New normal for nonprofit organizations

By Suzanne Kapral-Kelly
Guest Writer

This past week United Rehabilitation Services (URS) announced that it expects to close centers in Wilkes-Barre, Hazleton and Tunkhannock next month. For those of you not familiar with URS, the nonprofit agency was formed in 1958 as a "… rehabilitation center for the Wyoming Valley to improve vocational opportunities and the quality of services for persons with disabilities." According to the URS website, in the past 12 months "111 individuals were able to achieve competitive community employment as a result of involvement with URS services."

In addition, reports state nearly 110 jobs will be lost and more than 500 disabled clients throughout our region will no longer be served resulting in missed job training opportunities and related work.

URS saw a $648,000 cutback in state funds in 2012 and funding has not been restored. The endowment has been tapped, one would think to cover the necessary expenses related to programs and operations. Representatives Tarah Toohil and Eddie Day Pashinski are appealing to the governor, Department of Public Welfare and other elected officials in an effort to secure emergency funds so URS can at least for the time being remain open.

Let's say funding is obtained and URS is saved — for now. What are the next steps? Is there a plan? Moreover, are other area nonprofits teetering toward the same fate as URS? How many are on government-funded life support?

The National Center for Charitable Statistics reports that in 2013 Pennsylvania had 63,058 registered nonprofit organizations, 1,000 and 901 of which were in Luzerne and Lackawanna counties, respectively. Total revenue reported by Pennsylvania non-profits was $108,852,183,383 with assets totaling $365,010,621,362. Before you begin doing quick math, you should know that the bulk of that reported revenue and assets come from larger nonprofit organizations such as hospitals and universities. Your local food bank is not sitting comfortably on millions of dollars.

The vast majority of nonprofit organizations provide an array of much-needed and at times life-saving services, as well as educational opportunities and entertainment that add to the quality of life for those who live and work in Northeastern Pennsylvania. I am currently active on two nonprofit boards. While I think most would agree that "quality of life" is subjective, one cannot argue that quality — richness — is what makes an area attractive to people and businesses. It is also what keeps them here.

Like many of my nonprofit colleagues, I subscribe to various trade journals, including The Chronicle of Philanthropy. In view of the current situation regarding URS, I found the March 13, 2014 edition ironic. "Nonprofits to Add Jobs — more hiring, higher pay, and fewer layoffs are all part of a brighter picture for 2014, as the economy improves — Page 19."

With no intended disrespect to James Carville, it's not about the economy, stupid. It is about a shift in thinking, positioning and working toward self-sufficiency and sustainability. In addition to fundraising and development, nonprofits must collaborate, cross-promote, and partner with like-minded organizations. We must implement business models that include alternate, ethical revenue streams.

For URS, the proverbial writing on the wall, in my opinion, surfaced in 2012 or perhaps earlier. This is not about blaming URS staff, board members, or our elected officials. Budget line items have been long practiced across the board benefitting countless citizens in need. Still, we have been conditioned to expect funding to appear every year. However, there is a new normal. The easy money simply isn't there and it won't be returning anytime soon. Business as usual for many in the nonprofit world can no longer be the norm.

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