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“Shovel-Ready” but Stalled: Nonprofit Infrastructure Projects Ready for Economic Recovery Support

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State and local governments and private businesses are not the only organizations in America significantly affected by the current credit crisis. Nor are public infrastructure projects the only ones deserving of economic recovery aid because they create important public benefits while adding to national employment.

America’s 1.4 million private nonprofit organizations also have significant “shovel-ready” infrastructure projects that have been put on hold due to the credit crisis. Indeed, nonprofits have long faced special barriers in generating investment capital due to their nonprofit status and their inability to access the equity markets, and the current credit crisis has simply added to their woes.

Typical is the situation of the San Antonio Youth Centers. This 25-year old organization planned to build a Southside Youth Center offering needed community resources such as

classrooms, a workforce training center, and a child development center to a deeply impoverished community but had to put the project on hold due to the economic downturn; also now in question are the plans of the 105-year old Family Service of Roanoke Valley to renovate a downtown facility to meet what a recent needs assessment identified as the area’s serious need for mental health services for children, families and older adults.

To discover the scope of the problem of stalled shovel-ready infrastructure projects at the nation’s nonprofit organizations, the Johns Hopkins Nonprofit Listening Post Project surveyed its national sample of nonprofit organizations in four broad fields—children and family services, elderly services and housing, community development, and arts and culture—and augmented this with a broader sample of organizations affiliated with the project’s Steering Committee members.¹ Respondents to this survey were asked whether

¹The Listening Post Project includes two national panels of nonprofit organizations on the front lines of nonprofit operation: (1) a “directed sample” of children and family service agencies, elderly housing and service organizations, community and economic development groups, museums, and orchestras recruited from among the members of major nonprofit intermediaries operating in these fields (i.e., the Alliance for Children and Families, American Association of Museums, American Association of Homes and Services for the Aging, Community Action Partnership, League of American Orchestras, Lutheran Services in America, the former National Congress for Community Economic Development, and United Neighborhood Centers of America); and (2) as a check on any possible distortion that this sampling strategy may have introduced, a “random sample” of organizations in these same basic fields selected from IRS listings of agencies or more complete listings suggested by our partner organizations where they were available. In addition to the two national samples, the Project has begun to build a set of state nonprofit Listening Post samples beginning with members of the Michigan Nonprofit Association and including a parallel sample of Michigan nonprofit organizations in the same fields chosen randomly from IRS listings. For this “shovel-ready” Sounding, three project partners distributed this survey to their full complement of members. These included the American Association of Museums, with 2,750 member museums; the National Council of Nonprofits, whose 40 state association members represent over 20,000 individual nonprofit organizations across the United States; and the Michigan Nonprofit Association, with 1,100 members.

they had any “shovel-ready” infrastructure projects defined, according to the Economic Recovery Program legislation, as “projects that are through the design phase and ready to be put out for bid, and on which construction could begin within 90 days of awarding the contract(s).”

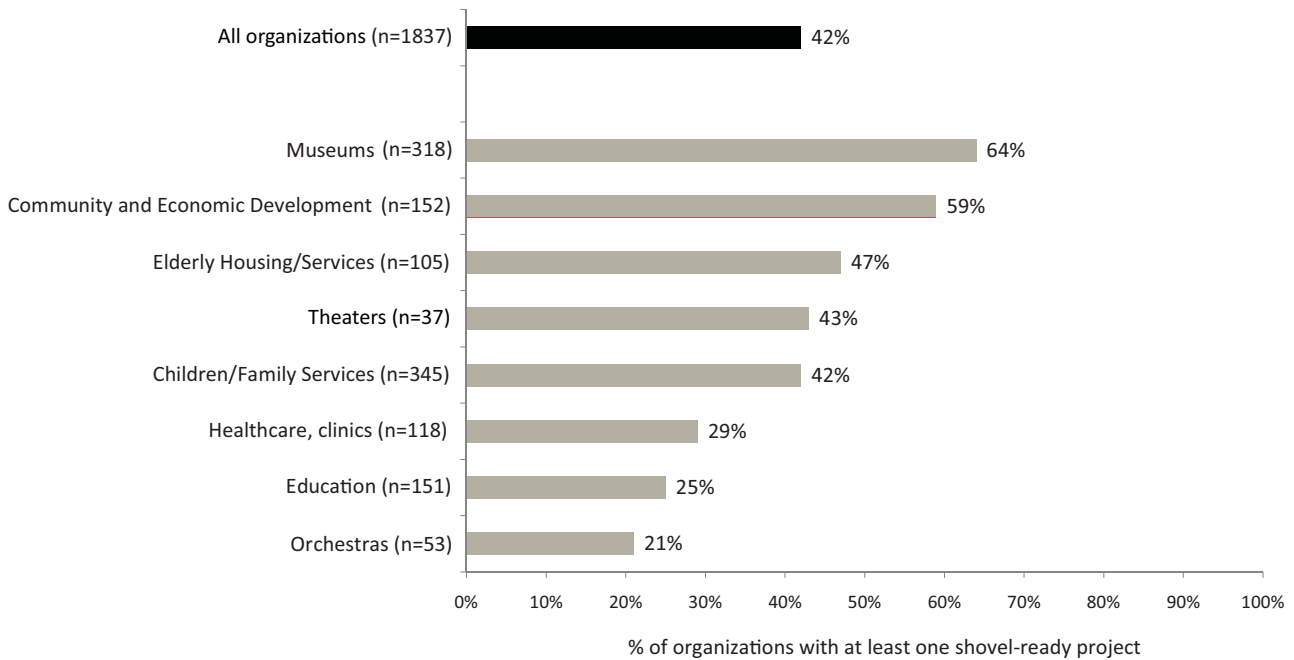
Altogether, 1,837 organizations responded to this survey representing all parts of the country, a wide variety of fields, and a diverse array of organizational sizes. Key findings of this survey included the following:

- Over 40 percent of the responding nonprofit organizations reported that they had “shovel-ready” infrastructure projects of this sort, and 13 percent said they had more than one.
- As noted in Figure 1, shovel-ready projects were most prevalent among museums (64 percent of which had such projects), community and economic development organizations (59 percent with such projects), and elderly housing and service organizations (47 percent with such projects).
- Altogether, these 1,837 organizations identified 1,065 specific “shovel-ready” projects that have been stalled due to

the credit crisis (for a complete listing of these projects, go to www.jhu.edu/listeningpost/news).

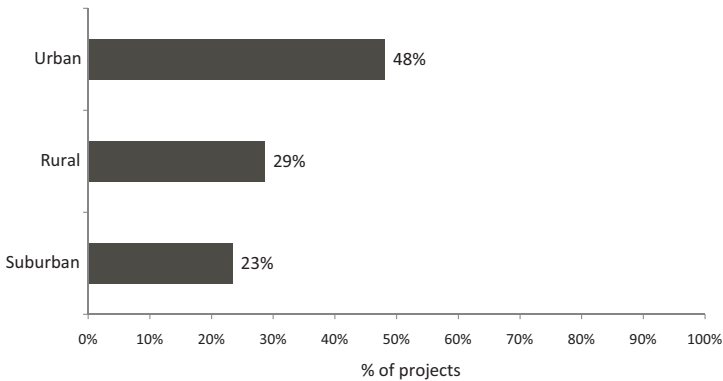
- These projects represent some \$10.6 billion of infrastructure investments.
- Of these projects, 27 percent are new construction projects and 73 percent are renovations or expansions.
- As reported in Figure 2, 48 percent of these projects are in urban areas, 23 percent in suburban communities, and 29 percent in rural communities.
- Typical examples of these projects, in addition to those cited above, include an employment training center in Louisville, a social enterprise and volunteer center in Michigan, the expansion and renovation of a children’s museum and art gallery in Florida and a wide range of continuing care facilities, brownfield cleanup sites, river restoration projects, streetscaping, and park clean up.
- In addition to their truly “shovel-ready” projects, 44 percent of the organizations identified other infrastructure projects that they were unable to get to the shovel-ready stage due to the economic downturn.

Figure 1: Nonprofit Organizations with Shovel-Ready Infrastructure Projects, by Field*



*Numbers do not add to total due to missing information on fields

Figure 2: Distribution of Nonprofit Shovel-Ready Infrastructure Projects, by Type of Region



Based on these results, the Listening Post Project has projected an estimate of the scale of nonprofit shovel-ready infrastructure projects nationally.² As noted in Table 1, key findings here are as follows:

- Even excluding hospitals and higher education, which were not covered in this survey, other nonprofit organizations nationwide have over \$166 billion worth of community infrastructure projects ready to go if funding were available.
- Not surprisingly, California and New York head the list of states with substantial amounts of shovel-ready nonprofit infrastructure projects, but such projects exist in virtually all states.

As Congress, the President, and state governments begin making concrete plans for allocating the economic recovery funds recently enacted by Congress, they could thus usefully bear in mind the considerable backlog of worthy, job-producing infrastructure projects stalled not only among state and local governments but also among the country’s nonprofit organizations.

Table 1: Estimated Amount of Nonprofit “Shovel-Ready” Infrastructure Projects, by State (in \$ millions)	
Alabama	\$1,261.0
Alaska	\$489.1
Arizona	\$2,315.9
Arkansas	\$809.8
California	\$24,333.0
Colorado	\$2,215.7
Connecticut	\$2,866.6
Delaware	\$477.4
District of Columbia	\$6,254.7
Florida	\$6,646.8
Georgia	\$3,709.5
Hawaii	\$529.0
Idaho	\$221.5
Illinois	\$6,176.1
Indiana	\$2,515.1
Iowa	\$1,243.1
Kansas	\$1,217.0
Kentucky	\$1,668.6
Louisiana	\$868.1
Maine	\$894.2
Maryland	\$4,130.4
Massachusetts	\$9,246.5
Michigan	\$3,790.1
Minnesota	\$3,869.6
Mississippi	\$702.5
Missouri	\$2,613.2
Montana	\$368.0
Nebraska	\$911.0
Nevada	\$7,479.4
New Hampshire	\$717.2
New Jersey	\$3,244.0
New Mexico	\$566.4
New York	\$18,871.8
North Carolina	\$3,787.7
North Dakota	\$447.4
Ohio	\$7,583.2
Oklahoma	\$1,293.2
Oregon	\$3,439.2
Pennsylvania	\$8,399.3
Rhode Island	\$866.6
South Carolina	\$1,107.5
South Dakota	\$588.0
Tennessee	\$2,223.0
Texas	\$6,647.0
Utah	\$481.4
Vermont	\$425.5
Virginia	\$5,441.6
Washington	\$3,588.7
West Virginia	\$584.0
Wisconsin	\$3,395.2
Wyoming	\$209.7
TOTAL	\$166,738.8

² For the purposes of this estimate, a weighted estimate of the ratio of shovel-ready infrastructure project costs to total organizational revenues was computed for all survey respondents on which revenue data were available and this estimate was applied to data on overall nonprofit revenue, exclusive of hospitals and higher education, for the nation as a whole and for individual states. Alternative estimating techniques were also tried but this one yielded the most conservative results and therefore is the one reported in Table 1.

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