

## Dollars Down, Poverty Up

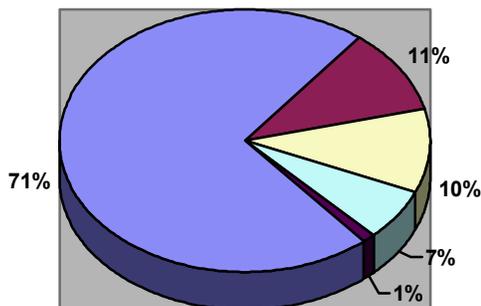
CJC's September 2002 Workforce Development Issue Survey Results

In recent months, Illinois' unemployment rates outpaced national averages while new Census Bureau data revealed growing numbers of poor people nationwide – a trend triggered by last year's weak economy. Suspecting that the economy continued to wreak havoc on low-income Chicagoans, the Chicago Jobs Council surveyed its members to measure the impact of recession-driven funding cuts on employment and training programs for disadvantaged job seekers. CJC conducted the survey from Sept. 4 to Oct. 11, 2002 when it received feedback from 24 of its 107 current members – local employment and training organizations. The following highlights the survey results.

### Local groups lose more than \$2.5 million in public and private funding

The majority (79%) of CJC's survey respondents reported FY 03 funding cuts due to the economy. In total, respondents noted a loss of \$2,513,000. Among those who reported reduced or non-renewed funding:

**FY03 Funding Cuts**



- State sources represented the majority – 71% or \$1,802,100 – of recent revenue losses.
- City contracts accounted for 11% of respondents' funding cuts, totaling \$266,000.
- Private foundation cutbacks comprised 10% of lost funding, dropping by \$255,000.
- Corporate foundation grant cuts fell 7% or \$165,000 among respondents while individual gifts dropped 1% or \$25,000.

### Funding cuts leave some staff jobless, thousands of low-income minorities un-served

In response to cuts, most community-based organizations laid off staff and trimmed their program offerings for their clients – primarily racial and ethnic minorities, low-income adults and welfare recipients. With fewer funds, a sizeable number of respondents reduced their client service numbers. On average, responding organizations cut client capacity by 44%, leaving 2,945 people un-served. Cash-strapped groups also ended programs that last year served 2,540 clients.

#### Is there any good news?

The good news is that Chicago's workforce development community is hard at work to maintain their client service delivery. Among respondents' current strategies are:

1. Pitching new foundations (79%)
2. Pursuing different public contracts (63%)
3. Expanding their base of individual donors (58%)
4. Strengthening their financial management (50%)

Other recovery strategies include increasing earned income, establishing endowments, and reducing costs through mergers or collaboration. For more information, contact Vicky Nurre, CJC's Director of Marketing, 312/252-0460.

#### Impact of Funding Cuts

*Surveyed groups' top 3 responses*

##### Laid off staff (58%)

- \* 48 nonprofit staffers have lost their jobs.

##### Scaled back current programs (42%)

- \* Clients of leaner programs don't have access to counseling, pre-vocational training, after-school programs or tutoring.

##### Reduced clients they currently serve (37%) or Ended programs altogether (37%)

- \* Closed are seven local skills training, tutoring, welfare and WIA programs.