



NYCON releases State of Sector report, outlining challenges faced by nonprofits.

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**The most common challenges faced across the nonprofit sector include funding, staffing and increasing community needs, according to the 2023 State of the Sector report released today by the New York Council of Nonprofits (NYCON). Issued as New York leaders work on the state's next budget, the report also notes that long-standing concerns about state funding for nonprofits continue, including that state contracts don't fully cover the cost to deliver such services and are often delayed.**

The report includes IRS and U.S. Department of Labor data, as well as results from a 2022 statewide outreach tour and a January 2023 survey of NYCON's 3,100 members.

"We are incredibly fortunate to have so many nonprofit organizations in New York State, helping our communities and economies in many different ways," said NYCON CEO Megan Allen. "From arts to education, health and human services organizations, nonprofits make all of our lives better."

She noted that as state leaders work on the 2024 budget, nonprofits continue to need relief on long-standing issues with state funding. The January 2023 survey of NYCON members highlighted those issues. Of those members who receive state funding:

**80%** said the funding they receive doesn't cover the cost of delivering the service or program expected by the state.

**62%** said they have experienced delays in payment, from one month to more than a year.

**25%** said they have had to use a line of credit to fund basic operations due to a delay in receiving state funding.

"These are not new issues, but they are particularly concerning for nonprofits today as organizations are also dealing with the lingering impacts of the pandemic," said Megan. "A thriving nonprofit sector means success for New York State, so we encourage lawmakers to work to address these needs."

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