



Nonprofits grew as baby boomers aged

People often ask me “Are there too many nonprofits?” In my opinion, this is an unanswerable question. What I may consider unnecessary someone else considers vital. Who would determine which nonprofits should be eliminated?

Instead of a reduction, it is likely that current demographic and economic forces will spark the creation of even more nonprofits in the next few years. So rather than asking if there are too many nonprofits, we should focus on managing the growth in the number of organizations.

Typically, people create a nonprofit in order to fill a void for programs and services that government or for-profit cannot fill. For example, people have created private schools or charter schools in order to offer a curriculum not available in public schools. For government to create this school will likely require tax increases. Moreover, because it is difficult to meet learning standards and generate profit, creating a nonprofit school is an appropriate strat-

egy.

The number of nonprofits in the United States increased dramatically beginning in the 1960s. During that time, the baby boomers came of age, and the increase in the number of adults made our society more complex. Many voids for programs and services were recognized and one response was to create new nonprofits. There were approximately 12,500 secular nonprofits in 1940, and today there are more than 1.4 million. People are living longer, including the large number of baby boomers, meaning that there will be an increasing number of retired people looking for things to do.

At the same time, structural deficits in local, state and federal budgets will continue to force cuts in funding for human and social services. These cuts will create more voids. So how do we manage the inevitable increase in the number of nonprofits?

First, we must redirect passion into existing organizations. Every organization needs a business or stra-

tegic plan; this is especially true for new nonprofits. Someone interested in starting a new nonprofit should first try to find an existing organization that can absorb the idea. This will prevent recreating the infrastructure needed to run a nonprofit.

Second, existing nonprofits must be open to new ideas. Collaboration is becoming increasingly important. Such things as sharing programs and expenses or even merging will bring efficiency to the sector. Third, each individual must focus on the causes and organizations most important to his or her life. Proper focus will help screen out other emotional tugs that distract from the important work in your areas of interest.

When people question about the number of nonprofits, it means they care. I do not hear people debating whether there are too many cell phone providers or mattress retailers. Let’s be encouraged in our efforts by the emotional connection people have to the nonprofit sector.

Resource Use

- Support nonprofit leadership
- Board development/training
- Strategic planning

Nonprofit Business Column of The Tribune

The San Luis Obispo Tribune publishes a column every other week in the Business section dedicated to the business practices of nonprofit orgs. Barry VanderKelen, Executive Director of the San Luis Obispo County Community Foundation writes the bi-

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