

UNITED IN PAIN

## Charities face 'catastrophic' financial picture as the need for services soars

By Eric Frazier, Mark Price and April Bethea

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The Emergency Winter Shelter reopened Monday to take overflow from the Center of Hope shelter, but organizers need \$20,000 to keep it open all summer. This 32 year-old woman, who didn't want her name used, moved in Tuesday. JOHN D. SIMMONS-  
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United Way board meets Tuesday in executive session to vote on its budget, including allocations for its 90-plus member charities.

The average cut is 40 percent. However, some programs will lose 50 to 100 percent of their money, as the agency tries to preserve programs that meet critical needs.

The worst hit charities were notified by phone last week. Others will be notified via an email that will go out after the board's vote.

Mergers of programs and/or charities will occur, said United Way officials.

- [Groups already pitching in](#)

*Even as civic leaders work for big-picture solutions, smaller grassroots efforts are sprouting among everyday citizens concerned about favorite charities and the people those organizations serve.*

The Emergency Winter Shelter reopened recently, thanks in part to \$6,200 raised by Charlotte radio station WPEG-FM "Power 98," which held a radiothon for the Salvation Army's Center of Hope.

This month, a dozen women also have opened the Common Grounds Farm Stand at Providence and Queens roads. They'll sell fresh fruits, vegetables and baked goods to help the Urban Ministry's homelessness programs.

Volunteers are also behind a campaign by Montreat College of Charlotte to help low-income children go to summer camp. Glenda Gibson, the senior enrollment counselor at the school, says she hopes to raise \$2,000. "It's up to us who still have jobs to do what we can," she said, "even if it's only something small."

- [Lost government help](#)

*The new Mecklenburg County budget includes deep cuts to social-service programs, including:*

\$10.8 million to the Department of Social Services

29 percent to child abuse and neglect programs

\$4.3 million to Area Mental Health.

\$466,222 to health clinics and other non-profits

- [How you can help](#)

If you give . . .

\$10

It covers repairs to the hearing aid of a senior at Charlotte Speech and Hearing. Contact: 704-532-8027; [www.charlottespeechhearing.com](http://www.charlottespeechhearing.com); 210 E. Woodlawn Road, Building 6, Suite 150, Charlotte, NC 28217

\$25

It buys enough food to feed eight children for a weekend, via Second Harvest Food Bank's Backpacks Program. Contact: 704-376-1785; [www.secondharvestcharlotte.org](http://www.secondharvestcharlotte.org); 500-B Spratt St., Charlotte, NC 28206

\$50

It pays a year's tuition for a child in LEARNWorks, an after-school tutoring program at the Ada Jenkins Center. Contact: 704-896-0471; [www.adajenkins.org](http://www.adajenkins.org); 212 Gamble St., P.O. Box 1842, Davidson, NC, 28036.

- [State cuts](#)

The General Assembly is debating the state budget. Late last week it appeared the Department of Health and Human Services could lose at least \$1.8 billion starting July 1. Charlotte officials said they don't yet know how the cuts will play out here. Among their worries: cuts to Medicaid and the closing of some group homes.

Charities in Charlotte call July 1 “the cliff.”

That's when they could plunge over a financial edge, pushed by the full force of the economic downturn.

Collectively, nonprofits supported by the Arts & Science Council and the United Way are facing at least a \$20 million drop in available aid. They blame an unprecedented confluence of bad news: a historic recession, shriveling government grants, a banking crisis and huge cuts in support from a crippled United Way.

The Arts & Science Council has already announced \$4.2 million in cuts to arts groups. United Way will reveal even larger reductions Tuesday for the new budget year starting July 1.

Leaders who've spent decades caring for the poor say they never seen a time when so many needed so much.

“I don't think anybody has a good understanding of the cumulative effect of what's about to happen,” says Brett Loftis, head of the Council for Children's Rights.

“It's just going to be catastrophic.”

Some of the city's most prominent citizens and leading institutions have taken notice, with the Foundation for the Carolinas leading brainstorming meetings that included retired bank CEO Hugh McColl and others.

McColl's message: “We all need to put our shoulder to the wheel and help.”

No federal-style bailout is at hand, however. The amount of money needed is too great, and leaders hope to pay for a more modest effort to help charities find new ways to survive.

The reality began settling in Tuesday. That day, Mecklenburg commissioners cut \$10.8 million from the Department of Social Services, the first rung of government help for thousands of the county's needy.

The next day, the arts council cut support for cultural nonprofits by 25 percent or more.

Come Tuesday, the United Way of Central Carolinas will tell more than 90 member agencies how much money they'll lose in the next budget year.

Many will suffer cuts of 40 percent or more. A few will lose all United Way money – a move mandated by a shattered economy and a United Way campaign that raised \$15 million less than the year before.

The losses come as demands for help soar to unprecedented levels.

The unemployment rate has more than doubled since January 2007 and is still rising.

The number of county residents without health insurance has increased 31 percent since 2006.

Last Monday, Crisis Assistance Ministry had a record 263 people waiting in line for help with rent and utilities.

Charlotte's 6,000 homeless represent a 22 percent spike since January 2008.

Mecklenburg's food stamp cases have jumped 39 percent since July 2007.

“That is the thing we hope we can awaken in our community, (a sense of) how great the need is,” said Michael Smith, head of Center City Partners and a United Way volunteer.

Local dollars aren't the only ones drying up. The state's budget won't be complete until later this summer, but early estimates have local leaders bracing for even worse news.

Charlotte Speech and Hearing says a third of its budget would disappear if state Medicaid and United Way cuts are as bad as expected.

“My biggest worry? We'll cease to exist,” said Shannon Tucker, a director with the charity. “I don't want to scare the people who rely on us, but it is a reality.”

The state's bleak forecast has already claimed some victims. On July 1, Youth Homes Inc., a Charlotte-based nonprofit serving foster children, will cancel a state-financed family-preservation program, though others survived.

The expiring program helped keep 61 children out of foster care last year.

Frank Crawford, the program's director, says some fragile families could be forced to go it alone.

“You can expect some of those kids will be placed in foster care.”

Charlotte pastor Rhonda Hermann already has felt state cuts. Earlier this year, Medicaid tried to chop two-thirds of her son's medical benefits. Jake, 14, needs 24-hour care for a neurological disease.

The Council for Children's Rights stepped in and won back the money.

Now, the Hermanns face an annual fight to keep it. And the council fears losing nearly half of its \$2 million budget.

Medicaid “told me I should recruit family, people from the church and neighbors to sit with my son at night. Like I'm going to ask neighbors to do without sleep, so I can sleep,” says Hermann, a pastor at Dilworth United Methodist Church.

“We need to let people know that these cuts are taking advantage of kids who cannot fight for themselves.”