

CITY LIMITS WEEKLY

Nonprofits are forced into creative problem-solving, and some of it is working.

By Anne Noyes Saini

As ever, necessity is the mother of invention, and local nonprofits have heeded their mother. In order to stay afloat, a fortunate few have been able to make emergency withdrawals from their reserve funds. Others have expanded their fundraising efforts, venturing into new areas and employing innovative tactics. And while some organizations have resorted to staff layoffs, many others have used natural attrition and furloughs to reduce their payrolls.

The city's nonprofits are also looking for creative ways to tighten their belts—via everything from group purchasing to outsourcing IT and accounting jobs to negotiating better rates from vendors.

At the Fund for the City of New York, a quintet of new programs created at the onset of the financial meltdown, in the fall of 2008, address exactly that need. The Fund's programs use Web-based software to improve nonprofits' efficiency, with the aim of reducing costs. Demand for such services, which include IT and back office outsourcing, web hosting, and document sharing systems, has been strong, according to Mary McCormick, the Fund's President. "Often people don't focus on these issues when times are good," McCormick noted. "When things are more difficult, you look to see how you can produce the program better by recognizing economies and efficiencies."

Some organizations are taking cost-cutting a step further, even rethinking their business models. "We're actually seeing groups say, 'You know what, our model used to look like this, but in the future it's got to change,'" said Don Crocker, executive director of the Support Center for Nonprofit Management, which helps nonprofits audit and reconfigure their operations. "We're seeing a lot of that."

At Insideschools.org, for example, user-generated content contributed by trained volunteers may soon replace school reviews that, in the past, were researched and written by a paid staff of professional journalists.

Other nonprofits are countering funding shortfalls by adding or expanding fee-based services. After beefing up the staff of its fee-based early childhood program, the **Little Sisters of the Assumption Family Health Service center, in East Harlem**, was able to increase revenue by \$200,000. Queens Community House is also considering launching new fee-based programs as a way of subsidizing its free services, but executive director Irma Rodriguez is proceeding carefully. "We currently run a fee-based early childhood center, and it's actually not doing so well, so we want to be cautious about how we do this."

Still other organizations are collaborating with one another in order to meet increased demand, improve their efficiency, or expand their resources. Earlier this spring, leaders of eleven small arts and cultural nonprofits formed the Lower Manhattan Arts Leaders—part working group, part advocacy organization. For Kevin Cunningham, of the nonprofit theater 3-Legged Dog—and LoMAL's founder, the group's benefits are obvious. "3-Legged Dog wouldn't have been able to get a meeting with [Senator] Chuck Schumer's office," he notes. "But the eleven of us did."

Neighborhood food pantries and soup kitchens are also joining together to meet increased demand for emergency food assistance. “Some groups are making decisions together—to operate less hours, but making sure that somebody is always open,” Áine Duggan of the Food Bank For New York City noted.

And for the three youth services agencies that started The Children’s Support Foundation, a planned giving collaborative, a whole new population of potential donors is now within reach. “We didn’t have the capacity to start up a new department, so we pooled our resources and talents,” said Kathleen Clarke, Assistant Executive Director for Development and External Affairs at Inwood House. (Children’s Village and Safe Space round out the collaborative.) “We can cultivate long term donors who may want to make major gifts, and that’s a capacity that none of us had.”

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