

For Charities, The Road Ahead Is Uncharted

porations are having a lot of honest conversations about

As the economy shrinks, LGBT nonprofits must find creative ways to stay afloat

BY DARREN TOBIA

It's a sign of the times.

Ever since Fire Island emerged as a summer getaway for gay New Yorkers, the Center has held an annual "Share-a-Thon." The benefit event helps gay men rent their beach bungalows and, in turn, raises funds for critical social services. It's an "I'll rub lotion on your back if you do mine" situation.

But things are a little different this year, with far more unrented shares and far fewer men seeking them. "Will there be as many men on Fire Island this summer?" wonders Bruce Anderson, interim executive director of the city's LGBT Community Center.

Meanwhile, other rooms at the Center are brimming with people—at events like job fairs and career workshops. "Whereas we might have had 75 [job seekers before], now we have 225 people coming," says RoMa Johnson, the Center's development director.

Unprecedented Change Charities have experienced ebbs in funding over the years. Many can remember how nonprofit foundations in California suffered after the tech bubble burst in the '90s. But this year is shaping up to be much worse due to several fac-

tors: the widespread recession, individual donors with much less cash, and a financial industry in serious trouble.

"What we are dealing with is somewhat uncharted territory," says Andrew Shackett, principal of ASA Consulting. "This recession is pervasive,

hitting all sectors, including government, corporations and foundations."

Even the 2008 election cycle posed fundraising challenges for LGBT interests. Yes, people poured their resources into campaigns, both for a gay-friendly president and against Proposition 8. When the time came to support local LGBT organizations, however, cash-strapped individuals were experiencing "donor fatigue."

And with a collapse of banking institutions, and thus lines of credit, organizations are running out of places to turn.

"Most organizations do not have decent reserve funds or credit lines," says Matt Foreman, director of the Gay and Lesbian Rights programs at the Evelyn and Walter Haas, Jr. Fund, "so when the state holds up funding, or when the annual event doesn't go so well, or when one major donor or foundation pulls out, nonprofits are pushed into a state of financial crisis."

Particularly vulnerable are smaller charities that offer direct services like

counseling and case management, but lack well-established private donor communities. To them, a state budget crisis means that not only is funding cut back precipitously, but the remaining funds take longer to actually receive. Agencies end up fronting large sums of money over the course of many months and waiting longer for reimbursement. "Essentially, the city and state of New York are financing their operations on the backs of non-profits," says Foreman.

This was the case with the six-year-old Ali Forney Center, an organization helping homeless LGBT youth, which was forced to raise \$150,000 between Thanksgiving and Christmas last year.

A Spirit of Partnership

The Haas, Jr. Fund, all in all, has lost a sobering 40 percent of its endowment and is no longer accepting letters of inquiry from potential grantees. Foreman has also begun making those dreaded "final grant" phone calls, some to friends he's known for 20 years.

Still, the foundation will be increasing its disbursement rate above what is considered standard. The increase will further diminish the size of their endowment, but it will allow for sustained funding to its existing contracts. Encouragingly, many institutions and individuals are making similar sacrifices.

"Organizations, donors, foundations and even cor-

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how to continue the work that is so valuable for our community," says Rea Carey, executive director of the National Gay and Lesbian Task Force. "There's a feeling of partnership."

Many of these conversations among charities discuss mergers, which could cut back on overhead. Some, like the Long Island GLBT Services Network, have already implemented consolidation at the local level. Through consolidation, organizations operate independently, but share costly positions like executive directors, development directors and associates.

Individual New Yorkers have also stepped up to the plate. Joe Jarvis helped raise \$20,000 for the Ali Forney Center during its recent fiscal crisis by posting an appeal on his blog, Joe.My.God. Last September, Boy Butter Lubes CEO Eyal Feldman swam across the St. Lawrence River to raise \$875 for Services and Advocacy for Gay, Lesbian, Bisexual and Transgender Elders (SAGE). In one week, the Long Island GLBT Services Network raised \$30,000 after its youth center was vandalized last month.

Additionally, young people are recognizing the value of philanthropy within the LGBT community. Since last February, the Stonewall Community Foundation has signed up 20 new mem-

bers to its Quarter Share program, which pools the resources of young professionals and grants sums to local nonprofits.

Giving in Hard Times

Community needs only increase as the economy squeezes tighter. Even in robust economic times, the Ali Forney Center turns away 200 homeless LGBT kids nightly. The LGBT Center serves 6,000 people each week, yet shows extensive waiting lists for programs at maximum capacity.

Economic stress can exacerbate homophobia and other social problems. Between 2006 and 2007, even before we knew the extent of the financial meltdown, there was a 24 percent jump in hate crime reports and seven of eight anti-gay ballot measures were passed nationwide.

Domestic violence, drug abuse and alcoholism tend to increase during hard times. Demand for social services and financial support spikes. And many states still lack job protections for people based on sexual orientation and gender identity, making LGBT employees vulnerable when jobs are precious.

"There isn't one gay and lesbian organization in New York that has enough resources in a good year to get done the work that needs to get done,"

says Bill Mattle, executive director of the Stonewall Community Foundation, "but some organizations are hit even harder—those that don't have the resources and the megaphone."

The Bronx Community Pride Center fits that bill. It's located in the Morrisania-Hunts Point neighborhood of the South Bronx, which boasts some of the highest rates of need in the nation; HIV/AIDS, crime and poverty have prevented the kind of rebirth that other neighborhoods experienced during the last decade. Yet the Bronx Community Pride Center's donor base is largely comprised of people on fixed incomes or public assistance.

The center recently lost \$100,000 due to state budget cuts. The center can no longer provide meals to needy families or Metrocards to young people, which they rely on to get to and from core services. The Center can offer neither stipends for their certified GED teachers, nor books for the students. "How deep is that?" asks executive director Lisa Winter, referring to its dire budget gap. It's pretty deep.

As the recession drags on, all community-based nonprofits will continue to invent creative methods to maintain their services for LGBT recipients.



NGLTF executive director Rea Carey notes the spirit of partnership among charities.
(Photo: NGLTF)