NJ Non-Profit Survey Report: Shows Some Modest Gains but “Persistent and Concerning” Gap Between Demand for Services, Funding

FOR IMMEDIATE RELEASE – February 26, 2020
Contact: Linda M. Czipo
732-227-0800  lczipo @ njnonprofits.org

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

New Jersey Non-Profits 2020: Trends and Outlook, the Center’s annual survey of the non-profit community, was conducted online in January and early February 2020 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 2020 survey report is based on responses from 229 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:

- Seventy-one percent of responding organizations reported that demand for services had increased during the past year, but only half (52%) reported receiving more funding in 2019 than 2018.
- Only 37% indicated that support and revenue had exceeded expenses during their last fiscal year.
- Three-quarters (75%) expected demand to continue rising in 2020 and 68% predicted higher expenses, but only 56% predicted that their funding would increase.
- Regarding specific types of funding, respondents were most optimistic about donations from individuals and most uncertain about funding from government. Respondents were more likely to predict flat funding than either increases or decreases in most other funding categories.

“New Jersey’s non-profits are a fundamental part of a thriving New Jersey, providing essential services in communities, employing 10% of the state’s private workforce, fueling a strong economy, and making our state a vibrant place to live and work,” noted Linda M. Czipo, president and CEO of the Center. “While our survey shows some incremental gains, the fact is that needed resources and funding are still consistently being outpaced by the demand for non-profits’ programs and services, and we all need to work to address the situation.”

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, adding special events or recruiting volunteers.
- Increased advocacy activities were under active consideration or definitely planned by 59% of respondents.
- A number of actions reflected ongoing uncertainty regarding the current economic and funding environment. For example, 39% indicated that they might add programs in 2020 and 34% said they might add staff, but less than 20% definitely planned to take either of these steps.
In one bright spot in the findings, more non-profits reported that their overall circumstances had improved over the past year than in the Center’s 2019 survey, with improved conditions reported by 61% (up from 49% a year ago and 53% in 2018), while 11% said that their situation was worse and 28% said it was no different. Survey respondents were also more optimistic in their overall outlook for 2020 than they were in the last several surveys. Although a significant proportion remained uncertain about their prospects, 61% expected their organization’s circumstances to improve, 4% predicted that it would worsen, and 13% projected no change.

Among other issues on the minds of respondents:
- Continued concern about the federal tax law and its impact on charitable giving, the state’s non-profits, and New Jersey in general
- Escalating costs associated with government grants and contracts, and sometimes contentious relations between the organizations and government agencies
- Concerns about growing administrative costs associated with some foundation or corporate grants
- Difficulty recruiting and retaining staff due to higher costs, stagnant funding or government contract restrictions
- The need for increased funding to cover the costs of employment law changes and benefits 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

“If we want non-profits to be strong for our communities, we need to change the tide and invest in the people and infrastructure needed for long-term stability and success,” commented Czipo. “Ensuring that they have the resources they need to do this work is a wise investment for the people of our state.”

Support for the 2020 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 2020: Trends and Outlook, is available on the Center’s website at http://www.njnonprofits.org/2020AnnualSurveyRpt.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.

## ##

3635 Quakerbridge Road, Suite 35, Mercerville, NJ 08619
732-227-0800 | www.njnonprofits.org | center@njnonprofits.org

www.facebook.com/njnonprofits
www.twitter.com/NJ_Nonprofits
www.linkedin.com/company/center-for-nonprofits
www.njnonprofits.org/blog
www.instagram.com/njnonprofits