

# Connecticut Association of Nonprofits

## The Face of Nonprofits – A White Paper – 2003

### Executive Summary

Connecticut's nonprofits benefit the state's residents in ways that can't easily be quantified. Every day nonprofits help build communities, foster civil society, strengthen the social fabric and improve the quality of life for all the people in Connecticut. It is hard to put a price tag on saving a life, keeping a family together, giving kids positive alternatives to bad things, protecting the environment for future generations, experiencing the arts, giving someone a chance to be independent...yet that is what we do.

This report summarizes data on Connecticut's nonprofits and illustrates the significant role we play. It addresses the condition of the three primary sectors in our state: business, government and nonprofit, because all three need to be strong and viable to maintain a healthy Connecticut. Primary sources for data and information in this paper are: *Urban Institute's National Center for Charitable Statistics*, *Center for Civil Society Studies at Johns Hopkins University*, *Center for Survey and Research Analysis at University of Connecticut*, *the Nonprofit Policy Council*, *annual reports filed with the IRS by charitable nonprofits*, and *employment records collected by the state's employment security office*.

Yet numbers don't tell the whole story. This report shows the face of nonprofits. It gives you a glimpse into real life situations that bring people and nonprofits together. It is one step of many to build awareness and to educate policymakers, media, and the public about the vital role of nonprofits in the lives and communities of the people of Connecticut. The Connecticut Association of Nonprofits is pleased to present this report to promote better understanding and appreciation of our state's nonprofit community.

*"No one really has a thorough understanding of what it is all about until it gets personal," - Jim Heffernan, Wethersfield, whose 30-year-old son has epilepsy, cerebral palsy, and mental retardation.*

### Who we are.

Nonprofits serve everyone. Connecticut currently has more than 11,000 nonprofit organizations registered with the IRS that offer a full array of missions, activities, values, beliefs and individual rights. The unpredictable twists and turns of life bring us together with the poor and the wealthy, middle class, people of minority and majority, gay people, old people, women, men and children. The nonprofit sector exists at a crossroads between church, state and business; between the public and private sectors; between society and the individual. We embrace seemingly contradictory elements:

- Nonprofits are champions of individual rights, but often act on a democratic, grassroots level.
- Nonprofits are privately run with many publicly funded. Even private citizens and corporations get a public benefit – a tax deduction – when they make a charitable contribution to a 501(c)(3) nonprofit organization.
- Though we think of nonprofits as private institutions, most are considered public benefit corporations and must demonstrate that they advance the public good in the most cost-effective way possible.

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Even the word “nonprofit” can be confusing. Nonprofit organizations can “make a profit” by generating more revenue than they spend in a given year. But they do not exist to generate profits for their owners or directors. They must use all their income to support the mission, goals, and objectives of the organization or risk losing their nonprofit status.

Nonprofits join business and government as an integral part of Connecticut’s economy. As a sector, nonprofit organizations in Connecticut employed 156,880 people, approximately 9.4% of the state’s labor force in 2000. This is 11% more people than the state’s finance, insurance, and real estate industries, nearly 25% more people than local government and two and half times as many people as the state’s construction industry (*Fig. 1*).

Health care and human service organizations account for nearly half of Connecticut’s nonprofit employment, education 22% and social services (including child day care, residential care, and family services) 21%. Nonprofit hospitals account for over 80% of all hospital employment.

The people employed by Connecticut nonprofits earn, save and spend about \$5 billion annually in wages. Average weekly wages for nonprofit employees are far less than their counterparts in other sectors; in the social services field for example, nonprofit workers earn on average 44% less than their government counterparts.

Out of necessity, nonprofits have developed the most effective and efficient way to provide services to those in need. In a November 2001 study conducted by the Center for Survey Research and Analysis at University of Connecticut, 99% of the state’s Top 200 Businesses overwhelmingly agreed with the statement, “*On the whole, our company feels that its donation is put to appropriate use when we give to charitable organizations.*”

### **What we do.**

When you hear the word *nonprofit*, what comes to mind? You may think of a food pantry, Little League team, shelter, animal rescue, public radio, hospital or museum. The nonprofit sector encompasses all these organizations and many more.

Toddler programs teach preschoolers. Children are kept safe and entertained through programs, clubs and centers. Many of us became swimmers at the YMCA or Red Cross. Local athletic leagues teach our children competitive spirit and sportsmanship.

As adults, our health is affected every day by medical discoveries and environmental regulations pioneered by nonprofits. Our evening entertainment might come from public television, live stage, or a concert performance. Hiking in the mountains, swimming in the ocean, or enjoying a museum are experiences sometimes provided, and often protected, by nonprofit organizations.

### **Who needs us?**

The number of people served by Connecticut nonprofits is a staggering 3.3 million a year. The stories that brought us together are as diverse as the individuals themselves.

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Here are real life examples shared by clients and caregivers of nonprofit organizations:

- *“I had to surrender my pride and go into a shelter. MANNA helped give my daughter a place to rest her head. Nobody’s too far off from being in my situation.”* – Aleta Alston, Center City Churches MANNA Assistance and Advocacy Program, Hartford.
- *“Knowing what I’ve gone through, I want to help children see they can succeed even through adversity.”* – Lenionell Frost, youth outreach counselor, Bridge Family Center, West Hartford.
- *“It’s absolutely vital that these services (drug counseling, anger management, life skills, GED program...) are there for our clients in order to mainstream them.”* - Tim Diakon, Jr., program manager, Community Renewal Team/ Alternative Incarceration Center, Bristol.
- *“We addicts aren’t bad people trying to be good. We are sick people trying to get well. And everyone deserves that chance.”* - Margarita Padilla, Crossroads, New Haven.
- *“The residential, to them, was their home. You could just see them grow up more every day. They learned how to do chores, had rules to follow...they were learning that they were good kids.”* – Jeff Barrea, client supervisor, Perception Programs/Juvenile Supervision Reporting Center, Willimantic.

The November 2001 Connecticut Counsel for Philanthropy survey reported that 77% of Top 200 Connecticut businesses agreed the need for charitable organizations was *greater* now than five years ago. They were right. Here are just some of the numbers:

### Connecticut Justice System:

- Department of Correction predicts there will be 1,500 inmates supervised in the community by Connecticut nonprofits this year.
- More than 750 halfway house beds in Connecticut are run by nonprofits.

### Children and Families

- Hundreds of nonprofits individually serve about 34,000 children per year.

### Mental Retardation

- 70-80% of Connecticut’s 18,000 mentally retarded individuals are served by nonprofits. Nearly 4,000 are in nonprofit residential settings; 1,500 are on waiting lists for services.

### Mental Health and Addiction

- 26,904 people with mental health and 27,582 individuals with substance abuse needs were served by nonprofits last year.

### Court Support Services Division of the Judicial Branch

- Over 40,000 nonprofit alternative sanction slots were utilized by adult offenders (both pre-trial and sentenced individuals) last year. Those served are considered otherwise jail-bound. The state saves millions of dollars a year by using alternative sanctions.
- Juvenile offenders that otherwise would be headed to higher cost detention programs filled more than 7,000 slots in nonprofit organizations last year.

### Homelessness

- 13,600 individuals used homeless shelters in CT in fiscal year 2001 (20% were employed, 1,520 were families with children).

### Domestic Violence

- 18 shelters that make up the Connecticut Coalition Against Domestic Abuse provided services to 37,132 victims of domestic violence last year.

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### In their own words...

Q: If you were trying to explain to someone how important this group is...what would you say?

A: *"I wouldn't say a thing. I'd bring some of the clients with me and have them talk."* – Jeff Barrea, 21, client supervisor, Perception Programs/Juvenile Supervision Reporting Center, Willimantic.

Clients and caregivers were asked to share how important their group is to them and to the people of Connecticut. In their own words, here is what they said:

- *"They gave me my self esteem and self confidence back. I was able to function in society."* – Susan Serbek, 44, Hartford House, Torrington.
- *"Without ARC, I would not have met all the people and held a job. Without nonprofits, institutions would be the only option."* – Eddie Lellouche, 79, Farmington Valley ARC Group Home, Avon.
- *"If it wasn't for JCL, Keith would have to go to a group home far away."* – Lee Lapuk, mother of Keith Lapuk, 39, Jewish Association for Community Living, West Hartford.
- *"The drumming is here for a reason ... it's a good distraction to bad things."* – Jackie, age 14, Drums not Drugs, Ansonia.
- *"AHM is like an extended family, a family and friends that some kids don't have."* – Cathy Stahl, 18, student at Keene State, Andover, Hebron, Marlborough Youth Services.
- *"If it weren't for nonprofits in Leslie's life, she would still be in a state institution."* – Crystal for Leslie Carter, 72, Institute of Professional Practice, Hamden.
- *"AIDS Project Hartford helps people learn to live with HIV/AIDS rather than die from it."* – Hugh Jackson, 58, AIDS Project, Hartford.
- *"Without Asian Family Services, Ut couldn't communicate, couldn't function or live in America. If the agency didn't exist, many people would feel lost."* - Son Hoang, community educator for Ut Le, 60, Asian Family Services, Hartford.
- *"We give kids that are getting in trouble a second chance to do the right thing instead of hanging with the wrong crowd. Without it, a lot of kids wouldn't get that second chance; they'd be locked up in jail."* – Raynell Lindsey, community service coordinator, Community Partners in Action, Manchester.
- *"The best thing you can do for a person with goals and commitment is to commit to them."* – April Jackson, 19, Doc Hurley Foundation, New Britain.

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### A Call to Action:

This is a challenging time for nonprofits in Connecticut. More is expected; more is needed; and fewer dollars are available. The existing partnership between the nonprofit sector and the State of Connecticut must be strengthened to continue to provide the people of Connecticut with the cost-effective, high quality care and treatment they deserve. Nonprofits must look to government, to business, and to each other as strategic partners in maintaining a healthy nonprofit network in the state.

Connecticut residents place their trust in the responsiveness, performance and quality of services that nonprofits provide. That covenant must not be broken. Imagine if all the nonprofits shut down for a day. A family could not send their children to school, take a book from the library, get treatment at a hospital, visit a museum, and on and on.

Taking nonprofits for granted is not a wise option for our society. The financial stability and success of nonprofit provider programs are essential to the state as a whole and must be built on a firm foundation with fair and just payment for services that are provided. Nonprofits have historically adjusted to the ebb and flow of a market driven economy through tax revenue receipts and private funding. The critical point is no matter what the economy people expect nonprofits to provide the professional services they need. We ask that nonprofits, business, local, state and federal governments be accountable for ensuring that a healthy, viable network of services is in place for the people of our state. We hope that every citizen of Connecticut begins to understand the drastic short and long-term ramifications of eliminating nonprofits in order to balance a state budget. Therefore, we encourage all people to become engaged in this debate to determine the quality of life we want in Connecticut.

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