

**MEMBER'S CORNER**

# The Urban Agenda for the New President

## Social service organizations could face devastating cuts

BY ALAN D. GOODMAN

The Crisis in the financial markets elevated economic issues to the single most important issue on the agenda of our new President Barack Obama. All other issues pale in comparison.

Notwithstanding the outpouring of hope and the vision of a better future, a better economic future, that Barack Obama has instilled in so many of us, the harsh reality is that "turning this ship around" is a mammoth task and it will take a significant amount of time to emerge from the mess.

From the perspective of people living at the poverty level or slightly above, living on welfare in New York City does not sustain people physically or emotionally, definitely not spiritually.

However, without the "safety net" of entitlements and services provided by the state (welfare, unemployment benefits, social security, health and mental health care, social services, homeless shelters, feeding programs and the minimum wage), many would not be able to survive at all.

The non-profit social service sector carries most of the burden of maintaining this "safety net" for the poor with the support of government and private philanthropy.

The city's more than 10,000 non-profit organizations are estimated to have some \$50 billion in annual expenditures and em-

ploy at least 500,000 people. Some 85% of these organizations have budgets under \$3 million and most do not have endowments or cash reserves. Many are facing huge losses in net worth and a significant decrease in earned income. Some smaller organizations will have to shut their doors and larger organizations may need to further leverage existing assets to raise the operating cash to do business in this environment.

Once again non-profit organizations will be expected to do more with less, and ultimately, it is the poor and the working poor who will bear the brunt of the inevitable service cuts that will ensue.

The "safety net" is under constant assault.

With New York State's looming budget gap of \$12.5 billion, non-profit organizations are anticipating funding cuts in all program areas from the city and state as well as from foundations in the private and business sectors.

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For example: In September, some 1,446 families entered the shelter system in New York City – the highest number in one month, since the city began keeping track 25 years ago.

Key urban agenda items for non-profit organizations coincide with the national agenda of the Obama administration.

Solve the present economic crisis – focus on job growth by putting people back to

to the costs of unreimbursed medical care and eliminate the need to choose between purchasing needed medications and food.

Focus on energy independence – develop every form of energy possible, while protecting our environment. A reduction in energy costs helps the non-profit sector to reduce operating expenses and the development of alternative energy sources creates jobs for our consumers.

Address challenges related to the future viability of the social security system. Tackle the "Baby Boomer" issue. A solvent social security system will enable the elderly and the disabled to continue to live full and independent lives

A central issue that is not on the new administration's agenda, however, is maintaining the overall "safety net" and the non profit social service structure that is its backbone.

This issue must receive urgent attention or the ensuing "melt down" in the non-profit sector will have dire consequences indeed for our society and for those who the "safety net" is supposed to protect.

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work on public works projects and in the field of renewable energy. Paying a living wage is critical. Tax incentives for hiring people with disabilities will enable them to become less dependent on the public welfare system

Address the health care issue, by reducing costs overall and offering a reasonable alternative for people who are un-insured or under-insured. Affordable health care, coupled with parity for mental health services will: significantly reduce costly institutional care; avoid impoverishment related