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Friday, November 7, 2008 | Modified: Monday, November 10, 2008

## Economy Focus

# Mission vs. Margin: Wichita nonprofits fight through down economy for services

Wichita Business Journal - by [Josh Heck](#)

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Nonprofit organizations live and die by donations.

Economic vitality often correlates to financially successful nonprofits. But with the recent economic downturn and businesses' tighter profit margins, the pool of money available for nonprofits is more shallow.

"The economy always has a direct impact," says Pat Hanrahan, president of the United Way of the Plains.

A recent unscientific Wichita Business Journal reader poll would indicate charitable donations are down in

many instances over a year ago.

Forty-six percent of respondents said despite the economy they will give about the same amount of money as they typically give, while 42 percent indicate they will give less. Only 12 percent say they plan to give more.

A down economy also puts a strain on the demand for services that nonprofit

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organizations provide, says Perry Schuckman, executive director for the Nonprofit Chamber of Service.

“There’s a growing concern that the demand for services is going to increase, but the ability to provide for those services might not be matched,” he says.

Some fear that will be especially evident during the upcoming holiday season, when charitable giving typically takes center stage.

Drops in giving are also affecting nonprofit construction projects, some of which have been put on hold or are progressing at a slower pace.

One such project is a proposed \$8.5 million renovation to the former science department building at Bethel College in Newton.

The school says fundraising efforts to pay for the renovation are moving forward slowly.

Construction was set to start in October, in hopes of having the project completed in time for the start of the 2009-10 school year.

**Uncertain Times**

There’s no doubt, local executives say, economic uncertainty will effect nonprofit organizations. The question is how much of an effect it will have.

“This kind of thing is going to take awhile to run its course,” says Jim Moore, executive director of the Wichita Community Foundation.

He says since the WCF operates on a fiscal year ending in June, it still could be some time before he knows how extensive the fallout from the economic downturn will be.

“It’s very frustrating to not have funds to respond to the needs,” he says.

A down economy also can have a profound long-term effect on endowments, says Elizabeth King, president and CEO of the Wichita State University Foundation.

She says the foundation’s endowments are down this year because they are typically driven by the financial markets. Through the end of the foundation’s fiscal year, which ended in June, endowments were down 5.8 percent from a year ago.

Endowments, King says, are based on an organization’s ability to grow the fund over time. If they are down, it can affect the services, such as scholarships, that a university can provide.

Despite endowments being down, King says annual funds are up 10 percent so far in fiscal year 2009.

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