



**The Looming Crisis: How Do We Act?**  
An Editorial by National Assembly CEO Irv Katz

Is there a crisis looming in our field?

There are arguably at least two issues of *very serious concern* or crisis, depending on your perspective: increased regulation of nonprofit organizations and the likelihood of decreased dollars for “domestic spending,” a category which includes virtually all programs of interest to National Assembly member organizations.

United Way of America CEO Brian Gallagher spoke to the regulation/proliferation of charities issue in a press conference recently. And Independent Sector has picked up the gauntlet laid down by the Senate Finance Committee by convening an expert panel and sub-panels involving some 200 people to address the concerns raised by the Committee and others. Many of us are involved in that process and have great hopes for it.

The other crisis, and I believe it is a crisis, goes to the question of whether the government will be able to support investments in individual, family and community development at sufficient levels in the near future and beyond.

Sure, many in our field tend to see a crisis in every cut and possible cut. There have been crises in this program and that, but overall investment has remained at fairly constant, if not slightly increasing, levels. This time I believe there is cause for concern and virtually across the board.

I am not an economist or an ideologue, but increased defense, intelligence and homeland security spending, combined with a burgeoning deficit and the likelihood of further tax cuts, can only have a negative impact on domestic spending. It is clear that this reality has many of our public policy staff concerned, evidenced by three “looming crisis” meetings I have attended in the past couple of weeks. And I see more in our future.

We have pursued our respective earmarks and programs. Some will be okay, others will not. The prospect of capping and/or block-granting life-blood entitlements (such as Medicaid and TANF) and funding streams that fuel human service delivery is very real.

The Assembly is a sensor of trends, not an original observer of them. We have the clear sense from many of our better informed colleagues that it is not “cry wolf” time, it is “wake up and smell the coffee” time.

Nonprofit organizations, perhaps especially prominent national organizations, are reluctant to address tax policy matters and we tend not to take on the larger, collective issues of investing in people and communities. I’m beginning to wonder if it is becoming necessary for these matters to be discussed very frankly and with the help of the best possible experts in nonprofit board rooms across the country. Our boards are comprised of people from all points on the political spectrum. How do we help them understand—and help ourselves understand—that, ideology aside, investing in people *is* national defense, *is* homeland security, *is* something we diminish at our own peril?

How do we tackle matters that we are not accustomed to or comfortable addressing as institutions? What can we do collectively to achieve greater impact? Or will we be okay with each agency and subsector (e.g., child welfare, aging) tending to its own and hope for the best? These aren’t rhetorical questions—what do you think? Contact me at [irv@nassembly.org](mailto:irv@nassembly.org).