



Nonprofit financial and real estate resources
Where nonprofits come first.

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**SURVEY OF NONPROFITS REVEALS IMPACT OF ECONOMIC AND STATE
BUDGET CRISES**

**Lower Revenues, Late State Payments Fuel Vulnerability Among Illinois Nonprofit
Corporations**

Illinois nonprofit corporations are hurting from the combined impact of a down economy and a state budget crisis, according to a recent survey conducted by IFF, formerly the Illinois Facilities Fund, and the public policy magazine *Illinois Issues*. The survey investigates nonprofits' current financial health and attitudes (indicated by the ability to maintain programs, meet financial commitments, retain employees, etc.) with the goal of more comprehensively understanding the toll of the economic and state budget crises on Illinois' nonprofit sector—beyond anecdotal stories.

“This is certainly a change from previous surveys, with more nonprofits feeling vulnerable about the future. Many have exhausted their cash reserves, especially as a result of late payments by the state. There is a real sense of fatigue among Illinois nonprofits,” said IFF’s Research Director Susan Cahn.

Of the 600 Illinois nonprofit corporations contacted, 116 organizations contributed to the survey, producing the following results:

- Over 90% of Illinois nonprofits have felt the effect of the economic downturn
- Almost 80% have experienced delays in state payments
- Over 70% have experienced reduction in individual contributions
- 65% of nonprofits have been financially healthy to date, but now feel vulnerable in the future
- 57% used their cash reserves over the last year and almost a third depleted the reserve
- Approximately 38% delayed capital projects
- 39% increased clients served and 28% increased program services.
- 24% of respondents cut program services and administrative staff

In comparison with the 2004 financial health study *Getting It Right* (conducted by IFF and the Donor’s Forum), Illinois nonprofits are much more likely now to view themselves as financially vulnerable. Contrasting the two studies, there is a 27% decrease from 2004 in the number of agencies planning to expand their services and a 19% increase in agencies planning to seriously examine all of their existing program assumptions.

Despite their financial challenges, many nonprofits are responding to the increased demand for their services. Survey results highlighted the following over a two year period:

- 29% of nonprofits increased their services
- 39% increased the number of clients served

“This and previous IFF studies show that most Illinois nonprofit corporations are managing their organizations responsibly, building their cash reserves, and providing essential services,” said IFF President and CEO Trinita Logue. “They are doing their part, but with a new governor and funds from the federal stimulus legislation our state can do more to help Illinois nonprofits get through the current economic downturn.”

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Founded in 1988, IFF is the Midwest’s leading nonprofit Community Development Financial Institution (CDFI) serving exclusively nonprofits. It has total assets approaching \$150 million and offers below-market loans, real estate consulting, and research services to nonprofits serving low-income areas and special-needs populations in Illinois, Indiana, Iowa, Missouri and Wisconsin. To learn more about IFF, visit www.iff.org.