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Nonprofit Strategies



SAN LUIS OBISPO COUNTY COMMUNITY FOUNDATION

Recession hit nonprofits hard

By Barry VanderKelen

During the Great Recession and its continuing aftermath, nonprofits in San Luis Obispo County experienced a dramatic decline in revenue.

Since 2007, annual revenue to local nonprofits has decreased by more than \$22 million. Data from nonprofits regularly analyzed by the National Center for Charitable Statistics

(www.nccs.urban.org) show that the average decrease in revenue to local organizations has been nearly 13 percent.

During the recession, donors shifted their giving to support health and basic human needs and away from arts, education and environmental causes. The largest percentage drop in funding was to environmental causes, followed by arts and then educa-

tion. As the urgency of the recession fades, donors will likely shift some of their giving back to these important areas.

Even though funding to health-related causes and to basic human needs increased in total, the average amount to each organization in these fields decreased because of the addition of new nonprofits.

The recession negatively affected many people. But as needs grew, funding from traditional sources shrank, such as funding from government agencies. In response, groups of people banded together to form nonprofits in an attempt to fill in the gaps.

As the economy continues its slow recovery, there are some encouraging reports coming out. For example, some nonprofits report an increase in donations in the last year (Nonprofit Research

Collaborative Fundraising Survey, November 2010). Not surprisingly, increases are being experienced first by the larger organizations that have fundraising and marketing staff. Smaller nonprofits have a harder time reaching beyond those already involved.

Another other good sign is strengthening consumer confidence. While still below prerecession levels, consumer confidence is improving. People will more often donate discretionary income if they are confident their income will grow.

Even with good signs, it will take a long time for nonprofits to fully recover from the recession.

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Resource Use

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

Nonprofit Business Column of *The Tribune*

Barry VanderKelen, Executive Director of the San Luis Obispo County Community Foundation writes a bi-weekly column to help strengthen nonprofit organizations in the community.

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Each column is reprinted as a one-page handout for use by local organizations. Barry can be reached at 543-2323 or by e-mail at barry@slocf.org.