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**Weathering the storm – How GLBT
non-profits are coping with new economic realities
By Rick Stuckey March 3, 2010**

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Job loss, program cuts, fears of more HIV infection. Call them the new economic realities for the agencies that serve the GLBT community.

Whether they're helping Chicago GLBTs put food on the table, working to secure and defend their civil rights, offering HIV prevention services or serving the medical needs of the community; almost every GLBT non-profit in Chicago has been negatively impacted by the economy. Many experts fear this is only the beginning. "Every facet of life in the state for vulnerable people is going to be impacted," predicts John Peller, Director of Governmental Affairs at AIDS Foundation of Chicago.

Unpredictability of state funding has been a huge problem for many organizations. "It's a disaster," says Chicago House Development Director Michael Herman. "If you are approved for money, you aren't sure if you are even going to get it," he says. Test Positive Aware Network's Director Bruce Weiss agrees. "The state owes us \$45,000," Weiss says. "While that's not a massive amount of money, it has an impact on cash flow." According to Weiss, state funding problems also affect city funding, because much of it flows down from the state. "There has been a 15 percent cut from our city grant year," he says.

The biggest hit for many agencies is the state's cut in HIV prevention money. While the cuts are not new, the slow process of chipping away funding has been something of a morale killer for many organizations. "Bit by bit, government and corporate funding has been decreasing," says Vital Bridges CEO Debbie Hinde. The outlook isn't any brighter at Better Existence for HIV, where state money has been virtually written off. "For 2010, we just didn't plan on any money from the state and didn't put it in the budget," says BEHIV executive director Eric Nelson.

The decrease in funding has led to layoffs at many of the agencies. "We have made a few cuts in personnel and programs have been adjusted," said Howard Brown Chief Development Officer Paul Fairchild. TPAN has reduced staffing by one person. Vital Bridges has cut four employees. BEHIV had several staff layoffs last year.

The AIDS Foundation of Chicago and Chicago House have been able to keep staffing levels stable. “That’s the positive for us,” Herman said. “That doesn’t mean we haven’t had cuts. We have had to make some shifts.”

Organizations like The Center on Halsted and Equality Illinois, whose missions—and funding sources—are more diverse than HIV non-profits, have fared somewhat better.

“We are lucky because our mission is so broad and crucial, it resonates with every segment of society and therefore it doesn’t depend on one stream,” said Bernard Cherkosov, Chief Executive Officer of Equality Illinois. “We are funded by individuals and national and local foundations—Illinois-based as well as global.”

Equality Illinois operates with a staff of four, using volunteers for much of its work. “We have scaled back some of our expenditures, and while it is extremely tough in this climate, we must hit these numbers,” Cherkosov said. “For every dollar we need, we have to work three times as hard.” Equality Illinois’s recent gala attracted over 1,000 guests, making it the largest of its kind.

Center on Halsted, which serves more than 1,000 GLBT Chicagoans a day, has managed to dodge the bullet through careful planning and a little bit of good luck.

“We are doing a lot more with less money,” said Modesto Tico Valle, Center on Halsted CEO. “When the economy tanked over a year, we started trimming and being very conservative about how we were spending money, so none of our programming would be impacted.”

Although Valle said that the Center was forced to cut corners after the Illinois Department of Public Health cut its prevention grant by \$200,000, he readily admits that isn’t as big of a hit as some other organizations have had to take.

Smaller agencies, especially those who depend on grants and government funds, are often the hardest hit. “It’s a tough economic time,” Herman said. “We have to be cautious as we move forward. We aren’t going to stop looking [for ways] to best serve those living with HIV.”

Despite the best intentions of HIV workers and agencies, many worry that ongoing government funding problems will eventually affect the health of those living with HIV. “It’s important for those who are ill to have a good diet,” said Hinde, who runs a food pantry for people living with HIV. “If you diminish the nutrition, you diminish their health. There is a cause relationship.”

Weiss is worried too. “With more cuts, where will the clients go for help?” he said. Without HIV prevention dollars, many fear there will be a rise in HIV infection. According to the AIDS Foundation of Chicago, more cuts may mean the 23,000 people in Chicago who are at high risk of HIV will not be able to access prevention services.

There is one bright spot in this tough economy. The number of volunteers at some agencies has increased. Lambda Legal has increased the number of attorneys, due to the downsizing at some law firms. One firm is actually paying one of its attorneys (who would have otherwise been laid off) to do pro-bono work at Lambda.

Meanwhile, Chicago House is going back to basics—and individual supporters—for help. “Black tie was old hat,” Herman said. “We wanted to reinvent our funding as mission-driven about HIV, homelessness and poverty.” So far, the plan is working. In November, Former President Clinton kicked off Chicago House’s fundraising campaign and doubled the income over their previous year’s black tie event.

Individual giving is also a focus at Center on Halsted, where the number of individual donors has actually grown. “The larger number of people giving is very promising for us,” Valle says. “Some of our donors have reduced their gifts because of the economy, but a number of them have said that once the economy rebounds, they will remember the Center in their giving.”