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Nonprofits Grow Revenue but Economic Strains Start to Show

CHARITY: Top 50 nonprofits see \$555 million in revenue, more costs

Orange County's nonprofits were a mixed bag this year.

The 50 largest nonprofits here saw yearly revenue rise 9% to \$555 million—with most re-ported figures for the 12 months through June—according to this week's Business Journal list.

But as the economy slowed this year, the gains of some nonprofits offset declines at a number of others that found donations and other sources of revenue harder to come by.



Bren at Santa Ana school: big backer of THINK Together, which saw a 75% increase to \$29 million in revenue

Twenty-eight reported higher revenue. Fourteen reported lower or flat revenue. Figures for eight nonprofits are Business Journal estimates.

Santa Ana-based Goodwill of Orange County again topped the list with a 15% increase to \$76.9 million in revenue for 2007.

But the nonprofit's gain didn't come from a rise in shopping at its thrift stores, which makes up the bulk of revenue, according to Chief Executive Dan Rogers.

Gains came from other Goodwill programs, he said.

"We're going after business as hard as we can," Rogers said.

The nonprofit's electronic waste recycling program has grown, he said. Goodwill recycled 3.5% of the state's computers and other electronic waste, according to Rogers.

Goodwill hires people with disabilities to dismantle the electronic gear.

"We're looking to expand that program," Rogers said.

The Business Journal's list is made up of nonprofits that serve the poor, disabled and sick. They

also help women and children, work to find cures for diseases and help improve education. The list doesn't include arts and other nonprofits.

Many on the list are the local arms of national groups. Others are based in OC, such as No. 33 Irvine-based Human Options Inc., which helps abused women and their children, and No. 5 THINK Together of Santa Ana, which provides after-school programs at California schools.



The nonprofits saw expenses grow on par with revenue in the past year. Costs were up 8% to \$486 million. Much of the growth was attributed to a 12% increase in paid staffers to 5,787 people.

Nonprofits could reduce their staffs this year as they brace for a tough year ahead. As companies face lower profits, many are scaling back giving. That will strain nonprofits, many of which will be trying to meet a higher need.

Trying Times

"Difficult times mean more challenges to every charity," said Cal Winslow, chief executive of No. 20 Orangewood Children's Foundation in Santa Ana.

That's true for Orangewood. The nonprofit helps emancipated foster youth, children who live independently from their birth or foster parents. It also offers various programs at the Orangewood Children's Home, a shelter for abused children.

Orangewood is preparing for decreased corporate giving and is looking at where it can reduce costs without cutting programs, he said.

The foundation saw its revenue decline 16.5% to \$9 million.

Others that saw lower revenue were local arms of national groups, such as No. 25 National Multiple Sclerosis Society Pacific South Coast Chapter in Costa Mesa. Its revenue was down 17% to \$6 million for the 12 months through September.

No. 7 Orange County United Way, based in Irvine, was down 16% to \$23 million.

One of the exceptions was No. 31 Susan G. Komen for the Cure Orange County in Costa Mesa, which was up 48% to \$5 million for the 12 months through last March.

The Orange County affiliate is one of Komen's Top 10 fundraisers.

Orange County Community Foundation, No. 2 on our list, boosted its revenue by 12% to \$36.2 million.

Shelley Hoss, president of the Irvine-based group, attributes the increase to more visibility in the community.

“The word is spreading,” she said.

The foundation helps the wealthiest in the county plan their giving or start their own charities. It won’t be affected as much in the downturn, according to Hoss.

Big Gainers

No. 5 Santa Ana-based THINK Together posted the biggest increase in revenue, which was up 75% to 29 million.

THINK Together develops after-school programs, which received a boost from Proposition 49. The measure, which funds after-school programs, kicked in a couple of years ago.

Earlier this year, Irvine Co. Chairman Donald Bren donated \$8.5 million to THINK Together for after-school programs in the Santa Ana Unified School District.

Another big gainer, No. 15 Irvine-based Jamboree Housing Corp. saw its revenue increase 29% to \$11 million. The group builds affordable housing.

This year Orange County pledged about \$4 million toward construction of Jamboree’s Pepper Tree Hills development in Brea.