NJ Non-Profit Survey: Some Hopeful Signs Tempered by Rising Demand, Funding Uncertainties

FOR IMMEDIATE RELEASE
March 25, 2013
Contact: Linda M. Czipo
732-227-0800

North Brunswick, NJ – New Jersey non-profits reported some modest signs of improvement in their circumstances compared with one year ago, but rising demand for services and flat or uncertain funding streams continue to create a cautious outlook for 2013, according to a new report released by the Center for Non-Profits.

New Jersey Non-Profits 2013: Trends and Outlook, the Center’s annual survey of the non-profit community, was conducted online in late January and February 2013 to gauge the experiences, trends and expectations 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. The findings are based on 185 responses from New Jersey 501(c)(3) organizations.

The survey suggests that while there are some small signs of encouragement, many non-profits continue to face ongoing challenges. For example:

- More than two-thirds (69%) of responding organizations reported that demand for services had increased during the past year, and even more (78%) expected demand to continue rising in 2013.
- Forty percent reported relatively level funding in 2012 vs. 2011 – a slight improvement over the Center’s previous survey – but 34% reported that expenses had exceeded support and revenue during their most recently completed fiscal year.
- Sixty-two percent expected their total expenses to increase in 2013, but only 42% expected total 2013 funding to increase. By contrast, 34% expected total funding to remain the same as 2012, and 19% anticipated a decrease. Generally, respondents were more optimistic than one year ago, predicting level funding in many major source categories and increases for individual gifts and special events.

“Non-profits employ nearly 10% of the state’s private work force, and governments and individuals are turning to them more than ever to provide essential programs and services,” commented Linda M. Czipo, executive director of the Center. “Everyone has a stake in ensuring that organizations are in a position to meet these critical economic, societal and community needs.”

Impact of Hurricane Sandy
This year’s survey also included questions about the impact of Hurricane Sandy on New Jersey non-profits, and about non-profits’ role in the recovery efforts. Thirty-five percent said that the storm had caused loss of jobs/livelihood for their clients, and 35% reported that demand for their services increased as a result of the storm. Nearly one-third (29%) of respondents said that they had modified

(more)
their programs and services in the wake of the storm, and nearly two-fifths (38%) either reported that they were part of a collective effort to address post-Sandy needs or expressed a desire to become part of such efforts.

**Actions Taken**

Non-profits continued to employ a combination of cost-cutting and resource generation strategies:

- Twenty-eight percent of respondents reported that they had frozen or cut salaries by the time the survey was taken, 29% had cut staff, 12% had implemented some reduction of staff hours, and 13% had reduced employee benefits. More than 40% had launched new fundraising appeals or sought funds from alternative sources, 30% had increased their advocacy efforts, and 30% had recruited additional volunteers.
- A significant portion (42%) reported launching new partnerships or collaborations in 2012, most commonly with other non-profit organizations, although partnerships with government and business were also reported. Twelve percent said that they might explore a merger in 2013 and 10% said that they might complete one.

Although caution remained the most common thread in respondents’ outlook for the coming year, there were some small signs of encouragement. Compared with the 2012 survey, non-profits were more likely to predict level funding than decreases in every major funding category, and in almost all categories, decreases were forecast less often. For three types of funding – individual giving, special events and fees for service – a higher percentage of non-profits expected funding to grow over the coming year.

The survey was taken before the federal government’s mandatory “automatic sequestration” budget cuts began to take effect March 1, and Czipo noted that non-profits’ circumstances could be influenced by a variety of external factors.

“We’re beginning to see incremental signs of progress for parts of the non-profit community,” Czipo stated. “But given that it takes extra time – four years or more, according to some studies – for recovery in other sectors of the economy to reach the non-profit sector, the road ahead will continue to be very challenging.”


*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. Through public education, legal and management assistance, publications, workshops, and member services, the Center strengthens non-profits, individually and collectively, in order to improve the quality of life for the people of our state. For more information, visit the Center’s Web site, [www.njnonprofits.org](http://www.njnonprofits.org), or call (732) 227-0800. # # #

**Center for Non-Profits**

1501 Livingston Avenue
North Brunswick, NJ 08902
732 227 0800  fax: 732 227 0087
web: [www.njnonprofits.org](http://www.njnonprofits.org)
e-mail: [center@njnonprofits.org](mailto:center@njnonprofits.org)

[www.facebook.com/njnonprofits](http://www.facebook.com/njnonprofits)
[www.twitter.com/NJ_Nonprofits](http://www.twitter.com/NJ_Nonprofits)
[www.linkedin.com/company/center-for-nonprofits](http://www.linkedin.com/company/center-for-nonprofits)