Nonprofit Resiliency and Access to Services in King County

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This study explores how King County nonprofits providing safety net services have responded to the recent economic recession. Overall, the study's findings suggest that although these organizations have suffered dramatic funding shifts over the past five years, most have continued to meet client needs despite increases in demand. However, the relatively high proportion of government funds supporting these nonprofits, combined with consistent budget reductions from this source, raises concerns that organizations may not be as resilient in the future. In particular, many nonprofits expressed concern about their continued ability to meet service demands, especially given staff reductions.

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Chapter 1: Introduction

In 2010, approximately 65% of the revenue nonprofits reported nationally came from the government; in King County, the proportion was closer to 90% (Boris, de Leon, Roeger, & Nikolova, 2011; United Way of King County, 2012). However, as a result of the economic recession (which officially began in December 2007 and ended in June 2009), the amount of public funds supporting health and human services has been severely reduced, prompting questions about the government's role in future funding (Bartash & Mantell, 2010). The government's declining role in funding services has particular impacts for King County, the most populous county in the state, and the location of more than one-third of all nonprofits in Washington (Barber & Stutman, 2010; U.S. Census Bureau, 2010). Because safety net and other critical services are largely provided through private organization contracts, rather than through direct cash assistance to welfare recipients, it is increasingly important to understand whether and how clients can access important social services. The following research questions were designed to assess the current state of nonprofits in King County and how their responses to the recession may have changed client access to the social safety net:

(1) How have nonprofit human service organizations responded to funding changes since the onset of the recession?

(2) What are the characteristics of those organizations experiencing change?

(3) How have these changes and recession responses impacted client access to social services?

To answer these questions, I surveyed more than 60 organizations for specific information about their funding composition and service provision, as well as how one or both of these areas has changed since the onset of the recession. In addition, I obtained

detailed financial information from the National Center for Charitable Statistics (NCCS) for all 508 IRS-registered King County safety net nonprofits. Taken together, these two data sources provide a foundation to more deeply explore King County nonprofits' funding composition, how this funding has changed since the onset of the recession, and how those changes have influenced organizations' operations. Until recently, these knowledge gaps have prevented local policymakers, researchers, and service providers from adequately understanding the specific challenges organizations are facing, as well as how these changes may influence client access to needed services. This study seeks to provide useful insight in both areas, in hopes that these results might help inform future discussions and decisions regarding the maintenance of King County's safety net sector.

Chapter 2: Setting the Context

The delivery of social services in America has, over time, become a highly complex collaboration between the government, faith communities, for-profits, and nonprofits (Grønbjerg, 2001; Salamon, 2003). While government has increasingly become a major funder of social services, nonprofits have been the primary delivery mechanism of these services (Twombly, 2003). As a result, "the nonprofit sector has undeniably become an indispensable partner of governments in providing services to individuals and communities" (Boris et al., 2011, p. 3). Like the rest of the country, however, the nonprofit sector has experienced several challenges as a result of the Great Recession. Since the recession's official beginning in December of 2007, the country has seen increases in unemployment rates, foreclosures, and Supplementary Nutritional Assistance Program receipt (Kneebone & Garr, 2010). Demand for social services that nonprofits traditionally provide – food and housing assistance, child care, education and employment services, low- or no-cost health and mental health care – has significantly escalated at a time when foundation and corporate philanthropy, personal philanthropy, and government funding have eroded (Justice & Nicholas, 2011). Taken together, all of these issues further exacerbate organizations' financial issues as they experience decreased levels of funding from government contracts, foundation philanthropy, and individual giving. This chapter seeks to provide a broad overview of how the recession has impacted nonprofits nationally as well as a more detailed description of King County's human services sector and challenges.

The Recession's Impact

Foundation and corporate philanthropy. The Chronicle of Philanthropy (2009) reported that charitable donations of all types fell by nearly 6% in 2008, the sharpest decline

in more than 50 years. Of those organizations included in the study, foundations and social services suffered the biggest drops in donations: 22% and 16%, respectively. For foundations, this decline in giving, coupled with a volatile stock market, resulted in a 17.2% decline in assets (Gould, 2011). Because foundations often base their annual giving on "multiple yearly, quarterly, or monthly averages of asset values," these relatively lower asset levels are likely to result in further reductions in grant making (Gould, 2011, p. 1). Corporate giving, although accounting for only roughly 5-10% of total giving, has also experienced a significant decline: a survey on the economic issues facing nonprofits in California's Silicon Valley found that 39% of organizations experienced a reduction in corporate support (Silicon Valley Council of Nonprofits, 2009). More recent and expansive studies do not indicate an impending improvement in either foundation or corporate giving: in 2010, 59% of nonprofits reported declines in corporate giving and 53% in foundation giving from the previous year (Boris et al., 2011)

Personal philanthropy. Just as corporate and foundation-centered giving has declined as a result of the economic recession, so have individual donations to nonprofit organizations. The Urban Institute reports that "donations are the largest source of funding for about one in five human service nonprofits" and that "half of all medium-sized organizations rely on donations as their single largest source of funding" (Boris et al., 2011, p. 18). More than half of the nonprofits surveyed in the Urban Institute's study reported individual giving declines in 2010. Similarly, Harris Interactive, which conducts annual online polls measuring personal philanthropy, found in both 2009 and 2010 that Americans were donating smaller amounts (31% of respondents in both years) and to fewer organizations (24% and 19% less, respectively) (Harris Interactive, 2010). Although these

figures may not accurately convey private philanthropy in relative terms (i.e. whether or not Americans are donating the same proportion of their incomes), they do underscore the general impression that "charitable giving is contracting due to economic belt-tightening" (Reich & Wimer, 2011, p. 4).

Government funding. The Bridgespan Group, a firm that conducts research on the nonprofit sector, surveyed 68 nonprofits that receive the majority of their funding from government contracts. Of those respondents, 38% reported a decrease in government funding since the recession began. In addition to these reductions in government contract amounts, many organizations reported problems with the payment process, a particularly concerning issue given the large proportion of government funding that composes human service organizations' budgets. In 2010 alone, the government (federal, state, and local) had approximately 200,000 contracts and grants with 33,000 human service nonprofits, and these contracts accounted for more than 65% of recipients' total revenue (Boris et al., 2011). Considering the importance of government grants in funding human service nonprofits, problems with payments can be a major impediment to organizations' service provision. In the Urban Institute's survey, 73% of multipurpose human service nonprofits reported that government funds were insufficient to fully cover program costs, 61% reported that changes to already approved grants and contracts were a problem, and 44% received late payment for services (Boris et al., 2011). Finally, the Budget Control Act of 2011 will require $2 billion in additional federal spending cuts over the next 10 years, half (or more) from domestic spending, resulting in fewer resources for government grants at all levels (Stid & Shah, 2011).

King County: An Overview

Understanding the magnitude of the recession's impact on King County nonprofits is important because of the county's prominence in Washington State. King County is Washington's most populous county, composing nearly 30% of the state's 6.8 million people (U.S. Census Bureau, 2011). It is also one of the most racially diverse counties in the state, exceeding statewide percentages of persons identifying as Black (6% in King County vs. 3% State), Asian (15% vs. 7%), and bi- or multi-racial (5% vs. 4.7%). The proportion of King County's population living below the poverty line between 2006 and 2010 was slightly lower than the statewide percentage – 10.2% to 12.1%, respectively – and unemployment in 2010 was similarly lower than the state's (8.2% vs. 8.7%) (Access Washington, 2012; U.S. Census Bureau, 2011). Comparatively, the median cost of King County housing in July of 2007 was $472,000; statewide, the median cost of housing $314,000 (Public Health of Seattle & King County, 2012; Washington Center for Real Estate Research, 2012). While these economic indicators might suggest that King County residents may not demonstrate a high need for human services, social program usage in this area is still particularly high. Nearly one-third of all Disability Lifeline[1] and more than one-fifth of all TANF recipients lived in King County in 2010 (Washington WorkFirst, 2011).

Considering King County's large population and high social welfare program usage, it is not surprising that this area houses a significant number of the state's nonprofits. It is extremely difficult to determine the total amount of human services spending in King County due to a complex funding system including federal, state, and local governments, but one

[1] Disability Lifeline "was a state-funded program that provided cash and medical benefits for persons who were physically and/or mentally incapacitated and unemployable" (Washington State Department of Health and Human Services, 2012, para. 1). In November 2011, this program was replaced by the Housing and Essential Needs Program.

estimate puts the total figure at approximately $2 billion (Washington Research Council, 2002). Furthermore, 36% of the 501(c)(3) nonprofits registered in Washington State in 2011 were located in King County, and these organizations accounted for a substantial portion of the entire statewide nonprofit sector's revenues and assets: 73% and 84%, respectively (Nancy Bell Evans Center on Nonprofits and Philanthropy, 2012).[2]

Impact of the economic recession. Like many states, Washington has experienced a general decline in revenues during the economic recession and subsequent recovery, which is further exacerbated by the state's reliance on sales tax as its primary source of revenue (Justice & Nicholas, 2011; McNichol, Oliff, & Johnson, 2011). As a result, many publicly funded programs serving low-income populations (e.g. Temporary Assistance for Needy Families, the Housing Trust Fund, Housing and Essential Needs, Working Connections Child Care) have received substantial budget cuts over the past four years (United Way of King County, 2012). In addition, because two in five organizations count state government as their single largest funder,[3] reductions in Washington's general fund spending (which supports human services either through public programs or contracts with nonprofits) jeopardizes nonprofit health and client access to services (Boris et al., 2011).

Recent research. Considering the size of the nonprofit sector in King County, recent budget cuts, and the ongoing economic recession and recovery, it is useful to understand how these factors have impacted nonprofit operations. Harrison, Eleveld and Ahern (2011) conducted qualitative research of 37 Western Washington nonprofits to determine a more specific understanding of local organizations' response to the recession. Overall, the study

[2] It is important to note, however, that these calculations include revenues and assets from the Gates Foundation, one of the largest private foundations in the world.
[3] Includes funding from "federal block grants or other federal or state programs that flow through to states, counties and local governments" (Boris et al., 2011, p. 7).

found that most organizations remained financially stable throughout the recession, although the small, nonrandom nature of the sample prohibits its generalization to nonprofits in the area as a whole. Additionally, a significant proportion of the nonprofits included shared certain characteristics that cast further doubt on its ability to effectively describe the recession's impact on King County service providers and recipients. For example, many organizations cited one-time increases from foundations and major donors as a primary reason they retained pre-recession funding levels. These organizations were also less likely to deliver direct social welfare services that suffered most governmental cutbacks (Harrison et al., 2011). Given these shortcomings, broader, more in-depth research is needed to better characterize King County organizations' responses to the recession and the ability of clients to access their services given these responses.

Chapter 3: Literature Review

There is a robust amount of research exploring nonprofits, factors related to individual resiliency, and how the environment influences the sector as a whole. My study is primarily interested in examining how the internal factors of each organization lead to different outcomes, as well as how the collection of all nonprofit outcomes describe the sector's health in a total. In this chapter, however, I will provide an overview of related research discussing both internal and external factors and their relationship to stability of individual organizations and the sector as a whole.

Influences on the Nonprofit Sector Size, Scope, and Stability

When assessing a nonprofit sector in a given region, most research examines both size (number of nonprofits) and scope (number of different types of services). Size, scope, and stability of the nonprofit sector in a given area depend upon external and internal factors. The categorization of factors as either internal or external is not strictly exclusive and there is substantial interrelation between the two. However, broadly stated, external factors are those that describe the environment in which the organization operates, such as community resources, population size and diversity, and service demand (Ben Ner & Van Hoomison, 1992; Corbin, 1999; Stater, 2010). Theoretically, these influences apply to all organizations in a sector or region (in this case, King County). In contrast, internal factors help describe the basic characteristics of individual organizations within that sector. These include age, service type, and financial measures (Twombly, 2003).

Internal Factors. Although most research explores the external factors that influence individual nonprofits and the sector as a whole, there has been increasing attention to the internal resources that influence nonprofit performance and sustainability (Carroll & Stater,

2008; Grønbjerg & Paarlberg, 2001; Salamon, 2003; Twombly, 2003). For example, Twombly (2003) analyzed exit and entry of 22,001 nonprofits nationwide between 1992 and 1998, ultimately establishing three internal characteristics that predict organization closure in metropolitan areas: service type, age, and size. Each of these factors, in addition to a fourth internal characteristic – revenue composition – will be discussed below (Carroll & Stater, 2008).

Age. Age, which is defined as the number of years an organization is registered as a 501(c)(3) with the IRS, offers some conflicting information in predicting closure rates. The youngest (less than 5 years old) and oldest (more than 19 years old) organizations were least likely to fail during the time period, while more moderately aged organizations (between 5 and 19 years old) were most likely to close (Twombly, 2003). More specifically, organizations in operation between 5 and 9 years were at most risk for closure. Surprisingly, the youngest organizations were the least likely to exit the human services field, which the researcher attributed to increased use of volunteers (rather than paid staff) and a greater ability to "quickly generate cash in times of fiscal emergencies" (Twombly, 2003, p. 228).

Service type. Twombly (2003) broke services into two broad categories: core services and emergency services. Core services "build human capital" and include mental health services, substance abuse programs, family counseling, and youth programs (p. 226). In contrast, emergency services – food, housing/shelter, and domestic violence programs – provide support in the event of "an unforeseen emergency" (Twombly, 2003, p. 226). Emergency service providers were nearly 30% less likely to exit the human services field than core providers, which the researcher attributes to differences in organization age (emergency providers were more likely to fall under the critical five-year age benchmark),

ties to local congregations (which usually favor emergency services), and competitive pressures through government contracting (Twombly, 2003). Recent evidence supports two of Twombly's assumptions: although private philanthropy to nearly all nonprofits nationwide has dwindled throughout the recession and recovery, donations to faith-based organizations and food banks have remained relatively stable, a possible factor in keeping these emergency services open (Reich & Wimer, 2011).

***Size*.** Twombly (2003) used organizational assets as a proxy measure for nonprofit size, and correctly predicted that small organizations (reporting less than $35,000 in annual assets) would be more likely to close than large ones (reporting more than $750,000 in assets). The smallest agencies were at least 19 times more likely to exit the human services field than their medium and large counterparts. Carroll and Stater (2008) also determined an inverse relationship between nonprofit size (defined in their study as total annual expenses) and revenue volatility: their results show that for every 1% increase in total expenses, an organization's revenue volatility decreases of 15.86% over time. This suggests that larger nonprofits and those organizations with the greatest growth potential will experience the most revenue stability.

Revenue composition. Closely related to organizational assets, Carroll and Stater (2008) conducted a panel-level analysis of organizational revenue streams, finding that nonprofits can reduce volatility through revenue diversification. Beyond overall financial health, the authors argue that revenue volatility strongly influences organizations' ability to "manage the uncertainty of funding sources over time and the direct flow of financial resources into the organization" (Carroll & Stater, 2008, p. 951). In particular, organizations relying heavily on private donations as a primary revenue source are particularly vulnerable,

experiencing higher rates of volatility over time than those organizations relying on other funding streams. The researchers also identified that service organizations will experience approximately 10% less revenue volatility over time compared to their counterparts (arts, education, environment, etc.), likely due to their smaller proportion of revenue from donations. Additionally, a number of studies find a positive correlation between government supports (e.g. AFDC/TANF payments and tax exemptions) and the size and health of both an individual nonprofit and the sector as a whole (Bielefeld, 2000; Grønbjerg & Paarlberg, 2001; Hansmann, 1987; Stater 2010; and Twombly, 2003).

External Factors. Unlike internal factors that describe characteristics of the organization itself, external factors are used to describe the type of environment in which an organization operates. There is a rich and diverse body of research examining the relationship between the nonprofit sector and external factors such as social capital and political participation (Saxton & Benson, 2005; Smith, 2001). Although valid determinants of the nonprofit sector's overall size and scope, these characteristics are outside of the purview of this literature review and study. Instead, I will discuss three broad categories of external factors that research indicates influences the nonprofit sector: population characteristics, service demand, and community resources.

Population. This determinant of the social service sector is traditionally divided into two separate, yet often related, factors: population size and population diversity. Put simply, most studies find that "more nonprofits operate in communities with higher population counts and more diverse demands" (Stater, 2010, p. 676). Demand (which will be discussed in the next section) is partially driven by a combination of population size and diversity, including difference in income, education level (also discussed later as a part of Community

Resources), religion, and race. For example, Corbin (1999) found a strong, positive correlation between religious diversity and the number of nonprofits in a given community. Although Matsunaga and Yamauchi (2004) did not find a statistically significant relationship between racial diversity and the provision of nonprofit services, other studies did find a correlation between the two (Ben Ner & Van Hoomison, 1992; Corbin, 1999). Similarly, Stater (2010) found that population diversity correlates strongly (and positively) with nonprofit organization heterogeneity. In turn, nonprofit organization heterogeneity is simultaneously correlated with the size of the nonprofit sector at the county level, implying some connection between population diversity and nonprofit sector size. Twombly (2003) found that total population did not have a statistically significant effect on the emergence of new nonprofit organizations in a community. However, his results demonstrated that organizational density (the number of nonprofits already operating in an area), which is often related to population size, does significantly and negatively impact nonprofit entry rates.

Service demand. Closely connected with both population diversity and size, demand for social services is also related to the size of the nonprofit sector. Many studies found a positive, statistically significant relationship between size and diversity of the nonprofit sector and size and diversity of the community's population (Corbin, 1999; Grønbjerg & Paarlberg, 2001; Matsunaga & Yamauchi, 2004; Stater, 2010; Twombly, 2003). There are two primary theories used to explain emergence and expansion of the nonprofit sector: market failure and government failure. Market failure occurs when the product is a public good lacking an appropriate price in the private marketplace, when the level of demand is "too small to be profitable . . . through traditional market mechanisms," or when there is unequal information that prevents the customer from "obtaining full information about the

product being purchased" (Grønbjerg & Paarlberg, 2001, p. 687). In contrast, government failure is characterized as a situation in which the government cannot efficiently meet all competing needs, leading to emergence of nonprofits (often in areas with more demand heterogeneity) (Matsunaga & Yamauchi, 2004). Matsunaga and Yamauchi (2004) conducted a panel analysis using state-level data to test the validity of government failure theory, ultimately finding that demand heterogeneity (the number of different and competing service demands) had a positive, significantly statistic effect on nonprofit sector size. Stater (2010) also found a significant relationship between nonprofit sector heterogeneity, size, and service demand, although the former played a smaller role in service demand than expected. Twombly (2003) found that regional need (defined as the poverty rate) to be positively and significantly associated with nonprofit closure, but not nonprofit entry.

Community resources. The extent to which a community can support and sustain a thriving nonprofit sector also appears to influence the sector's size and scope. Community resources comprise a number of factors, including income and education levels of the population, philanthropic culture, and government support (Stater, 2010). Ben Ner and Van Hoomissen (1992) found that "the presence of a highly educated (and probably wealthier) population generally enhances [service] provision by all sectors" (p. 408). Corbin's (1999) findings supported Ben Ner and Van Hoomissen's assertion, as he similarly found a positive and statistically significant relationship between per-capita income and the number of nonprofit organizations in a community. In the same study, Corbin (1999) determined that philanthropic culture[4] did not significantly encourage growth of an existing nonprofit sector, but Twombly (2003) found that philanthropic culture does significantly impact rates of nonprofit entry. In Twombly's (2003) study, he compared communities with a moralistic

[4] As originally defined by Schneider (1996)

philanthropic culture (communities that view nonprofits as a way to meet public needs) and an individualistic philanthropic culture (which are generally interested in promoting "self-help" among service recipients). He found that moralistic communities experienced the highest rates of nonprofit entry across all philanthropic culture types, and that these communities demonstrated significantly higher entry rates than individualistic cultures (p. 229).

One part of community resources includes government (federal, state, and local) funds for service activities. Salamon (1987) argued that, over time, social service nonprofits and governments have formed partnerships to meet community needs more efficiently. In the partnerships, the nonprofit sector compensates for government failure, and in return, the government provides needed funding for services. As Grønbjerg and Paarlberg (2001) noted, "the level of local, state, and federal funding should affect the size of the nonprofit sector – both the number of organizations and the size of individual organizations" (p. 689). Several studies confirm this assertion, including Bielefeld (2000), Hansmann (1987), Twombly (2003), and Stater (2010). In this manner, government support acts as both an external and internal factor influencing nonprofits: government funds foster a more thriving nonprofit sector and also contribute to the revenue stream of individual organizations in that sector. As Carroll and Stater (2008) write: "Our findings also suggest that exogenous factors like urban location and state context are influential over revenue stability over time, supporting assertions that a nonprofit's financial health is at least partially dependent upon its external environment" (p. 963).

Chapter 4: Methodology

This study analyzes nonprofit organizations registered as a 501(c)(3) in King County that filed an IRS 990 form between 2007 and 2010. Beyond those reasons discussed in Chapter 2 about why a study of King County is useful (e.g. population, number of nonprofits), there are also methodological reasons to do county-level analysis. Grønbjerg and Paarlberg (2001) extoll the advantages of county-level data as a unit of analysis for the nonprofit sector, including the "broad range of demographic, social, political, and economic data available" (p. 692). They also note that several states organize their social welfare initiatives at the county level, which is true of Washington: two examples of King County initiatives county-level initiatives include King County's Ten Year Plan to End Homelessness and Public Health of Seattle & King County. Finally, I selected 2007 as the base year because (1) it was the last year prior to the recession (it officially began in December 2007), and (2) there were more IRS 990 indicators available from the National Center for Charitable Statistics (NCCS) database in 2007 than 2006 (e.g. government contributions and total number of employees).

Data Sources

Although the main focus of the study is to provide a current description of nonprofit prevalence and subsequent service accessibility, nonprofit presence must also be contextualized within the greater context of the recession. As a result, data was collected from one primary source (a survey; see Appendix A) and one secondary source (IRS 990 filings), each fulfilling different purposes. The survey gathered more specific information about each organization's services and service population, asked direct questions about their responses to the recession, and solicited feedback about how the recession has changed

service demand and provision. However, because the survey was only sent to organizations currently in operation, it cannot accurately capture general trends in nonprofit closures (but will account for mergers, program closures, and program mergers). In comparison, IRS filings offer standardized financial indicators (like revenue, liabilities, and government support) across organizations and sector types. This information can help provide a broader, more generalizable understanding of the overall health of nonprofit organizations in the county, and may also lend some insight into closure rates over the course of the recession. Together, these two data sources mitigated each other's weaknesses and provided a more complete picture of how individual organizations and the nonprofit sector as a whole have reacted to the economic recession.

Primary Data Source. In conjunction with United Way of King County's (UWKC) Director of Planning, I developed a survey requesting information from King County nonprofits about the recession's impact on their operations. This survey was based largely on Allard's (2009) Multi-City Survey of Service Providers. The survey also categorizes agencies and programs according to the corresponding National Taxonomy of Exempt Entities (NTEE) codes.

Secondary Data Source. I used the Urban Institute's NCCS for more specific financial data of individual nonprofits as well as to collect trend data on the King County social service sector as a whole. NCCS is "the national repository of data on the nonprofit sector in the United States" and maintains a comprehensive database of nonprofits using data from the IRS, government agencies, and other private sector service organizations" (Urban Institute, 2009, para. 1). Organizations identify their appropriate NTEE codes on their IRS 990 (or IRS 990 EZ) form. NTEE Major Categories include: (1) Arts; (2) Education; (3)

Environment & Animals; (4) Health Care; (5) Human Services; (6) International; (7) Religion-Related; (8) Mutual Benefit; (9) Public & Societal Benefit; and (10) Unknown or Unclassified. This study examines only those organizations categorized as human services. Within each major category, NCCS further classifies organizations into 26 major groups, which broadly define the organization's main purpose. Because this study was primarily interested in those nonprofits that provide what are commonly considered safety net services, the groups selected for inclusion were (1) Food, Agriculture, and Nutrition; (2) Housing, Shelter; and (3) Human Services – Multipurpose and Other.

Data Collection

Eligibility. Using this database, I generated a list of 508 eligible organizations (Food: 28; Housing: 121; Human Services: 359) that met the initial criteria for receipt of the survey: registered in King County using NTEE Major Category Human Services and selected Food, Housing, or Human Services as their Major Group. At the time I extracted a list of IRS registered nonprofits from NCCS, 2009 was the most recent year for which data were available. As a result, only organizations that were registered in 2009 were included on the contact list. In order to be eligible for inclusion in the study, organizations must provide their services within King County and must have a working email address (as this is how the survey was disseminated). I conducted an internet search of all 508 organizations listed in the initial NCCS report, and coded organizations based into one of the following categories:

(1) Meets all requirements

(2) No website/email address available

(3) Not a King County service provider

Using this system, 231 organizations (45%) met all requirements for inclusion in the survey and were added to the distribution list. However, 277 organizations (55%) did not meet the requirements for inclusion, the majority because they lacked adequate contact information. See Appendix B for a visual representation of the selection process.

Survey dissemination. In an attempt to improve survey response rates, I approached prominent King County human services funders to request their assistance with survey dissemination. My hope was that organizations would be more likely to participate in the study if (1) their funders also expressed interest in the results (although it was made clear that participation had no bearing on current or future grants), and (2) if they received the request from an organization or individual they knew, rather than an unknown researcher. Of the nine King County municipal funders I approached, four (Bellevue, Kent, Redmond, and Seattle) agreed to contact their eligible grantees and request their participation in the survey. United Way of King County (UWKC) also agreed to send the survey to their eligible grantees. As a result, 73 nonprofits (38 UWKC-funded, 35 city-funded) received an email directly from a funder informing them about the study and linking them to the survey. The remaining 158 organizations received an email signed by David Okimoto, Executive Vice President of Community Services at UWKC, explaining the purpose of the study and requesting their participation. Finally, organizations were required to input their EIN number before accessing the survey, which prevented multiple submissions from the same organizations.

Human Subjects Protection. Per HHS definition (45 CFR 46.102(f)), this research project did not use human subjects because the information collected was about nonprofit organizations and was expected to be independent of the person asked. Additionally, information about the survey respondent was not collected.

Data Limitations

The primary concern for my survey was whether the sample was representative of safety net organizations in King County, but possible bias exists at both the sample selection and response stages. This section will discuss in more detail each potential bias, the literature supporting or refuting its claim, and the measures I used to counteract these concerns.

Selection bias. The major concern with using IRS data to generate a list of organizations is the potential for selection bias and an oversampling of larger nonprofits. Because only those organizations reporting revenue of at least $25,000 over a given year are required to file IRS 990 (or 990 EZ forms), these files inherently oversample larger or wealthier organizations (Stater, 2010). According to Froelich, Knoepfle, and Pollak (2000), only about 30% of nonprofits meeting the minimum revenue threshold (of $25,000) are required to file IRS 990 forms, and issues "associated with failure to file, tracking affiliated or merged organizations, and identifying defunct organizations" persist (p. 236). Grønbjerg and Paarlberg's (2001) research supports this finding; when they compared IRS-registered nonprofits with the Yellow Page and Secretary of State's listings, they found that IRS filings covered only about 60% of Indiana service providers.

Additionally, organizations that are registered with the IRS do not compose the entirety of the safety net in our community. For example, churches (who either do not have a 501(c)(3) branch used to provide services or that are not registered as either food, hunger, or human service: multipurpose) and government agencies are not accounted for in this data set, and research demonstrates that both play a significant role in providing critical social services across communities (Allard, 2011; Carlson-Thies, 2004; David, 2002; Edin & Edin, 1999). As a result, IRS 990 forms may neither provide the most comprehensive picture of the

service sector nor be the most accurate measurement of nonprofit exit and entry over time. To compensate for the latter limitation, I included questions in my survey requesting the nonprofit's founding year and whether the organization had closed its doors or merged with another nonprofit over the past five years.

Finally, beyond potential issues with using only IRS records as a data source (which might oversample large organizations), there is also a potential selection bias with those organizations contacted for participation. First, because only those organizations with a working email address received the survey, it is possible that smaller nonprofits or those that do not use email as a primary method of communication were removed from consideration. Second, because I conducted survey invitations via funders, it is possible that larger and/or more established organizations will be oversampled in my data. Although I did not control for these in my study, I did conduct a means test of revenues (which the IRS uses to determine filing requirements) between survey respondents and non-respondents as well as those contacted by funders and those receiving a generic email. These results are discussed in Chapter 5.

Response bias. As Joassart-Marcelli and Wolch (2003) discuss, the NCCS Core Files have a number of limitations. One particular weakness that could influence my study involves the use of both aggregate and self-reported financial data. Joassart-Marcelli and Wolch (2003) write that "many institutions, especially smaller ones, may make errors or shift expenses from one category to another to obtain desired ratios," which could skew analysis of individual indicators (p. 76). Additionally, because organizations report categories like program service revenues in aggregate (i.e. they do not distinguish between program service revenues from different programs), IRS data will not effectively capture whether or the

extent to which programs have experienced funding changes in those organizations that provide a variety of services. Because organizations are required to report total program service revenues (rather than revenues by program service type), this limits my ability to effectively analyze the types of program services that have experienced funding shifts over the past five years using only IRS data.

Despite these concerns, however, there is evidence suggesting that IRS 990 data is a valid and reliable source of financial data regarding nonprofit organizations. Froelich, Knopefle, and Pollak (2000) analyzed 350 registered nonprofits in the Midwest, comparing each organization's audited financial statements with their IRS 990 form, finding that total assets, liabilities, revenue, and expenses (all indicators used in my study) were largely consistent between the two. Overall, organizations categorized as human services (the focus of this study) received the highest overall correlations between their audited financial statements and IRS 990 forms, indicating that 990 forms are reasonably indicative of an organization's actual financial situation (Froelich et al., 2000).

Analytic Approach

Descriptive statistics. Because one of this study's purposes is to provide an overview of nonprofits in King County and explore their different responses to the recession, a substantial portion of the report is devoted to examining descriptive data from the survey. These characteristics (e.g. funding composition, service populations, responses to the recession) help more clearly illustrate King County's nonprofit sector. Additionally, because literature suggests that differences in government funding, age, and size exist between those nonprofits providing core rather than emergency services, I also compared characteristics (e.g. funding composition, service populations) between the two service types.

Regression modeling. To examine the relationship between organizational age, size, proportion of government contributions, and service type, I created a series of regressions exploring their impact on one another as well as their overall impact on organization closure.

***Regression indicators*.** Because all organizations in the study are located in the same county (King), they should, theoretically, be subject to the same external factors that influence the recession's impact on their operations. As a result, this study only examined how four internal characteristics (the independent variables: age, size, proportion of government contributions, and service type) impacted organization closure (the dependent variable, measured here through the organization's subsequent year IRS filing). I ran a series of binary logit regressions to determine how each of these independent variables influenced the likelihood of an organization re-filing an IRS 990 form in the immediate following year.

Age. Following Twombly's (2003) study, age was calculated as the number of years the nonprofit received IRS tax-exempt status under Section 501(c)(3), and organizations were sorted as either young (5 years or younger), medium (6 to 15 years), or old (longer than 15 years). I calculated each organization's age by subtracting its IRS filing data from the year in question. In other words, an organization founded in 2002 would have an age of 5 for the 2007 data set, an age of 6 for the 2008 data set, and an age of 7 for the 2009 data set. In each regression, the focus age will be coded as "1" and all other ages as "0." For example, in those regressions examining young organizations, young will be coded as "1" and all other organizations as "0." Although Twombly's (2003) study suggested that young organizations were least likely to exit the human services field, I hypothesized that age will exert a negative influence on the likelihood of a young organization remaining open.

Organizations that were not yet formed in the year of interest were coded as system-missing, which removes their data from consideration to prevent biasing the sample. For example, an organization founded in 2009 would be removed from the 2007/2008 regression altogether (through a system-missing code) rather than continuing to be included as a 0. By default, SPSS does a list-wise deletion of missing data, meaning that any missing value for any variable excludes the entire case from analysis. This ensures that no data from any organizations formed after the year in question was included in a previous year's regression.

Size. Size was measured by each organization's yearly assets and categorized as either small (assets of less than $35,000), medium ($35,000 to less than $750,000), and large (assets exceeding $750,000). In each regression, the focus size was coded as "1" and all other ages as "0." For example, in those regressions examining small organizations, organizations with assets up to $34,999 were coded as "1" and all other organizations as "0." Based on literature, I hypothesized size will negatively influence a small organization's likelihood of remaining open, but positively influence other organizations' likelihood of re-filing.

Proportion of government contributions. The government contributions category indicates the proportion of these grants compared to the organization's total contributions for the same year. Because literature identified no specific thresholds about what proportion of government grants might impact nonprofit stability, this variable was not recoded. I hypothesized that government contributions will positively influence an organization's likelihood of remaining open between 2007/2008, but believe this relationship may change for future years due to government reductions to nonprofit service contracts and grants.

Service type. For service type, I grouped Food/Hunger and Housing/Shelter organizations together into a new category, "emergency services," and Human Service:

Multipurpose into a new category, “core services.” For all regressions, emergency services were coded as a “1” and all core services as a “0.” Based on literature, I hypothesized that service type will influence a positive effect on a nonprofit’s likelihood of remaining open in the following year.

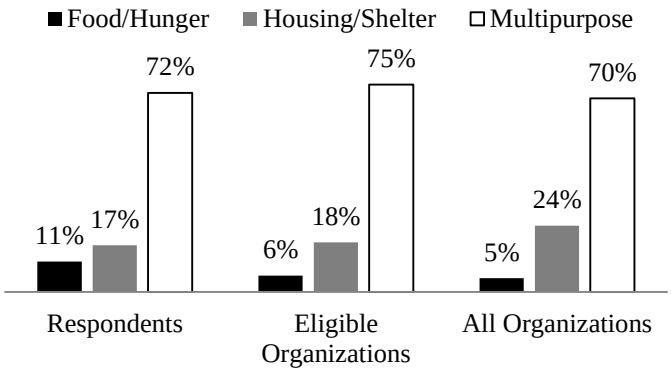
Chapter 5: Results

The following chapter provides an overview of those organizations that responded to the survey as well as basic descriptive statistics in three key areas: service populations, changes in funding, and client access to services. This section will also include results from the regression modeling that explores the relationship between four internal organizational characteristics (age, size, proportion of government funding, and service type).

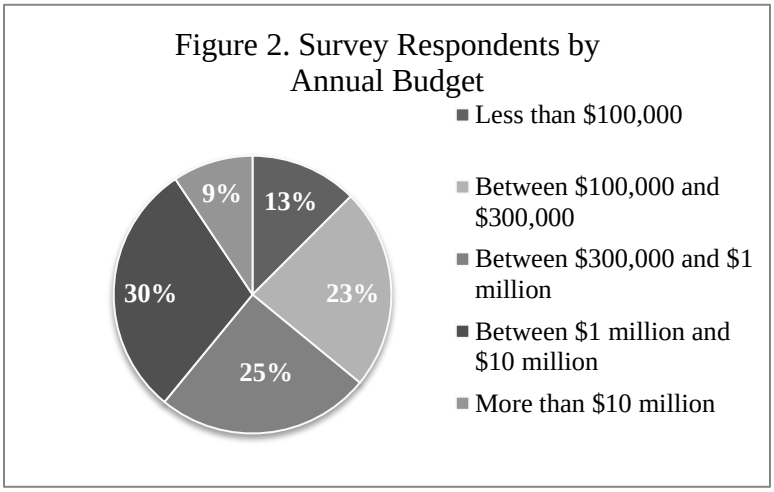
Survey

Survey respondents. Of the 231 organizations that received the survey, 66 completed it, yielding a 29% response rate. The proportion of respondents from each category was roughly similar to the proportion of each NTEE code in the sample of eligible organizations and the entire data set, although Food/Hunger organization respondents were more than proportionally represented compared to both the total sample and survey eligible organizations (see Figure 1). The average age of the respondent organizations (26.3 years) was slightly older than both the total sample and survey eligible sample (25.6 years and 25 years, respectively). Survey respondents represent nonprofits of varying size, with roughly half of the organizations boasting budgets of more than $1 million (See Figure 2). The sample is less diverse when it comes to organizational type, however. Less than 10% of survey respondents were affiliates of a larger organization (e.g. YMCA) and only 13% identified their nonprofit as faith-based.

Figure 1. Proportion by Service Type



Means testing. As discussed earlier, there is some evidence to suggest that IRS data inherently oversamples larger organizations. Because I used IRS filing as the foundation data set for my study (both to generate the contact list and to collect basic financial information), I am unable to test whether this King County data set oversamples large organizations. However, I did test to see if there was a significant difference in the revenues (the size threshold that the IRS uses to determine filing requirements) of survey respondents (66 organizations) and non-respondents (166 organizations). I computed means comparisons testing the hypothesis that the means of the two groups were not significantly different. The means comparisons revealed no statistically significant differences in total revenues of respondent and non-respondent organizations.[5] Additionally, because literature also suggests funders are more likely to contract with larger, more established organizations, I also compared the total revenues of those organizations contacted by a funder and those not. This test did show a significant difference between these groups.[6] This finding indicates that a revenue bias existed between those contacted by a funder and those receiving the generic email, but not between survey non-respondents and respondents.



[5] I conducted an Independent Samples T-Test comparing the mean revenues of organizations that did respond to the survey and those that did not. (t=1.254; do not reject the null hypothesis)
[6] I conducted an Independent Samples T-Test comparing the mean revenues of organizations that were contacted by a funder and those that were not (t=5.067; reject the null hypothesis)

Survey Results

The following sections provide an overview of what operational adjustments organizations have made to address changes that resulted from the economic recession. These questions are broken into two groups: (1) Funding, which addresses composition of funding sources and funding changes; and (2) Service access, which assesses how service demand, provision, and client costs have changed.

Funding. This section provides a basic overview of those funding sources that compose an organization's total budget and explores if and how support from those areas has changed as a result of the recession. For more information about organizations' responses to funding questions, see Appendices C through H.

Funding sources. I surveyed organizations to identify what proportion of their total budget came from the five following revenue sources: (1) Medicare/Medicaid; (2) Government agencies, contracts, or grants (excluding Medicare/Medicaid); (3) Foundations, corporate support, philanthropic organizations, or nongovernment agencies; (4) Individual donations and individual private giving; and (5) Earned revenue, including commercial ventures, fees, dues, sales, and direct payments from clients. Overall, the data suggests that organizations use a diverse array of funding sources to support their organizations, although, unsurprisingly, government support accounts for a substantial proportion of some agencies' total budgets. For example, of those organizations that receive non-Medicare/Medicaid government support, this source of funding composes 47% of their total budget. Of those organizations receiving Medicare or Medicaid funding (which includes only nonprofits providing core services), these funds compose 32% of their total budgets. Nearly all organizations (95%) reported receiving funding from earned revenue sources, although there

was a substantial difference in the budget proportion between core and emergency services. This funding accounted for only 15% of the total budgets of emergency service organizations, but 23% of core service organizations.

Changes in funding amounts. Organizations receiving non-Medicare/Medicaid funding reported considerable losses in this category: 50% of emergency service providers and 46% of core service providers saw decreases in government funding since the onset of the recession. Of those organizations reporting losses, more than half reported that their funding was decreased by 25% or more. In particular, core service organizations were more likely to report a substantial decrease from government contracts and grants: 59% of these organizations replied that they lost significant[7] funding. Both emergency and core service organizations also reported decreased corporate and foundation support: 55% of organizations that receive funding from this source reported decreases, and three-quarters estimated the decline to be between 10% and 25%. Finally, organizations of both types report varying changes in the amount of individual donor support. The proportion of nonprofits reporting an increase, decrease, or no change in funding from this source is roughly equal across the three categories (33%, 35%, and 27%, respectively).[8]

Access to services. Access to services was assessed using three different indicators: (1) changes in service demand; (2) changes in service provision; and (3) changes in costs to clients. Additionally, this section includes a discussion of the populations served by respondent organizations, which can help provide insight into whether nonprofits are reaching those most in need. For more information about organizations' responses to questions regarding client access to services, see Appendix I.

[7] More than 25%
[8] The remaining 5% replied "Don't Know."

Service demand. Organizations were asked to report whether demand for their services had increased, decreased, or stayed about the same since the onset of the recession: 84% of all respondents and 94% of all emergency service providers reported an increase in service demand. The magnitude of these increases was evenly split: 48% of respondents reported a significant[9] increase in demand and 46% reported a moderate[10] increase (the remaining organizations did not know the percentage increase). However, 100% of all food organizations reported an increase in demand for services, with more than 70% characterizing that increase as significant.

Service provision. Organizations were also asked a series of questions regarding service provision, which ultimately seek to identify how, if at all, organizations have modified supply to effectively respond to changes in demand. Both emergency and core service organizations have sought to meet rising need: 68% of all organizations report increasing the number of clients served and 53% have expanded programs. However, 18% of emergency service organizations and 23% of core services organizations shrank their program size as a result of the recession. One particularly interesting finding related to staff reductions as a response to funding shortages or problems: more than 50% of all organizations reported that they had cut staff, with most reporting a moderate[11] decrease. Although this does not necessarily indicate a decline in the level or quality of service provision (survey respondents were not asked to clarify which staff positions were reduced), it does demonstrate an effort by organizations to modify operations in ways least likely to immediately impact clients (the other choices were service reductions, client reductions, and increased costs to clients).

[9] More than 25%
[10] Between 10 and 25%
[11] Between 10% and 25%

Client costs. Organizations provided information about service costs to clients, the third and final indicator of service accessibility. This section explores accessibility in two ways: (1) provision of low and/or no-cost services, and (2) changes in costs to clients as a result of the recession. Of those nonprofits that offer services at no cost to low-income clients, most (58%) offer them for all of the organization's services. For organizations whose services do include a cost to clients, less than half (39%) offer those services on a sliding scale. Only 36% of nonprofits that provide a sliding scale payment structure make this option available for all of their organization's programs. Despite increases in both service demand and provision, most core services nonprofits (70%) reported no cost increases to clients. However, all emergency service providers reported raising costs to clients, but the vast majority (82%) raised them only slightly.[12]

Service populations. Finally, I asked organizations to provide demographic information about the populations receiving their services. Overall, responses to these questions seem to demonstrate that nonprofits are providing services to diverse populations: the most common service percentage reported for each population was 1-25%, indicating that each organization's service population comprises several different groups. However, there were two interesting trends worth noting here. First, more than half of all agencies reported that at least three-quarters of their clients are at or below the Federal Poverty Line. This might indicate that these nonprofits' services are reaching low income populations. Second, more than any other group included in the survey, Native Americans seem to compose a substantially smaller portion of the organizations' service populations. For example, more than 20% of the organizations surveyed reported serving no Native Americans; the remaining organizations either did not know if they served this population (9%) or stated that this

[12] Less than 10%

population accounted for less than one-quarter of their clients (70%). These low service levels potentially stem from relatively lower representation in the county as a whole (less than 1%), or the possibility that this population might receive social services outside of the nonprofit sector (e.g. through tribal governments or agencies) (U.S. Census Bureau, 2011). See Appendix J for a table documenting organizations' responses to service population questions.

Regression Results

In addition to my descriptive statistics, I also created binomial logit regression models for three years (2007, 2008, and 2009), testing the impact of age, size, proportion of government funds, and service type on organizational filings for each subsequent year (2008, 2009, and 2010, respectively). As a reminder, for each of these regressions the dependent variable is the likelihood of filing an IRS 990 form in a given year, used here as a proxy for organizational closure. With the exception of the proportion of government funds category, all of the other independent variables are binomial and are coded into "1" or "0" based which variable I am examining. More detailed information for each regression is can be found in Appendices K through S, including a table with each variable's coding.

2007 factors influencing 2008 filing. All of these models demonstrated statistical significance[13] regardless of organization size or age. For six (out of nine) of these models, being an emergency service provider (i.e. categorization as either Food/Hunger or Housing/Shelter) had a statistically significant[14] impact on an organization's likelihood of remaining open the following year. Interestingly, service type was statistically significant for

[13] Models had a p-value of less than .000

[14] Most were statistically significant at a 95% confidence level. These variables were statistically significant at a 90% confidence level for Small, Young Organizations and Medium, Young Organizations.

all large organization regressions, the only variable showing universal significance for a given group. Beyond service type, age also demonstrated an impact on organization filings: for five (out of nine) of these models, age had a statistically significant[15] impact on the likelihood of an organization remaining open the following year. The proportion of government funds never demonstrated a statistically significant effect on the dependent variable, nor did organization size, with the exception of the regression examining medium, middle-aged organizations.[16] Between 2007 and 2008, 24 organizations did not re-file an IRS 990 form, suggesting closure. See Appendices K through M for more detailed information on the 2007/2008 regressions.

2008 factors influencing 2009 filing. Unlike the 2007/2008 regressions, not all of these models demonstrated significance, and those that did were not always at a 95% confidence level. For example, the model was not significant for small, middle-aged organizations, and the model for medium, middle-aged organizations was only significant at a 90% confidence level. Service type demonstrated a statistically significant effect for all of the models, although more achieved a 95% confidence level than did in 2007. Once again, service type had a statistically significant effect on the likelihood of an organization filing a tax form in 2009. Unlike the 2007/2008 model, however, size demonstrated a statistically significant[17] impact on the dependent variable, although only for large organizations that were at least 6 years old.[18] Similar to earlier models, the proportion of funding coming from government sources demonstrated no significant impact on the likelihood that an organization would remain open the following year. Between 2008 and 2009, 10

[15] All variables were statistically significant at a 95% confidence level.
[16] Statistically significant at a 90% confidence level.
[17] Both at the 90% confidence level.
[18] Significant for large organizations that were middle-aged or old.

organizations did not re-file an IRS 990 form, suggesting closure. See Appendices N through P for more detailed information on the 2008/2009 regressions.

2009 factors influencing 2010 filing. Similar to the 2007/2008 models, all of the models for this year demonstrated significance, although only the three regressions for large organizations reached the 95% confidence level. Additionally, although these models were statistically significant, none of the independent variables included in the regression (age, size, service type, or proportion of government funds) demonstrated a statistically significant influence on the dependent variable. However, for the first time, proportion of government funds demonstrated a statistically significant effect on the likelihood of an organization re-filing in 2010. In fact, for each of these models, this was the only variable to demonstrate statistical significance of at least a 90% confidence level. Between 2009 and 2010, 23 organizations did not re-file an IRS 990 form, suggesting closure. See Appendices Q through S for more detailed information on the 2009/2010 regressions.

Chapter 6: Discussion

The following chapter provides an overview of the major themes that emerged from the survey results, as well as discussion of the regression models and the ways they did (and did not) align with other research. This section will also address potential shortcomings of the data and subsequent analysis.

Survey Themes

Importance of government and corporate philanthropy funding. Unsurprisingly, survey results also demonstrated that many organizations providing safety net services rely heavily on government contributions to support their programs. This is particularly concerning, especially considering that more than half of the organizations receiving this type of funding experienced reductions of at least 25% since the onset of the recession. Simultaneously, safety net nonprofits are also experiencing substantial funding reductions from foundation and corporate philanthropy support. Considering that these two funding sources account for a substantial portion of many organizations' operating budgets, there is widespread concern among nonprofits about their continued resiliency. One respondent questioned whether major funders recognized the continued need to support safety net organizations, writing that, "Funders have turned away from funding basic needs, saying that either the recession is over or they're supporting some other sector."

Organization responses to the recession have generally prevented negative impacts to clients and their access to services. The results from the survey indicate that, across the nonprofit safety net sector, organizations are working to meet increased demand regardless of decreased funding. A substantial number of organizations, regardless of the service type, reported increasing client numbers and expanding programs. One survey

respondent commented on the increased demand at their organization, a local food bank. They wrote, "In 2009, we served roughly 500 households each week in our food bank. We now serve over 850 each week. . . The increases are staggering but I don't think they are news to any of us." Rather than decrease services or increase client costs, most organizations chose to instead cut staff support, suggesting that, for some organizations, fewer employees are providing more services, raising concerns about the sustainability of such changes. One respondent wrote, "In addition to reducing staff positions, we have implemented furlough days, gone without rasies [sic] and reduced benefits in order to maintain services for our clients." Another wrote, "Staff have to work more hours without compensation for extra hours worked." Even with cuts to staff and benefits, several organizations shared concerns about their ability to continue in this vein. As one respondent commented, "We have had to scramble to keep our heads above water, mostly on the backs of remarkable volunteers. While we have been able to stay afloat, our future service to [clients] is far from secure."

General operating support is greatly needed during times of decreased resources. Closely related to the issue of maintaining client service levels, several survey respondents expressed frustration over funders' apparent unwillingness to provide funds for general operating expenses, favoring program support instead. One participant wrote, "Many ask us to provide a new program which in turn does not improve our break-even line item. Our community believes in us, [but] it is the same pool of givers that support all of the non-profits, making it a finite resource with no new donors." Individual donations and earned revenue are often the most flexible funding sources, allowing organizations the latitude to apply these resources to needed areas, like agency overhead. However, data from the survey indicates that these funding sources account for only 15% to 25% of organizations' budgets,

provided they receive any income from the sources. While survey respondents were relatively split on how funding from these sources had changed (i.e. increased, decreased or not changed), because this category composes such a small portion of organizations' overall budgets, it is unclear whether even significant increases in these categories can offset the much more steeply increasing demand. As a result, many respondents reported that the best way for corporate or foundation funders to maintain nonprofits' ability to serve clients was through "general operating support," including "multi-year commitments" or "capacity building for admin." As one participant wrote, "Ongoing operational support is usually the hardest to get."

Current resiliency may not predict successful future outcomes. While most organizations maintained or even expanded service levels despite reduced financial resources, this study raises questions about how sustainable this resiliency is. In the next section, I'll discuss in more detail the regression results (which attempt to define a model predicting nonprofit outcomes) and shortcomings, but even the survey results alone suggest the potential for future challenges. For example, on average, government funding composed the greatest proportion of organizations' total budgets, yet most organizations receiving this funding reported a decrease in amount, and were also more likely to characterize that decrease as "significant."[19] With continued discussion of reduced human services funding at the federal, state, and local level, how will future cuts influence nonprofit operations and service access, especially given the importance of government contracts? One survey respondent wrote specifically about this issue, raising concerns that continued emphasis on "organizational efficiency" and "community support" for programs is problematic:

[19] "Significant" was defined as a change of more than 25%, "moderate" as a change ranging from 10% to 25%

> Currently [our organization] is struggling just to keep one step ahead of financial ruin. It's not a matter of us not possessing fundraising acumen or sound financial management practices. We have a skilled staff and a talented Board of Directors. It is a matter of existing in a very economically disadvantaged community where few residents have disposable income. Our operating reserves are dwindling and I do fear for the future of our organization. Fundraising outside of the community is not feasible and we do work with all the area foundations to the extent that we can. It's just not enough.

Regression results: What factors influence organizational resiliency?

Variables with statistical significance. One of the most interesting results from the regressions was their general success in predicting the filing outcomes for large organizations, regardless of the year. This is consistent with literature suggesting that organizations with more assets (the proxy measure for size in this study) are more resilient and likely to remain open than smaller organizations with comparatively more volatile funding (Carroll & Stater, 2008; Twombly, 2003). Additionally, service type (emergency services) demonstrated a negative, statistically significant effect on the likelihood of an organization remaining open for 15 of the 27 regression models. This is inconsistent with Twombly's (2003) study, which found that emergency service providers were nearly 30% less likely to exit the human services field than core service providers. Finally, age, though less consistently a statistically significant predictor of organization outcomes, did demonstrate some effect, although not necessarily in ways consistent with previous literature. For example, Twombly's (2003) study showed that, on average, young and old organizations

were less likely to exit the human services field than middle-aged organizations, with the young being the least likely to close. In my results, however, whenever the age variable was statistically significant for a young organization, the coefficient was negative, suggesting that this variable decreased an organization's likelihood of remaining open.

Variables without statistical significance. Unlike size, service type, and age, however, the proportion of government funding variable rarely performed as expected. In fact, the proportion of government funding only exhibited a statistically significant effect on the likelihood of an organization remaining open in 2010. This was particularly interesting given that these were the only models demonstrating statistical significance at a 95% confidence level for that year (although they also exhibited poor fit, as evidenced by low Nagelkerke R^2 scores).

Overall model fit. All of the regression models from 2007/2008 demonstrated significance, with Nagelkerke R^2 scores ranging from .160 (medium, old organizations) to .301 (large, middle-aged organizations). In contrast, although many of the 2008/2009 and 2009/2010 models demonstrated statistical significance, most had extremely low Nagelkerke R^2 scores. This suggests that the regression results are not due to chance, but that the model does not offer the best explanation of the relationship between the independent and dependent variables. It is possible that because the sample size is so large (n ranges between 440 and 470) it would be difficult to find any parsimonious model with a good fit. However, the lack of statistically significant independent variables, especially in 2010, suggests that there are critical variables missing from the model.

Study Shortcomings

Despite attempts to minimize bias and produce a study with generalizable results, there are still a number of weaknesses to this research. First, as discussed earlier, this study only included organizations that filed an IRS 990 form sometime between 2007 and 2010. Given well-documented research indicating that IRS 990s inherently oversample large organizations, my study is likely biased towards larger organizations as well. Second, most research suggested that the external environment exerts significant influence over the nonprofit sector's health, as well as the stability of individual organizations within that sector. Because my study focused only on organizations in King County, I assumed that the influence of these external factors would be equal across the sector, regardless of service type. However, this assumption may not be accurate, especially given the different purposes of the organizations included in the study (e.g. food or housing organizations may be more likely to see increased demand resulting from an increase in the poverty rate, while multipurpose organizations might not). Moreover, IRS categorization is far from exact: some nonprofits registered as multipurpose (and then coded as core for this study) might in fact provide emergency services. As a result, comparisons drawn between emergency and core services may not be wholly accurate.

Finally, one last potential shortcoming with the study involves using major funders (like municipalities and the United Way of King County) to distribute the survey. Although doing so was helpful in increasing response rates, it is possible that organizations' responses were biased by concerns the information would be shared with their funder. I attempted to control for this by reiterating that data would only be shared in aggregate, but it is possible that organizations amended certain responses (e.g. plans to expand services in the future)

because of fear that funders could amend or halt funding if organizations could not continue expanding to meet demand.

Chapter 7: Conclusion and Implications

Using data from both IRS 990 filings and survey responses from local organizations, this study sought to provide a more detailed description of King County nonprofits' funding composition, how funding changed since the onset of the recession, and how those changes influenced organizations' operations. Findings from both the descriptive and regression analysis suggest that these organizations are extremely resilient, continuing to provide high levels of service despite decreased (and decreasing) financial resources. These findings have several implications for nonprofits in King County. First, the survey results suggest that these organizations have a high level of resiliency despite financial challenges. Second, nonprofits have worked to not only maintain but also expand their services and client base despite funding challenges. Third, and perhaps most importantly, these findings suggest that successful nonprofit outcomes stem from a multitude of factors, some within control (e.g. staff costs, increased fundraising), some not (continued availability of government funding).

Building from this research, future studies on King County's nonprofit sector might explore and compare the different coping mechanisms organizations use in light of funding changes and analyze their outcomes. This would help to provide organizations a potential menu of options to explore when facing these challenges in the future Additionally, many survey respondents discussed partnering with other community and/or government agencies as a way stretch finite resources. A more detailed examination of this theme was outside of the scope of my study, but the growing interest in public-private partnerships (both academically and practically) suggests that region-specific research in this area would prove useful to service providers. Finally, this study explored solely those internal factors that might impact nonprofit performance, but literature, as well as the survey responses, suggest

that external factors exert a great deal of influence on both nonprofit resiliency and client access to services.

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Appendices

Appendix A: Nonprofit Survey

Question 1: Which of the following services do you provide to low-income adults? Check all that apply.

Out-patient mental health services	Food assistance
Out-patient substance abuse services	Assistance with financial planning, savings or investment
Assistance in finding affordable housing	Help register, educate, or mobilize voters?
Assistance in paying rent	Information referral
GED, ESL, or high school completion	Other:
Job training, search, or placement services	

Question 2: Has demand for your organization's services decreased, increased, or remained about the same over the past 5 years?

Increased	Decreased	About the same

Question 2b (conditional)**:** Would you say demand has increased significantly or moderately? Moderately is defined as a 10-25% change, significant as more than a 25% change.

Significantly	Moderately	Don't Know	Not Applicable

Question 2c (conditional)**:** Would you say demand has decreased significantly or moderately? Moderately is defined as a 10-25% change, significant as more than a 25% change.

Significantly	Moderately	Don't Know	Not Applicable

Question 2d: In the coming year do you expect to:

	Yes	No	Don't Know
Increase # of clients served			
Decrease # of clients served			
Expand programs			
Shrink programs			

Question 2e: Of your clients, please estimate what percentage belong to the following groups

	0%	1-25%	26-50%	51-75%	76-100%	Don't Know
African American						
Hispanic						
Asian or Asian American						
Non-Hispanic/White						
Native American						
Immigrants or Refugees						
Adults with children under age 18						
Individuals with a disability						
Clients who live at or below the poverty line						
Clients in single parent households						
Clients who live within 3 miles of your services						
Clients who are not primarily English speaking						

Question 3a: Are services available at no cost to low-income clients for all of your programs, some of your programs, or none of your programs?

All Programs	Some Programs	No Programs	Don't Know

Question 3a2: Do you have a sliding scale fee for any of the services you provide? (A sliding scale means that the cost of services are determined by the client's ability to pay).

Yes	No	Don't Know

Question 3a3 (conditional)**:** Is this sliding scale in place for all of your programs, some of your programs, or none of your programs?

All Programs	Some Programs	No Programs	Don't Know

In the most recently completed fiscal year, approximately what percentage of your total funding for services for low-income individuals came from each of the following sources:

Question 4a: Medicaid or Medicare:

Question 4b: Government agencies, contracts, or grants:

Question 4c: Foundations, corporate support, philanthropic organizations, or nongovernment agencies:

Question 4d: Individual donations and individual private giving:

Question 4e: Earned Revenue (commercial ventures, fees, dues, sales):

Question 5a: Do you receive funding from Medicaid or Medicare for reimbursement?

Yes	No	Don't Know

Question 5a2 (conditional)**:** Has the amount from Medicaid or Medicare increased, decreased, or stayed the same over the last 5 years?

Increased	Decreased	About the Same	Don't Know

Question 5a3 (conditional)**:** Would you say Medicaid or Medicare funding has increased significantly or moderately? Moderately is defined as a 10-25% change, significant as more than a 25% change.

Significantly	Moderately	Don't Know	Not Applicable

Question 5a4 (conditional)**:** Would you say Medicaid or Medicare funding has decreased significantly or moderately?

Significantly	Moderately	Don't Know	Not Applicable

Question 5b
Do you receive funding from government agencies, contracts, or grants – excluding Medicaid or Medicare?

Yes	No	Don't Know

Question 5b2 (conditional)**:** Has the funding amount from government agencies, contracts, or grants increased, decreased, or stayed the same over the last 5 years?

Increased	Decreased	About the Same	Don't Know

Question 5b3 (conditional)**:** Would you say government agencies, contracts, or grants funding has increased significantly or moderately?

Significantly	Moderately	Don't Know	Not Applicable

Question 5b4 (conditional)**:** Would you say government agencies, contracts, or grants funding has decreased significantly or moderately?

Significantly	Moderately	Don't Know	Not Applicable

Question 5c: Do you receive funding from foundations, corporate support, philanthropic organizations, or nongovernment agencies?

Yes	No	Don't Know

Question 5c2 (conditional)**:** Has the funding amount from foundations, corporate support, philanthropic organizations, or nongovernment agencies increased, decreased, or stayed the same over the last 5 years?

Increased	Decreased	About the Same	Don't Know

Question 5c3 (conditional)**:** Would you say funding from foundations, corporate support, philanthropic organizations, or nongovernment agencies has increased significantly or moderately? Moderately is defined as a 10-25% change, significant as more than a 25% change.

Significantly	Moderately	Don't Know	Not Applicable

Question 5c4 (conditional)**:** Would you say funding from foundations, corporate support, philanthropic organizations, or nongovernment agencies has decreased significantly or moderately? Moderately is defined as a 10-25% change, significant as more than a 25% change.

Significantly	Moderately	Don't Know	Not Applicable

Question 5d: Do you receive funding from individual donations and individual private giving?

Yes	No	Don't Know

Question 5d2 (conditional)**:** Has the funding amount from individual donations and individual private giving increased, decreased or stayed the same over the last 5 years?

Increased	Decreased	About the Same	Don't Know

Question 5d3 (conditional)**:** Would you say funding from individual donations and individual private giving has increased significantly or moderately? Moderately is defined as a 10-25% change, significant as more than a 25% change.

Significantly	Moderately	Don't Know	Not Applicable

Question 5d4 (conditional)**:** Would you say funding from individual donations and individual private giving has decreased significantly or moderately? Moderately is defined as a 10-25% change, significant as more than a 25% change.

Significantly	Moderately	Don't Know	Not Applicable

Question 5e: Do you receive funding from earned revenue (commercial ventures, feeds, dues, sales, direct payments from clients, etc.)?

Yes	No	Don't Know

Question 5e2 (conditional)**:** Has the funding amount from earned revenue increased, decreased, or stayed the same over the last 5 years?

Increased	Decreased	About the Same	Don't Know

Question 5e3 (conditional)**:** Would you say the funding from earned revenue has increased significantly or moderately? Moderately is defined as a 10-25% change, significant as more than a 25% change.

Significantly	Moderately	Don't Know	Not Applicable

Question 5e4 (conditional)**:** Would you say the funding from earned revenue has decreased significantly or moderately? Moderately is defined as a 10-25% change, significant as more than a 25% change.

Significantly	Moderately	Don't Know	Not Applicable

Question 6: In the past 5 years, have you had to do any of the following because of funding problems or shortages?

	Yes, significantly	Yes, moderately	Yes, slightly (less than 10%)	No	Don't Know
Reduce # of services offered					
Reduce # of clients served					
Cut back on staff					
Increase costs to clients					

Question 7a: In the past 5 years, have you had to do any of the following because of funding problems or shortages?

Merge with another agency	Merge programs (either within your agency or with other agencies)	Close programs	Close your agency

Question 7b: If you answered "yes" to either merging with another agency or merging programs, how has the merger impacted:

	Inc. sig.	Inc. mod.	Inc. slightly	No change	Dec. slightly	Dec. mod.	Dec sig
# of services offered							
# of clients served							
Your staff							
Costs to clients							

Question 8: Do you consider your organization to be government, private nonprofit, or private for-profit?

Government	Nonprofit	For-profit	Don't Know

Question 9: Is your organization an affiliate or branch of a larger organization? (For example: YMCA)

Yes	No	Don't Know

Question 10: Is your organization faith-based?

Yes	No	Don't Know

Question 11: In what year was your organization founded?

Question 12: What is the amount of your total annual budget?

More than $10 million	Between $1 million and $10 million	Between $300,000 and $1 million
Between $100,000 and $300,000	Less than $100,000	Don't Know

Question 13: Do you expect your annual budget to increase, decrease, or remain the same in the coming year?

Increase	Decrease	Remain the Same	Don't Know

Question 14: How many paid employees work at your organization?

Question 15: How many paid employees at your organization are full time?

Question 16: How often – frequently, occasionally, or not at all – does your organization engage in the following activities?

	Frequently	Occasionally	Not at All
Contact or communicate with elected representatives to city or county government			
Contact or communicate with elected representatives to the state legislature			
Contact or communicate with administrators from city, county, or state government agencies			

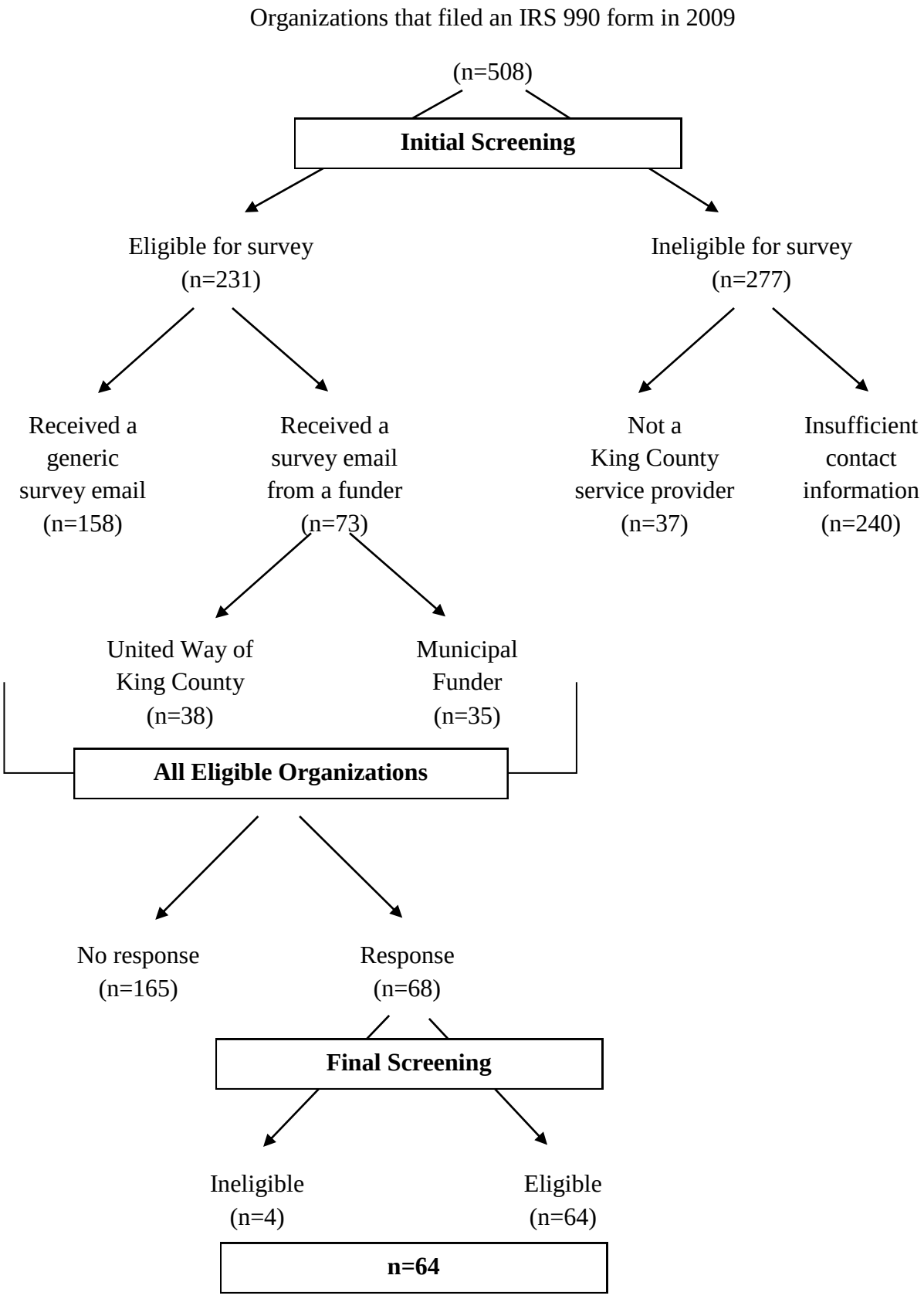
Question 17: Does your organization publicly advocate for particular programs on behalf of poor populations?

Yes	No	Don't Know

Question 18: Other than increased funding for services, do you have any ideas about what kind of support from funders might help your agency maintain the best possible service to the community?

Final Question: Is there anything else you'd like to share about your organization and/or its response to the recession that was not captured in the previous questions?

Appendix B: Survey Participant Selection Strategy



Appendix C: Average Funding Proportion of Organizations Receiving Funding

Question 4a-4e: Average funding proportion of those organizations that receive funding from that source (n=63)					
Organization Type	*Medicare or Medicaid*	*Government agencies, contracts or grants*	*Foundations, corporate support, philanthropic organizations, or nongovernment agencies*	*Individual donations and individual private giving*	*Earned Revenue (commercial ventures, fees, dues, sales)*
Emergency Services	0% (0 organizations)	44% (16 organizations)	23% (16 organizations)	27% (16 organizations)	15% (13 organizations)
Core Services	32% (9 organizations)	48% (38 organizations)	18% (45 organizations)	25% (43 organizations)	23% (31 organizations)
All Orgs	32% (9 organizations)	47% (54 organizations)	20% (61 organizations)	26% (59 organizations)	20% (44 organizations)

Appendix D: Medicare/Medicaid Funding and Funding Changes

Question 5a2: Has Medicare/Medicaid funding changed? (n=9)				
Org Type	*Increased*	*Remained the same*	*Decreased*	*Don't Know*
Core Services	44%	33%	11%	11%

Question 5a3: Has Medicare/Medicaid increased significantly or moderately? (n=4)			
Org Type	*Significantly*	*Moderately*	*Don't Know*
Core Services	-	75%	25%

Question 5a4: Has Medicare/Medicaid decreased significantly or moderately? (n=1)			
Org Type	*Significantly*	*Moderately*	*Don't Know*
Core Services	100%	-	-

Appendix E: Government Contract/Grant Funding and Funding Changes

Question 5b2: Has government funding changed? (n=53)				
Org Type	*Increased*	*Remained the same*	*Decreased*	*Don't Know*
Emergency Services	19%	31%	50%	
Core Services	27%	27%	46%	

Question 5b3: Has government funding increased significantly or moderately? (n=13)			
Org Type	*Significantly*	*Moderately*	*Don't Know*
Emergency Services	-	100%	-
Core Services	30%	60%	10%

Question 5b4: Has government funding decreased significantly or moderately? (n=25)			
Org Type	*Significantly*	*Moderately*	*Don't Know*
Emergency Services	38%	63%	-
Core Services	59%	35%	6%

Appendix F: Foundations, Corporate Support, Philanthropic Organizations, or Nongovernment Agencies Funding and Funding Changes

Question 5c2: Has foundation support changed? (n=60)				
Org Type	*Increased*	*Remained the same*	*Decreased*	*Don't Know*
Emergency Services	13%	27%	60%	-
Core Services	16%	29%	53%	2%

Question 5c3: Has foundation support increased significantly or moderately? (n=9)			
Org Type	*Significantly*	*Moderately*	*Don't Know*
Emergency Services	-	100%	-
Core Services	14%	86%	-

Question 5c4: Has foundation support funding decreased significantly or moderately? (n=31)			
Org Type	*Significantly*	*Moderately*	*Don't Know*
Emergency Services	33%	67%	-
Core Services	25%	71%	4%

Appendix G: Individual Donations/Private Giving Funding and Funding Changes

Question 5d2: Has individual funding support changed? (n=60)				
Org Type	*Increased*	*Remained the same*	*Decreased*	*Don't Know*
Emergency Services	31%	38%	31%	-
Core Services	34%	23%	36%	7%

Question 5d3: Has individual funding support increased significantly or moderately? (n=20)			
Org Type	*Significantly*	*Moderately*	*Don't Know*
Emergency Services	40%	60%	-
Core Services	33%	67%	-

Question 5d4: Has individual funding support decreased significantly or moderately? (n=21)			
Org Type	*Significantly*	*Moderately*	*Don't Know*
Emergency Services	20%	80%	-
Core Services	25%	75%	-

Appendix H: Earned Revenue Funding and Funding Changes

Question 5e2: Has Earned Revenue changed? (n=42)				
Org Type	*Increased*	*Remained the same*	*Decreased*	*Don't Know*
Emergency Services	25%	58%	17%	-
Core Services	43%	40%	13%	3%

Question 5e3: Has Earned Revenue Increased Significantly or Moderately? (n=16)			
Org Type	*Significantly*	*Moderately*	*Don't Know*
Emergency Services	33%	67%	-
Core Services	8%	92%	-

Question 5e4: Has Earned Revenue funding Decreased Significantly or Moderately? (n=6)			
Org Type	*Significantly*	*Moderately*	*Don't Know*
Emergency Services	100%	-	-
Core Services	25%	75%	0%

Appendix I: Access Indicators from Survey

Question 2: Has Demand for your Services Increased, Decreased, or Remained the Same? (n=63)			
Org Type	*Increased*	*Remained the same*	*Decreased*
Emergency Services	94%	6%	-
Core Services	81%	13%	6%

Question 2b: Has Demand Increased Significantly or Moderately? (n=54)			
Org Type	*Moderately*	*Significantly*	*Don't Know*
Emergency Services	44%	50%	6%
Core Services	47%	47%	5%

Question 2d: In the coming year do you expect to increase the number of clients served? (n=63)			
Org Type	*Yes*	*No*	*Don't Know*
Emergency Services	65%	12%	24%
Core Services	72%	17%	11%

Question 2d: In the coming year do you expect to decrease the number of clients served? (n=63)			
Org Type	*Yes*	*No*	*Don't Know*
Emergency Services	6%	71%	24%
Core Services	4%	85%	11%

Question 2d: In the coming year, do you expect to expand programs? (n=63)			
Org Type	*Yes*	*No*	*Don't Know*
Emergency Services	47%	35%	18%
Core Services	57%	32%	11%

Question 2d: In the coming year, do you expect to shrink programs? (n=63)			
Org Type	*Yes*	*No*	*Don't Know*
Emergency Services	18%	71%	12%
Core Services	23%	70%	6%

Question 3a: Are services available at no cost to low-income clients for all of your programs, some of your programs, or none of your programs? (n=64)				
Org Type	*All Programs*	*Some Programs*	*No Programs*	*Don't Know*
Emergency Services	59%	29%	6%	6%
Core Services	57%	32%	9%	2%

Question 3a2: Do you have a sliding scale fee for any of the services you provide? (n=64)			
Org Type	*Yes*	*No*	*Don't Know*
Emergency Services	41%	59%	-
Core Services	38%	62%	-

Question 3a3: Is this sliding scale in place for all of your programs, some of your programs, or none of your programs? (n=25)				
Org Type	*All Programs*	*Some Programs*	*No Programs*	*Don't Know*
Emergency Services	29%	71%	-	-
Core Services	39%	61%	-	-

Appendix J: Service Populations from Survey

Question 2e: Of your clients, please estimate what percentage belong to the following groups: (n=64)						
	0%	*1-25%*	*26-50%*	*51-75%*	*76-100%*	*Don't Know/ Not Applicable*
African American	6	36	15	2	1	4
Hispanic	4	41	14	1	0	4
Asian or Asian American	3	47	5	1	4	4
Non-Hispanic White	2	20	20	12	6	4
Native American	13	45	0	0	0	6
Immigrant/Refugee	3	27	14	0	11	9
Adults with children under age 18	8	15	13	13	9	6
Individuals with a disability	1	36	8	2	8	9
Clients who live at or below the poverty line	1	7	6	11	36	3
Clients in a single parent household	4	16	19	7	3	15
Clients who live within 3 miles of your services	1	8	13	16	8	18
Clients who are not primarily English speaking	2	33	11	3	9	6
(Note: the numbers in the grid above indicate the number of organizations' affirmative responses)						

Appendix K: Likelihood of Small Organizations Filing in 2008

Likelihood of Filing in 2008: Small, Young Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	2.93	0.364	64.711	0	18.730
Emergency Services	-0.76	0.46	2.73	0.098*	.467
Proportion of Govt. Funds	7772.089	40187.94	0.037	0.847	
Size (Small=1)	18.941	4719.167	0	0.997	1.683E8
Age (Young=1)	-1.426	0.458	9.713	0.002**	.240
Missing cases=40; n=444; Nagelkerke R^2=.254; Model significance=.000**					

Likelihood of Filing in 2008: Small, Middle-Aged Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	2.21	0.288	58.994	0	9.113
Emergency Services	-0.797	0.457	3.04	0.81	.451
Proportion of Govt. Funds	10242.887	41491.548	0.061	0.805	
Size (Small=1)	18.519	4784.51	0	0.997	1.103E8
Age (Middle=1)	1.155	0.583	3.923	0.048**	3.175
Missing cases=40; n=444; Nagelkerke R^2=.227; Model significance=.000**					

Likelihood of Filing in 2008: Small, Old Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	2.204	0.342	41.5	0	9.060
Emergency Services	-0.494	0.445	1.234	0.267	.610
Proportion of Govt. Funds	8676.346	41367.021	0.044	0.834	
Size (Small=1)	18.75	4861.545	0	0.997	1.390E8
Age (Old=1)	0.428	0.448	0.912	0.339	1.534
Missing cases=40; n=444; Nagelkerke R^2=.204; Model significance=.000**					

**p<.05 *p<.01, two-tailed test

Appendix L: Likelihood of Medium Organizations Filing in 2008

Likelihood of Filing in 2008: Medium, Young Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	2.883	0.382	57.055	0	17.869
Emergency Services	-0.891	0.457	3.809	0.051*	.410
Proportion of Govt. Funds	8039.171	40591.471	0.039	0.843	
Size (Medium=1)	0.792	0.497	2.547	2.209	2.209
Age (Young=1)	-1.205	0.452	7.1	0.008**	.3
Missing cases=40; n=444; Nagelkerke R^2=.201; Model significance=.000**					

Likelihood of Filing 2008: Medium, Middle-Aged Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	2.175	0.31	49.36	0	8.802
Emergency Services	-1.011	0.463	4.759	0.029**	.364
Proportion of Govt. Funds	10486.12	41841.223	0.063	0.802	
Size (Medium=1)	0.833	0.498	2.797	0.094*	2.3
Age (Middle=1)	1.305	0.592	4.865	0.027**	3.687
Missing cases=40; n=444; Nagelkerke R^2=.196; Model significance=.000**					

Likelihood of Filing 2008: Medium, Old Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	2.343	0.362	41.947	0	10.408
Emergency Services	-0.658	0.444	2.194	0.139	.518
Proportion of Govt. Funds	9230.022	41879.25	0.049	0.826	
Size (Medium=1)	0.732	0.489	2.236	0.135	2.079
Age (Old=1)	0.166	0.448	0.136	0.712	1.108
Missing cases=40; n=444; Nagelkerke R^2=.160; Model significance=.000**					

**p<.05 *p<.01, two-tailed test

Appendix M: Likelihood of Large Organizations Filing in 2008

Likelihood of Filing 2008: Large, Young Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	2.593	0.36	51.921	0	13.370
Emergency Services	-1.019	0.46	4.9	0.027**	.361
Proportion of Govt. Funds	1664.253	18304.723	0.008	0.928	
Size (Large=1)	18.226	2608.822	0	0.994	8.23E7
Age (Young=1)	-0.697	0.451	2.386	0.122	.498
Missing cases=40; n=444; Nagelkerke R^2=.268; Model significance=.000**					

Likelihood of Filing 2008: Large, Middle-Aged Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	2.047	0.293	48.719	0	7.748
Emergency Services	-1.09	0.465	5.485	0.019**	.336
Proportion of Govt. Funds	1823.063	18272.434	0.01	0.921	
Size (Large=1)	18.389	2589.326	0	0.994	9.69E7
Age (Middle Aged=1)	1.172	0.583	4.041	0.044**	3.229
Missing cases=40; n=444; Nagelkerke R^2=.301; Model significance=.000**					

Likelihood of Filing 2008: Large, Old Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	2.344	0.332	49.81	0	10.422
Emergency Services	-0.94	0.453	4.314	0.038**	.391
Proportion of Govt. Funds	1774.558	18297.591	0.009	0.923	
Size (Large=1)	18.471	2639.427	0	0.994	1.05E8
Age (Old=1)	-0.128	0.456	0.079	0.778	.880
Missing cases=40; n=484; Nagelkerke R^2=.272; Model significance=.000**					

**p<.05 *p<.01, two-tailed test

Appendix N: Likelihood of Small Organizations Filing in 2009

Likelihood of Filing in 2009: Small, Young Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	4.791	0.662	52.365	0	128.450
Emergency Services	-1.443	0.674	4.582	0.032**	.236
Proportion of Govt. Funds	0.744	1.306	0.324	0.569	2.104
Size (Small=1)	0.878	1.096	0.641	0.423	2.406
Age (Young=1)	-1.841	0.91	6.886	0.009**	.163
Missing cases=29; n=455; Nagelkerke R^2=.135; Model significance=.019**					

Likelihood of Filing in 2009: Small, Middle-Aged Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	4.125	0.563	53.766	0	61.841
Emergency Services	-1.903	0.672	3.799	0.051*	.27
Proportion of Govt. Funds	1.132	1.252	1.099	0.295	3.714
Size (Small=1)	0.479	1.077	0.198	0.656	1.614
Age (Middle=1)	0.009	0.673	0	0.989	1.009
Missing cases=29; n=455; Nagelkerke R^2=.061; Model significance=.255					

Likelihood of Filing in 2009: Small, Old Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	3.547	0.562	39.79	0	34.699
Emergency Services	-1.237	1.254	0.744	0.063*	.290
Proportion of Govt. Funds	1.081	1.254	0.744	0.388	2.949
Size (Small=1)	0.888	1.083	0.673	0.412	2.431
Age (Old=1)	1.503	0.81	3.447	0.063*	4.495
Missing cases=29; n=455; Nagelkerke R^2=.110; Model significance=.048**					

**p<.05 *p<.01, two-tailed test

Appendix O: Likelihood of Medium Organizations Filing in 2009

Likelihood of Filing in 2009: Medium, Young Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	4.445	0.672	43.818	0	85.218
Emergency Services	-1.348	0.677	3.965	0.046**	.260
Proportion of Govt. Funds	0.812	1.308	0.385	0.535	2.251
Size (Medium=1)	1.605	1.07	2.252	0.133	4.979
Age (Young=1)	-1.655	0.686	5.817	0.016**	.191
Missing cases=29; n=455; Nagelkerke R^2=.163; Model significance=.006**					

Likelihood of Filing 2009: Medium, Middle Aged Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	3.758	0.562	44.709	0	42.869
Emergency Services	-1.231	0.678	3.3	0.069*	.292
Proportion of Govt. Funds	1.38	1.248	1.223	0.269	3.974
Size (Medium=1)	1.667	1.063	2.457	0.117	5.296
Age (Middle=1)	0.015	0.679	0.006	0.94	1.053
Missing cases=29; n=455; Nagelkerke R^2=.100; Model significance=.067*					

Likelihood of Filing 2009: Medium, Old Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	3.303	0.563	34.455	0	27.206
Emergency Services	-1.129	0.668	2.853	0.091*	.323
Proportion of Govt. Funds	1.102	1.244	0.784	0.376	3.010
Size (Medium=1)	1.628	1.067	2.325	0.127	5.093
Age (Old=1)	1.345	0.807	2.78	0.095*	3.837
Missing cases=29; n=455; Nagelkerke R^2=.139; Model significance=.016**					

**p<.05 *p<.01, two-tailed test

Appendix P: Likelihood of Large Organizations Filing in 2009

Likelihood of Filing 2009: Large, Young Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	4.572	0.676	45.677	0	96.690
Emergency Services	-1.623	0.677	5.752	0.016**	.197
Proportion of Govt. Funds	0.092	1.326	0.005	0.945	.096
Size (Large=1)	1.698	1.115	2.321	0.128	5.465
Age (Young)	-1.444	0.705	4.194	0.041**	.236
Missing cases=29; n=455; Nagelkerke R^2=.162; Model significance=.007**					

Likelihood of Filing 2009: Large, Middle-Aged Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	3.91	0.558	49.054	0	49.879
Emergency Services	-1.502	0.669	5.041	0.025**	.223
Proportion of Govt. Funds	0.668	1.262	0.28	0.597	1.950
Size (Large=1)	1.949	1.081	3.252	0.071*	7.022
Age (Middle=1)	0.011	0.67	0	0.987	1.011
Missing cases=29; n=455; Nagelkerke R^2=.116; Model significance=.038**					

Likelihood of Filing 2009: Large, Old Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	3.58	0.536	44.521	0	35.858
Emergency Services	-1.495	0.668	5.013	0.025**	.224
Proportion of Govt. Funds	0.368	1.3	0.08	0.777	1.445
Size (Large=1)	1.811	1.101	2.706	0.1*	6.115
Age (Old=1)	1.196	0.814	2.159	0.142	3.306
Missing cases=29; n=455; Nagelkerke R^2=.145; Model significance=.013**					

**p<.05 *p<.01, two-tailed test

Appendix Q: Likelihood of Small Organizations Filing in 2010

Likelihood of Filing in 2010: Small, Young Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	2.672	0.304	77.392	0	14.472
Emergency Services	0.67	0.566	1.403	0.236	1.955
Proportion of Govt. Funds	2.18	1.296	2.828	0.093*	8.842
Size (Small=1)	-0.081	0.515	0.025	0.875	.922
Age (Young=1)	-0.314	0.516	0.369	0.543	.731
Missing cases=14; n=470; Nagelkerke R^2=.084; Model significance=.054*					

Likelihood of Filing in 2010: Small, Middle-Aged Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	2.518	0.306	67.561	0	12.405
Emergency Services	0.643	0.568	1.284	0.257	1.902
Proportion of Govt. Funds	2.294	1.293	3.15	0.076*	9.916
Size (Small=1)	-0.19	0.501	0.143	0.705	.827
Age (Middle=1)	0.366	0.491	0.553	0.457	1.441
Missing cases=14; n=470; Nagelkerke R^2=.055; Model significance=.076*					

Likelihood of Filing in 2010: Small, Old Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	2.717	0.393	47.819	0	15.136
Emergency Services	0.671	0.565	1.411	0.235	1.957
Proportion of Govt. Funds	2.326	1.303	3.188	0.074*	10.233
Size (Small=1)	-0.215	0.52	0.17	0.68	.807
Age (Old=1)	-0.176	0.455	0.155	0.694	.836
Missing cases=14; n=470; Nagelkerke R^2=.052; Model significance=.091*					

**p<.05 *p<.01, two-tailed test

Appendix R: Likelihood of Medium Organizations Filing in 2010

Likelihood of Filing in 2010: Medium, Young Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	2.85	0.36	62.746	0	17.292
Emergency Services	0.662	0.563	1.381	0.24	1.938
Proportion of Govt. Funds	2.103	1.289	2.662	0.103	8.192
Size (Medium=1)	-0.415	0.435	0.91	0.34	.660
Age (Young=1)	-0.376	0.502	0.561	0.454	.687
Missing cases=14; n=470; Nagelkerke R^2=.059; Model significance=.059*					

Likelihood of Filing in 2010: Medium, Middle-Aged Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	2.642	0.343	59.304	0	14.045
Emergency Services	0.658	0.563	1.364	0.243	1.930
Proportion of Govt. Funds	2.266	1.286	3.106	0.078*	9.644
Size (Medium=1)	-0.403	0.433	0.864	0.353	.668
Age (Middle=1)	0.37	0.343	59.304	0.45	1.448
Missing cases=14; n=470; Nagelkerke R^2=.057; Model significance=.057*					

Likelihood of Filing in 2010: Medium, Old Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	2.8	0.387	52.411	0	16.437
Emergency Services	0.68	0.562	1.463	0.226	1.975
Proportion of Govt. Funds	2.274	1.297	3.074	0.08*	9.722
Size (Medium=1)	-0.385	0.433	0.79	0.374	.681
Age (Old=1)	-0.118	0.435	0.073	0.786	.889
Missing cases=14; n=470; Nagelkerke R^2=.056; Model significance=.071*					

**p<.05 *p<.01, two-tailed test

Appendix S: Likelihood of Large Organizations Filing in 2010

Likelihood of Filing in 2010: Large, Young Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	2.456	0.31	62.588	0	11.662
Emergency Services	0.623	0.565	1.219	0.27	1.865
Proportion of Govt. Funds	1.956	1.287	2.311	0.128	7.070
Size (Large=1)	0.658	0.535	1.513	0.219	1.931
Age (Young=1)	-0.19	0.509	0.14	0.709	.827
Missing cases=14; n=470; Nagelkerke R^2=.064; Model significance=.043**					

Likelihood of Filing in 2010: Large, Middle-Aged Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	2.272	0.298	58.15	0	9.695
Emergency Services	0.606	0.565	1.15	0.284	1.832
Proportion of Govt. Funds	2.023	1.281	2.495	0.114	7.564
Size (Large=1)	0.729	0.527	1.915	0.166	2.073
Age (Middle=1)	0.407	0.491	0.688	0.407	1.503
Missing cases=14; n=470; Nagelkerke R^2=.068; Model significance=.034**					

Likelihood of Filing in 2010: Large, Old Organizations					
Independent Variables	*Coefficient*	*Standard Error*	*Wald*	*Significance*	*Exp(B)*
Constant	2.521	0.331	57.953	0	12.436
Emergency Services	0.635	0.564	1.266	0.261	1.887
Proportion of Govt. Funds	2.094	1.29	2.635	0.105	8.116
Size (Large=1)	0.774	0.538	2.072	0.15	2.168
Age (Old=1)	-0.295	0.447	0.434	0.51	.745
Missing cases=14; n=470; Nagelkerke R^2=.066; Model significance=.038**					

**p<.05 *p<.01, two-tailed test