

# Nonprofits report rising demand, shrinking purses

## Almost two-thirds predict less money from foundations

**PETER KEY**  
STAFF WRITER

In its 2008 fiscal year, the number of women whom Career Wardrobe provided with what it calls gently used professional clothing increased by 90 percent to 5,000.

Sheri Cole, the Philadelphia-based nonprofit's executive director, expects that will stay about the same this year. But the amount of money Career Wardrobe gets from corporations won't.

"I've been doing corporate fundraising since January, and I've had a lot of flat-out, 'There's no money,'" Cole said.

Career Wardrobe is hardly unique.

Seventy-three percent of 986 nonprofits surveyed by the Nonprofit Finance Fund experienced an increased demand for their services last year and 76 percent expect to see the same this year.

At the same time, 62 percent said they expect the amount of money they receive from foundations to drop this year, and pluralities of 49 percent, 43 percent and 33 percent, said they expect declines in their revenue this year from, respectively, individuals, government sources and their programs.

The results were similar for the 129 Pennsylvania nonprofits that responded to the survey.

Seventy-six percent said the demand for their services increased last year and 77 percent expect it to increase again this year.

Meanwhile, 57 percent said they expect to get less money from foundations this year, 50 percent said they expect to get less money from individuals this year and 49 percent said they expect to get less government funding this year.

The Nonprofit Finance Fund commissioned the survey to see if the anecdotal evidence it was hearing about the state of nonprofits was correct, said Garvester Kelley, the vice-president for the

fund's Mid-Atlantic Region, which is based in Philadelphia.

"We thought this would be a good time to see what organizations were experiencing and what plans they had in place," Kelley said.

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The Nonprofit Finance Fund has more than a passing interest in the matter. It's a nonprofit that provides financing and other assistance to nonprofits, so, like many of the nonprofits that responded to its survey, it's also busier in tough economic times.

According to its survey, times are tough for nonprofits.

Nationally, only 16 percent expect to be able to cover their expenses both this year and in 2010. Thirty-eight percent are concerned about covering their expenses this year and 47 percent think they can

cover them this year, but are concerned about 2010.

In Pennsylvania, 16 percent anticipate being able to cover their expenses this year and next, while 40 percent are concerned about covering their expenses this year and 45 percent think they can cover their expenses this year but are concerned about next year.

Nonprofits are acting on their concerns, according to the survey.

Nationally, 65 percent are developing a worst-case contingency budget, 59 percent are working more closely with their boards of directors and 48 percent are talking to their funders about their situations.

In Pennsylvania, 60 percent are developing a worst-case contingency budget, 59 percent are working more closely with their boards of directors and 44 percent are talking to their funders about their situations.

Those results show that nonprofits' management savvy has improved since the last recession, Kelley said.

"In Philadelphia, I think we've got a pretty smart nonprofit community," he said.

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Nonprofit Finance Fund