

## Sustaining the Non-profit

Many, if not most, non-profit organizations seem to struggle to keep funding balanced with their spending. They bounce from one fund raising effort to the next, always uncertain of how they will keep going over the long-term. One local exception to that “rule” at least in Lane County, is the local St. Vincent DePaul. It seems to constantly take on new initiatives and has a very visible and active presence in the community. How does it do that? Terry McDonald, the Executive Director of the local chapter of the national organization, explained it to the Springfield City Club on August 1. The solution: do business, and then do more business, particularly in businesses that no one else wants to do.



The list of activities that St. Vinnie’s supports is extensive: they have recently renovated a disused church building to house homeless high school students. They house an average of one homeless veteran per day. They rent housing and make it available to veterans reentering civilian life. A current series of projects has seen the organization buy old and decrepit trailer parks, remove the unsafe and uninhabitable housing and replace it with newer units which can be rented at low rates to residents. Under legislation passed this session, they may be applying for grants to expand this effort into some trailer parks in Springfield.



The list of entrepreneurial activities that fund those efforts is equally extensive. Everyone is probably familiar with their group of retail stores. Less familiar efforts include: the largest recycler of mattress in the world; recycling of Styrofoam; a glass foundry; a wood shop; recycling of banned refrigerant gases. Their entrepreneurial activities generate far more revenue in support of their community efforts than do traditional donations. In fact, charitable donations amount to less than four percent of their revenue.

It is that one startling statistic that explains why, even with the tax law changes of 2017, they have remained financially sound. Mc Donald acknowledged that the changes in tax law which made charitable giving no longer a tax advantaged activity for most people, have hurt revenue somewhat, “ the effect on St. Vinnie’s is minor compared to the devastating impact that the changes have had on organizations which rely on charitable giving as their main source of support.

But if private donations are such a small proportion, where does the revenue come from? Sixty to sixty-five percent comes from their business activities – retail sales, sales of recycled material, rents from housing, and the like. Another ten to fifteen percent comes from contracted public services — services they provide to veterans, emergency services. Another 10 percent comes from local, state and federal grants – funds to create affordable housing, host veterans’ programs, and similar activities.