

## The Effect of the Economy on the Nonprofit Sector: A June 2010 Survey

Public charities and private foundations continued to take a beating during the first five months of 2010. Some 40 percent of participants in GuideStar's first nonprofit economic survey for 2010 reported that contributions to their organizations dropped between January 1 and May 31, 2010, compared to the same period a year earlier. Another 28 percent said that contributions had stayed about the same, and 30 percent stated contributions had increased.

"The Effect of the Economy on the Nonprofit Sector: A June 2010 Survey" presents these results and more. Among the other findings:

- Eight percent of respondents indicated that their organizations were in imminent danger of closing.
- In order to balance budgets, 17 percent of respondents reduced program services, and 11 percent laid off employees.
- More than 60 percent of participants reporting decreased contributions attributed the drop to a decline in both the number of individual donors and the size of their donations.
- Among organizations that use volunteers, 17 percent used one or more in what had formerly been paid positions.
- About a third (32 percent) of organizations increased their reliance on volunteers, whereas 9 percent experienced a decline.

Chuck McLean, GuideStar's vice president for research, and research assistant Carol Brouwer conducted the survey, analyzed the results, and prepared the survey report.

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