

# FRCD Newsletter

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## MORE THAN 90% OF IL NON-PROFITS FEEL ECONOMIC PINCH

More than 90% of Illinois non-profit organizations have experienced a negative impact during the past year as a result of the economic downturn, according to a recent survey by the Illinois Facilities Fund (IFF). The survey was reported in the April, 2009, **Illinois Issues Magazine**, in an article titled The Work of Non Profits.

The magazine article shows that, while demand for services from non-profits are steadily increasing, public and private funds to pay for these services are continually eroding, as the economy continues its downward spiral.

The IFF surveyed a random sample of more than 600 non-profit organizations throughout Illinois and received 116 responses. The non-profits surveyed were asked: "In the past year, how has your organization experienced or been affected by the environmental changes below?" Their responses are listed below.

	<b>Significant negative impact</b>	<b>Some negative impact</b>	<b>No impact</b>	<b>Some positive impact</b>	<b>Major positive impact</b>
Economic downturn/recession	32 percent	61 percent	4 percent	3 percent	0
Delays in state payments	44	35	21	0	0
Restructuring pub. sector support	15	42	42	1	0
Freezing of credit markets	6	19	74	0	0
Reduction in indiv. contributions	16	57	26	2	0
Decline in endowments	27	25	45	2	2
Other	40	15	35	5	5

### THE FUTURE

Which of these statements best describe your organization's future in the next three years?

- Our programs and finances will remain unchanged. **21 percent**
- We will expand services in certain key areas. **31 percent**
- We will need to reduce key program budgets and services. **21 percent**

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**New IL Governor Faces Tough Budget Challenges, see page 2**

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→ We will need to examine all of our existing assumptions and will probably emerge as a very organization than we are now. **26 percent**

(Information from **Illinois Issues Magazine**, April 2009)

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## **New IL Governor Faces Tough Budget Challenges**

New Illinois Governor Pat Quinn is facing difficult budget challenges as he prepares to whittle at a projected unprecedented \$11.6 billion deficit in a time of economic depression, without cutting essential services.

Governor Quinn's budget proposal acknowledges a "shared sacrifice" approach designed to generate new revenue through increased taxes and fees while instituting spending cuts.

The Governor's budget shows:

- \$26 billion infrastructure improvements in roads, bridges, and school construction projects which are expected to create 340,000 jobs.
- \$4 billion in federal stimulus funds to help meet state expenses.
- \$2.9 billion to help the state pay service providers within 30 days
- A triple personal exemption from \$2,000 to \$6,000, to help middle and low income families pay the increase in state income tax, to a 4.5%.
- A "back-to-school sales tax holiday" for 10 days each August.
- An increase in corporate income tax from 4.8% to 7.2%.
- An increase in new public employees' contribution for retiree health and pension benefits.
- An increase in existing state employees' contribution to their health care.
- A contribution by state employees of four unpaid days off.
- A decrease of \$2.8 billion total for this fiscal year and next in the five public employee pension systems.

Governor Quinn's budget proposal is currently being debated in the Illinois General Assembly and may be amended before final approval.

(Information from Quinn's Budget "Shared Sacrifice", **Illinois Issues Magazine** 4/09)

**For more information on Governor Pat Quinn's budget proposal, go to**  
<http://www.illinoisissues.uis.edu>.

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