



THE PITTSBURGH  
FOUNDATION

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**‘Communities in Crisis’ prepare report for  
Obama’s Transition Team  
Pennsylvania and Ohio call for \$3.3 billion funding boost  
to safeguard safety nets**

PITTSBURGH, Pa., January 14, 2009 -- A detailed report documenting the severe impact of the economic crisis on communities in Pennsylvania and Ohio determines that the two states need an additional \$3.3 billion in funding over the next two years to safeguard their social services safety nets.

The report, *The Recession’s Impact on the Safety Net in Ohio and Pennsylvania*, was delivered today to President-elect Barack Obama’s Transition Team and Members of Congress. Senior executives of five community foundations that collaborated on the report – in Pittsburgh, Philadelphia, Cleveland, Columbus and Toledo – will convene in Washington D.C. later this month for further discussions to support their call for the Obama Administration to give priority to strengthening community safety nets as part of its proposed national economic stimulus package.

“The results of our study are deeply worrying and underscore the acute levels of hardship and human suffering that are being felt in our communities as the direct result of the economic crisis,” said Grant Oliphant, President and CEO of The Pittsburgh Foundation. “We understand the need to bail out financial institutions and businesses, but we also need to focus on those who have lost their jobs, people who are hungry and cold and families who are losing their homes.”

The 25-page report is the result of a two-month study of the effects of the steep economic downturn in Pennsylvania and Ohio, where nonprofit organizations are struggling to meet a surge in demand for human services support from families and individuals, many of whom are seeking charitable help for the first time.

In its findings, the report says that \$3.3 billion in supplemental funding is needed by the two states for 2009 and 2010, of which \$1.61 billion in Pennsylvania and \$1.69 billion in Ohio would be directed to public agencies and community-based nonprofits to enable them to adequately respond to the increased demand for basic safety net services by new users.

The figure includes approximately \$80.3 million in Pennsylvania and \$84.6 million in Ohio that the report says is needed to support local community-based nonprofit organizations, such as food banks and transportation assistance agencies.

“With a growing number of families across Pennsylvania and Ohio struggling to make ends meet, the vital support provided by our local social services organizations is more important than ever,” said U.S. Congressman Jason Altmire (PA-04). “I will continue pressing Congress to provide our states and community organizations with the support they need to help local families through this difficult time.”

The Pittsburgh Foundation began work on the report with Pittsburgh consulting firm, Dewey & Kaye following a meeting of the local region’s nonprofits in November last year. The study was extended to include input from other key community foundations in Pennsylvania and Ohio to provide a ‘real time snapshot’ of the plight of communities which are in close proximity and which share similar social and economic demographics.

“President-Elect Obama campaigned vigorously across our states and heard first-hand about hardships in our communities,” said Grant Oliphant. “We know he understands the fiscal challenges of our state and local governments but what may be less evident is the punitive impact of the recession on the ability of local social services providers to meet essential needs. More and more families and individuals are being driven to seek community-based assistance, while resources are seriously depleted.”

The report details a significant upsurge in demand for basic needs assistance since 2007, especially in the areas of food, housing, utilities, transportation and childcare. Food banks reported escalating first-time users of their services with increases of between nine percent and 46 percent across the five city regions.

Calls for mortgage assistance to avoid foreclosures rose by 50 percent, requests for help with utility payments spiked between 25 percent and 75 percent and in Pennsylvania, the waiting list for child care subsidy is up 100 percent. Increased calls for transportation assistance ranged between 38 percent and 70 percent across the five communities.

“Each day of the recession is increasing the number of people who are hungry and faced with eviction or foreclosure,” the report states. “Our story is not captured in the headlines. This is Main Street not Wall Street, and the stories told are in human suffering, not dollars and cents. But our needs are no less real – they are basic to the survival of individuals and families: obtaining adequate food, clothing and shelter.”

Communities, often led by their community foundations, were attempting to address the hardship, says the report, which adds: “Unfortunately, the gap is growing faster than we can possibly address on our own. Our service providers are staggering under the weight of new demands and a pre-existing decline in funding.

“It is imperative that Congress and the new Administration consider the unique challenges our communities face when considering how best to address the impact of this downturn on real people in real American communities.”

The five foundation authors of the report said that they hoped their initiative will ensure that Federal policymakers are better informed about the critical situation facing communities in Pennsylvania and Ohio, “ultimately leading to increased financial relief to urban areas in our corridor and in similar communities across the country.”

The report states: “Even as policymakers devise strategies to put the country back to work, America must remember the millions of its citizens in communities just like ours who are struggling right now to feed their children, stay in their homes, find affordable transportation to get to work, and literally to keep the lights on.”

The call for \$3.3 billion in additional funding includes between \$6.6 million and \$38 million for 2009/2010 for each of the five urban communities, based on their number of unemployed individuals.

“It is our intention that this report serves also as an urgent indicator of what is happening across the country, added Grant Oliphant. “Our nation’s wellbeing is tied inextricably to the health of our communities.”

The Pittsburgh Foundation launched an emergency fund, Neighbor-Aid, last month as a collaborative initiative with the United Way of Allegheny County to support nonprofit organizations striving to meet increased demand for essential human services. The fund – which is open for contributions from foundations, businesses and individuals – currently has more than \$800,000 including a \$350,000 grant from The Pittsburgh Foundation.

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**Note to Editors:**      **Attached is a copy of the report: *The Recession’s Impact on the Safety Net in Ohio and Pennsylvania.***

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