Success
1. OnRamp should bolster its initial collection of client intake data to include but not be limited to: Type of shift worked, education level, hours spent with children, hours spent walking (as opposed to driving), hours spent at social activities (church, school), Likert scale quality of life metric, asset level
   ➢ Collecting this information from clients at the very beginning will make it easier for OnRamp to measure their success by the impact they have on their clients’ well-being.
2. OnRamp should develop a systematic data collection tool to track clients for at least 1-year post-donation.
   ➢ This data collection tool is an extension of the initial intake survey that clients have to fill out when they apply for a vehicle. This tool is what will allow OnRamp to measure their success by the impact they are having on the lives of their clients. A potential way to conduct this follow-up would be to have clients fill out the same intake data sheet they completed when initially applying for a vehicle at each of their vehicle maintenance visits. If clients only came in to have their oil changed, OnRamp would still be able to follow-up with them every three months or so.
3. Continue tracking output measures to the degree they are currently tracking it.
   ➢ Using impact measures to judge success is a long-term process. Output measures, on the other hand, can be useful in immediately determining whether or not OnRamp is meeting its mission of giving cars to those in need. Additionally, tracking output measures can be helpful in acquiring additional funding, as some potential funders (e.g., government and foundational grants) might want to know how efficient OnRamp is at getting vehicles to clients.

Fundraising
1. Make annual specific, measurable, attainable, realistic, and timely budget and revenue goals.
   ➢ The organization would benefit greatly from operating from a standpoint of foresight. To state it plainly an organization should have an operating budget, a capital budget, and a cash budget. These budgets should be analyzed at the end of a year to develop the next year’s annual budget. An organization should also have a plan to acquire revenue to meet budgetary goals.

Board of Directors & Executive Leadership
1. The current board needs to set clear goals for OnRamp with both short-term and long-term measures. These goals are critical for establishing a foundation to develop not only OnRamp’s board but also determine key milestones on the road ahead.
Examples of these goals could include but are not limited to a certain number of vehicles donated, reduced walk time for clients, increased time spent with children for clients, reduced dependence on SNAP and other assistance programs, time of day spent working, etc.

2. Identify the actions necessary to meet these short-term and long-term goals.

➢ Pre and post-donation surveys, soliciting funding required to provide vehicles, increasing partner numbers or contributions, etc. These key actions will be the determining factors in board member responsibilities.

3. Establish board size and officer positions to include at a minimum - president, vice president, treasurer, and executive director with 9 total members.

➢ The executive director serves on the board as the link between the board and its vision for OnRamp and the day-to-day operations necessary to meet those goals.

➢ Consider hiring/paying an Executive Director when OnRamp reaches $200,000 in revenue. This is projected to occur between the second and third year of OnRamp’s operations. (Note: This will depend on OnRamp’s specific mix of cash and non-cash revenue.)

4. Define specific roles and responsibilities for each position in the organization.

➢ Creating job descriptions will allow for more accurate evaluations of the individuals in these positions.

➢ Utilize the actions necessary to reach OnRamp’s goals to help create these descriptions and responsibilities including monitoring, supporting, partnering, and representing roles.

➢ These actions will also help OnRamp further understand what day-to-day activities can or should be delegated to volunteers, contracted employees, etc.

5. Set board member criteria.

➢ A mix of legal professionals, business owners (automotive business owners are preferable), corporate executives, and at least one other nonprofit professional, social worker, pastor/faith leader, or former client.
➢ Ensure that at least one board member (preferably the nonprofit professional, social worker, pastor/faith leader, or former client member) is focused on the representing role of the board. They should evaluate organizational decisions based on what is best for the clients being served.

6. OnRamp should set evaluation standards for board members and executive leaders.

➢ Set expectations for each position so each individual knows their responsibilities and how they will be evaluated in order to reach the goals of the organization as efficiently as possible. Evaluations should be based on the job description they were given.

➢ Requiring governance as a key component of board activity in order to set the OnRamp board apart and help ensure the continued success of the organization because it will be continually evaluating itself. Evaluating the current state of the organization in accordance with its long-term goals will be an essential process. OnRamp is growing rapidly and will need to continually evaluate itself through the board to ensure it is staying true to its established mission.

7. Create new board member selection criteria

➢ Utilizing the established job descriptions develop an interview process that can be used to evaluate candidates and determine the best fit. This will likely evolve as OnRamp grows and is important to evaluate as the organization continues its mission.

8. Train the board members

➢ Develop a training or orientation program for new board members that educate not only on their duties but the mission and vision for OnRamp and the long-term plans for its future.

➢ Include the important distinction between board responsibilities and volunteering with day-to-day operations.

Mix of Services
1. OnRamp may consider an asset limit or a buy-in to ensure that they are serving clients to whom a car would not be a burden.

➢ This is connected to the recommendations under client eligibility. It is possible that by not requiring clients to have a minimum asset level or some type of buy-in to the
vehicle, whether monetary or not, OnRamp could be unintentionally giving vehicles to those for whom a vehicle is a financial burden. By setting some kind of client buy-in or asset limit, it would help OnRamp focus its services to individuals and families for whom a vehicle is a benefit rather than a burden.

2. Continue tracking the number of repairs, the cost of repairs, etc.
   - Tracking these numbers will help OnRamp understand how much it is spending on the vehicles it is donating, thereby allowing them to gain a better understanding of the true cost of giving away a vehicle. It will also help OnRamp see how much it spends in extra services to determine whether or not to decrease additional services in favor of donating more vehicles.

3. OnRamp should prioritize donating cars in its service profile.
   - As stated earlier, based on our scoping review, providing a vehicle is the only service that has a positive impact on those in need. While providing other services can help individuals and families maintain their vehicles, those other services have not been shown to positively impact an individual’s well-being. Prioritizing car donations over other services will, most likely, allow OnRamp to better serve a wider array of individuals.

**Partnerships**

1. Prioritize garages, nonprofits (particularly social service agencies), and churches as partners.
   - Based on our analysis of partnerships for comparable organizations, especially our deeper dive into the partnership profile of Wheel4Hope, we have concluded that these three types of partnerships are particularly important. For faith-based organizations, churches seem to provide a unique stream of volunteers, marketing opportunities, donations, and clients that play a vital role in the operations of an organization like OnRamp.

2. Consider formalizing partnerships by signing memorandums of understanding (MOUs).
   - We find evidence suggesting that more formal partnerships that are more involved in terms of what is being shared between organizations tend to last longer. As a result, we suggest taking steps to formalize the relationships that the organizations rely on heavily in order to provide a sense of investment from both parties that will carry the relationship forward into the future.

**Expansion**

1. OnRamp should establish internal criteria for expansion. In particular, the organization should focus on financial sustainability, institutional stability, and level of success.
   - For example, OnRamp might consider achieving a certain level of annual income, establishing a professional board, and donating a set number of cars before making the decision to expand. We encourage OnRamp’s leadership to establish criteria they feel comfortable with and to consider reaching out to comparable nonprofits that have expanded if they are unsure.
2. When expanding, OnRamp should seek relationships with churches, garages, and nonprofits before selecting a new location.
   ➢ These partners are crucial for transportation nonprofits in terms of service delivery, especially faith-based ones like OnRamp. Churches in particular play an important role in securing the vehicle and monetary donations, which comparable organizations with second locations consider the most important factor in deciding upon a new city.

3. Kansas City appears to have the “sweet spot” for those who may benefit the most from vehicle donation.
   ➢ Our review of the literature and interviews established that transportation nonprofits’ extremely specific client base is an extremely important expansion concern. Nonprofits in the field serve people who are unable to afford a reliable car outright, but who have the resources to maintain one. Preliminary demographic statistics suggest that Kansas City can likely support this kind of client base. However, we recommend that OnRamp conduct a more in-depth needs assessment of the city and others before proceeding with an official move.
Chapter 5: Conclusion
OnRamp serves the Brazos Valley community by donating vehicles to people in need, with a focus on sharing the grace of God and encouraging self-sufficiency. Like many start-up nonprofits, however, it faces challenges in achieving sustainable operations and long-term growth. Our Capstone sought to respond to OnRamp’s challenges by providing evidence-based recommendations that address the organization’s strategic, service, and expansion concerns.

We based our recommendations on a thorough scoping review and the results of our original research. We conducted elite interviews with nine of thirteen transportation nonprofits currently operating in the United States, all four members of OnRamp’s board of directors, and 25 percent of a similar organization’s partners. Additionally, we reviewed data from comparable nonprofits’ websites, the U.S. Census Bureau, available Forms 990, and OnRamp’s private client information. Based on our findings, we were able to demonstrate the importance of the services provided by OnRamp and other transportation nonprofits, as well as articulate the best practices in the field regarding strategic concerns, services, and expansion.

While our recommendations are wide-ranging, the most crucial ones center around improving data collection, establishing professional leadership, considering different forms of client buy-in, and focusing on client base and donor base when expanding. Given the priorities of OnRamp’s leadership and the requirements for achieving these objectives, we advise OnRamp to focus on growing and professionalizing their board. Without an established board, it will be challenging to make the necessary decisions for addressing our other key recommendations.

Our Capstone team conducted research on behalf of OnRamp, tailoring it to the organization’s particular needs and priorities. However, many of our findings and recommendations may also be useful for the thirteen other nonprofits we identified in the industry. Additionally, we believe that the overview of the field in our scoping review can provide useful points of contact for the different transportation nonprofits located in the United States. We recognize that donating vehicles or offering them through a low-cost sale is invaluable for individuals and families striving to achieve better lives. It is our hope that our research will enable OnRamp and potentially other organizations to continue growing, improving their operations, and serving people in need.
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