

Open and Operating? An Assessment of Louisiana Nonprofit Health and Human Services after Hurricanes Katrina and Rita

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in partnership with the Louisiana Association of Nonprofit Organizations

The devastating hurricanes of 2005 demonstrated how essential nonprofit organizations are to communities. Nonprofits provided food, shelter, and vital information services in the weeks and months after the storms while struggling to repair their own hurricane damage. Now, Louisiana's nonprofits—experts in community-based service delivery—are poised to play pivotal roles in the state's recovery. But how prepared are they to meet the immense challenges ahead? To find out, the Urban Institute, in partnership with the Louisiana Association of Nonprofit Organizations (LANO), surveyed Louisiana's charitable organizations.

All 3,200 of the state's nonprofits contribute to the social and economic life of Louisianans.¹ The \$8 billion they collectively spend each year pays for the cultural backbone of the state, extra support for the public education system, emergency food supplies and clothing, advocacy on behalf of vulnerable populations, and more. Our survey, however, homed in on health and human services in the 37 parishes most affected by Hurricanes Katrina and Rita. Particularly important to recovery efforts, these organizations construct and manage affordable housing, offer job

training, provide reliable emergency services, and administer quality health care.

The survey results bring much-needed data to help us understand the state of the nonprofit sector in southern Louisiana, and begin to tell some of their stories.

Nearly all nonprofits have been affected by Hurricane Katrina or Rita. About 95 percent of the 262 survey respondents indicated they were affected by the storms. Some, particularly those in the Baton Rouge and Lafayette metropolitan areas, work in undamaged buildings but are serving significantly more clients due to the influx of evacuees. Others are experiencing increased demand but have sustained damage that prevents them from operating at their previous capacity. Still others, including charities in New Orleans and the southwestern parish of Calcasieu, have been physically destroyed.

Of the 712 organizations surveyed, information on the status of 360 groups is presented in table 1, including the 262 survey respondents and the 98 groups presumed to be temporarily or permanently closed. The remaining organizations in the sample are nonrespondents, some which either declined to

Table 1. Current Operating Status of Health and Human Service Providers by Location in Southern Louisiana (n=360)

Operating status (%)	New Orleans metropolitan area (n=177)	Other metropolitan areas (n=134)	Non-metropolitan areas (n=49)	Total (n=360)
Fully operational	19	76	67	47
Operating with limited services	27	12	12	19
Suspended services, administrative operations	9	2	2	6
Ceased operations	2	0	0	1
Presumed closed—no phone/e-mail service	43	10	18	27
	100	100	100	100

Note: Table does not include the 352 nonrespondents.

participate or failed to return our calls. Their operating status could not be determined.

In the New Orleans area, which includes the parishes of Orleans, Jefferson, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, and St. Tammany—some of the areas hardest hit by Hurricane Katrina—fewer than half of the nonprofit health and human service agencies are providing services. Nineteen percent are fully operational and an additional 27 percent are offering limited services—ranging from reduced hours of operation to cell phone information and referral services from across the country. The remaining organizations (54 percent) are not providing services, but at least 9 percent are looking for a new building, locating staff members, or replacing damaged equipment so they can reopen.

The significant number of agencies that have shut down means that the overall capacity to serve clients has been drastically reduced. For now, this loss is partially offset by the fact that hundreds of thousands of evacuees have yet to return home and demand services. In fact, about 40 percent of New

Orleans' nonprofits say they lack clients to serve.

In other metropolitan and non-metropolitan or rural parishes of lower Louisiana, about 80 to 90 percent of the organizations are providing services but not in standard operating mode (see table 2). Almost half of the providers outside Greater New Orleans are serving more clients than they did before the storms—73 percent more on average. The most common new programs are those that meet basic needs, like temporary shelter, food, clothing, and cash. One organization in St. Mary Parish on the coast is providing 2,000 additional clients with emergency food, clothing, and even gas money so they can reunite with family members in Texas.

Some nonprofits received a short-term boost from donations, but many received no new funding. With great need in the Gulf Coast and elsewhere this past year, competition for charitable dollars is fierce. Some organizations say they are overwhelmed by the generosity of people, nonprofits, churches, and companies from around the

Table 2. The Hurricanes' Effect on Nonprofit Services

Examples of service reductions	Examples of service extensions
Transportation assistance at senior center	Extra food, clothing, appliance distribution
Emergency room care in hospitals	Debris removal and mold eradication
Client visits with case management	Travel money to reunite relocated families
Access to patient medical records	Case management for evacuees
Evening care at child care center	Temporary shelter in available office space

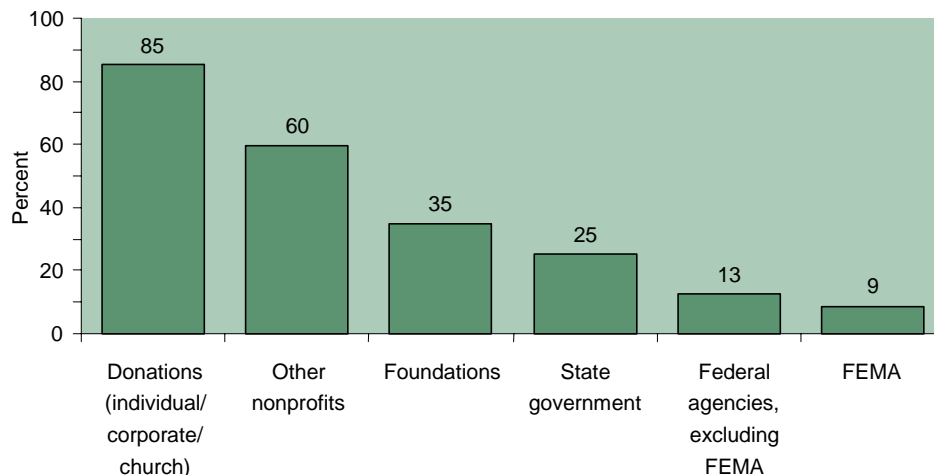
United States, while others are unsure about how to find resources.

Over 60 percent of survey respondents are receiving new hurricane-related funding, mostly charitable donations.² Of these, 85 percent received donations from individuals, corporations, and churches (see figure 1). Sixty percent of those with new funds are getting them from other nonprofits, including local United Ways, other federated giving programs, and the national headquarters of their parent organizations. Foundations have funded 35 percent of those organizations that received new money. About a quarter of the survey respondents are receiving new funding from the state or local government, and just under a quarter from federal agencies. The 95

agencies (39 percent) that are not receiving new funding say they were passed over for several reasons. A few escaped hurricane damage; some with limited damage decided not to compete with needier charities for limited funds; several were insured against damages; and some reported not knowing where to solicit additional funding.

Some nonprofit service providers that asked for funding did not receive any. Their frustration has many sources. One leader of a faith-based organization in East Baton Rouge said that the Federal Emergency Management Agency (FEMA) has allocated funds but the parish government—the sole designated channel for dispersing them—does not want to take on the decisionmaking responsibility. In

Figure 1. Nonprofits Receiving New Funding Since the Hurricanes, by Source of Funding (n=151)



Nonprofits Respond During Crisis

The goal of this survey was to assess the current condition of the nonprofit social and health sectors. While many organizations are providing services now, we heard countless stories of staff members that worked together, going above and beyond in the days and weeks after the storms, to get back in operation. In fact, 20 percent of the groups that are currently fully operational experienced physical damage from the hurricanes, which affected service delivery for a time. Several organizations described turning their buildings into temporary shelters for clients and staff. A group in Jefferson Parish offered to share office space with nonprofits whose offices were not functioning. Another in St. Tammany Parish reopened in a space one-third the size of its former building and still added an adult counseling program because a nearby counseling agency was closed. In addition to local providers, nonprofits from around the country came to the Gulf Coast in the aftermath of the storms to offer their help. One executive who captured the attitude of many respondents said, "You do what you gotta do."

another example, the manager of a home for the disabled stated that housing funds were going only to residences already funded by the U.S. Housing and Urban Development prior to the hurricanes. Yet another executive director of an agency in New Orleans was denied federal funding and said that money was going to the Red Cross rather than local nonprofits. Survey respondents reported being generally frustrated by a lack of clarity about eligibility, processing time, and reimbursement for services and other expenditures.

In addition to funding, restoring the capacity of nonprofit providers will take staff and volunteers. Clearly, restoring the capacity of the nonprofit health and human service sector in southern Louisiana will take money. But when organizations were asked what else they needed to operate at pre-hurricane capacity or to meet increased demand for their services as a result of the hurricanes, they reported that human capital was needed even more than physical capital.

Paid staff and volunteers are the top two resources needed, reported by more than a third of nonprofit organizations (see table 3). Organizations in devastated areas need evacuated staff to return, and extra staff is

needed to meet increased demand in areas with many evacuees.

Other frequently reported needs relate to physical capital and repairs from storm wind and water damage. About 30 percent of respondents said they need program facilities, office supplies, and minor building repairs. One youth service provider lost 20 new computers, bought less than six months before the storms. Partnerships with schools, churches, and other organizations are needed by 27 percent of respondents. Other needs include space for administrative work, utilities for phone and Internet service, and board members to replace those who evacuated.

Housing is the greatest community need, followed by mental health and employment-related services. Survey respondents were asked to list the top three social and health needs in their city or neighborhood. Housing (including construction and repairs, search assistance, and even FEMA trailers) was by far the primary community need, reported by 65 percent of respondents (see table 4). Thirty-six percent ranked mental health services, such as counseling, among the top three community needs. Job training, placement, and creation

Table 3. Resources Needed to Operate at Pre-Hurricane Levels or Meet Increased Demand for Services (n=262)

Organization need (%)	
Paid staff	38
Volunteers	36
Space to provide programs	30
Office equipment, supplies, or storage	30
Building repairs	28
Partnerships with other nonprofits, government, churches	27
Space for administrative work	18
Electricity, Internet services, phone service	15
Board members	13

were ranked in the top three needs by 31 percent.

The lack of health care services in Louisiana has received considerable media play, and the survey echoed this concern. A nonprofit staff member in Baton Rouge reported driving to four or five emergency rooms before finding one taking patients. While it did not rank in the top three, health care, including hospital care and prescription drugs, were close behind with about a quarter of respondents citing physical health care needs. Emergency assistance (including cash, food, and clothing) was also reported by nearly a quarter of respondents, who cited clients' needs for extra cash to tide them over until insurance checks arrived or to pay utility bills.

Nonprofit housing and community development organizations were hit hard by the storms. About 40 percent are not providing services; they are either known or presumed to be closed or are keeping their offices open but have suspended services in the field. Similarly, 40 percent of the physical and mental health providers and 30 percent of the

Table 4. Top Three Health and Human Services Needed (n=262)

Community need (%)	
Housing construction, repairs, search assistance	65
Mental health services	36
Job training, placement, creation	31

family and other service providers surveyed are also not providing services.

Organizations offering services are trying to fill in the gaps left by the others, but with mixed results. For example, a staff member at a Terrebonne Parish counseling agency that specializes in anger management is concerned because the agency is receiving nontraditional clients with severe mental illness simply because they have nowhere else to go. In another case, a New Orleans job-training program executive made the strategic decision to refocus training from food service employment to construction jobs.

The recovery is expected to be slow, and many uncertainties remain. As electricity is restored, debris is hauled away, and repairs are made, every day appears to bring small improvements in nonprofit organizations' capacity. Many respondents were hopeful. About a dozen that are not yet fully operational expected to be by January 2006. But for some nonprofits, the future remains shrouded in uncertainty.

In the hardest hit areas, respondents are unsure about the future of their entire communities, asking, "Have you been down here?" "The news doesn't tell it...an entire urban area with no people." They describe it in harrowing terms: "it looks like a bomb went off ... unlike anything in America, an overpowering stench..."

In the New Orleans metropolitan area, over a dozen providers—some not directly harmed by the hurricanes—are unsure what their operational status will be a year from now. Not surprisingly, many groups that receive most of their annual budgets from one or more local fundraisers have canceled those events for the foreseeable future.

Organizations in other areas of southern Louisiana also say their futures are in doubt and fear they may be forced to close if not reimbursed for the enormous resources they are currently expending on evacuees.

Almost half (46 percent) of the 177 organizations from the New Orleans region, and 87 percent of the organizations in other metropolitan areas and 76 percent in non-metropolitan areas expect to be fully operational within a year. Two to three percent think they will be providing limited services. Throughout lower Louisiana, nonprofit providers of health, housing, and social services all expect similar rates of recovery. Unfortunately, this means that a year from now the agencies providing two of the services ranked most important by survey respondents—housing and health—will still be operating below their pre-hurricane capacities.

A particular concern is youth-services capacity. For example, a staff member in Orleans Parish said his church was diverting resources from youth ministries to basic needs for community residents because most area

schools were closed—a short-term move that could take a toll as schools reopen in 2006, if after-school and other youth programs cannot coordinate and collaborate to sustain their service delivery.

Of the survey respondents that have not received new funding since the hurricanes, a quarter solicited or plan to solicit money in the coming months. These groups, as well as charities that are currently receiving new funds, are looking to a number of sources, FEMA being the most common. A full 22 percent recently applied to FEMA or plan to apply in the next three months. Foundation grants are being sought by 17 percent of organizations. Eight to ten percent of agencies plan to seek funding from individual or corporate donors, such nonprofit organizations as the Red Cross, and the state and federal governments.

Conclusion

Recovering from the 2005 hurricanes in southern Louisiana will take the joint efforts of the federal government, state and local governments, foundations, individual donors, businesses, and nonprofit organizations. And the effort will be immense. One nonprofit manager told us, “We get up weary and go to bed weary.” It has been months since the hurricanes hit and the nonprofits in southern Louisiana will likely continue dealing with their impact for many months to come. But at the close of 2005, fewer than half of the

The Role of Churches

While separately incorporated faith-based organizations and subsidiaries of churches, like Christopher Homes operated by a Catholic diocese, were surveyed, individual churches and church networks were not. Several data and media sources have revealed that a wide range of faith-based organizations responded with volunteers and services after the hurricanes struck. Most important, they acted quickly and, many would say, can be credited with saving lives. Faith-based charities, churches, and other religious congregations provided emergency food, shelter, transportation, and emotional support to evacuees, emergency response teams, and other caregivers. Besides their time, they donated money—indeed, 24 percent of survey respondents reported receiving funding from churches. And in a survey conducted by Louisiana State University (2005), residents rated the response by churches as more effective than those of the city, state, and federal governments and local and national nonprofits.

nonprofit health and human service providers surveyed were fully operational and in the New Orleans metropolitan area, fewer than half were providing any services at all.

Many resources are still needed, particularly people to rebuild facilities and housing and to provide services in still-functioning facilities. Organizations expect their recoveries to be slow, and most respondents were uncertain about how many evacuees will return and when, how fast rebuilding the physical infrastructure of whole communities will go, and what funds will be available. How long nonprofits can keep operating on the initial influx of donations also remains to be seen.

Finally, the lack of housing in the hurricane-affected areas has caused a vicious cycle in the recovery efforts—nonprofit housing organizations need staff to build new and affordable places for residents to live, but these workers have nowhere to stay during the rebuilding. Housing for staff and volunteers is the most important ingredient in rebuilding the capacity of the nonprofit sector to provide the vital services needed and to help shape the future for Louisianans.

NOTES

1. Data on the number and expenditures of nonprofits in Louisiana reflect fiscal year 2003 and come from the NCCS-GuideStar National Nonprofit Research Database.
2. Sixteen of the 262 survey respondents did not know the financial status of their organization or they declined to answer.

Reference

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Appendix. About the Survey

In November and December of 2005, 712 Louisiana nonprofit providers, designated as tax exempt under Section 501(c)3 of the Internal Revenue Code, were contacted by telephone or e-mail from two to five times each. Almost 600 of the organizations were identified through the Form 990 they filed with the IRS in one or more of the past three years. The remainder, identified through local United Way and LANO membership lists, either filed a Form 990 as part of a national group in another state or fell below the Form 990 filing threshold of \$25,000 in annual gross receipts.

Those contacted included direct health and human service providers—hospitals, nursing homes, mental health facilities, child care, job training, food centers, and housing and community development agencies. Organizational mission was determined by the National Taxonomy of Exempt Entities (NTEE) coding system—codes that are based on the primary purpose stated on each Form 990—and manually verified. Affected areas were defined as the 37 parishes eligible for individual assistance by FEMA as of October 2005.

Of the 712 nonprofits in the sample, 37 percent, or 262 organizations, completed a 15-minute survey on their operating status and current needs, either by telephone (70 percent) or online (30 percent). Another 98 organizations could not be reached, presumably due to a lack of utilities in their area. In some cases, further research via the Internet and inquiries of local nonprofit networks confirmed that these groups were not providing services, but generally did not yield additional information on their operating status.

Survey respondents are broadly representative of the population of direct health and human service nonprofits. There is

no significant difference according to the size (budget) of the organizations or the type of service they provide. Organizations located in the New Orleans metropolitan area, however, were less likely to respond than those from outside that area. This difference is statistically significant at the .05 level. As a result, the findings should not be generalized to all nonprofits in southern Louisiana.

Acknowledgments

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