



Habitat for Humanity / Photos by Lyle Cox

# Foundation of the Economy

Central Oregon nonprofits being relied on as safety nets as well as economic developers.

by Kathy Oxborrow, for  
The Bulletin Special Projects

Like all sectors of our economy, nonprofit organizations continue to face uncertainty and look for ways to tighten their belts while trying to create new sources of income.

"In past recessions, we thought the economy would rebound and we'd go back to business as usual after a few years," said Doug Stamm, the CEO of Meyer Memorial Trust, the foundation created by the Fred G. Meyer estate that annually grants millions of dollars in Oregon and Clark County, Washington.

Stamm doesn't think that is the case now. He believes the current economic climate is the "new normal."

In response to this "new normal" — the realization that they will have to continue to do more with less — nonprofit organizations are hunkering down and looking for ways to deliver services more effectively.

"The nonprofit organizations I work with recognize they have to be questioning the status quo in everything they do," said Adrienne Graham, a nonprofit consultant and owner of Leapfrog Training & Facilitation.

Ken Wilhelm, the executive director of United Way of Deschutes County, is worried that smaller, less glamorous organizations won't



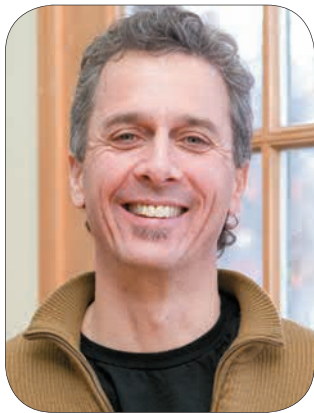
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### Nonprofits in Oregon

According to the Nonprofit Association of Oregon, the Beaver State is home to more than 22,000 registered nonprofit organizations. Of these organizations:

- 15,188 are 501(c)(3) public charities, working in social services, health care, education, the arts, and related public benefit activities.
- 1,223 are 501(c)(3) private foundations, most of which are grantmaking family foundations.
- 6,304 are other 501(c) nonprofit organizations, such as civic clubs, homeowners associations, and chambers of commerce.

Source: Nonprofit Association of Oregon

### Economic Impact of Oregon Nonprofits

According to the Nonprofit Association of Oregon, “Nonprofits not only make our communities more vibrant places to live, they also contribute to Oregon’s economic vitality.” Here’s how:

- Oregon nonprofits employ more than 140,000 people. This represents 12 percent of all private sector jobs in Oregon.
- Most private sector nonprofit employment — representing 99,000 jobs — is with health and social services.
- Together, health and social services make up 62 percent of all nonprofit jobs.

Source: Nonprofit Association of Oregon

survive. He said some have done all they can to reduce costs.

“They’ve burned through their reserves, leaned into fundraising, and it hasn’t been enough,” he said.

Organizations that are able to charge for some of their services are doing better. For example, the Tower Theatre, in addition to ticket sales from performances, rents out its facility.

“Rental of the Theatre got us through the darkest days of the recession,” said Ray Solley, Tower Theatre’s executive director.

### Working Together

Meyer’s Stamm said he’s seeing a “dramatic trend” in the increased use of volunteers in organizations that previously did not rely on them.

Both the Tower Theatre and The Environmental Center depend heavily on volunteers. The Environmental Center pays an annual fee to Volun-

teer Connect, another nonprofit organization, which links volunteers with meaningful community service opportunities.

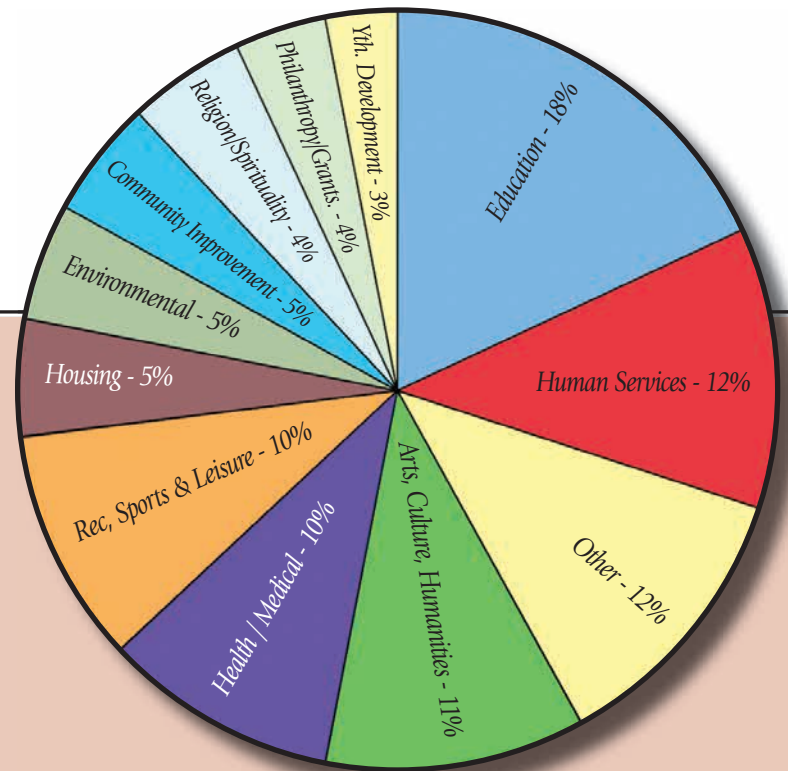
“It’s a way for us to be more efficient and take advantage of their expertise, management and referrals,” said Mike Riley, executive director of The Environmental Center.

Nonprofit organizations that receive government funding have also weathered the recession a little better, although that support is waning because government revenue is declining.

NeighborImpact, a large nonprofit organization based in Redmond, has not had to cut back on services mainly because it still has federal government stimulus money.

“With that funding going away, we are looking at how we will fill those gaps,” said Sharon Miller, NeighborImpact’s executive director.

Miller said they are looking at mission-related



### What do Oregon Nonprofits Do?

Nonprofit organizations throughout Oregon provide a wide range of services and programs that strive to enhance and improve our communities. Of Oregon’s public charities filing with the IRS, their top areas of focus are broken down in the pie chart above.

Source: National Center for Charitable Statistics

business services they can generate income to continue providing basic services.

One of the trends from last year's analysis of the state of nonprofits found that collaboration had increased among the groups. Nonprofit leaders were talking to each other more and pooling resources to sponsor fundraising events. That trend has continued and extended to some unusual partnerships and ventures.

## Economic Development

Recognizing that until the economy improves and the job market rebounds, nonprofit organizations will continue to struggle, the philanthropic community is examining ways it can help economic development and job creation efforts.

Scott Cooper, executive director of The Partnership to End Poverty, said this is new territory for foundations because, by nature, they don't like taking risks. Small business ventures, in contrast, involve risks.

"Where I have seen success in foundation engagement with the business community is through the wise use of intermediary organizations like Eco-

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nommic Development of Central Oregon (EDCO)," he said.

The Oregon Community Foundation (OCF), one of the largest foundations in Oregon, recently contributed to VentureBox, a project established to create jobs in Bend.

VentureBox is the brainstorm of EDCO and the Tech Alliance of Central Oregon. Its goal is to mentor entrepreneurs and get them "investment ready." It's kind of a boot camp for promising new businesses.

"The response has been absolutely phenomenal," said Jim Boeddeker,

## Nonprofit Impact on Oregon's Quality of Life

Based on the sheer numbers representing the scope of nonprofits in Oregon, it should come as no surprise that they significantly impact the quality of life throughout the state. According to the Nonprofit Association of Oregon, "Nonprofits also offer meaningful avenues for civil engagement through volunteerism. Over 33 percent of all Oregonians volunteer, one of the highest rates of volunteerism in the U.S."

Nonprofit organizations also rate favorably in the minds of Oregonians. In a Davis Hibbitts 2005 public opinion poll of more than 1,700 Oregonians:

- 70 percent said nonprofits play an important role in making their communities better places to live.
- 70 percent said they or a member of their household participated in or was helped by a nonprofit organization in the past two years.
- 79 percent said their involvement with nonprofits improved their lives.

*Source: Nonprofit Association of Oregon*

Ray Solley, executive director of Tower Theatre, Bend.





volunteeringinamerica.gov

executive director of VentureBox. "It's almost like there's been pent up demand for this idea."

Funding this kind of a project is new for OCF, but Roger Lee, EDCO's executive director, said that foundations have realized that jobs and the economy are the foundation for everything else.

Melissa Durham, the director of strategic projects for OCF, agrees.

"It's a way to focus the work of the foundation in thinking about what we need to do to help Oregon become a healthy, thriving, family state," she said.

Meyer Memorial Trust is also contributing its resources to economic development. It has a full-time fellow, Kipp Baratoff, who is developing an economic tool and piloting it in the Hood River area.

"The trustees are taking a comprehensive look at how they can contribute to a thriving economy where basic services are met," said Baratoff.

## Getting Social

Another new trend this year is the increased use of social media by non-profit organizations.

United Way's Wilhelm said he thinks organizations that have excelled at getting their message out using social media are doing better than those who haven't been able to tell their story through that medium.

"Facebook is a way to acknowledge donations that has been very effective for us," said Holly Remer, Healthy Beginnings' executive director. "It's been an excellent way to build relationships."

The Deschutes Land Trust has a presence on Facebook, Twitter, YouTube and Flickr.

"The value we see in social media, outside of being able to tell our story more visually, is in the measurable data and interaction with our supporters," said Karyn Verzwylt, outreach associate at Deschutes Land Trust.

In the coming years, Central Oregon will continue to rely on non-profit organizations because they provide essential services and are part of the social fabric of our community. They, like the for-profit sector, will survive by adapting to the "new normal."

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