

Report: Recession Continues to Challenge New Jersey's Non-Profits

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North Brunswick, NJ – The recession continued to take a deep toll on New Jersey non-profits in 2009, and the outlook for 2010 remains uncertain, according to a new report released by the Center for Non-Profits.

These were among the findings of *New Jersey Non-Profits 2010: Trends and Outlook*, the Center's annual survey of the non-profit community. The survey was conducted online in mid-February 2010 to gauge the experiences, trends and projections of New Jersey's non-profit groups. The survey tracks prior year funding and expenses, outlook for the coming year and actions taken by non-profits to address trends. Responses submitted by February 17, 2010, from 326 501(c)(3) organizations were included in this analysis.

The survey provides further evidence of how the recession has been stretching the state's charitable community. For example:

- Nearly two-thirds (64%) of responding organizations reported that demand for services had increased during the past year, and even more (74%) expected demand to continue to rise in 2010.
- Forty-five percent reported that total funding had declined in 2009, and 43% reported that expenses exceeded support and revenue during the most recently completed fiscal year.
- Forty-three percent of respondents reported that they had already frozen or cut salaries when the survey was taken, and 19% had implemented some reduction of staff hours. Nearly one-third (31%) had cut staff, and an additional 17% said that they might do so before the end of 2010.
- Despite these cost-cutting measures, nearly 60% of respondents expected their total expenses to rise in 2010. At the same time, only 38% expected their total 2010 funding to increase, while 35% anticipated a drop in total funding.

Commented Linda M. Czipo, executive director of the Center, "The findings are troubling because while government and individuals are both looking increasingly to non-profits to fill critical needs, non-profits can't continue to keep pace with rising demand and shrinking resources."

Along with cost-cutting measures, half (49%) of responding non-profits reported launching new fundraising appeals in 2009, 36% increased their advocacy efforts, and 35% recruited additional volunteers. Nearly half (47%) launched new partnerships or collaborations, most commonly with other non-profit organizations, although partnerships with government and business were also reported.

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Mergers represented a small but growing part of the actions under consideration by non-profits. While only 2% of respondents reported having completed a merger, 8% had explored one, and 16% indicated that they might investigate one in 2010.

“This is a time of retrenchment for a significant part of the non-profit sector,” commented Czipo. “In some cases this reorganization is appropriate and beneficial, but in others, clear gaps are being created, and that’s cause for serious concern.”

The report calls for efforts to strengthen non-profits and for continued government/non-profit collaboration to ensure that community and societal needs can be met.

The full report, *New Jersey Non-Profits 2010: Trends and Outlook*, is available on the Center for Non-Profits web site at www.njnonprofits.org/2010AnnualSurveyRpt.pdf.

Founded in 1982, the Center for Non-Profits is a charitable umbrella organization serving New Jersey's non-profit community. The Center's mission is to build the power of New Jersey's non-profit community by serving as the premier voice and comprehensive resource for and about our sector. Center programs include public education, legal and management assistance, publications, workshops, and member services. For more information, visit the Center's Web site, www.njnonprofits.org, or call (732) 227-0800.

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