



2019 Nonprofit Survey Executive Summary

The Community Foundation of Greater Des Moines strives to be a trusted partner for the local nonprofit sector. By conducting a bi-annual survey of local nonprofit leaders, the Community Foundation seeks to assess perceptions of our grantmaking work and ensure intentional strategies are in place to deepen and nurture relationships with nonprofit organizations and community partners, thereby solidifying our role as a key community resource.

Survey questions further examine the efficacy of our nonprofit communications, capacity building trainings, and more general capacity building needs and opportunities for local nonprofits to achieve organizational stability. Analyzing responses allows the Community Foundation to maintain knowledge of successful and emerging trends in the nonprofit field to inform our roles as a resource, connector and leader for the sector.

Over 193 survey responses were collected representing the arts & culture, community betterment, education, employment/workforce development, environment, health/mental health, housing and human service fields of interest. Approximately 30% of respondents' organizations report an operating budget of less than \$250,000, 22% between \$250,000 and \$1 Million, and 45% between \$1-5 Million. **Responses were gathered through an open community survey and as such the data shared does not presume to be scientifically valid.**

Barriers to implementing mission

Nonprofits were asked to share the challenges faced by their organizations. Recruiting new donors was identified as a major challenge for over 62% of respondents (remaining steady from 2017 compared to 71% in 2012). Fifty-seven percent of respondents indicate obtaining funding/fundraising as a major challenge (compared to 55% in 2017). Enhancing visibility and marketing was also seen as a major challenge for 59% of respondents. Recruitment and retention of board members – especially diverse board members – was among the top challenges (44%) and covering employee benefits and insurance costs was considered a major challenge by 37% of respondents – an increase from 24% who indicated this as a challenge in 2017.

Common responses regarding funding challenges included:

- “Visibility in the community and fundraising.”
- “Keeping up with rising health care costs & attracting new employees in a tight market; sustainable operating funding in an environment of increased baseline cost.”
- “The complete overhaul of our funding system and the need to find alternative funding is a challenge.”



- “Succession planning -- founding Board members are aging and we need to restructure work to recruit replacements.”
- “Sustainability - funding not matching growth and need for more staff!”
- “Fundraising -- matching services/mission to donors -- and marketing/communications -- creating engaging language that tells our story.”

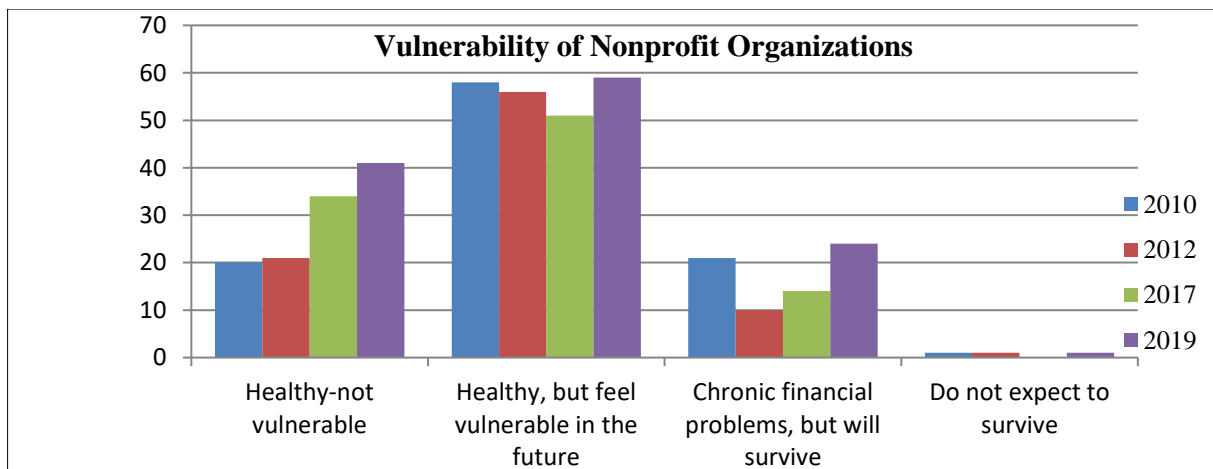
Demand for services continues to be high

The demand for services remains high with over 73% of respondents reporting an increased demand for the services of their organization (compared to 75% in 2017).

Demand for Service				
	Increased	Unchanged	Decreased	Don't Know
2019	73.02%	19.05	4.76%	3.17%
2017	75.6%	22.2%	2.22%	0.0%
2012	79.0%	16.0%	3.0%	2.0%
2010	79.7%	16.5%	3.8%	0.0%
2009	79.5%	13.3%	4.8%	2.4%

Nonprofits feel vulnerable and financial stability continues to be a center of focus

Thirty-three percent of organizations report they are healthy and not financially vulnerable – on par with the 2017 survey. Over 47% percent responded they are healthy to date but feel vulnerable in the future. Nineteen percent reported they are experiencing chronic financial problems but expect to survive.





Nearly 70% of nonprofits reported an increase in expenses in the 2019 survey, however only 47% reported their organization had an increase in revenue, and 26% reported a decrease.

Comparison Analysis of Stability of Nonprofits:

Total Revenue

	Increased	Unchanged	Decreased	Don't Know
2019	46.46%	25.20%	25.98%	2.36%
2017	53.3%	28.9%	16.7%	1.1%
2012	43.0%	21.0%	34.0%	2.0%
2010	53.1%	12.3%	34.6%	0.0%
2009	50.6%	22.9%	25.3%	1.2%

Total Expense

	Increased	Unchanged	Decreased	Don't Know
2019	68.80%	20.80%	8.00%	2.40%
2017	60.0%	28.9%	10.0%	1.1%
2012	57.0%	16.0%	25.0%	2.0%
2010	59.3%	18.5%	22.2%	0.0%
2009	71.1%	21.7%	6.0%	1.2%

Total Revenue from donations

	Increased	Unchanged	Decreased	Don't Know
2019	41.27%	30.16%	24.60%	3.97%
2017	47.8%	36.7%	12.2%	3.3%
2012	39.3%	36.1%	21.3%	3.3%
2010	35.8%	25.9%	38.3%	0.0%
2009	42.2%	32.5%	24.1%	1.2%

Overall Staffing Levels

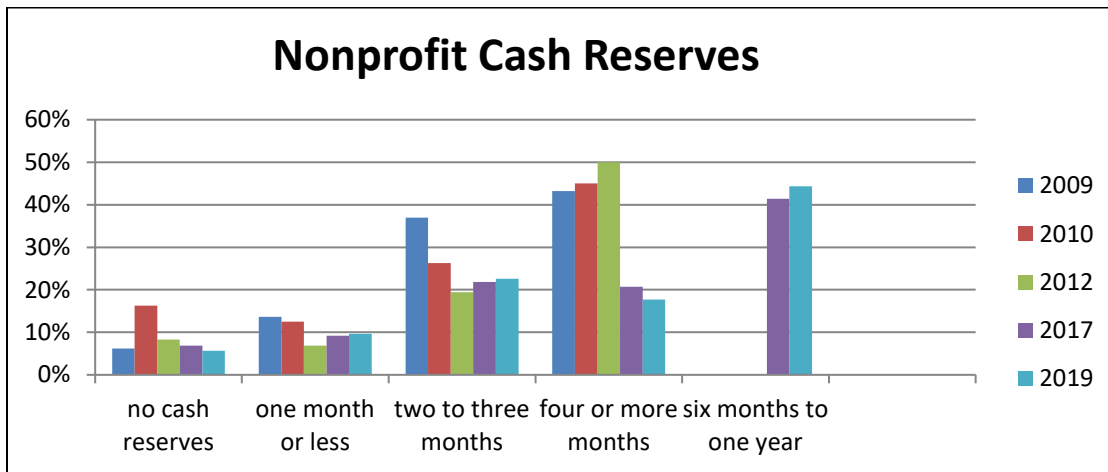
	Increased	Unchanged	Decreased	Don't Know
2019	37.80%	45.67%	14.17%	2.36%
2017	42.1%	40.9%	15.9%	1.1%
2012	38.3%	45.7%	25.0%	1.7%
2010	24.7%	45.7%	29.6%	0.0%
2009	34.9%	48.2%	15.7%	1.2%

Fundraising efforts

When nonprofits were asked about changes to funding by source, 45% of nonprofit organizations shared an increase in individual donations during fiscal year 2018. Fifteen percent reported a decrease in the same source. Thirty-three percent indicated a funding increase from special events (17% decreased). In addition, 27% noted an increase from corporate giving (20% indicated a decrease) and 19% indicated an increase from foundation grants (15% decrease).

Cash reserves

Maintaining a cash reserve is one strategy for ensuring financial health. In 2019, 18% of respondents reported having cash reserves of four or more months, and 44% reported having six months to one year*. Twenty-three percent reported having two to three months, nearly 10% reported having one month or less and 6% percent reported having no cash reserves.



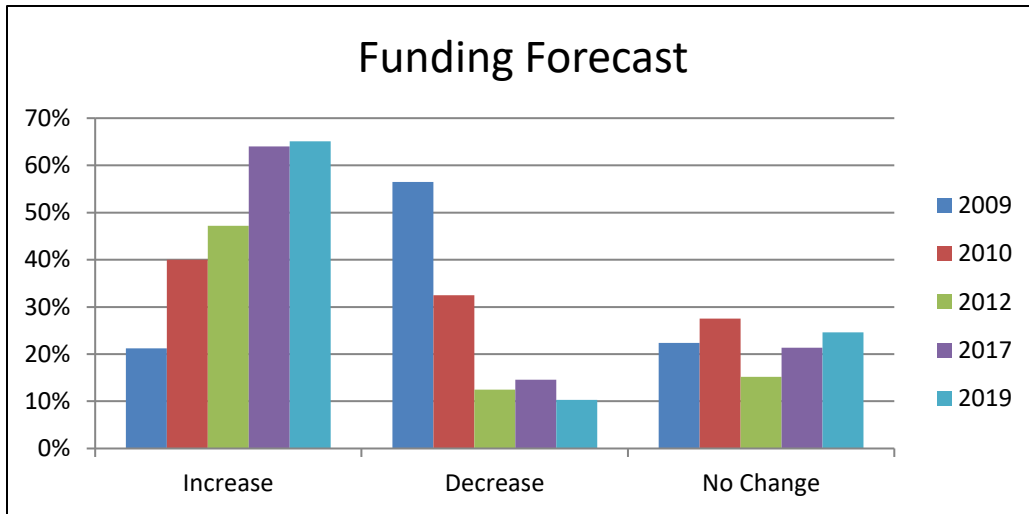
**Surveys from 2009-1012 included six months to one year within four or more months*

Cash flow

Twenty-one percent of nonprofits answered they had experienced a negative cash flow situation within the last year while 72% had not. Of those noting a negative cash flow, over 38% indicated it was due to unmet fundraising goals (up from 23% in 2017), 19% reported it was part of their normal business cycle and 31% (up from 19% in 2017) shared it was because of delays in government payments, an additional 12% indicated a prior-year deficit (down from 19% in 2017).

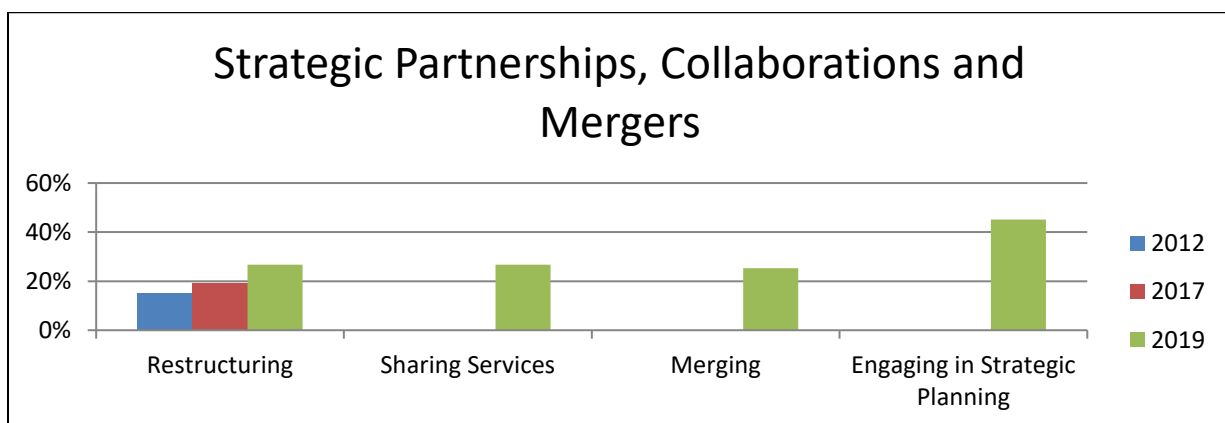
Future Forecast

The nonprofit organizations surveyed were asked to forecast what they anticipate their funding situation will be in the next six to twelve months. Sixty-five percent anticipate an increase in funding; 10% forecast a decrease in funding and 25% anticipate no change in funding in the next six to twelve months.



Strategic partnerships, collaboration and mergers

Of the 37% of nonprofits that indicated maintaining operations is a challenge, a sub-set of 25% answered that their organization has considered a merger or new collaboration and are already or will be pursuing this course of action. Twenty-seven percent of that sub-set are considering restructuring or sharing services and 45% indicated their organization is engaging in strategic planning to consider their options. Note that this question was reframed from previous surveys to present more varied responses for the 2019 survey.

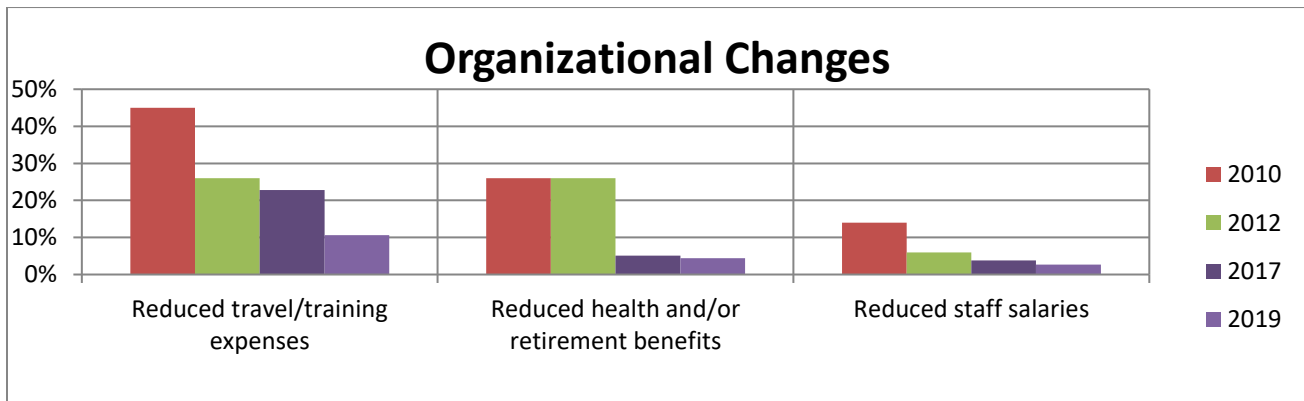


Note this data is a subset from 37% of overall respondents

Open-ended responses to the organizational efficiencies question indicated nonprofits are looking at opportunities to align with other non-profits to access healthcare and other benefits, and exploring shares space with other entities among other .

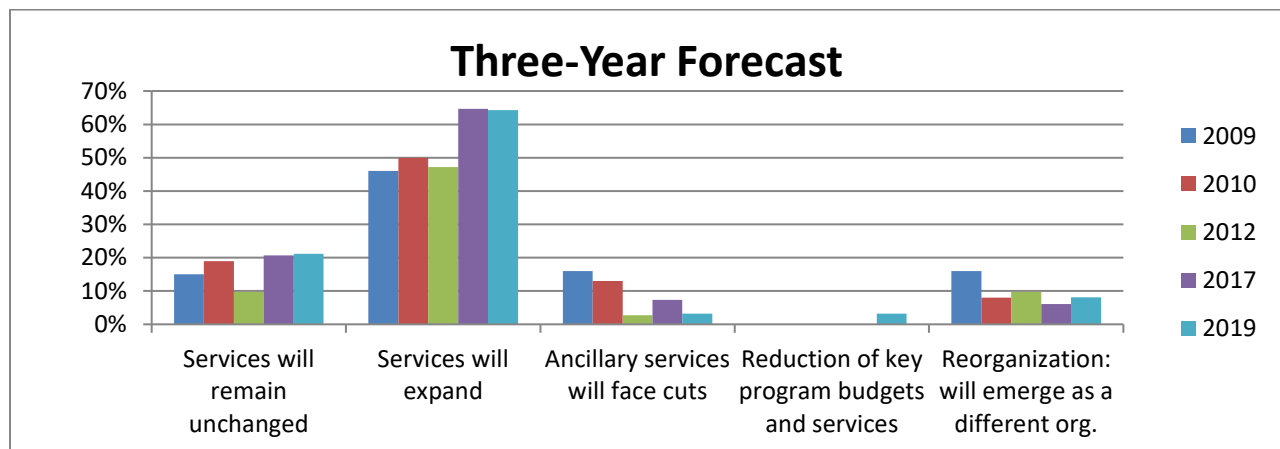
Nonprofits adjust organizational activities

Nonprofits were asked about any organizational changes they made within the last fiscal year. Eleven percent of respondents indicated they have reduced travel/training expenses. Over 19% indicated they increased staff salaries beyond the Cost of Living Adjustment (COLA) (not reflected in graph below). Only 4% responded they had reduced health and/or retirement benefits.



The nonprofit sector looks to the future

As nonprofits look to the next three years, 64% of respondents indicate they will expand services in key areas in the next three years (consistent with 2017 responses). Twenty-one percent stated that their services will remain unchanged. However, some nonprofits acknowledge they will need to make some tough decisions in the next three years. Eight percent (10 respondents) said they will re-examine existing structure and will likely emerge as a different organization. Another 3% indicated key programs would be reduced – a new question.



Strategic planning is being used to strengthen organizational capacity

As nonprofit organizations look to build capacity, a strong strategic plan can assist in directing organizations to resources and efficiencies. [The Community Foundation’s Capacity Building grant program helps fund strategic work for governance or management.] Nonprofit organizations were asked if they had an up-to-date strategic plan. Sixty-seven percent reported they had a current, up-to-date strategic plan in place, but far fewer organizations (only 31%) indicated they have a current succession plan or HR talent/development plan.



Demonstrating Trusting Relationships

Respondents were not required to include their contact information, and this year we added a disclaimer that survey responses would not impact grantmaking decisions but would give the Community Foundation the opportunity to follow up with resources. Seventy-two respondents provided contact information, up from 34 in 2017. We interpret this as an indicator of trust within the sector, a strategic goal for the Community Foundation.

The Community Foundation believes in the importance of a strong, vibrant nonprofit community, and we realize that providing resources and trainings to build capacity is critical for nonprofit organizations to grow and prosper.

The survey indicates there is a continued need for training opportunities on a broad range of topics for the nonprofit sector. The Community Foundation will continue to offer affordable training opportunities in 2020 as well as lift up and connect the nonprofit sector with additional learning opportunities within the community and beyond.

- Nonprofit training offerings for board and staff members will continue in 2020 with a focus on marketing and fundraising, succession planning, board governance and more.
- We will also continue to offer our Capacity Building Grants to strengthen an organization in an area related to governance or management and provide capacity support for a collaborative initiative/effort to enhance systemic support around a community issue or priority.
- Consider ways to build social capital and enhance opportunities to explore collaboration within the nonprofit sector by imagining new networking and peer learning opportunities for nonprofit leaders.
- Consider ways to better support grassroots organizations in capacity building, possibly through additional webinars that can be accessed on-demand.

The Community Foundation conducted this survey to measure how we are tracking on our strategic goals for community impact, give our community some measure of how our local nonprofit organizations are faring in the economy, and to identify the needs for training and resources. We are extremely grateful to the nonprofits that completed our survey. The Community Foundation will use the survey results to advise our community, its donors and funding organizations who want guidance on how to connect with causes and organizations meaningful to them and critical to our community.

If you have questions regarding this survey, please contact the Community Foundation of Greater Des Moines.

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