

Immediate Release

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United Way of R.I. unveils comprehensive study on how nonprofits cope with today's economy *Majority of the 230 agencies polled tell of funds dropping, reductions in services as demand increases*

Warwick, R.I. (April 27, 2009) -- United Way of Rhode Island announced the results of a study it commissioned in January to collect data on how the economic downturn is affecting nonprofit health and human/social services providers in the state. The survey released today will offer the latest and only current information on the not-for-profit sector's stability.

The most striking finding revealed that the majority of the nonprofits surveyed believed the overall financial health of the sector is deteriorating. Nearly 40 percent expected to be operating at a deficit in this fiscal year. More than half of those polled reported a decline in total income in the past 12 months, with the average drop in revenue at 22 percent.

Some 60 percent of the 230 responders, the total number who participated in the study, said that demand for services had significantly increased while staffing and financial resources decreased. The directors of these nonprofits noted they are applying traditional remedies to non-traditional problems as opposed to looking at new and different ways to remain vital.

“Our nonprofit sector survey tells us that the human services providers have put major adjustments in place to remain viable and continue to service people with needs during this difficult economy,” said Anthony Maione, President and CEO of UWRI. “We applaud the leaders of nonprofits in our state. They have worked tirelessly to stay afloat, and they have been mindful to ensure services get to the most vulnerable among us.”

The results of *United Way of Rhode Island's Nonprofit Sector Survey*, which is available in its entirety at www.LIVEUNITEDri.org, revealed not-for-profits are facing dwindling resources, and that they must make do with less. A majority (63 percent) of respondents indicated that

demand for services had increased in the last 12 months. The participants reported they implemented multiple strategies to combat the negative effects of the economic downturn: They realigned staff (47 percent); reduced non-personnel line items (47 percent); made salary adjustments (35 percent); and laid off employees (29 percent).

The study offered several compelling observations and implications including that today's economic conditions have caused additional need for services to emerge. The majority of organizations reported that as more Rhode Islanders struggle with issues of unemployment, affordable housing and foreclosure, the incidences of domestic violence, depression and drug-alcohol abuse increased.

There were significant implications for Rhode Island on two fronts: Firstly, the human factor, which includes the reduction of services offered to the increasing numbers of those in need; secondly, R.I.'s economy in that the loss of jobs in the nonprofit area, a major employer in the state, will continue if the recession continues to deepen.

"Much is written during these trying economic times of the hurting banks, car companies and insurance companies. But not much attention is given to those organizations whose mission is to assist and serve a growing number of people in need in our community," said Donald F. Keinz, president of Acadia Consulting Group, which conducted the research for UWRI. "This study helps shed light on the current situation facing Rhode Island's nonprofit community, and the people that they serve. It is an important statement as we assess not only the fiscal health of our community but the human condition and the ability to adequately provide for it as well."

UWRI commissioned the Providence-based Acadia Consulting Group to poll key representatives of the nonprofit sector to discern the impact of today's economy on the state's human/social services providers. The survey's participants ranged in size and scope with just under half (44 percent) reporting annual budgets of more than \$1 million.

Some 720 prospective participants were selected from a list of 1,600 taken from *United Way 2-1-1 in Rhode Island's* database. A total of 230 organizations responded resulting in a response rate of 31 percent. This poll excluded schools, hospitals, churches, government agencies, and arts/culture and civic organizations.

About United Way of Rhode Island

United Way of Rhode Island has been working to improve the quality of life in Rhode Island communities for over 80 years. UWRI's mission is to mobilize the caring power of the community to improve the lives of people in need and address the issues Rhode Islanders care most about. United Way's goal is to create long-lasting changes that prevent problems from happening in the first place. We believe that all Rhode Islanders deserve the opportunity to have a better life, as when any one of us succeeds, we all succeed. At United Way, we refer to this as advancing the common good. For more information, visit www.LIVEUNITEDri.org.