

# THE SAN FRANCISCO FOUNDATION

*The Community Foundation of the Bay Area*

## Community Surveillance Report

February 2009

To better understand of needs of Bay Area community residents and the nonprofits who serve them, the Community Health and Community Development Programs conducted in-depth telephone interviews with 44 safety net providers that have been funded by either one of these programs, during February 2009. Respondents included the leadership and staff of food banks, pantries, shelters, family resource centers, crisis support services, and domestic violence shelters in San Francisco, Alameda, and Contra Costa Counties. Below are the five dominant themes that emerged from our interviews:

### Increase in Demand for Services

- All of the organizations, without exception, report an increased demand for services; staff that is stretched thin; and reduced funding from local and state governments, foundations, and individual donors.
- Although many nonprofits are not cutting services, they do not have the capacity to increase delivery without increased funding.
- Shelters report a lack of sufficient shelter beds, both short-term and long-term.
- Food banks report double-digit demand, and some pantries report decreasing the amount of food they distribute to each client in order to meet the increased need.
- The demand for mental health crisis support is especially noteworthy, with one provider citing an increased suicide rate, as well as seeing clients that are more distressed and hopeless.
- Many clients are requesting help for domestic violence, substance abuse, and mental health.
- As people's economic situation worsens, the demand for crisis support services goes up.

### Reductions in Funding

- The economic and budget crisis has increased stress on nonprofits. Local government agencies have reduced services due to their own budget crises, which has resulted in more clients turning to nonprofits to fill the gaps in service.
- The cutbacks by state and local governments, as well as philanthropic organizations, are just beginning. However, a majority of organizations already report reduced funding from local and state governments, foundations, and individual donors.
- Nonprofits that rely more on government funding than on private donors were hardest hit, including domestic violence providers, shelters, and multi-service centers. Larger organizations have been able to sustain or increase donor giving.
- Overall, large donations are down. However, some individual donors, especially small donors, have been holding steady and some even increased donations during the holiday season.
- All of the organizations we interviewed expressed uncertainty about what the future holds. Many expressed fear that 2010 will be even worse as many of the newly unemployed are using up their savings and/or are currently relying on family and friends before becoming homeless.

### Client Population is Changing and Growing

- A majority of respondents said that they are seeing an increase in the number of new clients in need of food, rental assistance, financial assistance, shelter, and crisis support. Organizations are experiencing an influx of new clients including more families (including two-parent households), working/middle class people, veterans, and seniors.
- Respondents reported an increase in people affected by foreclosures who are asking for shelter – either displaced homeowners or, more frequently, renters evicted because their landlord went into foreclosure.
- Several organizations mentioned that many of the people who used to be volunteers are now clients. Some organizations are also experiencing an increase in the number of volunteers. Possible reasons given for the increase in volunteers include more people with free time due to lay-offs, an increased recognition of need, and perhaps influence from the new Presidential administration for the need for greater civic participation.

### Cuts to Existing Programs, Staff Lay-offs, and Mergers

- Most organizations we spoke with are not cutting programs entirely, but many are reducing hours or depth of services in some way.
- Due to the increase in demand, higher food prices, and decreased funding, a few food pantries are providing less nutritious and less ethnically appropriate foods.
- Several shelters and family resource centers are addressing budget shortfalls through staff lay-offs, restructuring programs, and the elimination of non-essential services.
- A few organizations mentioned the possibility of mergers but it may be too early on in the crisis to see a marked increase in the number of mergers.

### Advice for Foundations

- Flexible funding, core support, and multi-year support.
- Rental, mortgage, and financial assistance to stabilize families and prevent homelessness.
- Respond to immediate needs but remain focused on long-term structural and systemic issues.
- Convene safety net providers to strategize and facilitate coordination of services and mergers (when appropriate).
- Coordinate with other funders to share information and strategize about the best way to address the increase in demand for safety net services.

### **The San Francisco Foundation Emergency Response Fund**

In response to the worsening economic crisis, The San Francisco Foundation developed a \$1 million Emergency Response Fund. \$600,000 helps Bay Area nonprofits meet the increase in demand for safety net services. Twenty organizations each received a \$30,000 core operating grant to provide one or more of the following services: food, shelter, financial assistance, crisis support, and mental health services. \$150,000 will support the Northern California Grantmakers Community Loan Fund, \$50,000 of which was earmarked for arts and culture organizations. \$250,000 is designated for the Nonprofit Transitions Fund.