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BUILT TO LAST: *Our Legacy and Our Future – Nonprofits and the Regional Economy*

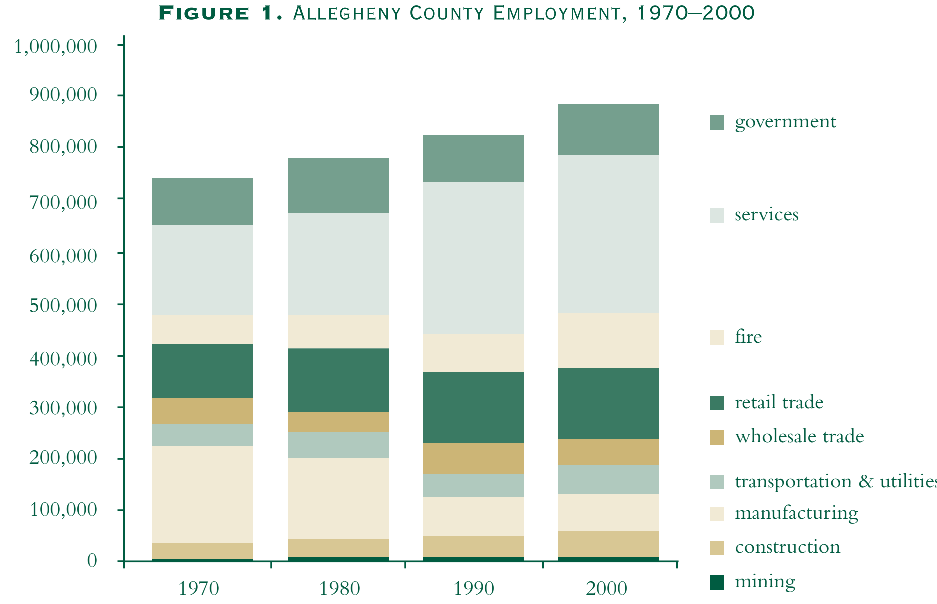
Jerry Paytas, Ph.D. and Greg Lagana

In 2003, The Forbes Funds surveyed the population of nonprofits in Allegheny County. In 2006, The Forbes Funds again commissioned the Allegheny County Nonprofit Benchmark Survey, and, upon receiving responses, called upon researchers from Carnegie Mellon University not only to make sense of the data but also to contextualize the findings against what we already know about the county's nonprofit sector as well as what we know about the state of things generally. Findings from the Nonprofit Benchmark Survey demonstrate the resilience as well as the fraying of our region's nonprofit sector.

The Past is Never Far Behind

Where you are going is too often a function of where you have been. Whether you are talking about a person, a business, or a region, our accumulated experience is our baggage, and it is always with us. For this region, that experience is our industrial heritage and the economic trauma of the 1980s known as the collapse of Big Steel. While the region is outperforming its historical peak in terms of steel production and other products, manufacturing — and the jobs that came with it — is no longer the driver of our economy as it once was. *(See Figure 1: Allegheny County Employment, 1970-2000.)*

FIGURE 1. ALLEGHENY COUNTY EMPLOYMENT, 1970–2000

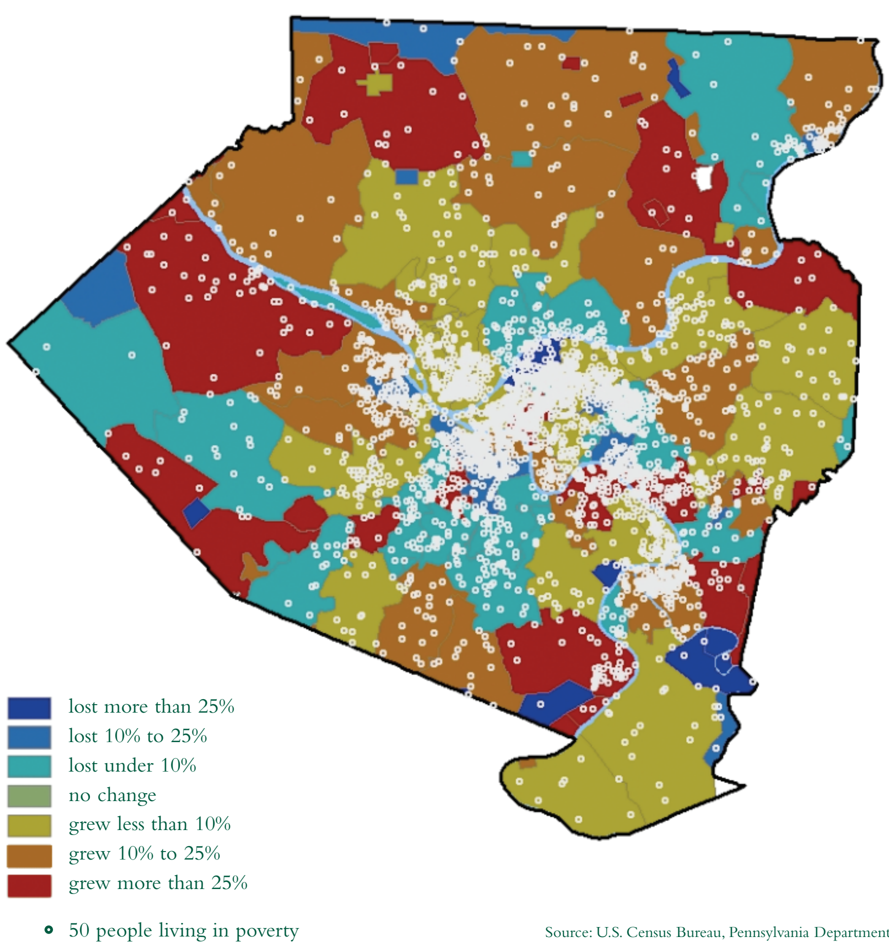


The public sector responded to the collapse of Big Steel with efforts to soften the blow and to rebuild. Oftentimes, local governments are blamed for swelling their payrolls to accommodate dislocated workers. In 1970, there were 65,000 people employed in state and local government in Allegheny County; yet, by 1980, this figure was higher by only 835. In fact, by 1990, there were fewer than 60,000. Local governments did not and could not increase payrolls enough to manage our economic transition. It may be true that local governments maintained payrolls too large for a declining population; yet, whereas these jobs were 10 percent of total wage and salary employment in 1970, the percentage has been falling ever since. Indeed, if municipalities had maintained the 1970 share of employment, there would now be an additional 16,200 workers in state and local government.

Of course, the public sector has other tools to employ besides direct hiring. It can also contract for services through private firms and nonprofits. More than 182,000 jobs were added in service industries in Allegheny County between 1970 and 2000. Available data does not distinguish between for-profit and nonprofit employment; however, many of the service sectors that expanded during this time were industries typically associated with nonprofits. Through the 1980s, hospitals, healthcare, and social services served as our region's primary economic 'shock absorber.' In the early 1980s, Dr. Lester Salamon led a study of the nation's nonprofit sector that included Pittsburgh as one of the study communities. He estimated that the nonprofit service sector accounted for approximately $2 billion in expenditures in 1982. For context, consider that the entire service sector then accounted for $10.1 billion of a $28 billion economy. By 2000, our economy grew to nearly $75 billion with approximately $36 billion in services. According to a recent study by The Forbes Funds, Allegheny County's nonprofits now account for at least $10 billion in revenue, which would account for 28 percent of the county's service sector. While the county has lost jobs overall since 2001, education and educational services, led by several prominent nonprofits, has been one of the top three sectors for employment growth.

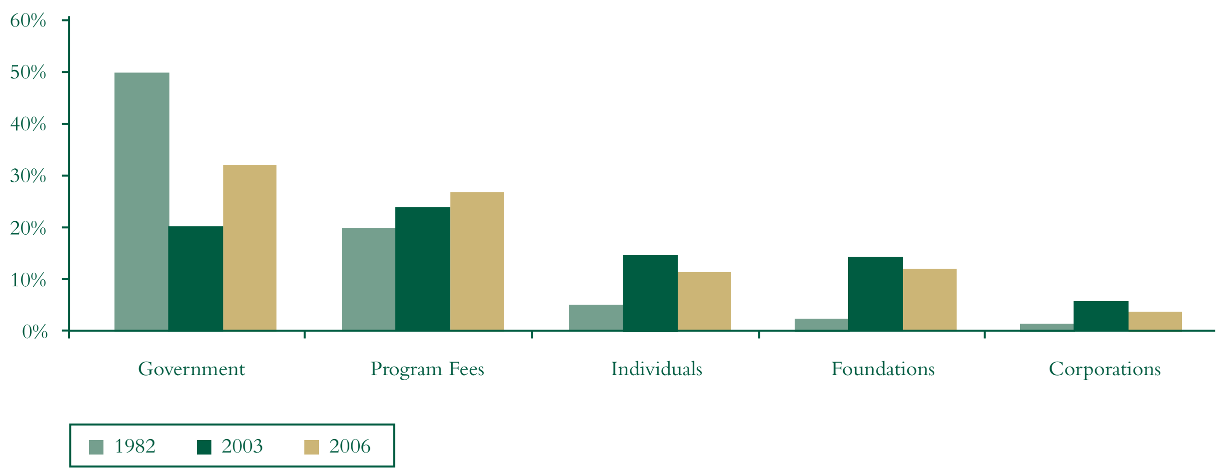
The region's nonprofit sector served as a shock absorber during times of economic disruption. Nonprofits provided jobs that sustained the population and, at the same time, provided services for the dislocated and vulnerable. Our economy has recovered better than most, if not all, regions that have experienced this level of turmoil, and our nonprofits continue to play their critical dual role. For this reason, it is important

FIGURE 2. ALLEGHENY COUNTY EMPLOYMENT CHANGE BY ZIPCODE, 1999–2004 AND POPULATION IN POVERTY, 2000



Source: U.S. Census Bureau, Pennsylvania Department of Labor and Industry, Carnegie Mellon Center for Economic Development

FIGURE 3. SHARE OF NONPROFIT REVENUE BY SOURCE



that our region's shock absorbers are in good condition for the future. The region has not enjoyed significant levels of growth, and what growth has occurred has been scattered. Meanwhile, poverty has concentrated in pockets separated from the emerging nodes of growth. (See Figure 2.) These trends will test the adaptability of our nonprofit sector in the future.

STABILITY

The 2006 Allegheny County Nonprofit Benchmark Survey provides some insight into the health of our nonprofit sector and what role this shock absorber might play in the future.[1] The nonprofit sector in Allegheny County displays several signs of stability. Sixty-two percent describe themselves as mature organizations, and 79 percent have experienced less than a 20 percent swing in the number of participants over the past three years.

In 1982, only 30 percent of nonprofits had revenues greater than $500,000, an amount that equates to revenues above $1 million today when adjusted for inflation. According to the 2006 survey, nearly half of the respondents reported having more than $1 million in revenues (including subsidiaries of organizations over the $1 million mark).[2] The rise in revenues signals greater stability, although this increase is most likely affecting the larger and more established nonprofits in education and healthcare. Another sign of financial stability is that 60 percent have an operating cash reserve and the same percentage of respondents (31 percent) reported a deficit in 2006 and in 2003. Furthermore, 61 percent of the organizations surveyed reported a surplus compared to only 47 percent in 2003. The estimated operating margin for the 2006 respondents is estimated at 3.9 percent which compares to a 3.3 percent margin in 2001.[3]

During the past two decades, most nonprofits have adjusted to substantial changes in revenue sources. In the 1980s, government contracts were the primary revenue source for nonprofits. Indeed, according to Salamon's 1982 study, 60 percent of the organizations relied on government contracts for 51 percent of their revenue. (See Figure 3: Share of Nonprofit Revenue by Source.) In 2006, more organizations (66 percent) rely on government for a smaller share of their revenue (33 percent). To be sure, government remains an important funding source for many organizations; given the increasing

[1] According to the IRS there are 2,674 nonprofit organizations in the region and nearly 1,700 in Allegheny County. These figures, however, count tax-reporting entities that may in fact be part of larger organizations. For the purposes of estimating the total population vis-à-vis our response rate, we use the lower, unduplicated figure of 1,600 nonprofit organizations in Allegheny County. Two hundred completed responses were received for a response rate of 12.5 percent and a margin of error of +/- 6.5. Overall, the response to the 2006 Allegheny County Nonprofit Benchmark Survey was lower than it was in 2003. One possible interpretation is that some organizations may have closed; more likely, however, many organizations – especially small nonprofits – simply had less capacity for miscellaneous tasks such as completing surveys. The response rate was better from larger organizations than from smaller organizations. Respondents reported $1.04B in revenues for the most recently completed fiscal year, a figure close to the $1.27B reported by 2003 respondents.

[1] Thirty-five percent of the 400+ 2003 respondents reported revenues over $1M. The data suggests that smaller revenue respondents were less likely to respond to the 2006 survey than larger revenue respondents. Furthermore, organizations with less than $25,000 in revenues are not required to file Form 990s and thus are likely to be under-represented in the survey.

[1] De Vita et al. 2004. *Charting the Resources of the Pittsburgh Region's Nonprofit Sector.* Washington, DC: Urban Institute. The 2001 data represents De Vita et al.'s analysis of Form 990 data. As a point of reference, 5 percent is often considered the threshold for a sustainable operating margin. Since 2000, infla tion has averaged 2.6 percent and the August 2006 Consumer Price Index was 3.9 percent higher than the August 2005 level. (*See* Consumer Price Index Summary, August 2006. Bureau of Labor Statistics. Downloaded from http://www.bls.gov/news.release/cpi.nr0.htm.)

diversity of revenue bases, however, nonprofits should be more financially stable than they were in 1982 (when primary reliance on government contracts, coupled with significant cuts in those contracts, jolted the system). For example, the increase in program fees is an encouraging sign financially, though such gains are offset by the volatile and relatively low proportion of revenue from individual contributors.

FRAGILITY

Despite the many signs of stability in the nonprofit sector, there are signs of fragility as well. Troublingly, the demand for services is increasing. Fifty-eight percent of direct service providers reported an increase in the number of clients served during the past three years, while 34 percent reported steady participation. Only 8 percent reported a decrease in participation levels. In response to these increased participation levels, most organizations have increased staffing levels. (See Table 1: Paid and Unpaid Staff Levels.) Most of the increase has occurred in paid staff, although organizations that increased paid staff often increased unpaid staff as well. The need for high skill levels or certifications may require that services are provided by paid staff. While unpaid staff generally complements paid staff, they generally cannot replace personnel with the skills or certifications necessary to respond to increasing demands for services.

There are also signs that a group of direct service providers are stretching to serve their clients. A minority of organizations face the uncomfortable situation of meeting increasing demand with shrinking staff, while a larger group of organizations are providing the same level of service with reduced staff. An even larger third set have increasing demands on the same staff. In total, one-third of the respondents had activity levels that may be exceeding capacity. (See Table 2: Staff and Participation Levels.)

Another signal of the sector's fragility is an increase in the average reported deficit from 2003 to 2006. The average reported deficit was approximately $155,000 in 2003 versus $256,000 in 2006. The average deficit for small-revenue respondents was within the statistical margin for error, but the deficit for larger organizations increased significantly. Given expectations for greater stability among larger organizations, rising deficits raise concerns. That said, these aggregate figures mask important differences among the respondents and must be treated with caution, particularly as different organizations may have responded in each year and the weaker nonprofits may have dropped out of the survey, or are no longer operating.

Among the nonprofits that are still operating, 60 percent are reliant on "a few" funders or types of funders. Some previous dependence on government contracts has shifted to foundation grants. While the Pittsburgh region is blessed to have a significant base of foundations for organizations to obtain grants, these grants do not guarantee stability. The need to balance organizational missions against the priorities of funders can lead organizations into a debilitating habit of "chasing money." Nonprofits must therefore continue to diversify their revenue sources, as they have done, so that they are not dependent on limited numbers of contracts or grants.

CHALLENGES AND OPPORTUNITIES

When nonprofits are consumed by the demands of providing services and securing funding, they cannot attend to adapting to long-term trends. To be sure, the region has changed significantly during the past 30 years, and the nonprofit sector has changed with it. The region's economy is perhaps best described as sluggish, especially compared to high performance regions in the South and West. Despite this sluggishness, our standard of living remains high due to higher average wages and lower rates of poverty than in the United States as a whole. Moreover, the region has made significant gains in reducing poverty; there are nearly 12,000 fewer individuals below the poverty level in 2000 than in 1990. Out of more than 400 census tracts in Allegheny County, there are 20 with poverty levels above 50 percent in 1990, but only 15 of those tracts by 2000. This progress should be celebrated.

TABLE 1. PAID AND UNPAID STAFF LEVELS

STAFF LEVEL TREND	PAID STAFF	UNPAID STAFF
Increased	40 %	34 %
Decreased	14 %	11 %
Stayed about the same	36 %	43 %
Not applicable	5 %	5 %
Not reported	5 %	7 %
TOTAL	**100%**	**100%**

TABLE 2. STAFF AND PARTICIPATION LEVELS

FULL TIME STAFF	PARTICIPATION INCREASED	STABLE	PARTICIPATION DECREASED	NOT REPORTED	TOTAL
Decreased	4 %	10 %	2 %	0 %	**15 %**
Increased	35 %	8 %	1 %	1 %	**45 %**
Stable	17 %	17 %	3 %	1 %	**37 %**
Not Reported	1 %	0 %	1 %	0 %	**3 %**
TOTAL	**57 %**	**35 %**	**6 %**	**1 %**	**100 %**

TABLE 3. FUNDING CHARACTERISTICS

WHICH BEST CHARACTERIZES YOUR ORGANIZATION'S FUNDING SITUATION?	
The organization has multiple funders, but relies mainly on one or two types of funders	38 %
The organization is highly dependent on a few funders, largely of the same type	22 %
The organization has multiple types of funders, and has secured long-term relationships	21 %
The organization has a solid base of diverse funding sources, has secured long-term relationships, and is insulated from potential market instabilities through an endowment or other sustainable revenue-generating activities	13 %
Not reported	6 %

Still, there is also need for caution, as the easy work appears to be done. Future gains will be much more difficult, given the changes in our economy and the current state of the nonprofit sector. The relative stability that has strengthened our nonprofit sector may turn to overconfidence, or even worse, an unwillingness to adapt to the future challenges. The challenge for our future is how our region mobilizes its significant and diverse nonprofit and public resources to maintain or increase residents' standard of living.

As our economy has evolved, it has de-concentrated. Our economic base is more dispersed than ever, with nodes of growth throughout the region, but disconnected from each other and isolated from pockets of people in need. We have also transitioned from a highly specialized region dependent on a few large industries to one of the more diverse metropolitan economies. The benefit of economic diversity is that it stabilizes our growth. This is one reason why the regional economy did not grow as quickly during the boom of the late 1990s, but it is also the reason we have not had as severe a decline since 2001. As we move forward, our diverse industry base will be a source of stability, but it will also make it more difficult to identify common needs and solutions. Furthermore, many of the region's employers are now quite small. These employers typically hire in small numbers and have fewer resources to address communal needs.

Establishments in the
Pittsburgh MSA...

69% have less than 20 employees

84% have less than 500 employees

Only 16% have more than 500 employees

Source: U.S. Census Bureau, Economic Directorate

Managing the dynamics of a diversified, decentralized economy requires a different set of resources and skills. We have always had a decentralized governance structure, with hundreds of local governments, hundreds more authorities and districts, combined with thousands of nonprofits. In the past, however, we had an organizing logic provided by the dominant industries and key firms that provided a point of regional consensus. We now have to work much harder to find and sustain regional consensus. The divisions have been exposed by the regional conflicts over stadiums, public transit, and the fiscal crisis in Pittsburgh.

A fundamental rethinking of our service delivery systems is required. This has to start with a fresh examination of what and where the regional needs are. There have been promising, yet isolated attempts to do just that. For example, one city council member initiated an effort to re-examine the delivery of services that would attempt to rationalize the use of public facilities across the variety of taxing bodies — city, county, school and state. There has been no disagreement with the council member's proposals but the level of progress has not matched the level of agreement. In a separate and unrelated initiative, Allegheny County's Area Agency on Aging is attempting to improve the delivery of senior services in the county and align facilities and services with the nature and location of need. These efforts have to be supported and replicated, but even more, there must be an expanded and coordinated effort to align services with need.

In this regard, both the stability and fragility of our nonprofits pose barriers. The marginal nonprofits – those struggling with increasing service burdens, decreasing staff, and rising deficits – will not be able to take on these tasks. The stable and secure nonprofits will have to be convinced that business as usual will no longer suffice.

We need a coordinated effort to identify needs and align services because the bulk of nonprofits are not able to do so independently. There are two mechanisms by which any organization can maintain its relevance: client feedback and evaluation.

Nearly half of our direct service nonprofits, however, are not sufficiently engaged in gathering client feedback. (See Figure 4: Client Feedback Methods.) Twelve percent admit that they collect no information about client satisfaction. The bulk of nonprofits (35 percent) get at least voluntary feedback from their clients, which is most likely the clients that are the most and the least satisfied. Unfortunately, it is difficult to reconcile these polar extremes into guidance for the organization. A minority (nearly one-third) of the respondents use more sophisticated survey and random procedure methods, which provide the most accurate and useful information about effectiveness.[4]

Beyond obtaining client satisfaction, an organization may formally evaluate its relevance. Evaluations conducted by professional, external evaluators are preferred for their objectivity. The good news is that 47 percent of the direct service providers reported having their activities evaluated externally (with or without internal evaluations). Internal evaluations may have the benefit of being conducted by staff with deep knowledge about the organization and its activities, but they are also less likely to be objective. This situation is exacerbated when the individuals involved are not trained evaluators. Internal evaluations were used by 30 percent of respondents; of that subgroup, only 19 percent indicated that at least one evaluation was performed by a staff member who had received professional training in evaluation. The remaining 81 percent indicated that evaluations were conducted by staff affiliated with the program or other internal staff. Another 18 percent of these respondents indicated they had conducted no evaluation on their activities or services.

While some solutions to aligning services may be internal to organizations, others are external. Both 2003 and 2006 respondents were asked about their level of interaction with other nonprofits, government agencies, or for-profits. For each of these types of collaborators and competitors, the survey asked about their communication as it related to several topics: identifying community needs; obtaining funding/other resources; and serving clients. Across the board, for every category of interaction, the 2006 respondents were less likely to report regular contact with their counterparts. (See Table 4: Interaction Levels, 2003-2006.) Some of the decline may be explained by differences in the organizations that responded in 2003 versus those that responded in 2006. However, the consistency of the decline argues for alternative explanations. The competitive environment that is weakening the sector may also be fraying the nonprofit fabric, reducing cooperative activities. Another explanation may be that collaborators have

FIGURE 4. CLIENT FEEDBACK METHODS

HOW DOES YOUR ORGANIZATION COLLECT INFORMATION ON CLIENT SATISFACTION?	
Clients voluntarily send feedback about satisfaction	35 %
Each client receives a follow-up call, questionnaire or post-service interview	21 %
Other	20 %
We do not collect any information about client satisfaction	12 %
A random procedure is used to select clients for a follow-up call, questionnaire or post-service interview	11 %
Not reported	2 %

[4] This includes 11 percent that specified random procedures and some of the 20 percent that selected "Other." Reviewing the responses in the "Other" category revealed that most of these organizations were using advanced methods of gathering client feedback.

TABLE 4. INTERACTION LEVELS, 2003–2006

DO YOU HAVE REGULAR CONTACT WITH...	2003	2006
... other nonprofits on identifying community needs?	83 %	70 %
... government agencies on identifying community needs?	64 %	53 %
... for-profit businesses on identifying community needs?	38 %	24 %
... other nonprofits on obtaining funding or other resources?	67 %	57 %
... government agencies on obtaining funding or other resources?	68 %	63 %
... for-profit businesses on obtaining funding or other resources?	60 %	41 %
... other nonprofits on serving clients?	85 %	82 %
... government agencies on serving clients?	64 %	59 %
... for-profit businesses on serving clients?	47 %	32 %

gone out of business. (Because only 3 percent have merged, we can assume that collaborators have not been absorbed.)

To be sure, the good news is that the level of interaction among nonprofits remains high. They are working together to identify community needs (70 percent), to obtain funding (57 percent) and to serve clients (82 percent). The reality is, however, that our diverse region and its large and varied nonprofit sector will have to deepen those collaborations and develop new models of delivering services if we are to continue moving forward.

THE DAYS AHEAD

The health of our nonprofit sector is vital to our region's future. We cannot expect that local or even state government will address all of our needs. The fiscal crisis that hamstrung the City of Pittsburgh is only a harbinger of the municipal distress to come. Even before Pittsburgh's bankruptcy, during the boom years of 1998 and 1999 when government coffers were overflowing, nearly one third of the communities in our region were running deficits. The situation has not improved. Whereas many of the deficits are small, as are the governments they drain, the deficits are persistent and growing.[5] To date, Harrisburg has been unwilling or unable to figure out a solution; and our regional divisions are mirrored and writ large in the state capital.

So perhaps hope is well placed in the nonprofit sector. The 2006 Pittsburgh Nonprofit Summit, hosted by Grantmakers of Western Pennsylvania and attended by more than 1,000 people, laid out an ambitious agenda that initiated the process of 'big thinking' for the region's well-being. This and past summits have created a much-needed forum for interaction between and among nonprofit leaders and their funders. Still, we have to go much further. The strains that are becoming apparent in the capacity of individual organizations affect the entire system much more deeply. Amidst our decentralized network of nonprofits and governments, there is, as yet, no significant cross-sector effort helping to set priorities and align capacity with need.

If nonprofits are to meet the challenges of the future, they ultimately cannot do so alone. We need a mechanism for identifying and supporting our most effective organizations and leaders in order to increase their capacities to act as regional champions. We cannot wait for Harrisburg or the latest international expert to solve our problems for us. This is Pittsburgh. We have always taken pride in our skill at making things. So, let's make a future about which we will be proud.

2006 Nonprofit Summit
Conference Outcomes...

1. A set of priorities that nonprofit organizations can act on in order to make a difference in the region in the years ahead.
2. Strategies for strengthening the nonprofit sector in the region and building its capacity to work together more strategically.
3. Reflections on the alignment of the nonprofit community priorities with those of business, government, or citizens groups.
4. Action steps for nonprofit organizations to advance the region's next renaissance.

[5] Paytas et al. 2004. *Sinking Ships: Municipalities in Fiscal Distress.* Pittsburgh, PA: Center for Economic Development.

APPENDIX [A]

The 2006 Allegheny County Nonprofit Benchmark Survey

Additional Findings and Results

With 72 questions, 200 responses, and numerous cross-tabulations for respondents' answers, many additional findings are available. The results of selected questions are presented herein.[1]

A significant number of respondents do not use program logic models (PLM). Fifty-nine percent reported that no one had developed a PLM for what they do. Developing a PLM is a healthy exercise that allows any organization to clarify its goals and assess how well its current activities are aligned to its goals. Direct service providers were much more likely to have a PLM than other respondents; still, more than half lacked one.

Respondents that had a program evaluation performed by either an external evaluator or an internal but formally trained evaluator were more likely to report having a PLM. Correlation is not causality, but the presence of formal evaluation training is associated with the presence of PLMs.

Program fees were most likely to be cited as an increasing funding source for respondents. Foundation contributions were most likely to be cited as a decreasing source of funding. Thirty percent of respondents reported that program fees increased over the last three years, followed by government grants and contracts (23 percent), individual contributions (21 percent), and foundation contributions (17 percent). On the other hand, 15 percent reported a decline (8 percent a heavy decline) in foundation funding, making foundation funding the most likely source of funding to shrink for respondents. Some respondents also reported decreased levels of government funds, individual contributions, and program fees, even as others reported increases in these streams. These funding stream dynamics indicate an ongoing selection process in the local nonprofit ecosystem in which funders, individual donors, and fee-paying participants have pulled back from some nonprofits, even while increasing their contributions to others.[2]

Respondents expected fundraising, staff, and communications/outreach/public relations to pose the top 3 challenges over the next three years. Seventy-seven percent of respondents expected fundraising to pose a large or moderate challenge over the next three years, followed by staff (53 percent) and communication/outreach/PR (50 percent). Fewer respondents viewed shifting community demographics or program design and development as moderate/large challenges. In fact only 9 percent saw changing community demographics as a large challenge, an interesting result given ongoing county demographic trends. The numbers suggest that perennial nonprofit issues of survival and sustainability continue to dominate longer-term concerns.

ADDITIONAL SURVEY RESULTS FOR SELECTED QUESTIONS

Has your organization merged with another organization during the past 3 years?

Yes	6	3%
No	189	97%
Total	195	100%

Please indicate which of the following best describes the organization's stage in its lifecycle:

Start-up	8	4%
Growth	58	31%
Mature	117	62%
Decline	7	4%
Total	190	100%

[1] Result table/charts are output from the zoomerang.com report function. Zoomerang was used to capture online responses and to enter all survey data. Total responses per questions will vary, as some respondents declined to answer all questions or regarded some questions as not applicable. Some percentage totals exceed 100 percent because multiple answers were allowed.

[2] The relative magnitude of the funding gained/lost between "winners" and "losers" was not explored.

What is your organization's primary field of service?

Arts & culture	22	11%
Employment, jobs	6	3%
Civil rights, social action, advocacy	2	1%
Health, mental health, disabilities, drug abuse	34	17%
Recreation, sports, leisure, athletics	8	4%
Food, agriculture, nutrition	2	1%
Youth development	12	6%
International	2	1%
Human services	39	20%
Education	34	17%
Environment	5	3%
Crime, legal	1	1%
Animals	3	2%
Community involvement, capacity building	14	7%
Religious	6	3%
Philanthrophy, volunteerism, foundation	4	2%
Other	49	25%

Would you describe your organization as either "faith-based" or "faith-related"?

Yes	39	20%
No	154	80%
Total	193	100%

Where does your organization carry out, or perform, at least 50% of its activities?

City of Pittsburgh	60	31%
Northern Allegheny County	7	4%
Western Allegheny County	11	6%
Eastern Allegheny County	12	6%
Southern Allegheny County	13	7%
County-wide	52	27%
Multi-county	25	13%
State-wide	7	4%
Outside Pennsylvania	7	4%
Total	194	100%

Does your organization directly serve individuals (clients/consumers) in the community?

Yes	160	82%
No	35	18%
Total	195	100%

How has the number of participants your organization serves changed during the past 3 years?

Decreased (more than 20%)	1	1%
Decreased (between 5% and 20%)	11	7%
Stayed the same (within +/- 5%)	55	34%
Increased (between 5% and 20%)	72	45%
Increased (more than 20%)	21	13%
Total	160	100%

How does your organization collect information on client satisfaction?

We do not collect any information about client satisfaction...	23	12%
Clients voluntarily send feedback about satisfaction...	68	35%
Each client receives a follow-up call, questionnaire or post-service interview...	41	21%
A random procedure is used to select clients for a follow-up call, questionnaire or post-service interview...	22	11%
Other	39	20%
Total	193	100%

If your activities and/or services have been evaluated, who conducted the evaluation activities?

No evaluations have been conducted...	36	19%
Internal staff affiliated with the evaluated program....	85	45%
Other internal staff...	29	15%
Internal staff who have received evaluation training...	36	19%
External individuals or firms...	56	30%
External professional evaluators...	68	36%

What type of information do you collect about your organization's activities or clients served?

(Top # is the count of respondents selecting the option. Bottom # is percent of total respondents selecting the option.)

	For no clients or projects	For less than 25% of clients and projects	For 25% – 50% of clients and projects	For 50% – 75% of clients and projects	For 100% of clients and projects
Capture intake or eligibility information about clients...	41 22%	14 8%	12 7%	23 13%	93 51%
Monitor and collect data on program inputs and activities...	28 16%	10 8%	7 4%	28 16%	107 59%
Monitor and collect data on program outputs...	20 11%	11 6%	7 4%	25 14%	121 66%
Monitor and collect data on program outcomes...	28 15%	23 13%	15 8%	48 26%	69 36%

Sources of revenue, %of total revenue, and % change from 3 years prior:

(Top # is the count of respondents selecting the option. Bottom # is percent of total respondents selecting the option.)

	Decreased more than 20%	Decreased between 5% and 20%	Stayed the same (within +/- 5%)	Increased between 5% and 20%	Increased more than 20%
Program/service fees	8 6%	10 7%	63 46%	40 29%	15 11%
Product sales/unrelated revenues	4 6%	5 8%	43 65%	12 18%	2 3%
Corporate contribution	7 7%	10 10%	56 58%	12 12%	12 12%
Foundation	14 12%	15 13%	59 50%	13 11%	16 14%
Government grants/contract	7 5%	16 12%	57 45%	28 22%	20 16%
United Way	7 8%	15 18%	47 57%	12 14%	2 2%
Congregations/denominations	3 6%	6 12%	38 75%	3 6%	1 2%
Other combined appeals	2 3%	13 21%	38 62%	3 5%	5 8%
Individual contributions	6 5%	15 12%	64 52%	24 19%	15 12%
Planned gifts/bequests	5 10%	0 0%	40 77%	3 6%	4 8%
Endowment investment income	7 8%	4 5%	49 58%	14 16%	11 13%
Other	5 6%	6 8%	43 54%	13 16%	12 15%

Has anyone ever developed a program logic model for one or more of your organization's programs or services?

Yes	56	30%
No	111	59%
We're working on it	22	12%
Total	189	100%

Does your organization officially review its performance indicators?

More than once per year	88	47%
Once per year	67	36%
Less than once per year	14	8%
Never	17	9%
Total	186	100%

Does your organization have an operating cash reserve?

Yes	114	60%
No	76	40%
Total	190	100%

Does your organization conduct a review of its finances/financial records by an external auditor annually?

Yes	176	90%
No	19	10%
Total	195	100%

Does your organization have written financial management procedures that provide checks and balances for ensuring expenditures are properly authorized?

Yes	165	86%
No	27	14%
Total	192	100%

Is the Executive Director/head of your organization the person responsible for financial management or is there another person responsible for this activity?

Executive Director/head	83	43%
Another staff person	81	42%
External bookminder/accountant	25	13%
Board member	32	16%
Other	8	4%

Does your organization have a written fund development plan?

Yes	71	37%
No	120	63%
Total	191	100%

Does your organization have a paid staff member other than the executive director (such as a development director) who is responsible for fundraising?

Yes	71	37%
No	121	63%
Total	192	100%

Which best characterizes your organization's funding situation?

The organization is highly dependent on a few funders, largely of the same type...	43	23%
The organization has multiple funders, but relies mainly on one or two type of funders...	75	41%
The organization has multiple types of funders, and has secured long term funding relationships...	41	22%
The organization has a solid base of diverse funding sources, has secured long-term funding relationships, and is insulated from potential market instabilities through an endowment or other sustainable revenue-generating activities ...	25	14%
Total	184	100%

Does your organization have a written mission statement?

Yes	188	96%
No	8	4%
Total	196	100%

Does your organization have a written ethics code or policy?

Yes	135	72%
No	52	28%
Total	187	100%

Does your organization have a current written strategic plan?

Yes, completed within the last year	78	40%
Yes, completed 2-3 years ago	37	19%
Yes, completed 4-5 years ago	17	9%
Yes, completed longer than 5 years ago	5	3%
No	57	29%
Total	194	100%

Prior to joining this organization, were you the ED/CEO of any other nonprofit?

Yes	41	24%
No	131	76%
Total	172	100%

Prior to joining this organization, were you the ED/CEO in the public or for-profit sectors?

Yes	24	14%
No	145	86%
Total	169	100%

Immediately prior to taking this job as Executive Director, in which sector did you work?

Nonprofit	103	62%
Private/ For-profit	45	27%
Military	0	0%
Government (non-miliary)	14	8%
Foundation	3	2%
Other	1	1%
Total	166	100%

Please list how satisfied you are with the following aspect of your job:

(Top # is the count of respondents selecting the option. Bottom # is percent of total respondents selecting the option.)

	Very Dissatisfied	Dissatisfied	Neutral/ no opinion	Satisfied	Very Satisfied
Salary	6 4%	19 12%	23 14%	81 50%	32 20%
Benefits	16 10%	13 8%	20 12%	68 42%	44 27%
Hours/workload	9 5%	28 17%	20 12%	84 51%	24 15%
Workplace environment	2 1%	6 4%	15 9%	62 38%	79 48%
Relationship with your staff	1 1%	2 1%	11 7%	57 36%	86 55%
Relationship with you board	4 2%	6 4%	22 13%	62 37%	72 43%
Professional development opportunities	5 3%	12 7%	25 15%	67 41%	55 34%
Opportunities to network with other nonprofit EDs	4 2%	19 12%	27 17%	63 39%	50 31%
Impact and meaning of your work	2 1%	0 0%	3 2%	42 25%	119 72%
Job overall	1 1%	5 3%	4 2%	79 48%	76 46%

What education degree programs have you completed?

High school or GED	5	3%
Associate's degree	8	5%
Bachelor's degree	54	31%
Master's degree	89	51%
PhD, MD or JD	17	10%
Other	0	0%
Total	173	100%

How long do you plan on staying in your current organization?

Less than one year	8	5%
1-3 years	30	18%
3-5 years	25	15%
More than 5 years	63	37%
Don't know	45	26%
Total	171	100%

What is your gender?

Female	99	58%
Male	72	42%
Total	171	100%

What is your race/ethnicity?

African American/ Black	12	7%
Asian/ Pacific Islander	0	0%
Hispanic/ Latino	2	1%
White/ European	152	90%
Other, Please Specify	3	2%
Total	169	100%

Compared to about the same period three years ago, has the number of paid staff:

Increased	79	42%
Decreased	27	14%
Stayed about the same	71	38%
Not Applicable	10	5%
Total	187	100%

Compared to about the same period three years ago, has the number of volunteer staff:

Increased	66	36%
Decreased	21	12%
Stayed about the same	85	47%
Not applicable	10	5%
Total	182	100%

Is the head of your organization (e.g., the executive director) a paid position?

Yes, paid full-time salary	134	73%
Yes, paid part-time salary	20	11%
No, Not paid position	30	16%
Total	184	100%

Participation of ED/CEO, Paid/Volunteer Staff in trainings or similar learning opportunities:

ED/CEO participated in Management and Administration training...	135	80%
ED/CEO participated in Fundraising-related training...	94	56%
ED/CEO participated in Service delivery-related training...	113	67%
PAID STAFF participated in Management & Admin. training...	108	64%
PAID STAFF participated in Fundraising-related training...	76	45%
PAID STAFF participated in Service delivery-related training...	118	70%
VOLUNTEERS participated in Management & Admin. training...	31	18%
VOLUNTEERS participated in Fundraising-related training...	30	18%
VOLUNTEERS participated in Service delivery-related training...	61	36%

Is there a job description for each staff position or job position?

(Top # is the count of respondents selecting the option. Bottom # is percent of total respondents selecting the option.)

	Yes	No	Not applicable
Paid staff	155 81%	14 7%	22 12%
Volunteer Staff	72 41%	54 31%	48 28%

Does your organization conduct annual performance reviews for:

(Top # is the count of respondents selecting the option. Bottom # is percent of total respondents selecting the option.)

	Yes	No	Not applicable
Paid staff	144 76%	23 12%	23 12%
Volunteer Staff	20 11%	94 54%	81 35%

Who handles human resource issues in your organization, such as monitoring personnel policies and procedures?

A professional HR specialist...	40	22%
The Executive Director...	86	46%
A middle manager who handles HR as well as other duties...	27	15%
A clerical support person who handles HR as well as other duties...	5	3%
Other	28	15%
Total	186	100%

How many times per year does the board meet?

None	1	1%
1 - 2	16	8%
3 - 4	52	27%
5 or more	123	64%
Total	192	100%

At board meetings, does someone regularly take minutes and keep record of attendance?

Yes	191	99%
No	1	1%
Total	192	100%

What skill sets/qualities/backgrounds would you like to see better represented in this organization's board?

Accounting	38	21%
Computers/technology	59	32%
Finance/investment	49	27%
Communications/media/ marketing/PR	92	50%
Human resources	34	18%
Real estate	17	9%
Organizational development	48	26%
Member of target population	41	22%
Administration/management	10	5%
Entrepreneurship	41	22%
Funding ability	126	68%
Legal	31	17%
Research/evaluation	26	14%
Risk management	21	11%
Representative of your community's diversity	78	42%
Other	22	12%

During the past 3 years, did any members of the Board participate in any training or similar learning opportunities to learn more about governance or roles and responsibilities of Board members?

Yes	112	59%
No	79	41%
Total	191	100%

Does your organization engage in advocacy, such as efforts to make the general public and policy makers aware of problems or issues in your community?

Yes	134	69%
No	42	22%
Don't know	6	3%
Not applicable	13	7%
Total	195	100%

Does your organization engage in lobbying, which usually involves efforts to influence how law makers vote on specific legislative proposals?

Yes	52	27%
No	121	63%
Don't know	2	1%
Not applicable	18	9%
Total	193	100%

How satisfied are you with the following aspects of your organization's board's functioning?

(Top # is the count of respondents selecting the option. Bottom # is percent of total respondents selecting the option.)

	Very Dissatisfied	Dissatisfied	Neutral/ no opinion	Satisfied	Very Satisfied
Clarity of the board's roles and procedures	6 3%	25 13%	20 10%	95 49%	46 24%
Reviewing and setting organization's strategy and operations	7 4%	27 14%	22 12%	85 45%	50 26%
Reviewing and approving financial statements	0 0%	16 8%	16 8%	84 44%	75 39%
Hiring and evaluating the Executive Director	3 2%	10 5%	46 25%	76 42%	47 26%
Representing the organization to the public and representing the public's needs and interests to the organization	10 5%	36 19%	31 16%	72 36%	39 21%
Securing resources/ raising funds	21 11%	63 34%	34 18%	50 27%	20 11%
Evaluating the organization's overall effectiveness in achieving its mission	7 4%	29 15%	39 21%	81 43%	34 18%

During the past 3 years, in what ways did this organization collaborate or partner with other nonprofit organizations?

Advocacy about an issue or topic	102	56%
Joint research or evaluation	49	27%
Joint conference	62	34%
Other joint programming	105	58%
Shared mailing list or email list	55	30%
Coordinated/joint communications effort	52	29%
Coordinated planning/ needs assessment	42	23%
Shared staff	48	26%
Pooled grantmaking	34	19%
Joint publications/ newsletter	16	9%
Joint workshop or similar event	66	36%
Joint fundraising	23	13%
Joint site visits	32	18%
Shared office space/equipment	52	29%
Earned income generating project	10	5%
Shared board members	21	12%
Other	18	10%

For the purpose of identifying community needs, does your organization have regular contact with:

Other nonprofits	138	89%
Government agencies	103	66%
For-profit businesses	47	30%
Not applicable	4	3%

For purposes of obtaining funding or other resources, does your organization have regular contact with:

Other nonprofits	111	67%
Government agencies	124	75%
For-profit businesses	80	48%
Not applicable	4	2%

For the purposes of serving clients or members, does your organization have regular contact with:

Other nonprofits	161	91%
Government agencies	116	66%
For-profit businesses	63	36%
Not applicable	5	3%

For the purposes of community visibility and image, does your organization regularly compete with:

Other non-profits	123	89%
Government agencies	17	12%
For-profit businesses	30	22%
Not applicable	8	6%

For the purposes of obtaining funding or other resources, does your organization regularly compete with:

Other non-profits	155	93%
Government agencies	30	18%
For-profit businesses	25	15%
Not applicable	5	3%

Given your organization's current resources, please rate its capacity/ability to perform the following activities:

(Top # is the count of respondents selecting the option. Bottom # is percent of total respondents selecting the option.)

	Very High	High	Moderate	Low	Very Low	None	N/A
Developing and implementing new programs to meet community needs...	26 13%	53 27%	76 39%	20 10%	8 4%	2 1%	9 5%
Using objective data and analysis to make important decisions...	15 8%	56 29%	73 38%	27 14%	10 5%	3 2%	10 5%
Keeping up with important trends in our profession...	31 16%	68 35%	69 36%	13 7%	4 2%	2 1%	6 3%
Experimenting with new programs or approaches and trying new things...	34 18%	62 32%	60 31%	20 10%	10 5%	1 1%	6 3%
Responding quickly to unexpected needs for services in the community...	28 14%	43 22%	62 32%	30 15%	13 7%	6 3%	12 6%
Securing financial resources to ensure uninterrupted programs and services...	13 7%	45 23%	87 45%	32 16%	8 4%	2 1%	7 4%
Maintaining a high level of community visibility and credibility for the organization...	34 18%	64 33%	69 36%	18 9%	5 3%	1 1%	3 2%
Using information technology to improve our performance...	22 11%	52 27%	72 37%	27 14%	13 7%	3 2%	4 2%
Generating unrestricted revenue that can be spent wherever we need it most...	14 7%	24 13%	68 36%	52 27%	20 10%	5 3%	8 4%
Managing legal and liability issues...	29 15%	62 32%	64 33%	21 11%	7 4%	3 2%	7 4%

For the purposes of serving clients or members, does your organization regularly compete with:

Other nonprofits	115	86%
Government agencies	24	18%
For-profit business	44	33%
Not applicable	10	8%

Is your organization currently involved in one key partnership with another organization for any purpose?

Yes, secular nonprofit organization...	58	30%
Yes, faith-based nonprofit org.....	18	9%
Yes, religious congregation or denomination organization...	5	3%
Yes, government agencies or authority...	21	11%
Yes, business or other for-profit organization...	12	6%
Yes, educational institution...	17	9%
Yes, funding org. (e.g. foundation)...	9	5%
Yes, other...	0	0%
No...	50	26%
Don't know...	2	1%
Total	192	100%

What is the primary purpose of the partnership?

To receive and make service recipient referrals...	13	9%
To develop and operate joint programming...	43	30%
To access new funding sources (funding alliance)...	9	6%
To recruit volunteers...	4	3%
To participate in advocacy, awareness and education...	10	7%
To obtain in-kind donations...	2	1%
To assess community/ service recipient needs...	7	5%
Peer learning (learning circle, study group)...	5	4%
To access complementary skills/ knowledge...	6	4%
Other reasons for partnership...	42	30%
Total	141	100%

Which category best describes your position in the organization?

CEO/ Executive Director	144	75%
Development Director	6	3%
Program Manager	2	1%
Program Assistant/Administrative Staff	6	3%
Other	35	18%
Total	193	100%

How long have you been in your current position?

Less than a year	22	11%
1 - 3 years	49	25%
4 - 6 years	43	22%
7 - 10 years	18	9%
More than 10 years	61	32%
Total	193	100%

During the next three years, how large of a challenge do the following issues present to your organization?

(Top # is the count of respondents selecting the option. Bottom # is percent of total respondents selecting the option.)

	Not a challenge	Slight challenge	Moderate challenge	Large challenge
Staff...	40 21%	49 26%	57 30%	44 23%
Board governance...	53 28%	53 28%	60 31%	25 13%
Volunteer recruitment and management...	47 26%	58 32%	54 29%	25 14%
Executive leadership and transition...	72 38%	45 24%	46 24%	27 14%
Space/office...	86 45%	52 27%	31 16%	21 11%
Funding/fundraising...	8 4%	37 20%	48 26%	95 51%
Program design and development...	48 26%	81 43%	54 29%	4 2%
Communications/outreach/PR...	26 14%	69 36%	65 34%	30 16%
Technology/information systems...	39 21%	71 38%	57 30%	22 12%
Public policy changes...	46 25%	59 32%	45 25%	33 18%
Community (shifting demographics, etc.)...	43 23%	81 44%	45 24%	16 9%
Legal matters...	80 43%	83 45%	17 9%	6 3%
Other...	1 8%	0 0%	5 42%	6 50%

PROGRAM LOGIC MODEL VS. DIRECT SERVICE

Has anyone developed a program logic model for one of more of your organization's programs or services?

Does your organization directly serve individuals (clients/consumers) in the community?

	TOTAL	Yes...	No...
	189	155	33
Yes...	56 30%	54 35%	2 6%
No...	111 59%	80 52%	30 91%
We're working on it...	22 12%	21 14%	1 3%

PROGRAM LOGIC MODEL VS. EVALUATION

Has anyone developed a program logic model for one or more of your organization's programs or services?

If your activities and/or services have been evaluated, who conducted the evaluation activities?

	TOTAL	No evaluations have been conducted	Internal staff affiliated with the evaluated program	Other internal staff	Internal staff who have received evaluation training	External individuals or firms	External professional evaluators
	189	35	82	29	36	55	67
Yes...	56 30%	4 11%	22 27%	10 35%	22 61%	23 42%	31 46%
No...	111 59%	27 77%	51 62%	15 52%	7 19%	25 46%	27 40%
We're working on it...	22 12%	4 11%	9 11%	4 14%	7 19%	7 13%	9 13%

REPORTED FUNDING STREAM TRENDS[1]

REVENUE SOURCE	Decreased > 20%	Decreased 5 – 20%	Stayed the Same +/– 5%	Increased 5 – 20%	Increased > 20%	N/A
Program fees	5%	5%	33%	21%	9%	27%
Product sales and unrelated revenues	2%	2%	21%	7%	1%	67%
Corporate contributions	4%	5%	29%	7%	7%	49%
Foundation contributions	8%	7%	30%	7%	10%	38%
Government grants and contracts	4%	8%	32%	13%	10%	33%
United Way contributions	4%	8%	25%	6%	1%	56%
Congregations/Denominations	1%	4%	19%	2%	1%	74%
Other combined appeals	1%	6%	21%	2%	2%	68%
Individual contributions	3%	8%	34%	13%	8%	34%
Planned gifts/bequests	2%	0%	20%	2%	2%	73%
Endowment investment income	4%	2%	26%	6%	5%	57%
Other	2%	3%	23%	6%	6%	59%

[1] Responses are based on the 84 percent that provided usable data for this question.