

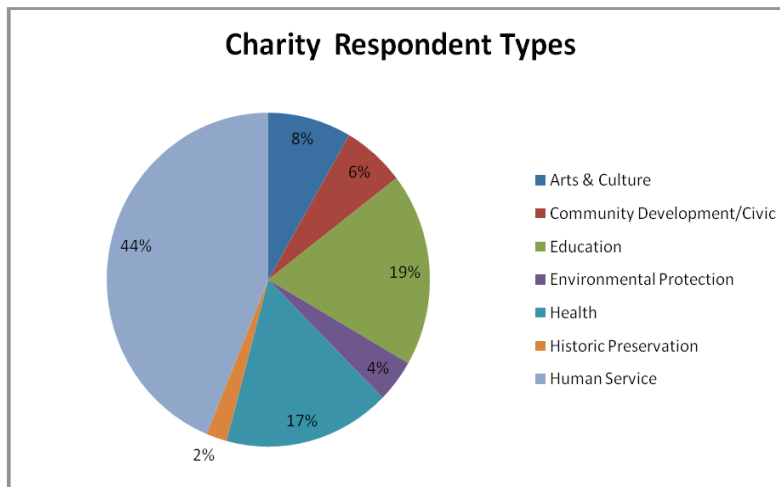


Economic Impact Survey

Spring 2009 - Black Hawk County Charities

The Chronicle of Philanthropy recently reported that nearly one-third of U.S. charities ended last year with a deficit, based on a survey released in March by the Nonprofit Finance Fund. A sizeable 62 percent of charities have less than three months' worth of cash on hand to cover costs, and just 16 percent expect to be able to pay for their expenses this year and next.

In March, the Community Foundation of Northeast Iowa conducted its own local survey of charitable organizations. The survey was designed to gather information about changes in Black Hawk County non-profit services, strategies and financial plans due to the economy. Nearly 50 charities of different sizes and missions completed the survey, from cultural and educational organizations, to human service providers and environmental charities.

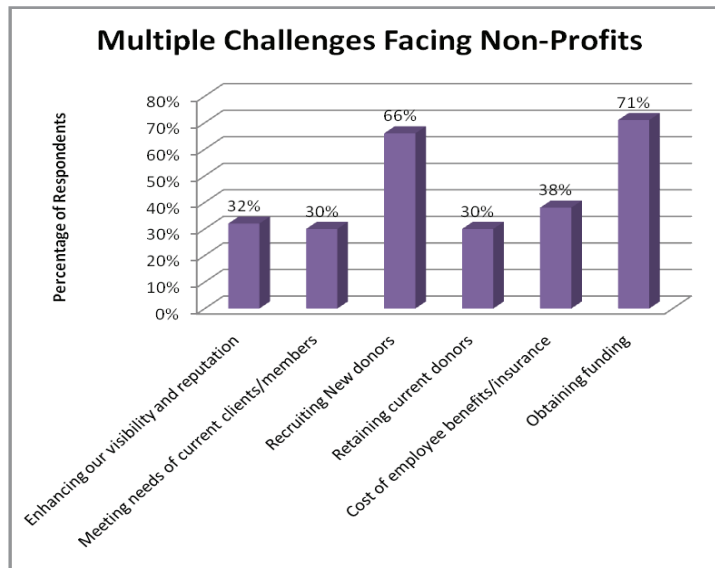


In the Cedar Valley, two-thirds of charities reported that obtaining necessary funding for their services continues to be their most challenging task. Retaining existing donors is also a major concern for half of survey respondents, and staff costs (including recruiting qualified staff, professional development, and employee benefit/insurance plans) are a concern for approximately one-third of charities. More than 15 percent of respondents indicated that they have had to cut nearly all travel, training and development opportunities for staff from their operating budgets.



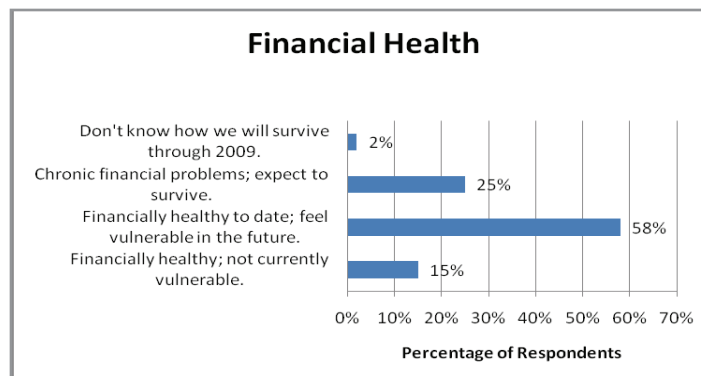
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Half of the responding charities feel financially vulnerable. Furthermore, more than one-third indicated the following statements were true:

- They will not change key services, but may cut ancillary services;
- They have had negative cash flow in the past year;
- They are cutting nonessential expenses and increasing fundraising activities.





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Unlike the national survey which found that 27 percent of organizations said the recession had forced them to take out a loan or line of credit, only 15 percent of Cedar Valley charities have borrowed money in the past 12 months. Nearly half have four or more months of cash reserves on hand.

While Cedar Valley charities may not yet be experiencing declines in support as sharp as East Coast and West Coast charities, they are taking important steps to prepare for inevitable austerity. Two-thirds of local organizations have specifically discussed strategies for weathering economic hardships at a Board of Directors level, and half have re-visited their organizational strategic plan in light of any economic changes they are making.

Many of the charities who responded to the Community Foundation's survey serve the most vulnerable residents of our community. As their clients face personal trials related to the recession (foreclosure, job loss, falling behind on debt repayment, etc.), the charities' services will be more necessary than ever. This survey demonstrates that Cedar Valley nonprofits will need continued and increased charitable contributions to meet the increasing needs of their clients; however, at the same time, the capacity of these organizations to seek and sustain those contributions may be deteriorating.

The Community Foundation plans to re-issue the Nonprofit Economic Survey in the fall to measure changes in the charitable landscape and help the Foundation and community leaders explore ways to respond effectively to the needs in the non-profit sector. Community Foundation grant funding seeks to meet the broad spectrum of charitable needs of the Cedar Valley; and donors to the Community Foundation enjoy additional tax benefits, personalized giving, and local expertise.

More information about the Nonprofit Economic Survey can be found on the Community Foundation's website at www.cfneia.org.