The recession which began in 2007 has been deep and persistent, if uneven. Despite what many of us would like to believe, it hit the rich as well as the not-rich. While the rich don’t suffer privation as do the poor, it does mean that many have less money to donate. And that, in turn, has affected the organizing community.

A recession’s effects are as much emotional as economic. Grassroots and other organizers have felt that they’ve been adversely hit by the recession, but most can’t tell the extent of damage. Like individuals who’ve been laid off, organizations (or at least their staffs) often feel a sense of personal failures as well. And it’s difficult to tell whether that dropped grant is really the result of the downturn, or just an excuse. As a result, organizations need facts, not just perceptions.

To fill that need, DataCenter and NOA have produced Sustaining Organizing: A Survey of Organizations During The Economic Downturn. This 20-page investigation and analysis was written by Saba Waheed, Miho Kim, research director and director of DataCenter, and NOA Executive Director Walter Davis. It was based on a survey of 203 non-profit organizations, and attempts to “asseses the impact of the economic downturn on community organizing.” DataCenter and NOA presented the results of the report at The US Social Forum in Detroit this past June, 2010.

It was new information. Miho Kim is director of DataCenter, an organization founded in 1977 to “support grassroots organizing for justice and sustainability through strategic research, training and collaborations.” She said that the research behind Sustaining Organizing was essential because no one had done it. “There were,” she said, “statistics on the non-profit sector as a whole, but nothing on community organizing. So, we had to get the numbers.”

DataCenter and NOA created a 30-question survey, and sent it out over a four month period—from November 2009 to February 2010. The two organizations had hundreds of contacts across the U.S. and access to thousands of “emails, listservs and organizational websites.” The problem was the survey was composed only of those organizations which were motivated to respond, and who self-identified as qualified for the survey. While the results can’t really be considered scientific, they are certainly more revealing than random impressions and hearsay.

In essence, the report confirmed what people suspected: funding had dropped below 2007 levels. In fact, “Almost two thirds (65%) of the organizations saw a decrease in foundation giving and half (55%) saw a decrease in government funding.” As a result, the report said, “Almost half (45%) the organizations had cut staff positions. 31% of organizations reported cutting staff hours.” In addition, one-quarter reduced salaries, and others froze wages and another 23% cut health benefits or raised premiums and co-pays. As telling, 40% of all responding organizations are depleting reserves.

The consequences of this belt-tightening are organizations under stress, with fewer staff doing more – although how much more stress is open to question. “The survey found that staff are experiencing stress, feeling overworked and fatigued,” wrote the authors, but astutely added, “A veteran organizer of 40 years noted that that’s how it’s always been.”

The real shortcoming of Sustaining Organizing, then, is that it’s a snapshot, not a movie; as in most surveys, there are no historical comparisons. For instance, are organizations simply settling back to pre-bubble times, or are they being decimated? The report notes that in the cohort questioned, approximately one organization a month had shut down. Subsequent research is being planned to compare this data with organizational births and deaths over a longer period.

What is clear, though, is that there’s a widespread belief that community organizations have to change their financial base. More than a belief, many organizations are indeed adding new sources:

Common strategies included building relationships with new foundations; hosting events, grassroots fundraising and individual donor cultivation anew or expanding them. Earned income, matching funds, online fundraising and collaborating with other organizations were other strategies.

The report devotes its final three sections (out of eight) to fundraising and the role of philanthropy, and its observations aren’t en-
encouraging. Responding organizations perceived funder interest in organizing to have increased and decreased in nearly equal proportions, but the quality of that interest was disturbing. Section headlines tell the story: Organizing Often Misunderstood; Funding That Doesn’t Reach On-The-Ground And People-Of-Color-Led Organizations; Funding Policy Over Organizing; National And Intermediaries Divert Funds.

Concern about funders is, of course, nothing new, but the economic downturn seems to have emboldened many funders to demand more input into organization goals and practices. One development director I spoke to likened it to a Hollywood producer who walks onto the set and demands changes in lines and costumes. “Often, funders are woefully uninformed about tactics and practices,” she said, “and even when they’re right it creates unnecessary resentment.”

The final section of the report is entitled, Thoughts on The Role of Philanthropy in Supporting Organizing, and summarizes the hopes of many community organizations. Organizers clearly wanted, “To improve partnerships with grassroots community organizations, many spoke to the need for structural and cultural changes within the larger philanthropy sector to foster more equitable dynamic, genuinely collaborative relationships, and accountability vis-à-vis the grantees.”

Although it may lie outside the scope of the report, there is a vast and underlying question about funding, funders and foundations that affects so much of what community organizations do. That is, should grassroots organizations be dependent on rich people for their very existence? Philanthropy helped create a major change in the American economy. Over the past four decades, the nonprofit sector has grown until it comprises about 8 percent of the economy, and in a sense, we are just part of that huge economic sector. But is that where we want to be?

A century ago, trade unions understood that financial independence was an essential key to their mission. International labor organizations urged, and in some cases mandated, that unions set member dues at one-percent of income per year, and move to independence within three years. If the members and constituencies aren’t even asked to significantly contribute to grassroots organizations, doesn’t that diminish members’ stake in them? If Bolivian peasants can fund their own organizations, can’t their American counterparts be expected to do the same?

In its conclusion, the report’s findings “indicate for us that it is time to do something about sustainability,” and, “We hope this report and its findings will help in stimulating those conversations.” There is a good deal of food for conversation in Sustaining Organizing, but also, as the authors note, an indication that we need more research on the subject. As Miho Kim said, “We cannot take anecdotes to boards. We need data.” The current downturn might continue for years, or it might mitigate – no one knows. But this period in our history is probably a good time to consider the very nature of our organizations and how we sustain ourselves.

“Among the hundreds of workshops was one titled “Historic Moment for Funding Social Justice Organizing in the 21st Century,” sponsored by the Funders Network on Transforming the Global Economy (FNTG) and the Grassroots Global Justice Alliance (GGJ), in collaboration with the DataCenter and NOA. About 130 people attended the workshop including community organizers, researchers, and a large number of foundation staff and board members. In the four hours, they took part in frank discussions about funding and how it impacts social justice work in a variety of formats, including small organizations. NOA and the DataCenter released “Sustaining Organizing: A Survey of Organizations During the Economic Downturn,” an analysis of a survey conducted with 203 organizations engaged in community organizing and movement building work. The study looks at the impact of the recession on our work and resources.