

Onondaga Citizens League

Study Session #8 January 9, 2017

“How CNY Works: Examining the Diversity of Our Economic Base – Past, Present and Future”

Meeting topic: “The Arts and Nonprofit Organizations as Employers and as Businesses”

12-1:30 p.m., Jazz Central

Panelists

Heidi Holtz, Director of Research and Projects, Gifford Foundation

Kevin Montgomery, Controller, Everson Museum

Jon Garland, Founding Member and Board Trustee, Symphoria

Sharon Owens, CEO, Syracuse Model Neighborhood Facility

Mike Melara, Executive Director, Catholic Charities

Ken Craig, CEO, Housing Visions

Loretta Zolkowski, Executive Director, Human Services Leadership Council

Bob Hupp, Artistic Director, Syracuse Stage

Stephen Butler, Executive Director, CNY Arts

Larry Luttinger, Founder and Executive Director of Central New York Jazz Arts Foundation, welcomed attendees to Jazz Central and spoke about the mission of the organization. Luttinger said that when it was built, Jazz Central was the second urban facility devoted to jazz arts and education in the U.S. He expanded on Jazz Central’s diverse programs, which include performances by a resident theater group, CD release parties, live music, wine tastings, and singer-songwriter and storytelling evenings.

Heidi Holtz of the Gifford Foundation gave an overview of nonprofit organizations in the area. She said that, nationally, nonprofit jobs account for 10 percent of all jobs. New York State has a higher percentage of jobs in the nonprofit sector – accounting for 18 percent of jobs.

Holtz referred to a 2016 national study by the Johns Hopkins Center for Civil Society Studies “Nonprofit Economic Data Project,” (NED) which found:

- Nonprofit employment is much larger than expected and much more widely dispersed, outdistancing many major industries
- Nonprofit employment is dynamic, growing more rapidly than overall employment
- Nonprofit employment is spreading to the suburbs and rural areas
- Nonprofit wages actually exceed for-profit wages in many of the fields where both sectors operate
- Nonprofits in many states are losing “market share” to for-profit firms in many fields where both sectors are operating, despite their overall growth.

<http://ccss.jhu.edu/research-projects/nonprofit-economic-data/>

In Onondaga County, there are 3,540 nonprofit organizations, employing approximately 31,000 people. In the City of Syracuse there are 1,302 nonprofits. Holtz said that just under half of these nonprofits show no assets.

Of the five largest employers in Onondaga County, four are nonprofits – Upstate, Syracuse University, St. Joseph’s, and Crouse Hospital. (The for-profit major employer in this group is Wegman’s.)

<http://www.taxexemptworld.com/organizations/onondaga-county-ny-new-york.asp>

Holtz pointed out that in the Syracuse area; a typical size for a business is 100 employees. She listed a few nonprofits with many more employees than that average -- ARISE with 616 employees, Elmcrest 480, AccessCNY 392 and Catholic Charities 321, making them all major employers in Onondaga County.

Study chair Mel Menon asked the panelists to discuss their organizations and how they run as businesses, as well as their funding sources.

Jon Garland spoke about Symphoria. Symphoria has more than 50-ticketed events annually. Ticket revenue is an important source of income. Other sources of income include foundation, government, corporate and individual giving.

Mike Melara spoke about Catholic Charities. The annual budget is \$19 million. Of this, 71 percent is government funded, between 8 and 9 percent is from fundraising, approximately 8 percent is fee-for-service. He said a challenge with government funding is that it rarely pays 100 percent of what a program costs to run. He said that for each dollar the organization receives from the government, Catholic Charities has to come up with 25 cents in order to provide the service. Government

funding includes funding for contracts from the federal, state and local governments. Catholic Charities also receives funds from The United Way and the Roman Catholic Diocese of Syracuse Hope Appeal.

Kevin Montgomery spoke about the Everson Museum's funding. Membership and donations provide 30 percent of the funding. Foundations provide 19 percent, government 14 percent, fundraising events 19 percent, and support from the endowment is 18 percent.

Ken Craig explained funding sources for Housing Visions. Most of the funding comes from using low-income housing tax credits. The organization applies for federal low income tax credits and then sells the tax credits to private investors. The organization has four different operations:

- The Development arm pursues the funding and puts the packages together
- Construction arm builds the housing
- Property manages properties, collects rent, and maintains the property.
- Visions for Change focuses on job placement and getting people out of poverty.

Housing Visions started in Syracuse and now operates in 14 cities. The annual budget is \$34 million; \$27 million is the construction part of the work. There are 110 employees and more than 400 subcontractors. (One third of these workers are in Syracuse)

Sharon Owens explained the purpose of the Syracuse Model Neighborhood Facility. The facility manages the Southwest Community Center and also operates out of the building. (The Southwest Community Center building is owned by the City of Syracuse.)

The organization runs three reproductive health clinics throughout Onondaga County. The annual budget is \$5.1 million. There are 83 employees on staff. Over half of the staff is in the family planning services field. Just less than 90 percent of the funding comes from the government. Of that 90 percent, about 75 percent is from New York State. In addition to reproductive health services, the organization provides programs in Gang and Gun Violence Prevention, Substance Abuse Prevention and HIV Education and Counseling.

Syracuse Stage artistic director Bob Hupp said the annual operating budget for Syracuse Stage is \$6 million. One third of the funds come from ticket sales and subscriptions. The other two thirds of the funding is from contributed income from federal giving, foundations, corporations and individuals.

Approximately 70,000 people come to Syracuse Stage each year to see one or more productions.

Stephen Butler spoke about CNY Arts, an organization that promotes, supports and celebrates the arts in Central New York. CNY Arts serves Cortland, Herkimer, Madison, Oneida, Onondaga and Oswego counties. The budget is \$1.5 million, which comes from federal, state and local funding. He described the organization as an arts incubator. A lot of the money is funneled back to arts, cultural and heritage organizations. Support and assistance is provided to individuals and cultural organizations with scholarships, grants, education and training.

Lorraine Zolkowski spoke about Human Services Leadership Council, which represents 65 member agencies in Onondaga County, which together employ close to 3,000 individuals. The cumulative budget for the 65 member agencies is over \$250 million. She said the mission of the organization is to help member agencies build their capacity through networking, training and sharing of best practices, as well as to advocate for the sector on the local and state level.

An attendee asked the panel about donors' reluctance to pay "overhead" costs, and instead their desire and inclination to pay for direct services. There seemed to be a consensus that this is an issue with nonprofit organizations. An increase in a direct service generally results in additional costs for the organization in terms of staffing, IT support, or human resources.

Panelists were asked about employment at their organization.

Garland said the employment numbers for Symphoria vary from year to year, depending on the programming/performances. Last year there were 184 employees, including some substitute musicians, who play only occasionally. Of those, 53 are musicians who work regularly for the symphony. Seven of the 53 regular musicians also have staff positions, in administrative/office work.

Melara said of the 320 employees at Catholic Charities, 200 work in direct service. There are 63 managers, 19 administrative staff, and five staff in human resources.

Montgomery said there are 21 employees at the Everson, most of whom are fulltime. The part-time employees work in development and grant writing. Most of the fulltime employees have two areas of responsibilities. Part-time employees are hired over the summer, for example art teachers and teacher assistants who run a summer art program.

Craig said there are seven managers at Housing Visions. There are 18 people employed in construction. There are 63 people employed in property management. There are seven people employed in accounting, six in administration and two IT employees. Four people are employed in the agency's Vision for Change.

Owens said Syracuse Model Neighborhood Facility has 82 employees, which include 52 fulltime employees. The remaining 30 are either part-time or per diem employees. The majority of the staff works in direct service, such as case managers and outreach people. There are nine executive managers. Owens said the organization prides itself on being a place of “the second chance.” Individuals who return to the community, who may not have a college degree, but who have experience in the neighborhood, can find opportunities. The maintenance staff is one of the gateways into the organization.

Hupp said at Syracuse Stage there are 174 total employees including 50 fulltime employees, and 46 contracted annual employees. There are 23 people employed in administration, i.e. human resources, marketing or in the business office. The organization is closely associated with three labor unions.

The panelists were asked about the future of their workforce.

Garland said Symphoria can be flexible with its core musicians in order to help them have a “workable life.” This includes providing health insurance, and offering some time off if a musician has an opportunity to play in a concert somewhere else that pays more. He said this flexibility is important, especially considering that compensation is relatively low.

Melara said Catholic Charities is seeing a generational shift. There are many longtime employees, who for decades have been dependable and accustomed to a regular workday. Younger employees coming in are very interested in flexibility and concerned about vacation. With the shift to managed care, Melara said there is a need for copious documentation and skill in an electronic environment. Young employees pick up the digital skills quickly and easily. This is not the case with older, longtime employees.

At the Everson, Montgomery said the museum recently digitized its ceramics collection, which was made possible through a grant. They also invested in a data base system to more efficiently track visitors to the museum, including where they are coming from and total ticket sales. In the future, the museum would like to add a curator for the ceramics collection and additional education staff which would allow them to offer more programs.

Owens of Syracuse Model Neighborhood Facility said that cell phones are increasingly important, as employees are working in the field. However, signing in and out via cell phone requires monitoring. She feels that young people who have graduated from college and want to work in the Syracuse area are often not compensated well and do not feel valued.

Hupp of Syracuse Stage said that when the theater looks at growth, it is important to consider sustainable growth that will bring in more income and programs. There is

some modest growth in the areas of backstage managers, carpenters, and people who manage the technology and lighting system.

The panelists were asked about the economic impact of the nonprofit organizations in the area.

Butler, of CNY Arts, referenced a 2010 economic study by Americans for the Arts that showed that 1,800 people in the area are employed in arts, culture and heritage organizations, contributing \$35 million in income. He said there is a problem with a “brain drain,” where young people from the area, who have gone away for school, can’t find work in the arts if they return to Syracuse. Others come to Syracuse for school and would like to stay, but cannot find work.

Zolkowski said it is a goal of the Human Services Leadership Council to develop an economic impact study. She said a study with data would be helpful to bring to the table for discussions with legislators and private sector businesses. She cited a need for more partnerships/cooperation between nonprofit and private sector entities.

Melara was asked about Catholic Charities’ property maintenance business, called Project Joseph. The program does not rely on government funding or donations. The men employed in the program, who were formerly homeless, live in a supportive apartment through Catholic Charities. Catholic Charities subcontracts with Project Joseph to do all its repairs. There are a number of private clients, as well. “We believe the best way to reduce poverty is to provide people we serve the opportunity to work,” Melara said. He said this is an example of entrepreneurial work that he feels nonprofits need to do, in order to serve the community and become less dependent on government funding.