

## NJ Non-Profit Survey: “Chronic Under-Funding” Cause for Concern

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**Mercerville, NJ** – Rising demand and tight funding continue to challenge the ability of New Jersey non-profits to provide needed programs and services, according to a [new report](#) released by the [Center for Non-Profits](#).

[New Jersey Non-Profits 2016: Trends and Outlook](#), the Center’s annual survey of the non-profit community, was conducted online in late January and early February 2016 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 Center has conducted this survey on at least an annual basis since 2001. The findings of the 2016 survey are based on responses from 311 New Jersey 501(c)(3) organizations.

The survey findings revealed a number of areas of concern about the resource environment for non-profits in a time of steadily escalating need. For example:

- Three-fourths (74%) of responding organizations reported that demand for services had increased during the past year, and a nearly four-fifths (78%) expected demand to continue rising in 2016.
- Only 42% reported receiving more total funding in 2015 vs. 2014, but 65% reported that their expenses were higher than in the previous year. Over one-third (35%) reported that expenses exceeded support and revenue during their most recently completed fiscal year; that proportion was even higher (44%) among larger organizations, those with annual budgets of \$1.5 million or more.
- Although 70% expected their total expenses to increase in 2016, fewer than half (47%) expected total 2016 funding to increase and about one-third (34%) expected funding to remain flat. Regarding specific types of funding, respondents were most optimistic generally about donations from individuals and special events, and most cautious about funding from government.

“Non-profits employ nearly 10% of the private workforce in New Jersey, and governments and communities are relying more heavily than ever on non-profits for vital programs and services,” noted Linda M. Czipo, executive director of the Center. “The stresses created by chronic under-funding hold significant implications for the ability of organizations to deliver essential services, which is a grave concern.”

### **Actions Taken**

Non-profits continued to employ a combination of cost containment and resource generation strategies to address internal and external trends:

- Consistent with prior surveys, a large percentage of organizations continued to seek additional resources to support their work, through new fundraising appeals, or seeking funding from alternative sources, or volunteer recruitment. A sizeable percentage also reported that they had added new

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*Center for Non-Profits is a New Jersey non-profit corporation and a federally recognized 501(c)(3) publicly supported charity.*

programs or were considering doing so, and a significant number indicated that they had launched, or were contemplating new collaborative efforts. Efforts to increase organizational advocacy were also frequently reported.

- While program and staff cuts were under consideration – to be expected given economic uncertainties – relatively few organizations definitively planned to make those cuts. Although sizeable percentages expressed the desire to add programs (40%) or staff (32%) in 2016, fewer indicated that they definitely would do so (20% and 15% respectively).
- More than half (56%) reported launching new partnerships or collaborations in 2015, mostly with other non-profits, although partnerships with government and business were also reported. Seventeen percent said that they might explore a merger in 2016 and 7% said that they might complete one.

**The findings also revealed that some of the modest economic and funding improvements seen in last year’s survey have slowed or slipped.** Compared with a year ago, a slightly smaller percentage of respondents viewed their situations as improved, and a similar decline in optimism and a sizeable degree of uncertainty were seen for 2016.

By far the most troubling sign is the continued gap between the steadily rising demand for non-profit services – a trend seen consistently in surveys in New Jersey and nationally – and the capacity to meet this demand (as evidenced by increased expenses, and fewer organizations reporting increased funding or higher numbers of people served compared with those reporting increased demand).

“A strong non-profit community is socially and economically important to a strong New Jersey,” emphasized Czipo. “We need to develop long-term solutions so that organizations can remain strong for the people that need them.”

Support for the 2016 New Jersey non-profit survey was provided by [Sobel & Co., LLC, Certified Public Accountants and Advisors](#). The full report, **New Jersey Non-Profits 2016: Trends and Outlook**, is available on the Center’s website at <http://www.njnonprofits.org/2016AnnualSurveyRpt.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. Through public education, management and compliance 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 Website, [www.njnonprofits.org](http://www.njnonprofits.org), or call (732) 227-0800.*

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