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Q&A

State Could Do Better In Per Capita Giving

The CT Association of Nonprofits (CT Nonprofits) represents more than 525 organizations. Is that a large number of groups competing for a dwindling pool of money in a state the size of Connecticut?

I don't believe so, given the needs these organizations fill and the generosity of those who live in this state. I believe as long as nonprofits stay mission focused and remember that they exist for the public good, there will continue to be strong community support. Connecticut has great wealth and a much greater capacity to give. We rank in the middle of states in per capita philanthropic giving and can do much better given that we are at the top in per capita income. There are many individuals in Connecticut who are vastly generous, but there is plenty of room for more giving.

People talk about privatizing state government to save money. How much does the state save through the use of nonprofit organizations annually?

Connecticut is one of only a few states with a dual provider human services delivery system in which the state does some of the work itself and contracts with nonprofits to do the rest. But, it is difficult to give an exact dollar value that nonprofits save Connecticut because the state has never paid the actual cost of care to most nonprofit human services providers. Therefore, from a business perspective, nonprofits subsidize the state for their services, saving the state a huge amount of money. Beyond that, it is the efficiency with which nonprofits run that result in savings to the state. Nonprofits are able to provide the same services with dedicated, qualified staff at a much lower rate. While there are certainly areas in which nonprofits cannot compete with the state, such as pay and benefits, we suspect that if the state paid the actual cost of care, not only would our employees receive better pay and benefits, but there would still be an overall savings to the state.

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What is going to help nonprofits succeed besides money? What changes have to be made for them to succeed? What kind of nonprofits are doing well now?

Organizations that diversify their revenue streams and become more entrepreneurial are doing well. Also nonprofits that reduce overhead by collaborating with other nonprofits are positioning themselves well moving forward. As the state deals with looming deficits and considers further budget cuts, nonprofits will need to expand their fundraising capacity, perhaps developing planned giving programs. It will also be crucial for nonprofits that do contract with the state to be able to demonstrate success through hard data. For example, CT Nonprofits recently partnered with The Charter Oak Group in Hartford to provide our members with training on Results-Based Accountability, the increasingly popular measurement tool of the Connecticut General Assembly. These kinds of programs enable nonprofits to demonstrate how they address real needs with real programs.

Are nonprofits going to look back at 2009 as one of the worst year's ever? Will things only improve going forward?

I am hopeful that nonprofits will look back to 2009 as a year they learned to build strategic partnerships, or rework a program to ensure better, more cost-efficient results.

Memories will certainly be based on lessons learned and struggles overcome. Currently, economists are reporting that many challenges lie ahead for the state's budget. We are hopeful that the governor and legislature will not make any further cuts that result in job loss among nonprofits or decreased services for those in need. As nonprofits continue to hold their missions and the health of their local communities above all else, so must the state. Moving forward, the state must do all it can to bolster the nonprofits it relies on to support Connecticut residents. An investment in nonprofits is an investment in the future and well-being of Connecticut.

How is Connecticut Association of Nonprofits benefiting their members moving forward?

CT Nonprofits continues to increase our partnerships and resulting opportunities for our members. For the first time this year, with the financial support of the accounting firm, Kostin & Ruffkess, we collaborated with Connecticut Business & Industry Association on two projects - a benefits survey and an employee compensation survey. In order to prepare the next generation of nonprofit leaders, we are launching, with the support of Hartford Foundation for Public Giving, Partnership for Strong Communities & Ripple Effect Consulting, a leadership development roundtable at the Lyceum in Hartford for aspiring nonprofit leaders. Other exciting partnerships that have benefited our members over the past year include: Hartford Foundation, UCONN Center for Continuing Studies, Connecticut Council for Philanthropy, Pro Bono Partnership, Fairfield County Community Foundation and the Birdies for Charity program with the Travelers Championship and JH Cohn, among others. ■

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