



Community Foundation

FOR PALM BEACH AND MARTIN COUNTIES

Promoting philanthropy - Investing in communities

Op-Ed: Survey finds local nonprofits still feeling the impact of tough economic times

Last year's market collapse wiped out billions of dollars in stockholder wealth. In its wake it left an economic disaster of unprecedented proportions, including foreclosed homes and unemployment in most areas of the country. Thankfully, we have begun to see signs that signal hope for a recovery.

Many of us remain cautiously optimistic. In South Florida, the aftermath is still very much with us. We do not have to look far beyond our own neighborhoods, families and friends to find the tenacity of bad times burrowing in more deeply still. This worst of times is accompanied by a decline in funding that is restructuring the nonprofit sector and many of the social services agencies that have been our "safety net" in times of urgent need.

In order to understand what was happening here in our community, the Community Foundation for Palm Beach and Martin Counties and Allegany Franciscan Ministries partnered, for the second year in a row, to take the pulse of the nonprofit sector in our region. Over 357 nonprofit organizations representing nearly 22,000 staff members and 50,000 volunteers responded to the 2nd Annual Nonprofits & the Economy survey.

Nonprofits reported that obtaining funding, recruiting donors and covering employee payroll and benefits costs are among their top challenges. Forty percent of respondents reported experiencing negative cash flow in the past 12 months (a 15% increase over last year's results) and 30% of those attributed the need to borrow money due to unmet fundraising goals. However, the number of organizations reporting financial health increased 12% over last year.

Nonprofits shared that the entire population has been affected in light of the economic downturn. Some of their former donors and volunteers are now seeking services. Needs are high in areas like education, employment, housing, healthcare and hunger.

To meet the challenges, nonprofits are cutting expenses, seeking volunteers, increasing fundraising efforts and working to build endowments needed to weather future storms. A new trend to emerge this year is that more organizations are collaborating with other nonprofits. The leadership and entrepreneurship of local nonprofits offers hope and optimism in the capacity of the nonprofit sector to transform and adapt to meet the challenges of these unprecedented times.

We all can learn from their experience and example. As funders passionate about the well-being of our region, we are challenged to become more strategic in our thinking and to better leverage limited resources by focusing on those things we do best and partnering with others to get things done. The input has also helped us take action. For example, last year's results helped spark the Safety Net Challenge, an unprecedented collaboration of our foundation with other funders that raised \$1.3 million for food, shelter, healthcare and childcare in the region.

As individuals, we each can do our part to support local nonprofits. Support causes you care about with your time as volunteers, your expertise as professionals, and your contributions as donors. Become educated about the urgent community needs in your community.

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