

Strategies to Strengthen Organizational and Field Capacity in Challenging Times

The economic downturn is creating challenges for the nonprofit sector as resources diminish. For the more than 1 million nonprofits in this country, the biggest donations come from government, corporations, foundations and the ultra-wealthy. In a survey of 800 nonprofits conducted at the end of 2008, 75 percent reported already feeling the effects of the downturn, with 52 percent already experiencing cuts in funding. Of those receiving less funding, 49 percent reported a 10 - 20 percent decrease in funding while 25 percent of these nonprofits revealed that funding had been cut by 21 percent or more. Across the country, nonprofits are feeling the pinch, particularly those that rely on government funding (with 61 percent of nonprofits reporting cuts in government funding) and those that rely on foundations for monetary contributions (with 48 percent of nonprofits reporting cuts in foundation funding). Few nonprofits have reserves to weather the storm and in this same survey, just over half of the respondents stated they had three months or less of operating reserves and 74 percent had less than six months of operating reserves.

The current recession is forcing foundations and grantees to step back and think critically about how they allocate their budgets while magnifying their impact. For some organizations, the impact of the recession has provided the impetus to deal with long-standing organizational issues while for others the downturn is forcing them to make tough programmatic choices. These challenges require new and improved ways to insure that the economic downturn does not disproportionately impact the crucial advocacy and social justice work that OSI supports. This panel session will explore the impact of the recession on the nonprofit landscape, highlight forms of technical assistance available to fields and individual organizations, and consider changes in grantmaking practices that could ease the burden on grantees.

Moderator: Jonathan Soros

Panelists: Clara Miller, Nonprofit Finance Fund
Monona Yin, Four Freedoms Fund

Questions to frame the discussion:

How is the economic crisis impacting nonprofits differently based on their size and organizational model?

What innovative practices should OSI consider, and what lessons have been learned from past recessions and their impact on the non-profit sectors?

What types of technical assistance should OSI prioritize? How has the delivery of technical assistance been altered?

What changes should OSI consider making to its grantmaking practices to best address the needs of its grantees during this period?

What opportunity does the recession offer to permanently alter practices in the non-profit sector and to improve its health?