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Nonprofits scrimp to make ends meet, help more people

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Many charitable nonprofits in New Jersey have been forced to freeze or cut staff and programs due to the sinking economy while struggling to deal with increasing numbers of people in need, according to a survey released this week.

About 60 percent of the responding agencies said at least one major donor slashed its annual gift last year, with most reductions coming from corporations, philanthropic foundations and individuals affected by the financial crisis, according to a report by the Center for Nonprofits, a New Jersey-based organization that provides services to nonprofits.

Meanwhile, rising joblessness and shrinking portfolios have forced more people to seek charitable help, particularly from agencies addressing basic needs like food, clothing, shelter and health care, the report states.

"The news is never good, in terms of the economy," said Linda Czipo, the Center's executive director. "People who would have been in a position to provide help are now in a position to seek help."

Of the 351 agencies that participated in the survey, 34 percent have either cut staff or plan to, while 29 percent either axed or halted programs.

The cuts were needed partly because of rising costs, the survey showed. Fifty-nine percent of the agencies said their expenses surged by 5 percent last year. Thirty-six percent of the agencies saw costs go up by 10 percent, while 12 percent reported increases of 25 percent or more.

Meanwhile, 71 percent of the agencies reported higher demand for services -- a trend 70 percent of them expect to hold in 2009.

"Every day we hear of a greater need," said Kathleen DiChiara, executive director of the Community FoodBank of New Jersey.

Last fall, the FoodBank was hit hard by rising gas, food and personnel costs, forcing it to implement a hiring freeze and halt expansion of Kids Cafe, an after-school meal program.

Although the agency was helped by a surge in small donations during the holidays, and a much-needed influx of public funds, demand has not abated.

Already this year, the agency's food pantry in Atlantic City has served 60 percent more families than it did during the same period last year, a surge fueled by layoffs in the casino industry, according to the Kathleen DiChiara, executive director of FoodBank.

"We're still holding our breath," DiChiara said. "We know that this economic downturn is going to continue."

Many agencies are finding creative ways to cope. About 48 percent of agencies surveyed launched new collaborations with other nonprofits, as well as government and business entities. They are figuring out ways to share staff, eliminate duplicate services and refocus on their core missions, Czipo said.

Meanwhile, some nonprofits have experienced a surge in volunteerism.

Isles, a Trenton-based nonprofit focused on developing "green" jobs, home ownership and family self-sufficiency, has seen a spike in the number of highly skilled experienced people seeking to volunteer.

Founder and president Marty Johnson attributed this trend partly to the economic climate, noting people who have recently lost their jobs are looking for new ways to spend their time and develop skills, and to the call to service issued by President Obama's administration.

"I think there is a growing appreciation for our interdependency, that we really do need each other," Johnson said. "There is a general appreciation for the fact that we are in this together."

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