

Clients Up, Dollars Down:

SOCIAL SERVICES AGENCIES ARE
SERVING MORE PEOPLE,
DESPITE FINANCIAL PRESSURES AND
ADVERSE GOVERNMENT
FUNDING POLICIES

NEW YORK CITY NONPROFIT EXECUTIVE OUTLOOK SURVEY

SPONSORED BY

THE SCHOOL OF PUBLIC AFFAIRS

NONPROFIT GROUP

AND

SURVEY RESEARCH UNIT

SPRING 2005

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CO-SPONSORED:

BARUCH COLLEGE, SCHOOL OF PUBLIC AFFAIRS
NONPROFIT GROUP AND SURVEY RESEARCH UNIT
JACK KRAUSKOPF AND GREGG VAN RYZIN

HUMAN SERVICES COUNCIL OF NEW YORK CITY
FEDERATION OF PROTESTANT WELFARE AGENCIES
UJA–FEDERATION OF NEW YORK
UNITED NEIGHBORHOOD HOUSES OF NEW YORK

IN COOPERATION:

ASIAN AMERICAN FEDERATION
HISPANIC FEDERATION
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REPORT SUMMARY

This report summarizes the findings from the first of what is planned to be a periodic survey of the outlook of New York nonprofit executives on social conditions and human services issues in the City. The purpose of the survey is to determine how these agency executives view New York City overall, the well-being of different groups of people served by their agencies, relevant governmental policies, and particular operational issues affecting service delivery. These executives have a unique frontline perspective on social needs and emerging problems in the City. Over time, the survey will establish trends and also afford the opportunity to test opinion on particular issues.

In summary, the survey finds that human services organizations are serving more people than in the past, but doing so despite greater financial stress and adverse government funding policies. The survey was completed by 150 top executives, more than 90 percent of whom are the chief executives of their organizations. These are experienced executives; more than half of them have been in their positions for more than ten years. Their responses provide a reliable indicator of opinions about the state of human needs and services in the City.

HOW THE SURVEY WAS CONDUCTED

The survey was developed by the School of Public Affairs at Baruch College in conjunction with key social services umbrella organizations, including the Human Services Council of New York City, Federation of Protestant Welfare Agencies, UJA-Federation of New York, and United Neighborhood Houses of New York. These organizations and Baruch's Survey Research Unit and Nonprofit Group jointly prepared the questions included in the survey to reflect both long-term and timely issues affecting human services in New York.

The survey was completed confidentially online by executive directors of human services agencies that are members of the four sponsoring umbrella organizations—as well as agencies affiliated with the Asian American Federation, Hispanic Federation, Black Agency Executives, Black Equity Alliance, and Catholic Charities of the Archdiocese of New York and the Diocese of Brooklyn and Queens. Ninety percent of responding agencies provide direct services to people in need—including youth services, family support, mental health, child care, child welfare, education, employment and training, housing and homeless services, senior services, advocacy, and more.

DEEPENING PROBLEMS AND GREATER NEEDS

While respondents are closely divided about whether things generally are headed in the right direction in the City, they are strongly of the view that social problems are deepening. More than 50 percent think social problems facing New York City are getting worse, while only about 18 percent think they are getting better, and 29 percent say they are about the same (Figs. 1 and 2). More than 40 percent are pessimistic about future social conditions, and less than 30 percent are optimistic (Fig. 3).

In particular, for poor families, 73 percent of the executives think that things are getting worse, and more than 50 percent see more negative conditions for youth and teens, the elderly, homeless, and immigrants. About 45 percent see things getting worse for young children and mentally ill people. Conditions are viewed as staying the same for people with HIV/AIDS, disabilities and addictions, with only small numbers of the executives expecting better prospects for any of the groups (Fig. 4).

These executives have very distinct views about public policies. Eighty-five percent of them disapprove of federal social policy, and 69 percent disapprove of New York State policy and programs. Opinions about City policy are more divided with 43 percent neutral, 39 percent disapproving, and 18 percent approving (Fig. 5).

Fig. 1 All in all do you think that things in New York City are generally headed in the right direction or do you feel that things are off on the wrong track?

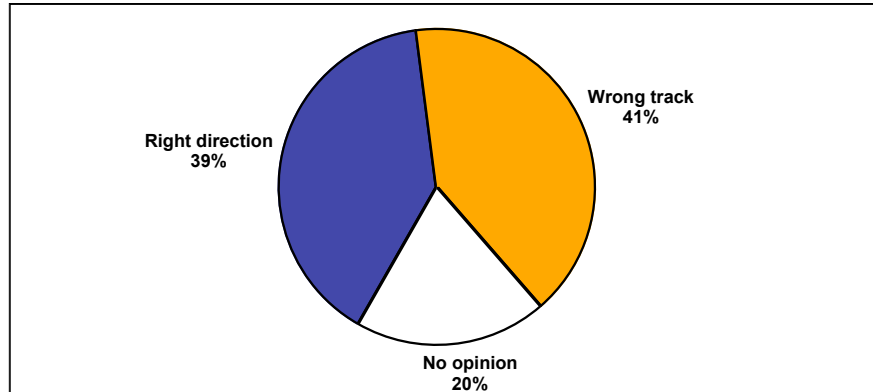


Fig. 2 In your view are the social problems facing New York City these days...

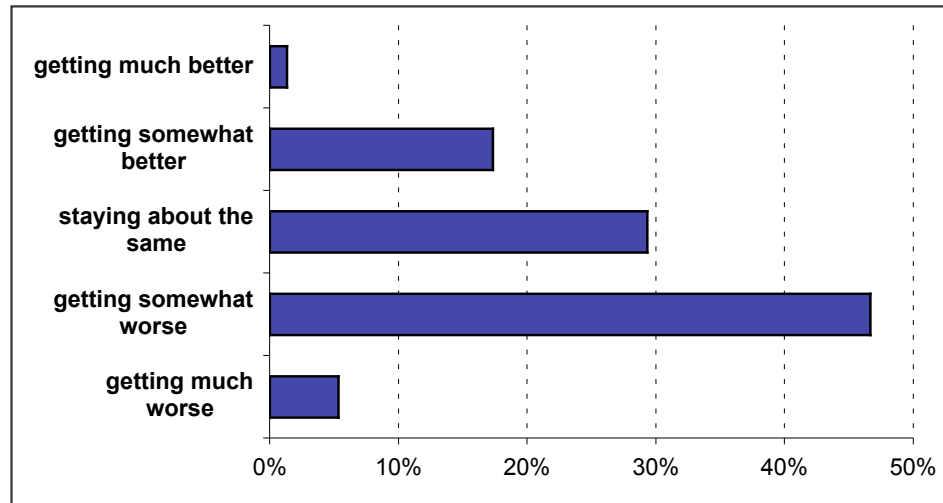


Fig. 3 Looking ahead a few years are you optimistic or pessimistic about future social conditions in New York City?

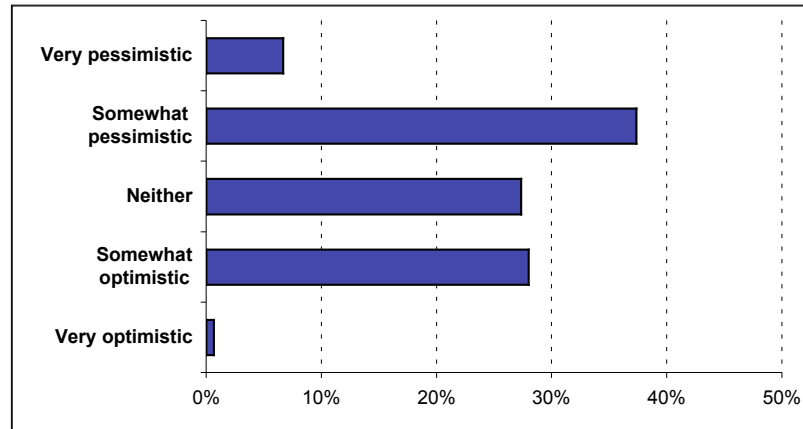


Fig. 4 In New York City these days do you think things are generally getting better or worse for ...

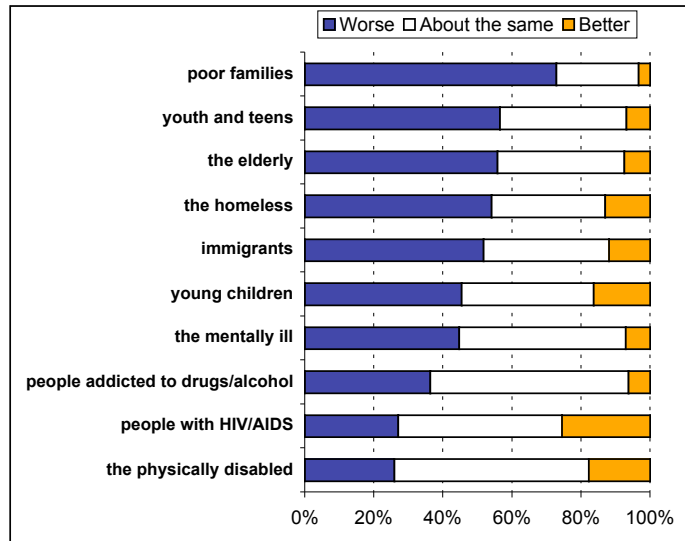
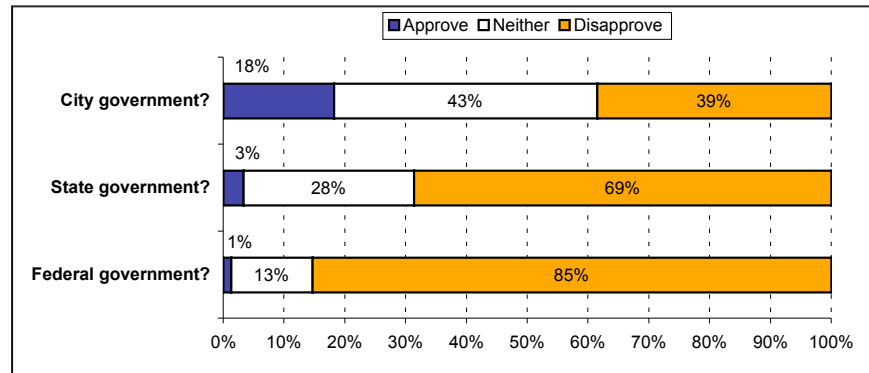


Fig. 5 Do you generally approve or disapprove of the current social policy and programs of ...



SERVING MORE PEOPLE, DESPITE FINANCIAL STRESS

Regarding their programs and services, more than 70 percent of the agencies have increased the number of people they serve (Fig. 6), but more than 75 percent view their services as not adequate to meet the needs of the people they intend to help (Fig. 7).

Although there were increases in the workforces of 46 percent of the agencies and decreases in 24 percent of them (Fig. 8), there is considerable volatility. More than 60 percent of the agencies have had to close programs, and nearly as many have laid off staff.

Overwhelmingly, these reductions are due to financial stress, rather than to strategic choices they have made. Only 20 percent of the executives cite strategic choices as the reason for program closings.

Most agencies have not reduced the number of clients served, changed the geographic scope of their services, cut hours, or closed sites or offices (Fig. 9). The survey did not ask about the opening of new programs, restructuring of staff, or changes in caseloads.

Fig. 6 Has the number of people served by your programs and services over the last few years . . .

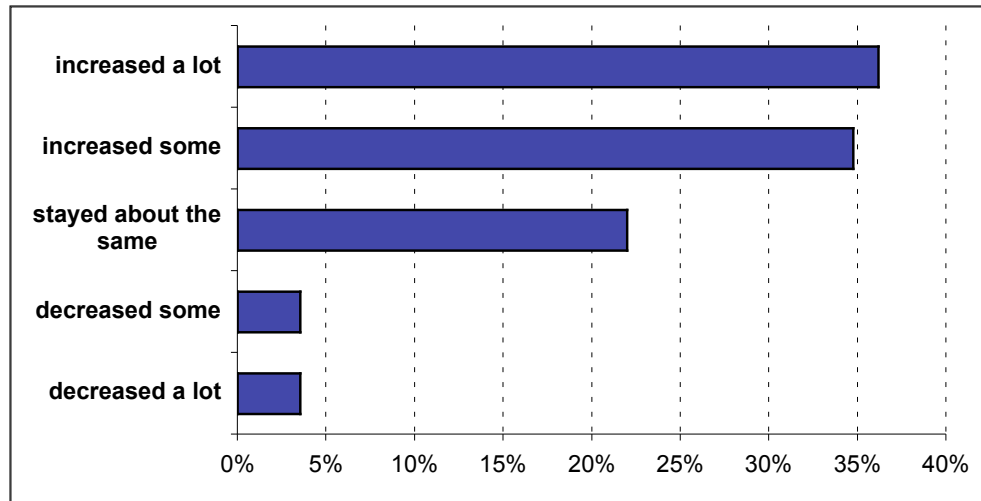


Fig. 7 Are the services you provide adequate to meet the current needs of your target population or not?

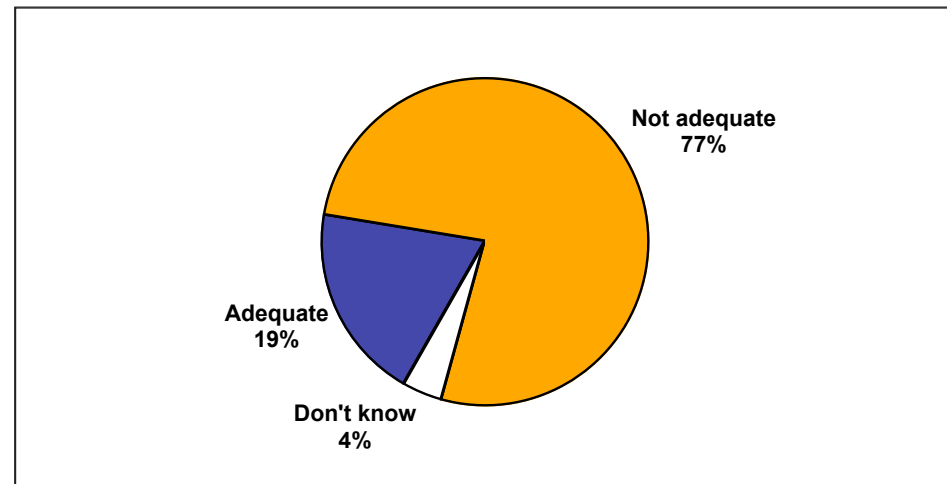
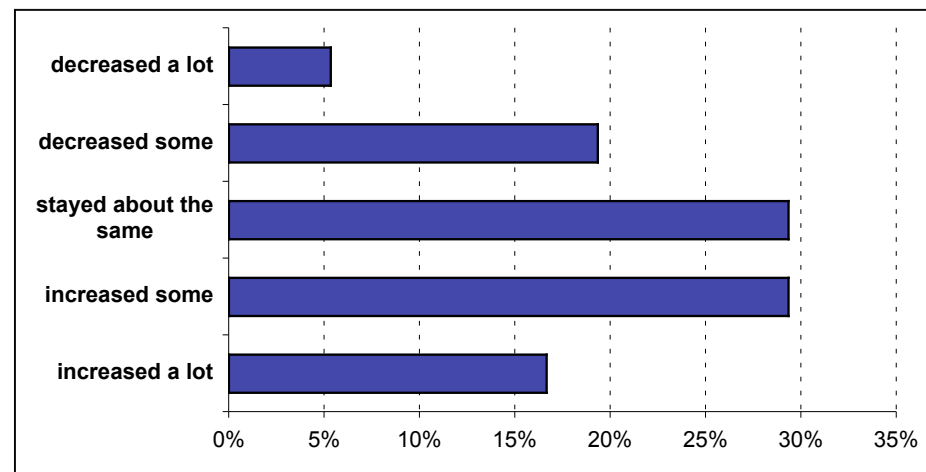


Fig. 8 Thinking about the size of your organization's workforce over the last few years has it . . .



Most agencies--more than 70 percent--rely on City contracts as a source of funding, while 53 percent depend on direct State contracts, and fewer than a third on federal (Fig. 10). It should be noted that most human services contracts with City agencies are actually funded by a combination of federal, State, and local dollars.

Revenue from public sources (federal, State, and City) has stayed the same for many agencies, although it has declined for somewhat more agencies than it has increased. Revenue trends are similar for private sources, such as foundation and corporate giving, but more agencies report increases than decreases in individual giving, fundraising events, and fees for service. The organizations that were surveyed rely heavily on government sources of support for the services they provide, but are increasing their private revenue-generating activities, since government funds have not grown.

Fig. 9 In the last few years has your organization . . .

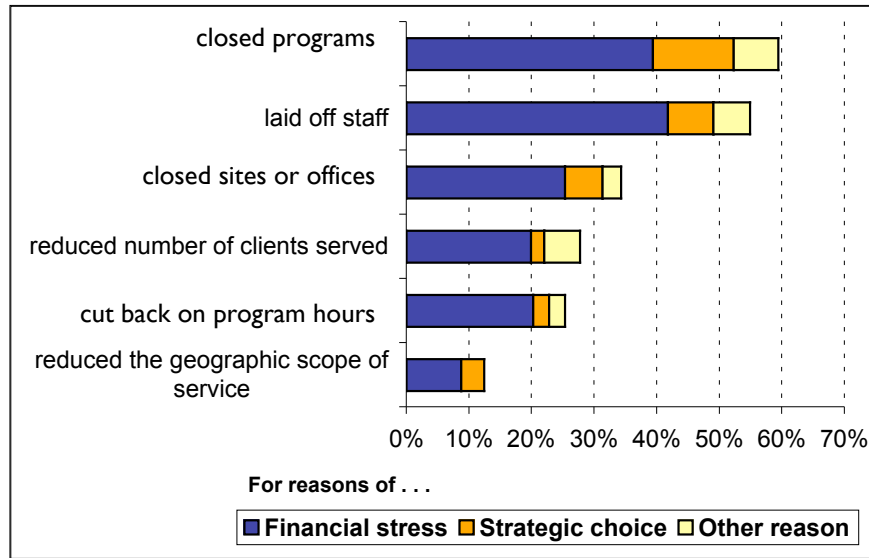
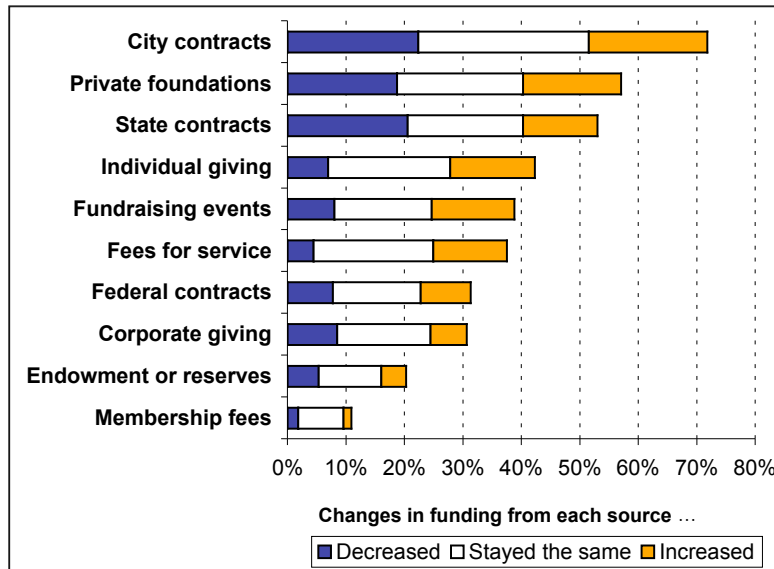


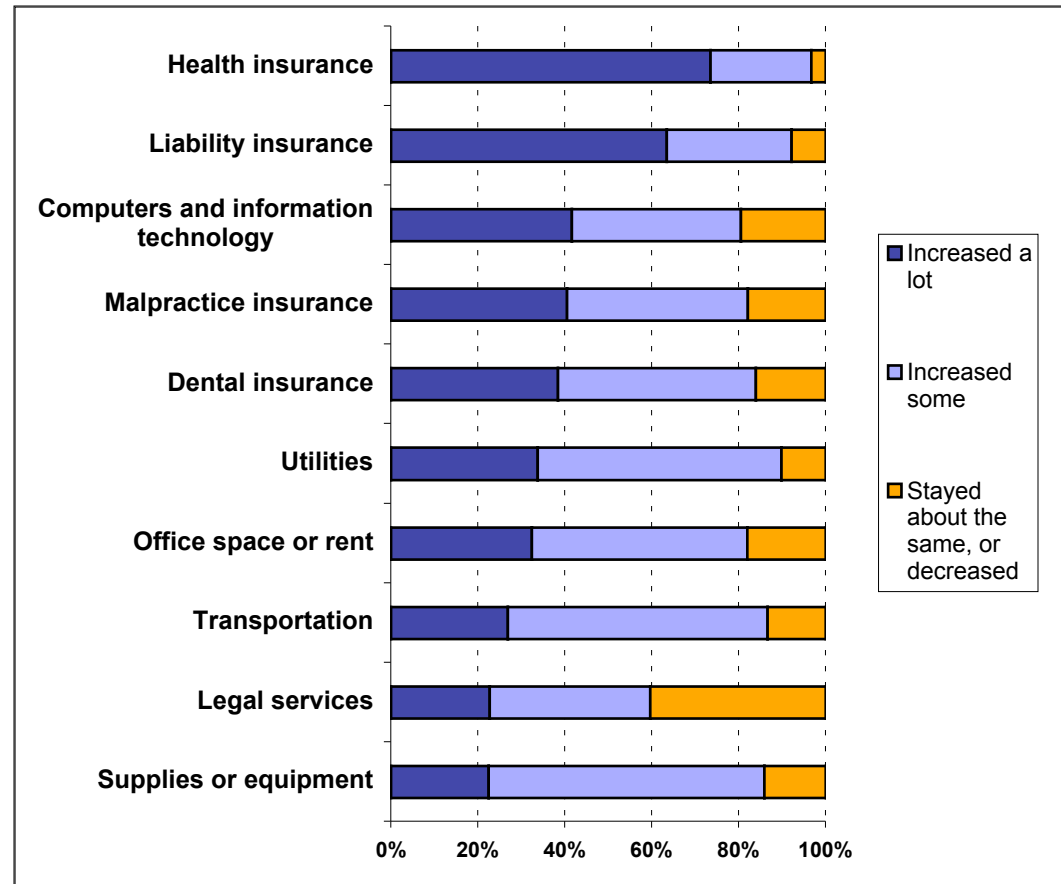
Fig. 10 How much do you rely if at all on the following sources of funding for your organization?



RISING COSTS WITHOUT INCREASED REVENUE FROM GOVERNMENT

The prices of the most essential operational functions have risen, while government funding has not kept up. The survey documents cost increases for health insurance (97 percent of the responders), liability insurance (92 percent), and utilities (90 percent). Increases of more than 80 percent were reported for supplies or equipment, computers and technology, dental and malpractice insurance, office space, and transportation (Fig. 11). Because government funding has not kept up, 42 percent of these executives have had to address these changes by covering the costs from other sources and another 35 percent have had to make service or staff reductions (Fig. 12). In general, these agencies have increased employee contributions for health insurance, increased co-payments, and have been unable to offer competitive salaries and give adequate raises to staff (Fig. 13).

Fig. 11 For your organization over the past 5 years how much have prices changed if at all for the following?



POLICIES AND FUNDING NOT MATCHING COSTS AND NEEDS

In sum, these seasoned executive directors from the diverse array of human services agencies responding to this survey reflect a pattern of increased need for social services in the City. Agencies are attempting to address that need by serving more people. However, these agencies are forced by financial pressures to utilize management strategies that restrain employee costs and benefits, close some programs without reducing overall levels of service, and raise more private funds. Such strategies are necessary to cope with rising costs that are not offset by increases in revenues from the government sources that are responsible for setting human services policies to meet service needs.

Fig. 12 Which of the following best describes your overall experience over the last 5 years with government funding of overhead or Other Than Personal Service costs?

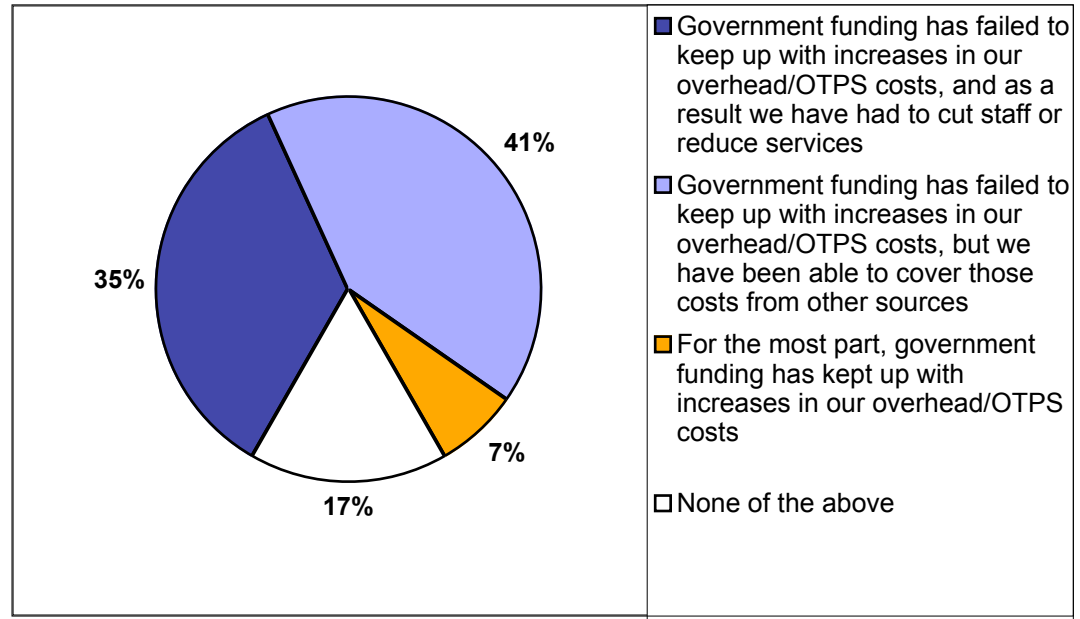


Fig. 13 How much of a problem if at all are the following human resource issues for your organization?

