Palm Beach County nonprofits get creative, gain stability

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Palm Beach Photographic Centre tripled its size and lost $1.5 million pledged to cover that expansion, all during 2009.

The center had committed six years earlier to moving to West Palm Beach's city hall complex on Clematis Street. Despite a sweetheart lease for $10 a year, the nonprofit was saddled with unexpected debt when its naming sponsor lost assets in the Bernard Madoff scandal.

But with a boost in revenue and attendance, "this has been a much better year," Executive Director Fatima NeJame said.

Her experience is echoed by many groups in Palm Beach and Martin counties that participated in this year's Nonprofits and the Economy Survey. Full results from the survey will be released in September, but the Community Foundation gave The Palm Beach Post a sample of what it says.

The snapshot indicates that nonprofit leaders felt more financially stable in January than in the prior two years, with more than a quarter saying they were financially secure. That's up from 20 percent in 2010. And this year, a third said they were hiring.

Palm Beach Photographic Centre has helped cover expenses with its new Leica camera boutique, which has brought in a windfall, as well as by renting space and making large prints for its members.

Its high-profile location has boosted attendance, and if the center can get its loans consolidated, it can hire more staff and expand offerings, NeJame said.

Even with the progress cited in the survey, however, the next few years look bleak for nonprofits, said Florida Atlantic University Professor Ron Nyhan.

"Charity begins at home," Nyhan said. "People are nervous about what is going to happen and it makes it much harder for nonprofits."

Foundations took a hit from the collapse of Madoff's Ponzi scheme, which wiped out millions in charitable investments, and from recent stock market declines.

"I think we have not landed yet," said Jillian Vukusich, community investment director for the Community Foundation for Palm Beach and Martin Counties. "Foundations lost 10 years of assets."
Countywide there are 1,967 charities and 1,075 foundations, Nyhan said.

Nonprofits in Palm Beach County in 2009 had $3 billion in revenue, according to the National Center for Charitable Statistics. However, it tracked fewer than half of the organizations Nyhan found in his count.

Donations are down, according to many in the nonprofit sector. Small organizations, especially social services, have been hit harder, in many cases because grants are their primary revenue. Individual donors face diminishing investment income and uncertainty in their jobs.

"If people are being cautious with their donations, that impacts the nonprofit's ability to survive," Quantum Foundation President Kerry Diaz said.

But there is no decrease in people seeking help.

"Even though we're getting cuts, we have more and more families that need services," said Renee Layman, vice president of Parent-Child Center Inc.

That calls for creativity. Those that have survived - no one offers figures on how many have closed - have gotten leaner, found new revenue and started sharing with other agencies.

This spring, Layman discovered the Chase Community Giving Contest, which translated Facebook clicks into dollars for the top vote-getting groups. Parent-Child Center won $25,000.

But it was just a drop in the revenue stream for the agency, which has a budget of $7.4 million. "It was more about exposure," Layman said.

The nonprofits that are enduring have in some ways become stronger. Several are participating in a Quantum Foundation initiative that leads key nonprofit executives through business planning, succession planning and marketing campaigns.

"I think they realize if they are going to survive in this economy, they need to be stronger in all areas," Diaz said.

Another initiative gives small agencies $25,000 for operational support.

"We just want to keep those doors open while the county recovers," she said.

Many nonprofits have changed the way they do business, said Diana Stanley, executive director of The Lord's Place.

The Lord's Place took the helm of the area's Transition from Jail to Community programs and coordinates about 30 agencies. Stanley said partnerships and collaboration are crucial now.

"People cannot do it alone anymore. Agencies need to partner" and not duplicate services, she said.

About 30 agencies are banding together as the Nonprofit Chamber for Health and Human Services, said Julie Swindler of Families First of Palm Beach County, which works with high-risk pregnant women.
Swindler said financially things "feel better than the last two years." But she'll have to lay off a couple of employees because one supporter was unable to pay and the rest won't get raises.

It's hard to keep up morale when the staff isn't properly compensated and the need for services keeps increasing.

"I think running a nonprofit is more challenging than it's ever been," she said.