

Moderator: *Something that Peter said reminds me of one of my favorite quotes from the 650 pages of transcript that we have from our interviews; "the things you want to do in an emergency, you have to do every day." It doesn't do any good to have special systems that you only turn to once in a while. You have to do every day the things you need to be able to act on quickly.*

Nonprofit organizations are usually small. They are often quite vulnerable to sudden changes in their environment, whether it's funding or other conditions. And we saw from our research on the World Trade Center that small businesses have similar challenges. Are small organizations changing their strategies? Do large organizations, large businesses and government, have any responsibility to help them?

Karen Schimke: I'm sure it varies a good bit. I've not heard of or seen much changes in the child care arena. For example, I would expect them to be thinking in terms of mergers or building collectives that would enable them to come together as a group more easily. But I haven't seen that kind of change.

If you're too small, can you really go it alone? What about economies of scale and all those linkages and connections? I haven't seen that kind of coming together among small not-for-profits. New York City has an unbelievable number of them. They range in size from staffs of five or seven all the way up. They lack financial capacity; they don't have the data capacity either. I've often thought that larger organizations, whether business, larger not-for-profits or government, should have the responsibility to reach out in a mentoring kind of relationship so that small organizations could have more capacity.

Steve Kos: I agree with what Karen said for small businesses. Large businesses don't have a choice in what we have to do, because we're highly regulated and the government puts out practices that we have to abide by. And they audit us because they're concerned about the impact one or more large financial institutions might have on a particular market. So we build in that redundancy and invest that capital so that we don't disrupt the financial markets. As a result, we have multiple staffs doing the same jobs in multiple sites that we can leverage.

Smaller companies are at a disadvantage here and they have limited capital. For them to go it on their own is pretty tough.