

# NEW BOOKS

## Out of Poverty: What Works When Traditional Approaches Fail

By Paul Polak

“There can be no question that the most direct and cost-effective first step out of poverty is to find ways to help poor people to increase their income,” argues Paul Polak, founder of International Development Enterprises, a group that helps poor entrepreneurs. “This allows them to make their own choices about which root causes of poverty to address.”

Mr. Polak writes of his own work with some of the hundreds of millions of farmers who work tiny, one-acre plots of land and live on less than \$1 a day. He believes that discovering “ways to unleash market forces” is the first step organizations and governments should take when working to eradicate extreme poverty, and that charity alone is not enough to lift the world’s poorest families from indigence.

He lays out his own guiding principles for antipoverty work; for example, Mr. Polak exhorts aid officials and workers to talk directly with poor people to get a firsthand understanding of their experiences.

“To move out of poverty, poor people have to invest their own time and money,” he says. “The path out of poverty lies in releasing the energy of third-world entrepreneurs.”

The book also explores affordable design for poor farmers, such as treadle pumps and drip irrigation, and how to create markets for poor vendors and customers. Mr. Polak writes about the role of multinational corporations, engineers, universities, and other groups.

**Publisher:** Berrett-Koehler Publishers, 235 Montgomery Street, Suite 650, San Francisco, Calif. 94104; (415) 288-0260; fax (415) 362-2512; <http://www.bkconnection.com>; 232 pages; \$27.95; ISBN 978-1-57675-449-8.

## Zone of Insolvency: How Nonprofits Avoid Hidden Liabilities and Build Financial Strength

By Ron Mattocks

Between financial stability and total bankruptcy lies the “zone of insolvency,” or a time of financial distress, writes Ron Mattocks, a nonprofit consultant.

He adds that as many as a third of all charities “operate perpetually in financial distress,” which may cause “a weakening of the fiscal viability and service value of the nonprofit community at large.”

Mr. Mattocks’s book aims to help trustees and charity leaders

recognize whether their organizations are creeping toward insolvency, and figure out what they should do about it.

The first section of the book is devoted to 10 case studies of prominent groups that have experienced financial troubles, according to Mr. Mattocks, and the lessons that can be learned from their stories.

Several of the cases ended in criminal prosecution of charity officials, including Oral Suer of the United Way of the National Capital Area and John G. Bennett of the Foundation for New Era Philanthropy. Mr. Mattocks also writes about groups that successfully staved off financial collapse and others that shut down after determining that their missions had been fulfilled.

The other sections of the book examine how to define and detect financial distress, what board members are responsible for, and what steps to take to either strengthen the group or dissolve it.

Each chapter ends with a set of five questions board members should ask at meetings so they can make sure their organization does not fall into financial trouble.

**Publisher:** John Wiley & Sons, 111 River Street, Fourth Floor, Hoboken, N.J. 07030; (201) 748-6000; fax (201) 748-6088; <http://www.wiley.com>; 240 pages; \$45; ISBN 978-0-470-24581-1.



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**OTHER PUBLICATIONS**

**Culture of Inquiry: Healthy Debate in the Boardroom**, by Nancy R. Axelrod, proposes that nonprofit board members incorporate four ingredients—trust, information sharing, teamwork, and dialogue—into their meetings and discussions. Ms. Axelrod, a nonprofit consultant, emphasizes that respectful dissent, honesty, and civility are also part of an effective and healthy organizational culture. The book helps charity leaders assess how their own group works together, and offers a step-by-step guide to encouraging a culture of inquiry, with chapters that focus on each of the four elements that Ms. Axelrod advocates, including tips on how to steer through disagreements without stifling opinions on either side. She also includes a list of suggested resources that can supplement her own advice. Publisher: BoardSource, 1828 L Street, N.W., Suite 900, Washington, D.C. 20036; (202) 452-6262 or (800) 883-6262; fax (202) 452-6299; mail@boardsource.org; <http://www.boardsource.org>; 54 pages; \$21 for members, \$28 for non-members; ISBN 1-58686-103-4.

**Maximizing Foundation Effectiveness: Aligning Program Strategy, Organizational Capacity, Strategic Planning, and Performance Assessment to Achieve Success**, by Paul M. Connolly, argues that though grant makers often say they want “a bigger bang for the buck,” not enough groups take the necessary actions. This publication outlines the four goals noted in the title and provides step-by-step information on how foundations can donate money and operate programs “to create a wider ripple effect and amplify their impact.” The report also answers frequently asked questions like “How reactive or proactive should grant making be?” and “What other activities beyond grant making can a foundation pursue to help achieve its goals?” Publisher: TCC Group, 1 Penn Center, Suite 410, Philadelphia, Pa. 19103; (215) 568-0399; fax (215) 568-2619; <http://www.tccgrp.com>; 22 pages; available free for download on the organization's Web site.

**Nonprofit Nonsense & Common Sense**, by Marshall McNott, offers advice and insight about fund raising and nonprofit leadership, gleaned from the author's 40 years as an executive director of several charities. Nonprofit groups must “expect serious scrutiny for their privilege” of the tax benefits afforded them and their donors, Mr. McNott says. And so he aims to shed light on charity operations by discussing his own experiences as a leader and as a consultant. Thirteen chapters focus on topics like stewardship of donations, staying humble as an organization, “unconventional” fund-raising tactics, consulting, board and executive relations, and employment relations. Publisher: Robert D. Reed Publishers, P.O. Box 1992, Bandon, Ore. 97411; (541) 347-9882; fax (541) 347-9883; <http://www.rdrpublishers.com>; 124 pages; \$14.95; ISBN 978-1-931741-99-6.  
—ANNE W. HOWARD