

Volume 3, Issue 25

Originally Published  
December 31, 2009

# Nonprofit Strategies



SAN LUIS OBISPO COUNTY COMMUNITY FOUNDATION

## Signs Help Track The Economic Recovery

By Barry VanderKelen

Nonprofit leaders can track the economic recovery by paying attention to the following signals:

- **Consumer Confidence**

Repeatable gifts, or annual gifts, are made from discretionary income. People don't spend as freely when they expect their personal finances to erode or remain tight.

The Conference Board's Consumer Confidence Index through November remained less than half of what it was before the recession began. As the Index score increases, so will annual gifts ( [www.conference-board.org](http://www.conference-board.org)).

- **State Budget**

The sluggish economy will produce lower tax receipts at the end of 2009 for California than the current budget projects. This may require state funding cuts in January.

Current projections are that next year's state budget already has more than a \$20 billion gap, meaning even more cuts in July.

The state outsources much of its health and human services work to non-profits, and these organizations will be especially hard hit by additional funding cuts.

The California Budget Project tracks the budget closely at [www.cbp.org](http://www.cbp.org).

- **Real Estate Values**

More than 60 percent of the average family's wealth is tied to the value of their home.

Even though local property values are down from their peaks a few years ago, values remain up significantly from a decade ago.

People have hunkered down, however, to ride out the recession. As property values recover,

people will feel more generous with their money.

The New Year will be a year of transition for the nonprofit community, with the second half being better than the first.

Increasing requests for services on top of reduced funding will likely cause some organizations to merge and others to close. New organizations will likely be created to fill the gaps created when other organizations fail.

Re-creating what failed will produce only shorter-term results. Full recovery will take years. Strength will come from new business models.

*Barry VanderKelen is executive director of the San Luis Obispo County Community Foundation. He can be reached at [barry@sloccf.org](mailto:barry@sloccf.org).*

### 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-

weekly column to help strengthen nonprofit organizations in the community. Each column is reprinted here as a one-page handout for use by local organizations. Barry can be reached at 543-2323 or by e-mail at [barry@sloccf.org](mailto:barry@sloccf.org).