

# Press Release



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## **Recession Far from Over for Bay Area Nonprofits, According to United Way Annual Survey**

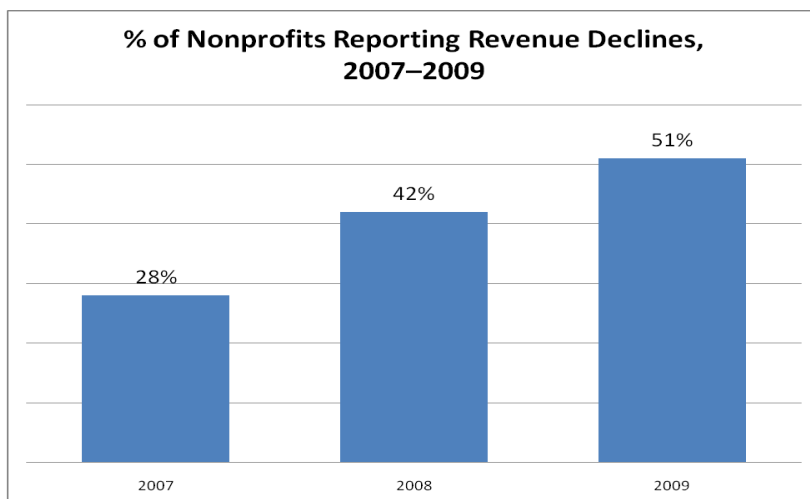
SAN FRANCISCO, May 13, 2010 – Despite reports that the economy may finally be recovering, Bay Area nonprofit organizations – and the clients they serve – are still reeling from the recession, according to United Way’s eighth annual Bay Area Nonprofit Pulse Survey.

The financial well-being of the Bay Area nonprofit sector continued to erode in 2009. Fifty-one percent of survey respondents indicated that revenues declined in 2009, with 39% stating their organizations’ revenue dropped by more than 10%.

When asked if they are observing signs of recovery among their clients, only 3% of respondents indicated their clients are faring better now than they were a year ago, while 45% stated that their clients are faring worse.

Demand for services continues to surge, with 62% of nonprofits reporting an increase in service demand last year. Of that group, 40% indicated they were unable to meet increased service demand.

“We know that the families and individuals who have been hit hardest by the recession will need months, even years to fully recover and get back on their feet,” said Anne Wilson, CEO of United Way of the Bay Area. “To ensure local nonprofits can weather this storm, and serve mounting needs, it is so important for everyone who can to step up now – to give, advocate and volunteer – in support of our community.”

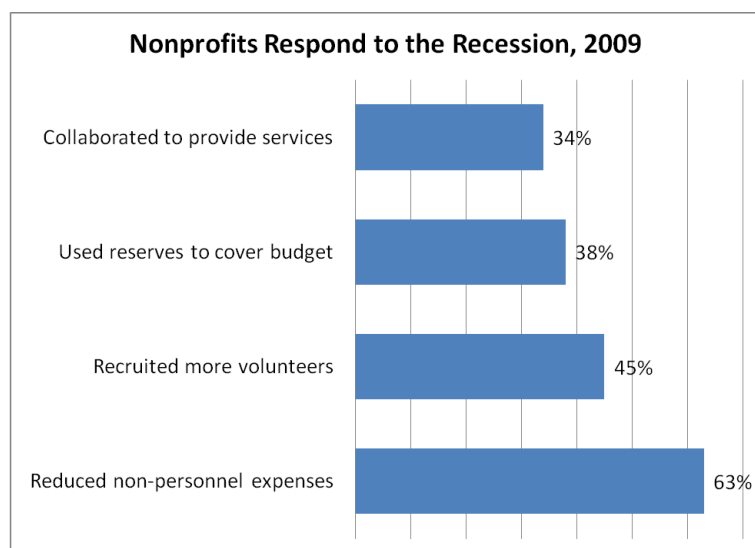


The decline in revenue is a trend, as the proportion of nonprofits reporting revenue decreases has increased markedly over the past three years: 28% experienced a revenue drop in 2007; 42% experienced a drop in 2008; and 51% reported declining revenue in 2009.

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When asked what are the most significant challenges facing their organizations this year, “decreases in private funding” topped the list of concerns, with 35% rating it as their primary challenge; followed closely by “reduced government funding,” ranked as the No. 1 concern by 26% of respondents.

To address revenue shortfalls, 38% said they used reserves to cover operating costs last year, while 23% plan to tap reserves this year. Sixty-five percent worked to diversify their funding sources last year, while 41% sought out collaborative funding opportunities.



As they attempt to do more with less, nonprofits are being resourceful: 34% indicated they collaborated with other organizations to provide services last year, up from 26% in the 2009 survey.

Volunteerism continues to be a critical resource, as 45% indicated they recruited more volunteers last year to help provide services.

#### Other survey highlights:

- 35% of respondents increased programs or services to meet growing client demand; at the same time, 25% were forced to eliminate services because of the recession.
- 27% laid off staff.
- 32% reduced staff hours.
- 54% report they do not have a business continuity plan to restore operations after a disaster; 25% indicate they do not have the time or resources to create a plan.
- 24% have already received funds from the American Reinvestment and Recovery Act; another 2% expect to receive ARRA funds in the future, but most will receive no Stimulus support.

#### United Way Responds

“While the findings from our survey are sobering, they motivate us to work even harder to find the most effective ways to serve our community,” said Wilson. “Because community resources are scarce, we’re redoubling our efforts to ensure that 2-1-1 provides callers with the most accurate, up-to-date information about available community services. 2-1-1 makes it easy for callers to find the help they need.”

Supported by United Way, 2-1-1 is the Bay Area's free, confidential community information line. Reflecting the survey findings, 2-1-1 Bay Area experienced a 39% increase in call volume last year, with requests for basic needs assistance increasing by 55%. 2-1-1 is available 24 hours a day, seven days a week in more than 150 languages. Residents who cannot dial 2-1-1 should call 800-273-6222 to reach the 2-1-1 call center.

Wilson added, "As indicated by our survey, nonprofits are working more collaboratively, as we are increasingly called upon to do more with less. United Way is tapping this energy to accelerate the launch of SparkPoint Centers, one-stop community resource centers that help struggling families achieve lasting financial stability. Through SparkPoint, we are promoting collaboration and maximizing resources, bringing together several nonprofit and government partners to offer integrated, complementary services at one location."

#### **About United Way's Nonprofit Pulse Survey**

United Way conducted its Nonprofit Pulse Survey from April 6 to 23, 2010. The survey was sent to 1,680 Bay Area nonprofit organizations. Respondents totaled 300 for a return rate of 18%.

Respondents are headquartered in Alameda, Contra Costa, Marin, Napa, San Benito, San Francisco, San Mateo, Santa Clara, Solano and Sonoma counties. More than two-thirds of survey respondents provide health and human services.

#### **About United Way of the Bay Area**

United Way of the Bay Area is a nonprofit organization that creates pathways out of poverty. We focus on helping working families and individuals, ensuring they can meet all of their basic needs, while creating opportunities for them to achieve lasting financial stability. We also invest in programs that empower the next generation for success. United Way convenes partners across sectors, advocates for policy change, runs community programs and educates residents about the issues most vital to a resilient community. Founded in 1922, United Way of the Bay Area serves Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo and Solano Counties. For more information, visit [www.uwba.org](http://www.uwba.org).

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**Note to editors:** Data is available by county. Nonprofit executives who completed the survey are available for interviews.