The Impact of Decreased State Funding on Delaware Nonprofits

The Delaware nonprofit sector is a vital partner in delivering services on behalf of state government. Significant funding cuts to the Delaware nonprofit community were realized in the FY 2018 state budget and grant-in-aid bill. It is estimated that collectively across state grants, contracts and grant-in-aid over $25 million was reduced for community services.

Of those who reported* MORE THAN 2,700 clients were impacted by impaired services because of the funding cuts.

Some of these services included:
- Reduced hours for crisis hotlines,
- Transportation cuts,
- Increased wait times.

What did nonprofits do to offset the lost revenue?

Nonprofit employees were greatly impacted by the funding cuts.

- 62% reduced or eliminated employee benefits (including professional development)
- 73% planned to seek additional funding from other sources
- 9% reduced contractor resources
- 81% long-term strategies to address reduced government funding

Long-term Strategies to Address Reduced Government Funding

- 70% Expand fund development to attract new donors
- 54% Add new funding events
- 54% Consider strategic partnerships
- 43% Restructure the organization
- 41% Focus on programs we do the best, exit the rest
- 22% Draw on investment reserves
- 20% Considering consolidation or closure
- 6% No plans to make any changes to our activities
- 4% Reduce costs further

* DANA survey fielded Fall 2017. Total organizations response of 79, with 42 agencies reporting decreased funding. 22 respondents outlined service impact.