

FREDDIE MAC

FANNIE MAE

Making a Difference in the National Capital Region

Nonprofits play a critical role in the National Capital Region.

More than 4,000 nonprofit organizations¹ work daily to meet the needs of citizens throughout the National Capital Region. Local nonprofits provide a range of services to citizens, from afterschool programs, job training, environmental conservation, to support for those living with HIV/AIDS.

- Nonprofits in the National Capital Region provide jobs for more than 200,000 and generate approximately \$9.6 billion in wages and taxes.²
- Almost one-third of the nonprofits in our region provide critical human services.³
- Most nonprofits have little cushion to weather a significant loss of anticipated revenue.
- After the economic downturn following September 11th, financial deficits for nonprofits grew by 20% in 2002 and some did not recover for years according to a study of the Nonprofit Finance Fund.⁴

Fannie Mae and Freddie Mac are the top two in the National Capital Region for philanthropic investments in local nonprofits.

- Fannie Mae and Freddie Mac provide significant support to 400 nonprofits in the region.⁵
- Together, they invested \$47 M in nonprofits in the National Capital Region in 2007.⁶

If nonprofits lose support from Freddie Mac and Fannie Mae, citizens in the National Capital Region will suffer.

- DC Central Kitchen, which provides 4,500 nutritious meals daily in the greater Washington, DC region, will lose employee volunteers from Freddie Mac and Fannie Mae that make approximately 6,000 sandwiches annually for local afterschool programs.
- Ramona's Way, which provides counseling, case management, and information and referral services to chemically dependent battered women in Washington, D.C., will lose one staff member (one quarter of its staff).

- Doorways for Women and Families, which provides safe shelter to abused, homeless and at-risk women and families in Northern Virginia, may have to close a shelter funded by Freddie Mac

Local, state or federal government is not able to fill the void of a loss of Freddie Mac and Fannie Mae investment in the region.

- States around the country have implemented or are considering cuts that will affect low-income children's or families' eligibility for health insurance or reduce their access to health care services. Programs for the elderly and disabled are also being cut.⁷
- Local governments in Maryland, Virginia and the District are considering tax increases and cuts to services to make up for budget shortfalls.⁸

The local philanthropic community is not able to fill the void of a potential loss of Freddie Mac and Fannie Mae investments in the region

- Participants at a recent meeting of the Corporate Affinity Group of Washington Regional Association of Grantmakers said they cannot fill such a void. They are looking at providing in-kind donations instead of cash.⁹
- The wealth of foundations is related to the wealth of the economy. As the economic turmoil continues, funds available to foundations will decrease at just the time that more people will need services from foundation-supported nonprofits.

The business community is not able to fill the void of a potential loss of Freddie Mac and Fannie Mae investments in the region.

- Businesses across the National Capital Region, like those across the country, are facing precarious economic times. Corporate giving is likely to decline.



Footnotes:

- 1.,3.) The Nonprofit Roundtable. (2007). *Beyond Charity: Recognizing Return on Investment*. (p. 4) Washington, DC. <http://www.nonprofitroundtable.org/media/downloads/beyondcharity.pdf>
- 2.) The Nonprofit Roundtable. (2007). *The Business of Doing Good in Greater Washington*. (p.29) Washington, DC. http://www.nonprofitroundtable.org/media/downloads/Business_of_Doing_Good.pdf
- 4.) Hall, Holly. (2008, Feb. 21). Charities that Faced Deficits in Last Recession are Still Trying to Recover, Report Finds. *The Chronicle of Philanthropy*, XX(9). <http://www.nonprofitfinancefund.org/docs/2008/ChronPhil2-21-08.pdf>
- 5.) <http://www.freddiemacfoundation.org/grants/grants.html>; and, http://www.fanniemae.com/grants/grants_awarded.html?submitted=1&state=all&grantee=&year=2006
- 6.) Kashyap, Arjun. (2008, June 20-26). The List: Top Corporate Philanthropists. *The Washington Business Journal*, 14-15.
- 7.) Johnson, N., Hudgins, E., & Koulish, J. (2008, updated Sept. 26). Facing Defecits, Many States are Imposing Cuts that Hurt Vulnerable Residents. *Center on Budget and Policy Priorities*. <http://www.cbpp.org/3-13-08sfp.htm>
- 8.) Kumar, A & Nakamura, D. (2008, Sept. 24). Md., Va., D.C. Face Budget Upheaval, Next Step Is Tax Hikes, Service Cuts. *The Washington Post*, A01. http://www.washingtonpost.com/wp-dyn/content/article/2008/09/23/AR2008092303665_pf.html
- 9.) Discussion: Washington Grantmakers' Corporate Affinity Group. Thursday, September 18, 2008.

The Nonprofit Roundtable is an alliance of nonprofit leaders – service providers, grantmakers and advocates – working together to build the strength, visibility, and influence of Greater Washington's nonprofit community to solve regional problems in cooperation with business and government.

The Washington Regional Association of Grantmakers is a network of funders dedicated to improving the National Capital Region by identifying common needs and making positive change through sustained action. Washington Grantmakers represents over 100 organizations – large and small, public and private, family, independent, community and corporate foundations, as well as operating foundations and corporate giving programs in Washington, DC, Northern Virginia and suburban Maryland.

Leadership Greater Washington provides a platform for its 1,100 members to identify challenges in the region, drive dialogue and create connections that facilitate solutions. LGW members are senior level leaders from business, government and nonprofits who are selected to participate in the program based on their ability to impact positive change across the region.

The Metropolitan Washington Council of Governments (COG) is comprised of elected officials from 21 local governments, members of the Maryland and Virginia legislatures, and the region's congressional delegation. For more than 50 years, COG has helped develop solutions to issues of regional importance, such as transportation, sustainable development, climate change and the environment, affordable housing, human services, and public safety.

United Way of the National Capital Area (UWNCA) mobilizes community resources to create lasting, positive differences in the lives of Greater Washington residents. We engage experts from the public, private and not for profit sectors to identify our regions biggest challenges, create strategic solutions and direct funding where it is needed most.

The Center for Nonprofit Advancement strengthens the capacity of nonprofit organizations throughout Greater Washington, D.C. The Center supports more than 13,000 nonprofits in the region and directly partners with 830 nonprofits (our members). The Center helps area nonprofits achieve their missions through training and technical assistance programs, networking, advocacy and group buying power.

The Greater Washington Board of Trade is the region's premier business organization providing advocacy, research and programs for the area's business community. As the largest region-wide network of business and non-profit leaders, the Board of Trade advocates for businesses and their employees, develops regional economic research, and supports members through programs and services.

