

Press Release

Contact:

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

One-third of Bay Area Nonprofits Struggling to Survive, According to United Way Survey

SAN FRANCISCO, May 28, 2009 – One third of Bay Area nonprofits are concerned they may cease operations within the next year, according to United Way of the Bay Area’s 2009 Nonprofit Pulse Survey. Correspondingly, 34% report they have two or fewer months of operating expenses in reserves.

“While the findings from our survey are sobering, they motivate us to work even harder to find the most efficient and effective ways to serve our community,” said Anne Wilson, CEO of United Way of the Bay Area. “Nonprofits are working together more creatively and collaboratively, as we are increasingly called upon to do more with less. This renewed energy around collaboration and partnership might be one positive emerging from these lean times.”

As the recession causes more Bay Area residents to seek help, 64% of local nonprofits report an increase in demand for their services. While 31% of nonprofits indicated they have increased services to address demand, 23% reported they have reduced services. Twenty-six percent said they have collaborated with another nonprofit during the last six months to provide services.

Tough Times Ahead

While many nonprofits have employed cost-cutting measures during the last six months, they continue to brace for tough times ahead:

- 77% of survey respondents expect service demand to increase in 2009, with 45% of total respondents expecting a “significant” increase.
- 20% indicated they have laid-off staff during the last six months. Of those organizations, 37% are considering further lay-offs.

- more -

- 25% have reduced staff hours during the last six months. Of those organizations, 30% are considering lay-offs, and 59% are considering reducing staff hours further in the next six months.
- 44% plan to dedicate more staff time to fundraising, indicating employees will have less time to deliver services.

Other highlights from the survey:

- 42% of survey respondents report that revenue was down in 2008, with 27% experiencing a revenue drop greater than 10%.
- 48% have tapped reserves in the last 12 months; 15% have used up more than 50% of their reserves.
- Two organizations reported merging in the last six months, while 14 (4%) are considering merging in the coming months.
- 53% report they do not have a business continuity plan to restore operations after a disaster; 27% indicate they do not have the time or resources to create a plan.
- 37% hope to receive funds from the American Reinvestment and Recovery Act; 34% do not expect to receive funds; 29% are unsure whether they qualify for funds or not.

In response to the economic crisis, United Way launched the Road to Recovery campaign in November as a special appeal to ensure nonprofits can continue to serve low-wage, working families, who have been hardest hit by the economic crisis. The campaign asks for increased help in the form of donations, volunteer hours and getting information to people in need. United Way has also accelerated its grant-making process, awarding over \$1 million so far this year to local nonprofits that are providing health care, food and shelter to Bay Area residents and serving as “anchors” for long-term recovery efforts.

Give Help, Get Help: Call 2-1-1

Individuals can support United Way’s Road to Recovery campaign by calling 2-1-1 or visiting www.uwba.org to make a donation or learn about volunteer and advocacy opportunities.

People who need help are encouraged to call 2-1-1 to obtain referrals for food, shelter, utility and rent assistance, employment services, health care, legal aid, foreclosure and mortgage mediation and more. 2-1-1 is the Bay Area’s free, confidential community information hotline, available 24 hours a day, seven days a week in more than 150 languages. Residents who cannot dial 2-1-1 should call 800-273-6222 to reach United Way’s 2-1-1 call center.

- more -

“As calls to 2-1-1 about food and shelter have surged, we at United Way are redoubling our efforts to serve Bay Area residents who have been hit hardest by the economic crisis,” Wilson said. “To ensure local nonprofits can weather this storm, and serve mounting needs, it is so important for everyone who can to step up now -- to give, advocate and volunteer -- in support of our community.”

About United Way’s Nonprofit Pulse Survey

United Way conducted its Nonprofit Pulse Survey from April 14 to 27, 2009. The survey was sent to 2,090 nonprofit organizations in Alameda, Contra Costa, Lake, Marin, Mendocino, Monterey, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano and Sonoma counties. Respondents totaled 391 for a return rate of 19%. 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 to prosperity for the most vulnerable in our community by focusing on the essential building blocks of education, income and health. We help children achieve their potential, promote financial stability for low-wage adults and strive to improve health for everyone. Each year, we raise more than \$40 million to support community organizations. United Way also 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.