

Press Release



Contact:

Maria Stokes, United Way of the Bay Area, 415-808-4264, mstokes@uwba.org

Bay Area Nonprofits Still Reeling from Recession, According to United Way Annual Survey

United Way Brings Together Nonprofits to Align Scarce Resources and Create Community Plan to Tackle Poverty

SAN FRANCISCO, May 26, 2011 – The financial well-being of the Bay Area nonprofit sector - and the clients it serves - continued to erode in 2010, according to United Way's ninth annual Bay Area Nonprofit Pulse Survey. The survey of 232 Bay Area nonprofit organizations reveals that the recession's lingering effects forced agencies to cut staff and services in order to survive.

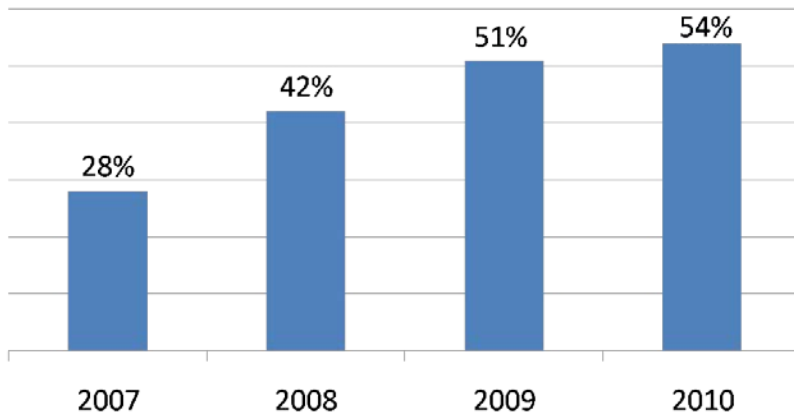
When asked if they are observing signs of recovery among their clients, 53% stated that their clients are faring worse, compared to 45% in 2010. Demand for services continues to surge, with 62% of nonprofits reporting an increase in demand last year. Of that group, 45% indicated they had to turn clients away, unable to meet the increased demand.

“The economic downturn has had a drastic effect on our organization,” said Tempri Priestly, CEO of Renaissance Parenting Success, a San Francisco-based nonprofit that works with at-risk youth. “We have had to lay off people instead of hiring much needed staff to support our programs. Our goal is to always provide the highest quality service, therefore, our staff is working extra hours without pay. These same employees have already undergone severe pay cuts.”

Fifty-four percent of survey respondents indicated that revenues declined in 2010, with 38% stating their organizations' revenue dropped by more than 10%. Straining under year-after-year drops in revenue, 33% of nonprofits are concerned their organizations may cease operations this year.

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% of Nonprofits Reporting Revenue Declines, 2007-2010



As shown in the chart at the left, more and more nonprofits report revenue decreases over the past four years.

Nonprofits continue to tap their reserves to address revenue shortfalls: 48% said they used reserves to cover operating costs in 2010, up from 38% the previous year.

“The recession has severely compromised our community’s safety net,” said Anne Wilson, CEO of United Way of the Bay Area. “The Bay Area residents who were hit hardest by the recession will need months, even years to fully recover and get back on their feet. To ensure local nonprofits can serve these mounting needs, it is so important for everyone to step up and support the nonprofits that serve our community.”

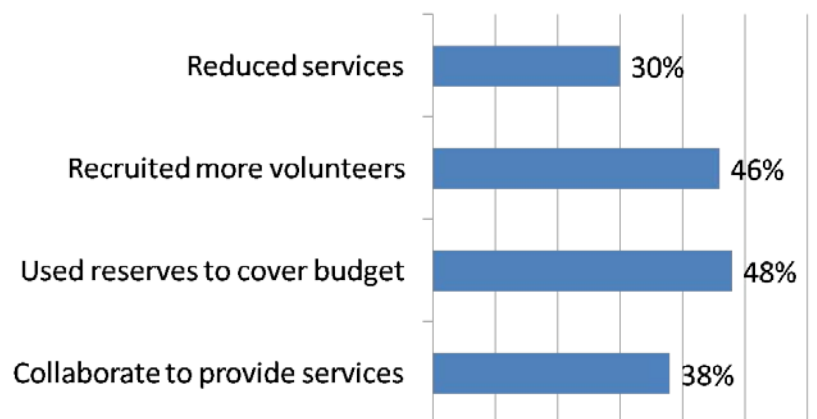
When asked what the most significant challenges facing their organizations are this year, “reduced government funding,” was ranked as the No. 1 concern by 47% of respondents, followed by “decreases in private funding,” rated by 27%.

As they attempt to do more with less, nonprofits are being resourceful: 38% indicated they collaborated with other organizations to provide services.

Volunteerism continues to be a critical resource as 46% indicated they recruited more volunteers last year to help provide services.

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Nonprofits Respond to the Recession, 2010



Other survey highlights:

- 64% are taking action to influence the California state budget decision making.
- 65% are attempting to diversify funding sources.
- 33% increased programs or services to meet growing client demand, while 30% were forced to eliminate services.
- 30% laid off staff.
- 33% reduced staff hours.
- 45% reported they do not have a business continuity plan to restore operations after a disaster while 23% indicated they do not have the time or resources to create a plan.

United Way Responds

In an effort to tap the increasingly collaborative spirit of nonprofits and align scarce resources, United Way has convened a series of community conversations during the last few months, bringing together nonprofits, business and government leaders to build a roadmap focused on tackling poverty.

“While the findings from our survey are sobering, they motivate us to work even harder to find the most effective ways to serve our community,” said Wilson. “The community roadmap that we build with our partners will be our action plan, outlining the strategies, roles and responsibilities for the wide range of stakeholders in our community. It will ensure we stay on track to achieve our goal to cut poverty in half by 2020.”

About United Way’s Nonprofit Pulse Survey

United Way conducted its Nonprofit Pulse Survey from March 29 to April 25, 2011. The survey was sent to 1,326 Bay Area nonprofit organizations. Respondents totaled 232 for a return rate of 17%. Respondents are headquartered in Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, and Solano counties. Most survey respondents provide health and human services.

About United Way of the Bay Area

United Way of the Bay Area is a nonprofit organization that creates pathways out of poverty. Our goal is to cut poverty in half in the Bay Area by 2020. We focus on helping working families and individuals, ensuring they can meet all of their basic needs, while creating opportunities for them to achieve lasting financial stability. We also invest in programs that empower the next generation for success. United Way convenes partners across sectors, advocates for policy change, runs community programs and educates residents about the issues most vital to a resilient community. Founded in 1922, United Way of the Bay Area serves Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo and Solano Counties. For more information, visit www.uwba.org.

Note to editors: Data is available by county. Nonprofit executives who completed the survey are available for interviews.

