Where's My Bailout?
By Terry DeCrescenzo

(Editor's Note: The following is a version of an op-ed written for the Los Angeles Times. While Terry DeCrescenzo focuses here on the Gay and Lesbian Adolescent Social Services, her point may also apply to many of L.A.'s 22,000 nonprofits struggling in this recession. Please also note: Shelley Freeman, regional president of Wells Fargo/L.A. Metro, says that local Wells Fargo branches offer free financial advice to individuals on matters such as improving credit and debt consolidation. However, one should seek legal advice to navigate the complicated new bankruptcy laws.
—Karen Ocamb)

I am a social worker, not an economist. But I know that the stock market is in free fall, financial organizations are being bailed out whether they've asked for it or not, and now the auto makers are crying for their bailout.

Gay and Lesbian Adolescent Social Services' survival depends on government contracts, and on the generosity of business and individual giving. We now face the bleakest of landscapes. Even prior to the current economic meltdown, GLASS and other nonprofits were experiencing "donor fatigue" among LGBT and allied supporters. Now that our community raised and spent around $40 million to fight Proposition 8, the impact on giving can be better described as "donor exhaustion."

But unlike the greedy financial institutions and mistake-prone big companies, there is no public outcry to save those of us providing critically needed services, especially for the most vulnerable among us—LGBT kids and their families. Where are the desperately needed cash infusions to help us restructure in this economy?

GLASS is the only residential program in the country providing services to LGBT youth in foster care. Supported largely by government contracts, we went nine years without a rate increase. During those years, the cost of each childcare worker rose from $23,000 to $29,000 per year. Multiply that by 100 childcare workers, and we face a $600,000 shortfall in that one category alone. The dozen social workers we employ earn a modest $42,000 per year, up from $34,000 nine years ago. No industry in the public or private sector could have survived nine years of flat funding. We need a bailout.

California is facing a $28 billion budget deficit. Our governor hacked away more than $500 million of social service funds in the current state budget. County in-home workers had their already meager wages cut by 30 percent. But no group was spared in the budget-slashing, including children, the homeless, the mentally ill, the elderly, the blind and the disabled.

The tsunami of recession churned by an unemployment rate of 8.2 percent is bearing down on us and threatens to swamp nonprofits like GLASS.

Earlier this year, the River Oak Center for Children in California announced the closure of their 42-year-old residential facility. Calling the closure "heartbreaking," president Mary Hargrave said that her nonprofit has lost money on the residential care facility for years, and that, "River Oak simply could no longer afford to shoulder the cost," as losses reached $1 million in 2007.

State and county officials claim that foster homes and kinship care can absorb the children no longer in residential care. Really? Many of our kids ran away from home or were kicked out when their sexual orientation or gender identity was discovered.

And a national study showed that foster parents are paid less than the cost to kennel a dog, according to a 2007 lawsuit in the U.S. District Court in San Francisco. Another study by the University of Maryland, released the day the San Francisco lawsuit was filed, found that California has fallen behind in caring for its most fragile wards. California Department of Social Services authorities dispute the study's analysis and conclusions. However, in October, U.S. District Judge William Alsup ruled that California is violating Federal law by failing to provide adequate reimbursement to foster parents.

Unlike some of the executives whose companies are getting bailed out, I have never received a bonus, although I did lend my pension to my agency a few years ago, to stave off insolvency. That money is all gone now. Maybe I could serve as a role model for the guys getting the $20 million golden handshakes. Maybe they could give back a couple of million to help their companies survive.

American Express recently informed me that the $100,000 balance on the corporate card—for payments made to house homeless children in cheap motels over the past year while case managers searched for housing—is now my personal responsibility. They said something about all corporate CEOs being personal guarantors of company charges. I never thought of myself as a corporate CEO. They even took away my accumulated travel points; unlike the "financially beleaguered" automakers, I don't have a corporate jet, and those points were my means of traveling.

GLASS will file for bankruptcy protection soon. Nearly 200 employees, including childcare workers, case managers and social workers, will lose their jobs. The hundreds of LGBT and questioning children we serve will lose the protection we have provided for them for the past two-and-a-half decades. They are homeless, abused, abandoned and neglected, and we are their only safe haven. It would only take $3 million-$4 million to save the day for LGBT youth. That's million, not billion.

Where's my bailout?

Terry DeCrescenzo is the executive director of Gay and Lesbian Adolescent Social Services, 1033 N. Hollywood Way, Unit F, Burbank, CA 91505. For more information, visit glassla.org.