NJ Non-Profit Survey Report Shows Lingering Gap Between Demand for Services, Funding

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Mercerville, NJ – A “prolonged gap” between escalating demand for the services provided by New Jersey’s charities and stagnant funding poses a threat to the ability of organizations to provide those services, according to a new report released by the Center for Non-Profits.

New Jersey Non-Profits 2019: Trends and Outlook, the Center’s annual survey of the non-profit community, was conducted online in January 2019 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 since 2001. The 2019 survey report is based on responses from 220 New Jersey 501(c)(3) organizations.

The survey shows a continuing trend of rising need for non-profits’ programs and services while resources have failed to keep pace. For example:

- Two-thirds (66%) of responding organizations reported that demand for services had increased during the past year, and more than three-quarters (76%) expected demand to continue rising in 2019.
- Less than two-fifths (38%) reported receiving more total funding in 2018 vs. 2017, but nearly three-fifths (59%) reported that their expenses were higher than in the previous year.
- More than two-thirds (68%) expected their total expenses to increase in 2019, but only 49% expected total 2019 funding to increase, and about one-third (30%) expected total funding to remain the same as 2018. Regarding specific types of funding, respondents were most optimistic about donations from individuals and most uncertain about funding from government. However, respondents were more likely to expect that funding would be flat in most funding categories.

“New Jersey’s non-profits are vital to a thriving New Jersey, providing essential services, employing 10% of the state’s private workforce, fueling a strong economy, and making our state a great place to live and work,” noted Linda M. Czipo, president and CEO of the Center. “When the need for their programs consistently outpaces the funding required to provide them, as has been the case over many successive years, that’s cause for concern for everyone.”

Actions Taken
Non-profits reported a wide array of actions, including extra fundraising, advocacy, program and budget adjustments to address internal and external trends.

- Organizations continued to seek additional resources to support their work, whether through new fundraising appeals, pursuing funding from alternative sources, or recruiting volunteers.
- Half reported that they were considering new partnerships or collaborations in 2019, and 45% were contemplating adding programs.
- Approximately one-third were considering adding a special event, and 30% planned to conduct more advocacy for their programs, fields or constituencies.
- Several responses reflected ongoing uncertainty regarding the current economic and funding environment. For example, 34% said that they might add staff in 2019, but only 12% definitely planned to, and only 5% had already done so when the survey was taken. Twenty-six percent indicated that they might raise

(more)
salaries, while 25% said that they might freeze or cut salaries; however, the percentages of organizations that had actually undertaken either of these actions was much smaller.

The turbulent public policy, social and economic landscape was also reflected in non-profits’ attitudes about their own situations and the year ahead. Roughly half (49%) of non-profits indicated that their overall circumstances had improved over the past year, slightly less than last year’s survey but about the same as 2017 and notably less than four years ago. Looking ahead to the coming year, although a significant proportion said it was too early to predict their prospects, less than half (48%) expected their organization’s circumstances to improve (compared with 64% four years ago and 53% in 2017), 6% predicted that it would worsen, and 14% projected no change.

Among other issues on the minds of respondents:

- Continued uncertainty and concern about the federal tax law and its impact on charitable giving, the state’s non-profits, and New Jersey in general
- Escalating administrative costs associated with government grants and contracts
- The need for increased funding to cover the projected costs of enacted and proposed employment law changes in New Jersey
- Impact of federal policies on vulnerable people
- The need to continue to strengthen relationships with policy makers at all levels of government

“The work that non-profits do, day in and day out, improves and even saves lives,” commented Czipo. “Ensuring that they have the resources they need to do this work is sound policy for the present as well as a wise investment for the future.”

Support for the 2019 New Jersey non-profit survey was provided by SobelCo and Horizon Blue Cross Blue Shield of New Jersey. The full report, New Jersey Non-Profits 2019: Trends and Outlook, is available on the Center’s website at http://www.njnonprofits.org/2019AnnualSurveyRpt.pdf.

The Center for Non-Profits is New Jersey’s umbrella organization for the charitable community. Founded in 1982, the Center exists to build the power of New Jersey’s non-profit community to improve the quality of life for the people of our state. The Center provides professional education, advocacy, resources, training and information to strengthen non-profits and help them thrive in pursuit of their charitable work. For more information, visit www.njnonprofits.org, or call 732-227-0800.

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