

Survey Report: Rising Demand, Tight Funding Continue to Challenge NJ Non-Profits

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North Brunswick, NJ – Steadily climbing demand for services and tight funding streams continued to challenge New Jersey non-profits in 2010, and non-profits were adopting a cautious outlook for 2011, 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 February 2011 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 14, 2011, from 216 501(c)(3) organizations were included in this analysis.

The survey provides further evidence of the toll the recession has been taking on the state's charitable community. For example:

- Nearly three-quarters (73%) of responding organizations reported that demand for services had increased during the past year, and 72% expected demand to continue to rise in 2011.
- Thirty-four percent reported that total funding had declined in 2010, and 36% 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 by the time the survey was taken, 36% had cut staff, 27% had implemented some reduction of staff hours, and 23% had reduced employee benefits.
- Despite these cost-cutting measures, 65% expected their total expenses to increase in 2011, but only 38% expected total 2011 funding to increase. By contrast, 25% anticipated a decrease in their total funding, while 31% expected flat funding in the coming year.

“Rising demand and tight funding are threatening non-profits’ ability to provide essential programs and services at a time when government and individuals are turning to them more than ever,” commented Linda M. Czipo, executive director of the Center. “Since non-profits also employ approximately 7% of the state’s work force, this is cause for concern economically as well as socially.”

Along with cost-cutting measures, nearly half of respondents reported launching new fundraising appeals or sought funds from alternative sources, 27% increased their advocacy efforts, and 36% recruited additional volunteers. Nearly half (49%) launched new partnerships or collaborations, most commonly with other non-profit organizations, although partnerships with government and business were also reported. While only 3% of respondents reported having completed a merger, 9% indicated that they had explored one, and 16% indicated that they might explore one in 2011.

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While there are some signs that funding declines may have begun leveling off in certain categories, the combination of tight funding, steadily increasing demand for services, rising expenses, cash flow problems and regulatory burdens, means continued difficulty for many organizations.

“As one respondent noted, the ‘shock and awe’ of 2008-09 is behind us, but uncertainty remains,” noted Czipo. 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 2011: Trends and Outlook*, is available on the Center for Non-Profits web site at www.njnonprofits.org/2011AnnualSurveyRpt.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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