

*Research Brief:*

## **Volunteers and the Economic Downturn**

*July 2009*

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### **Introduction**

The recent economic crisis has subjected America's nonprofit organizations to considerable fiscal stress. To find out more about the response of nonprofits to the recent economic climate, the Corporation for National and Community Service partnered with the Johns Hopkins Nonprofit Listening Post Project<sup>1</sup> on a national survey of nonprofits and AmeriCorps sponsor organizations.

The survey revealed that 80 percent of responding organizations experienced some level of fiscal stress between September 2008 through March 2009, when the downturn intensified, and that for close to 40 percent of them the stress was considered "severe" or "very severe." In response, nearly a quarter (23%) of nonprofits reported decreasing staff hours, a third reported eliminating staff positions, and 40 percent reported postponing the filling of new positions. At the same time, nearly three-fourths of the organizations reported they had maintained or increased the number of people their organizations served, and even among those reporting "severe" or "very severe" fiscal stress and resulting cutbacks in staff, 60 percent reported they had been able to maintain or increase the number of people their organizations served.

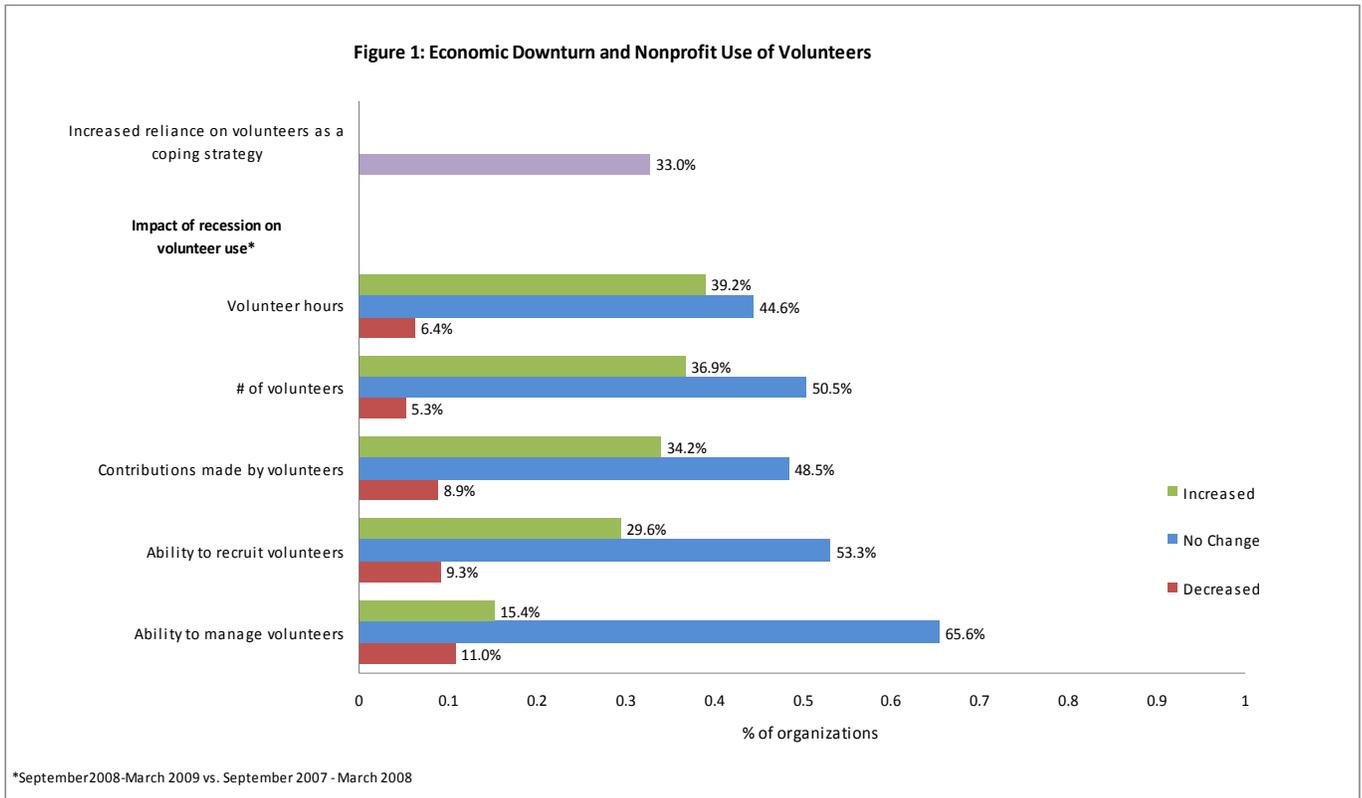
### **Volunteers to the Rescue**

How is this possible? How did organizations experiencing fiscal stress and cutbacks or downsizing on personnel manage to maintain or increase their client and patron service?

At least part of the explanation lies in the increased use organizations were able to make of volunteers. In particular:

- One out of every three organizations reported increasing their reliance on volunteers to cope with the economic downturn between September 2008 and March 2009.

- Whether because of the recession, or despite it, most (80% to 90%) responding organizations reported maintaining or increasing their use of volunteers, whether this was measured by the sheer number of volunteers (88% of organizations reported maintaining or increasing the scale), the number of volunteer hours (84% of organizations reported maintaining or increasing this number), the ability to recruit volunteers (83% of organizations reported increasing or maintaining this capacity), or the contributions that volunteers made (83% of organizations reported increases) (See Figure 1).



- This reliance on volunteers is expected to increase further over the coming year. About half (48%) of the organizations expect their reliance on volunteers to increase over the next year, and only five percent expect it to decrease. This is so, moreover, despite the fact, or perhaps because of the fact, that 33 percent of respondents say they expect to cut staff in the coming year.
- This increased reliance on volunteers seems to have yielded important dividends for organizations. Thus:
  - The 33 percent of all organizations that reported relying more heavily on volunteers as a coping strategy during the September 2008-March 2009 period were more likely than their counterparts in the overall sample to report “very severe” fiscal stress (40% vs. 26%);

- Yet these organizations were still nearly as likely as the overall sample of organizations to report that they were “somewhat” or “very” successful in coping with the economic crisis (58% vs. 66%);
- Similarly, these organizations were nearly as likely to report generally positive views of their futures (69% vs. 75%).

## Volunteers Still Need Support

While increased reliance on volunteers has proved to be a useful strategy for coping with the economic crisis, it is hardly a panacea, particularly in the face of decreasing paid staff. As one respondent put it: “If there is not someone managing these volunteers, it will be difficult to engage and rely on volunteer support.”

Data from the Hopkins Listening Post survey already reveal an emerging challenge in this area. Thus:

- As Figure 1 above shows, while 37 and 39 percent of organizations reported increases in the number of volunteers, and the number of volunteer hours, respectively, only 15 percent reported an increase in their ability to manage volunteers. On the other hand, over 10 percent reported a decline in this ability.
- Organizations that reported staffing issues, namely an inability to attract and retain staff, were also more likely than the sample as a whole to report declines in their ability to manage volunteers (27% vs. 11%, respectively);
- Organizations that both increased reliance on volunteers and increased their ability to attract and retain staff were more likely to report being “somewhat” or “very” successful financially as of March 2009 compared to those that increased reliance on volunteers but that suffered declines in their ability to attract and retain staff (67% vs. 33%).

## Implications for the future

It is clear that organizations are reaching out to volunteers for support. Organizations that were hardest hit by the economic crisis seem to have been most likely to increase their reliance on volunteers. Thanks at least in part to the availability of volunteers, many of these organizations were able to maintain or increase their client or patron services.

While volunteers are playing and will continue to play an instrumental role in helping the nonprofit sector survive the economic crisis without reducing its services, over the long run it will be important to avoid thinking of volunteers as a substitute for paid staff. To the contrary, in normal times it is precisely the presence of paid staff that makes volunteer assignments most effective.

**The Listening Post Project**

*The Listening Post Project is a collaborative undertaking of the Center for Civil Society Studies at the Johns Hopkins University Institute for Policy Studies (<http://www.ccss.jhu.edu/>), the Alliance for Children and Families, the Alliance for Nonprofit Management, the American Association of Homes and Services for the Aging, the American Association of Museums, Community Action Partnership, League of American Orchestras, Lutheran Services in America, Michigan Nonprofit Association, the National Council of Nonprofits, and United Neighborhood Centers of America. Its goal is to monitor the health of the nation's nonprofit organizations and assess how nonprofits are responding to important economic and policy changes. Support for the Listening Post Project has been provided by the Carnegie Corporation of New York, the Bill and Melinda Gates Foundation, the Ewing Marion Kauffman Foundation, the Corporation for National and Community Service, the Kresge Foundation, the Charles Stewart Mott Foundation, the Rockefeller Brothers Fund, and the Surdna Foundation.*

*For additional information on the Listening Post sample, methodology, and the present survey please visit: [www.jhu.edu/listeningpost](http://www.jhu.edu/listeningpost). For more results from this survey, see Listening post Communiqué no. 14 ([http://www.ccss.jhu.edu/pdfs/LP\\_Communique/LP\\_Communique\\_14.pdf](http://www.ccss.jhu.edu/pdfs/LP_Communique/LP_Communique_14.pdf)).*

*For questions about the listening post please email us at [listeningpostproject@jhu.edu](mailto:listeningpostproject@jhu.edu)*

**The Corporation for National and Community Service**

*In 2008 the Listening Post Project partnered with the Corporation for National and Community Service to incorporate a cross-section of Corporation grantees into the project's sampling frame. Through the Economic Downturn Sounding, the Listening Post Project was able to include 104 Corporation grantees in its analysis for the Economic Downturn Communiqué.*

## End Note

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<sup>i</sup> In order to better understand the impact of the economic downturn on the nation's nonprofit sector, the Listening Post Project conducted a survey of its nationwide sample of over 1,400 nonprofit organizations in five key fields (children and family services, elderly housing and services, education, community and economic development, and the arts) in April of 2009. The focus of this survey was on the six month period between September 2008 and March 2009, when recessionary pressures intensified, though some questions were asked as well about calendar year 2008 as compared to 2007. Altogether, 363 organizations responded to this Sounding, producing a response rate of 26 percent.