



# WNC Nonprofit Pathways

## SNAPSHOT OF THE SECTOR

OCTOBER 2010

Western North Carolina's nonprofit sector includes over 1,200 federally tax-exempt organizations that spend up to \$3 billion annually and employ more than 36,000 people. A lot has changed in our economy and communities, and we have taken a look at where nonprofit groups stand – using a few key measurements to provide a summary “snapshot.” *What we found is a hero's story.* In the responses, we are not surprised to see that demand for services is up while financial support is down. But we are particularly encouraged by the apparent stability, pride, determination and creativity that leaders around our mountains are exhibiting under the circumstances – at least for now. **Read on for a glimpse into the current state of the critically important nonprofit sector that is addressing community needs across 18 counties and the Qualla Boundary.**

### DRAMATICALLY INCREASED NEED FOR NONPROFIT SERVICES

Demand for WNC nonprofit services is up over last year – 69 percent of WNC nonprofits reported an increase; 23 percent stayed the same; 8 percent decreased

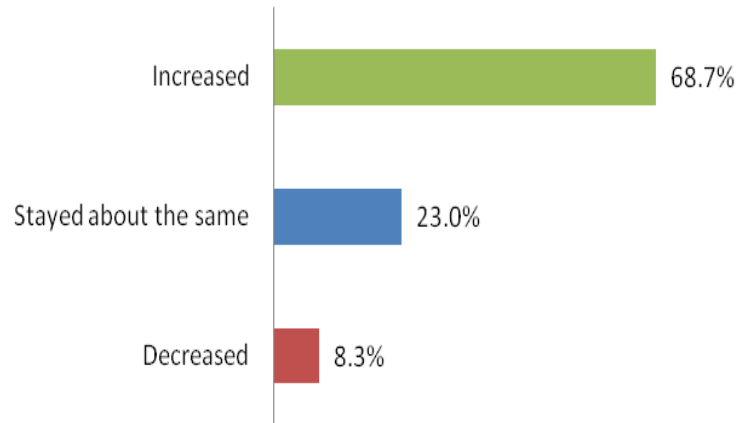
*“We’ve seen nearly a 300% increase in need”*



*“The number of clients we are seeing is skyrocketing.”*

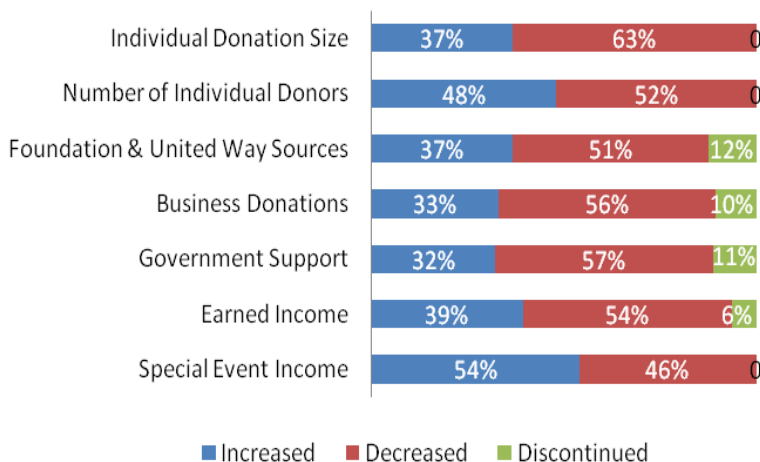
*“When people are laid off from their jobs, they typically turn toward education. We have more people enrolled in community college than ever before.”*

### Demand for Services



### HARD-EARNED FINANCIAL STABILITY

#### Changes in Financial Support



Like their counterparts around the state and country, WNC nonprofits saw resources drop.

**Decline in giving:** The majority of WNC nonprofits saw significant decreases in size and number of individual gifts, as well as reduced support from foundation, United Way, business, government and earned income sources.

*“Because of the economy in our area, we have tried to involve more participants as contributors and volunteers and increase our overall giving. We relied in the past on industry and business but can no longer depend on them.”*

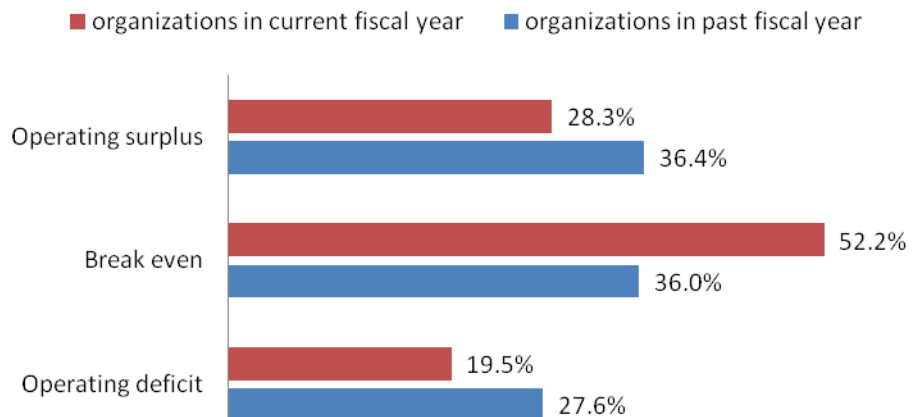
## FINANCES, continued

### Nonprofits operating in the red:

Almost 28 percent of WNC nonprofits surveyed said they had operating deficits last year, compared to more than half of nonprofits statewide. Smallest nonprofits were hardest hit.

*“A special appeal to current donors asking for their assistance due to harsh winter had more than 30 % of current donors send in an additional donation. This prevented the organization from ending the year with a significant deficit. It was a great vote of confidence.”*

## Financial Situation



*“Our community has stepped up with giving but not at a fast enough pace to keep up with our needs.”*

## STRATEGIC CHANGES

### Top changes organizations made:

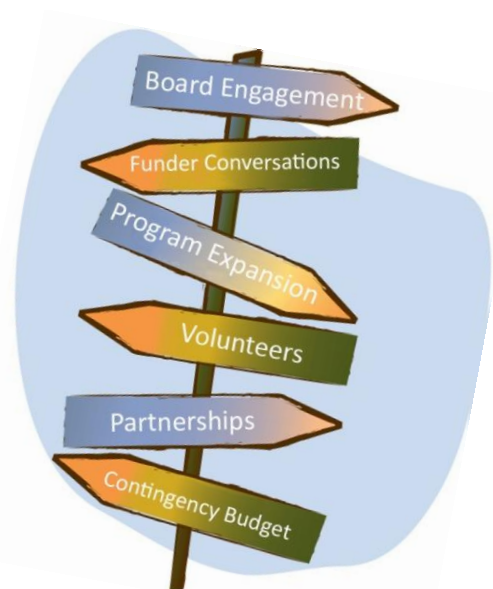
- Engaged their boards more fully
- Talked with funding sources more about their situations
- Added or expanded programs due to increased need

### Other plans reflect strategic approaches of:

- Relying more on volunteers
- Creating partnerships
- Developing contingency budgets

**Stretched staff capacity:** It appears WNC nonprofits had fewer salary and staff reductions than their peers on the state level (60 percent) and nationwide (50 percent). Our snapshot data shows a third of WNC nonprofit survey respondents cut staff last year and 19 percent said they cut salaries or benefits. On a positive note, only 10 percent of groups predict they will cut staff and salaries/benefits in the coming year. This may be because WNC nonprofits overall had smaller budgets and staffs to begin with.

*“We used the opportunity to expand some services and aggressively move forward when it would have been easier to make cuts.”*



*“We have really looked at what services we offer and cut back the ‘extra’ components of programs that while are very needed are not the core of what we do. This has made all the funded programs operate with better focus and more specific to our mission.”*

## FUTURE NEEDS FOR BUILDING CAPACITY

We asked groups what they most need to face the future with confidence.

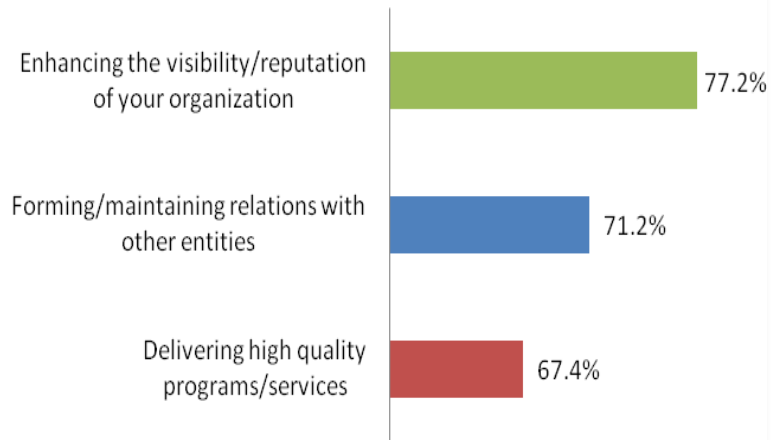
Top responses represent a heartening trend:

- Greatest request is an area that reflects on credibility: “enhancing the visibility and reputation of the organization.”
- Next came “forming stronger relationships with other organizations.”
- Third came a commitment to “delivering high quality programs and services.”

Additional needs included (in declining order):

- Recruiting and keeping qualified and reliable volunteers
- Developing targeted communications
- Undertaking strategic planning
- Evaluating or assessing programs
- Recruiting and keeping qualified staff
- Training and/or developing the Board

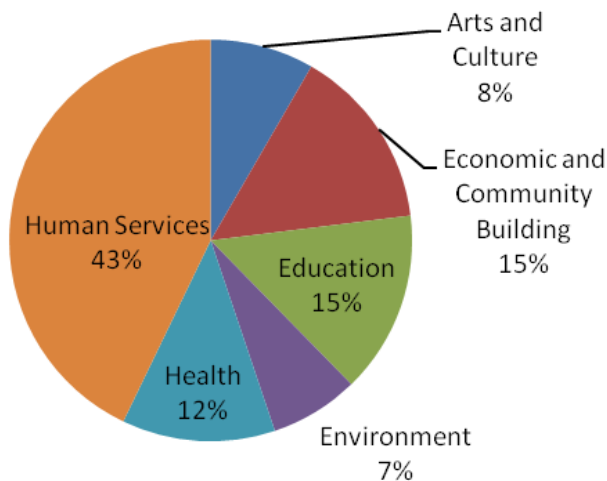
### Top Needs for Capacity Building



*“The last two years have been a struggle. It is incredibly important that we continue to try new things to adjust to the changing economic climate. What used to work doesn't work anymore. In order to survive, we need new models of working and new ideas.”*

## SURVEY RESPONDENTS

### Respondents by Focus Area



The survey responses came from 271 nonprofit leaders whose organizations serve all 18 counties of western North Carolina (Avery, Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania and Yancey).

Survey Note - There were a higher percentage of responses from organizations with large budgets (over \$1 million) and longer lifespan (in existence over 21 years). However, when we disaggregated and compared the data from these organizations with that of smaller and younger groups, the responses were not inconsistent.

**ABOUT WESTERN NORTH CAROLINA NONPROFIT PATHWAYS** – Pathways is a collaboration of The Community Foundation of Western North Carolina, Cherokee Preservation Foundation, Mission Hospital and Health Care Foundation, and United Way of Asheville and Buncombe County, with additional support from the Kate B. Reynolds Charitable Trust and The Duke Endowment. Our mission is to strengthen WNC nonprofit organizations so they can better serve the community.