

# Nonprofit Finance Fund Survey: America's Nonprofits Brace for Tough 2010

**Nonprofit Professionals Take Action to Meet Community Needs as 80% Anticipate an Increase in Demand for Services**

**New York — March 22, 2010** — America's nonprofits expect that 2010 will be financially more difficult or as difficult as 2009, according to a survey released today by [Nonprofit Finance Fund](#) (NFF). The survey of more than 1,300 nonprofit leaders in markets nationwide also found strong evidence of the dramatic and creative steps that organizations are taking in order to maintain – and even expand – service delivery to meet increased demand during this time of continued economic uncertainty.

For full results, click below. Visit our [Annual Survey](#) page for additional information.

[Summary Survey Brochure](#)

[Full Survey Results](#)

[In Their Words \(Quotes from the survey\)](#)

[Media Coverage](#)

Key findings include:

- Nearly 90% expect 2010 to be as difficult or more difficult than 2009; only 12% expect 2010 to be financially easier for their organizations.
- 80% of nonprofits anticipate an increase in demand for services in 2010; 49% expect to be able to fully meet this demand level.
- Only 18% of organizations expect to end 2010 above break-even; 35% of organizations ended 2009 with an operating surplus.
- The majority – 61% – have less than three months of cash available; 12% have none.

" We expect 2010 to be another treacherous year for many nonprofits that routinely take heroic measures to meet demand for services," said Clara Miller, President and CEO of NFF. "The economic 'recovery' has not yet reached people in need, or the organizations that serve them. We must do more to repair the tattered social safety net."

**For " lifeline" organizations that provide critical services to people in need:**

- 68% expect 2010 to be financially more difficult than 2009 *for the people they serve.*
- 64% do not expect to be able to keep up with demand for lifeline

services in 2010.

- 56% expect 2010 to be financially more difficult than 2009 *for their organizations*.
- 39% are planning to add or expand programs in 2010; 26% anticipate reducing programs.

"A tough economy is straining families and the child care programs they use," said Pam Tatum, CEO of Quality Care for Children in Atlanta. "One approach we've taken is to assist families with child care fees. This ensures the child's access to stable, quality care, and protects the fiscal health of quality child care programs that would lose revenue with high vacancies. We can't in good conscience allow quality child care to deteriorate, with so many children in need."

**Nonprofits are taking significant steps to ensure service delivery. In the past 12 months: :**

- 52% have collaborated with another organization to provide programs.
- 43% added or expanded programs.
- 18% expanded geographies served.
- 60% engaged more closely with their board through more reporting and increased communication.
- 39% relied more on volunteers.

"Nonprofits aren't rolling over in the face of economic strain," said Miller. "The sector is filled with determined individuals and inspiring organizations focused on the most critical issues we face as a society. While the 'coping mechanisms' we're seeing are encouraging, we also need to make fundamental changes to the way the sector is financed."

**Many nonprofits are facing year-over-year increases in demand and continually operate with little-to-no financial "buffer."** Findings from NFF's 2009 survey, compared with this year's results, paint a troubling picture:

- 73% of organizations experienced an increase in service demand in 2008.
- Then, in 2009, 71% experienced an increase in demand.
- On top of two years of increased demand, 80% now anticipate increased demand in 2010.
- It is getting harder for organizations to operate above break-even: 40% reported ending fiscal-year 2008 with a surplus; 35% reported ending fiscal-year 2009 with a surplus; only 18% are predicting a

surplus in 2010.

Visit our [Annual Survey](#) page for additional information.

### **About Nonprofit Finance Fund**

A national leader in social sector finance, Nonprofit Finance Fund connects money to mission success through consulting, innovation, and direct investment. Founded in 1980, NFF ([www.nonprofitfinancefund.org](http://www.nonprofitfinancefund.org)) provides services that build the capacity and durability of nonprofits. A leading community development financial institution with over \$80 million in assets, NFF has provided over \$200 million in loans and access to additional financing via grants, tax credits and capital in support of over \$1 billion in projects for nonprofit clients nationwide. NFF has a staff of more than 75 serving nonprofits nationally from offices in New York City, Philadelphia, Newark, Boston, Detroit, Washington, D.C., San Francisco, and Los Angeles.

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Nonprofit Finance Fund (NFF) works to strengthen the nonprofit sector, particularly in underserved communities, through broader access to capital, creative financing, changes in funding practices, stronger financial management and education.

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