Nonprofit Effectiveness Initiative Research:

Online Survey of Nonprofit Organizations – Report of Findings

October 2017

Submitted by:

CYPRESS RESEARCH
ASSOCIATES

Nonprofit Effectiveness Initiatives
Online Survey of Nonprofit Organizations - Report of Findings

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EXECUTIVE SUMMARY

A. DESCRIPTION OF PARTICIPANTS

The three nonprofit intermediaries provided Cypress Research Associates with databases that resulted in an aggregated database of 845 nonprofit executives who had used their services in the past three years. **Completed surveys were received from 263 of 822 individuals, for a 32% response rate.**

- ✓ 91% were from 501(c)(3) organizations; 3% represented foundations, 2% associations, and 5% 'other'
- ✓ 35% represented organizations that focus on human services; 23% focus on education; remaining 58% on other focus areas
- ✓ 23% of organizations represented have annual budgets of less than $250,000; 34% between $250,000 and $999,999; 42% of $1 million or more
- ✓ 59% were at the CEO/executive director/president level

For the next two sections of the survey, respondents were presented with a list of 19 capacity-related issues. These items were based on a 2016 report by Grantmakers for Effective Organizations entitled 'Strengthening Nonprofit Capacity: Core Concepts in Capacity Building.'

B. NONPROFIT CHALLENGES

Respondents were asked to rate the extent to which 19 capacity-related issues were a challenge within their organization (based on a 4-category scale: 'Not a challenge'; 'Minor challenge', 'Moderate challenge' and 'Serious challenge').

The top 10 challenges from the initial list of 19 are:
- Fund development
  - Fundraising strategy and sustainability (80% 'moderate' or 'serious' challenge)
  - Donor database management (59%)

- Communications and marketing
  - Marketing to donors/potential donors (66%)
  - Community branding/visibility (54%)
  - Marketing to current and potential clients (47%)

- Board leadership
  - Board development (57%)
  - Attracting and retaining quality board members (53%)

- Evaluation and learning (53%)

- Technology (50%)

- Staff leadership (46%)

The following nine issues were rated less challenging relative to the other areas:
- Financial management
- Mission, vision & strategy
- Staff leadership
- Diversity
- Collaboration
- Program delivery

Of note, nonprofits concentrating on education or human services perceive donor database management and attracting and retaining quality board members as less challenging than other types of nonprofits.

C. EXTERNAL SERVICES USED

Next, participants were asked to indicate whether or not their nonprofit has used/participated in external services from an intermediary organization in each of the 19 challenge areas. The gap between the proportion of respondents that view each issue as a current 'challenge' and the percent that have 'used services' in each area was significant for most of the top 10 challenges, particularly in the areas of:

Fund development
- Fundraising strategy and sustainability (80% 'challenge'; 44% 'used services')
- Donor database management (59% 'challenge'; 25% 'used services')

Communications & marketing
- Marketing to donors/potential donors (66% 'challenge'; 34% 'used services')

Evaluation & learning
- Gathering data, measuring impact, assessing lessons learned (53% 'challenge'; 26% 'used services')

Technology
- Information technology systems and skills (50% 'challenge'; 20% 'used services')

Staff leadership
- Staff succession planning (46% 'challenge'; 11% 'used services')

For the remaining nine areas, gaps between the proportion of respondents that view each issue as a 'challenge' and the percent that have used external support services in each area were not as significant. In fact, for two areas in particular, more respondents reported receiving services in each area than the proportion that reported it as a moderate or severe challenge. This finding may indicate that intermediary organizations are meeting the needs of nonprofits in these areas (i.e. nonprofits are being well-served by support organizations in these areas sufficiently that nonprofits do not perceive these issues as currently challenging):

- Attracting and retaining quality staff (32% 'challenge'; 51% 'used services')
- Accounting (19% 'challenge'; 33% 'used services')

E. INVENTORY OF NONPROFIT ORGANIZATIONAL PLANS/STRUCTURES IN PLACE

Nonprofit executives were **most likely** to report having the following organizational plans in place:
- Mission statement (98%)
- Budget (92%)
- Vision statement (90%)
- Formal strategic plan or business plan (66%)
- Active donor database (65%)

Respondents were **less likely** to report having the following plans in place:
- Program evaluation plan (47%)
- Communications/marketing plan (44%)
- Active fund development plan (43%)
- Plan for engaging in new partnership or collaborations (31%)
- Sustainability plan (30%)
- Staff development plan (28%)
- Board development plan (28%)
- Succession plan for leadership (20%)
- Staff retention plan (18%)

F. SUGGESTIONS FOR ADDITIONAL NONPROFIT SUPPORTS

What other external supports would be beneficial to address the capacity needs of your organization?

Themes among open-ended responses:
- ✓ Funding or organizational development/growth-oriented (e.g., operations funding; capital funding; grant writing; grant identification; standardized grant requests from funders)
- ✓ Back-office supports (e.g., data entry; IT; website; database support; donor development strategy; legal)
- ✓ Executive or management level supports (e.g., contracting options; executive sharing from business community; leadership & skills development)
- ✓ Marketing/community awareness
- ✓ Diversity-related supports
- ✓ Board-related supports

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I. INTRODUCTION

A. PURPOSE OF RESEARCH

The goal of the Kauffman Foundation's KC Civic Nonprofit Effectiveness funding area is to strengthen nonprofits through services provided to them by quality intermediary organizations. These intermediaries provide services designed to build nonprofit capacity and efficiencies so that nonprofit organizations can, in turn, better serve community needs.

B. METHODOLOGY

A confidential online survey was fielded to a broad sample of nonprofit leaders whose organizations use the services of Kauffman-funded intermediaries to determine progress toward key outcomes. Some nonprofits receive services from more than one intermediary. Therefore, the survey instrument included questions to determine the types of services nonprofits received from the Kauffman-funded intermediaries, and included several questions tailored to each intermediary organization used by the nonprofit. Survey measures were developed based on interviews with a sample of nonprofits and through consultation with the Kauffman Foundation evaluation team.

The Kauffman-funded intermediary organizations provided Cypress Research Associates with a file comprised of appropriate nonprofit leaders for inclusion in the online survey. The following methodological approach was used for survey fieldwork:

- Cypress Research Associates deployed a customized e-mail invitation to the study sample. The invitation explained the purpose of the study and confidential nature of individual responses. E-mail invitations contained a hyperlink to the online survey and an option to opt out of participation.
- Non-respondents were e-mailed up to 2 additional invitations in order to increase response rates.

II. RESULTS

A. DESCRIPTION OF PARTICIPANTS

The nonprofit intermediaries provided Cypress Research Associates with databases that resulted in an aggregated database of 845 nonprofit executives who had used their services in the past three years. A total of 15 executives opted-out of participation in the survey. An additional 8 email addresses bounced, for a final working sample size of 822. **Completed surveys were received from 263 individuals, for a 32% response rate.**

Survey Response Statistics	Number
# in initial sample	845
Opt-outs	15
Bounces/undeliverables	8
Final sample size	822
# of completed surveys	263
Response rate	32%

Overwhelmingly, respondents (91%) were from 501(c)(3) organizations. Only 3% represented foundations, with 2% from associations, and 5% from 'other' organizations including schools, hospitals and government agencies.

Type of Organization	%	n
501(c)(3)	91%	239
Foundation	3%	8
Association	2%	4
Other (e.g., school, hospital, government)	5%	12

More than one-third of respondents (35%) represented organizations that focus on human services, while 23% focus on education.
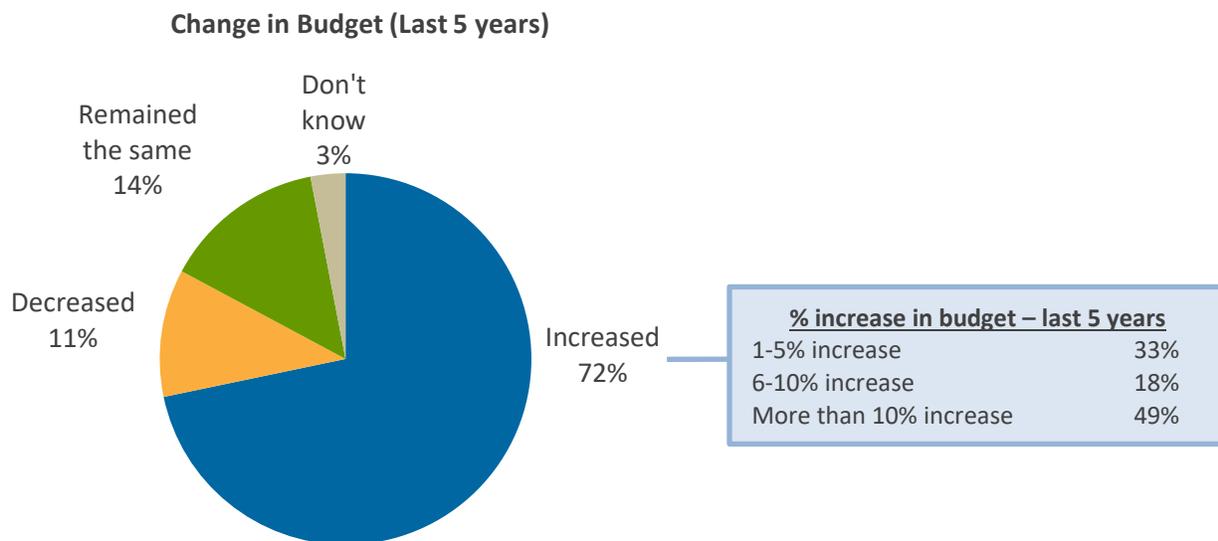
Primary Focus of Organization	%	n
Human services (e.g., Agriculture, food, and nutrition; Crime and legal related; Employment and occupations; General human services; Housing; Public safety, disaster preparedness, and relief; Recreation and sports; Youth development)	35%	91
Education (e.g., Pre-K, elementary and secondary; College and university; Libraries; Research institutes; Vocational, technical, and adult)	23%	60
Health (e.g., Addiction and substance abuse; Diseases and disease research; Health care facilities and programs; Medical disciplines and specialty research; Mental health and crisis services)	16%	42
Arts, culture & humanities (e.g., Humanities and historical societies; Media; Museums; Performing arts)	12%	32
Public & societal benefit (e.g., Civil rights and liberties, Community improvement; Mutual/membership benefit organizations; Philanthropy, voluntarism, and public benefit; Voter education and registration)	8%	20
Environment and animals (e.g., Animal protection, welfare and services; Beautification and horticulture; Conservation and environmental education; Pollution; Zoos and veterinary services)	3%	8
International (e.g., International development and relief services; International human rights; International peace and security)	2%	5
Religion (e.g., Buddhist, Christian, Hindu, Islamic, Jewish, Religious media)	1%	2
Other*	1%	3

*'Other' includes consultants to nonprofits

Nearly a quarter of executives represented nonprofits with annual budgets of *less* than $250,000. A third reported annual budgets between $250,000 and $999,999. Thirty percent of the sample indicated annual budgets between $1 million and $9.9 million. And 12% represented nonprofits whose annual budgets are $10 million or more.

Organization's Annual Budget	%
Less than $250,000	23%
$250,000 to $499,999	16%
$500,000 to $999,999	18%
$1 million to $4.9 million	25%
$5 million to $9.9 million	5%
$10 million or more	12%
Don't know	1%

A full 72% of all respondents indicated that annual budgets have increased during the past 5 years, with nearly half of these (49%) reporting an increase of more than 10%. Only 11% reported a decreased budget in the past 5 years, while 14% reported budgets remained the same.

Change in Budget (Last 5 years)

% increase in budget – last 5 years	
1-5% increase	33%
6-10% increase	18%
More than 10% increase	49%

Kansas City-area nonprofits reported a median of 5 full-time and 3 part-time staff. Organizations with annual budgets of $1 million or more reported a median of 26 full-time and 5 part-time employees.

Median Number of Staff by Annual Budget	Less than $250,000	$250,000 to $999,999	$1 million or more	Overall Sample
Full-time staff	1	4	26	5
Part-time staff	1	3	5	3

Nearly half of all participating organizations (48%) had been in existence for up to 25 years, while one-third have been in operation for 26 to 50 years. Twenty percent of nonprofits have been in operation for 51 or more years.

Age of Organization
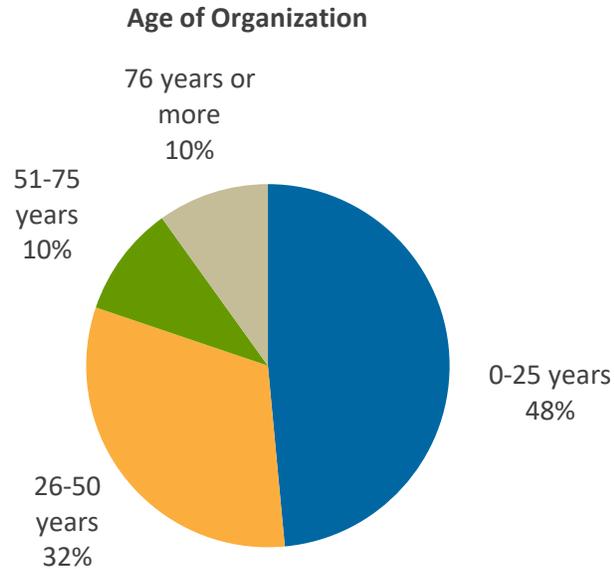
The majority of all respondents (59%) were at the CEO/executive director/president level in their organization. Seven percent were vice-presidents, and 19% were directors. The remaining respondents were managers (5%), non-management staff (4%), board members (5%) or volunteers (2%).

Current Job Level
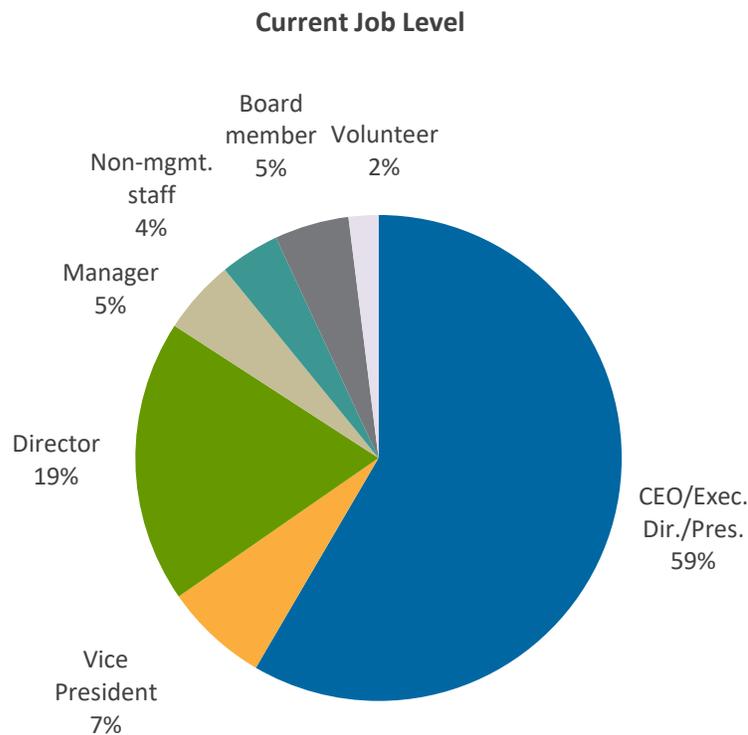
For the next two sections of the survey, all respondents were presented with a list of 19 capacity-related issues. These items were based on a 2016 report by Grantmakers for Effective Organizations entitled 'Strengthening Nonprofit Capacity: Core Concepts in Capacity Building.' The nineteen items were grouped into the following 11 areas:

- Mission, vision, strategy (1 item)
- Fund development (2 items)
- Financial management (3 items)
- Board leadership (2 items)
- Staff leadership (3 items)
- Communications & marketing (3 items)
- Technology (1 item)
- Evaluation and learning (1 item)
- Program delivery (1 item)
- Diversity, equity and inclusion (1 item)
- Collaboration (1 item)

Respondents were asked rate these 19 capacity-related issues in the following three areas:

1. How **challenging** are these capacity-related issues within your organization?

2. Has your organization **used/participated in external services** from a nonprofit support organization in these challenge areas?

B. NONPROFIT CHALLENGES

Respondents were presented with the list of 19 capacity-related issues and asked to rate the extent to which the issues were a challenge within their organization (based on a 4-category scale: 'Not a challenge'; 'Minor challenge', 'Moderate challenge' and 'Serious challenge').

The top 10 challenges from the initial list of 19 are listed in the chart on the following page. In summary, the two fund development-related issues rated among the top challenges for nonprofits:

- Fundraising strategy and sustainability (80% 'moderate' or 'serious' challenge)
- Donor database management (59%)

The area of communications and marketing is also particularly challenging for nonprofits:

- Marketing to donors/potential donors (66% 'moderate' or 'serious' challenge)
- Community branding/visibility (54%)
- Marketing to current and potential clients (47%)

Board leadership also proves challenging for nonprofits:

- Board development (57% 'moderate' or 'serious' challenge)
- Attracting and retaining quality board members (53%)

Finally, nonprofits face challenges in the following three areas:

- Evaluation and learning: Gathering data, measuring program impact and assessing lessons learned (53% 'moderate' or 'serious' challenge)
- Technology: Information technology systems and skills (50%)
- Staff leadership: Staff succession planning (46%)

**How challenging are the following
capacity-related issues within your organization?**

Top 10 Challenges (Top Two Box)

■ Moderate challenge   ■ Serious challenge

Issue	Moderate	Serious
(Fund development): Fundraising strategy and sustainability	46%	34%
(Communications & marketing): Marketing to donors/potential donors	43%	23%
(Fund development): Donor database management	38%	21%
(Board leadership): Board development	38%	19%
(Communications & marketing): Community branding/visibility	35%	19%
(Board leadership): Attracting and retaining quality board members	32%	21%
(Evaluation & learning): Gathering data, measuring impact, assessing lessons learned	36%	17%
(Technology): Information technology systems and skills	35%	15%
(Communications & marketing): Marketing to current and potential clients	33%	14%
(Staff leadership): Staff succession planning	31%	15%

Base=All respondents (n=263)
Note: Top 10 of 19 issues; based on a 4-category scale: 'Not a challenge'; 'Minor challenge', 'Moderate challenge' and 'Serious challenge'

Following are capacity related issues that were not rated as challenging relative to the other listed issues. These less challenging issues are in the areas of:

- Financial management (Grant management; Budgeting, Accounting)
- Mission, vision & strategy (Strategic planning)
- Staff leadership (Education/professional development for staff; Attracting and retaining quality staff)
- Diversity (Diversity, equity and inclusion)
- Collaboration (Building and sustaining effective collaborations with nonprofits, funders and/or businesses)
- Program delivery (Designing and delivering effective programs)

**How challenging are the following
capacity-related issues within your organization?**

Other Challenges (Top Two Box)

Legend: ■ Moderate challenge   ■ Serious challenge

Issue	Moderate challenge	Serious challenge
(Financial management): Grant management	30%	7%
(Mission, vision & strategy): Strategic planning	29%	6%
(Staff leadership): Education/professional development for staff	24%	9%
(Staff leadership): Attracting and retaining quality staff	25%	7%
(Diversity): Diversity, equity and inclusion	24%	6%
(Collaboration): Building and sustaining effective collaborations with nonprofits, funders and/or businesses	24%	4%
(Financial management): Budgeting	17%	3%
(Financial management): Accounting	15%	4%
(Program delivery): Designing and delivering effective programs	14%	2

Base=All respondents (n=263)
Note: Other 9 of 19 issues; based on a 4-category scale: 'Not a challenge'; 'Minor challenge', 'Moderate challenge' and 'Serious challenge'

Looking at results by organization focus reveals that nonprofits focusing on education and/or human services perceive donor database management and attracting and retaining quality board members as less challenging than other types of nonprofits.

Extent of Nonprofit Challenge BY ORGANIZATION FOCUS (% respondents who selected 'moderate' or 'serious' challenge)	Organization Focus	
	Education/ Human Services	Other Nonprofits
(Fund development): Donor database management*	52%	69%
(Board leadership): Attracting and retaining quality board members*	48%	60%

*Differences are statistically significant (p≤.05); Differences not significant for remaining challenges and therefore not included
Blue font=highest proportion within subgroups

Segmentation of results by annual budget reveals that smaller nonprofits with annual budgets of less than $250,000 tend to view many issues as more challenging than their larger counterparts, including fundraising strategy and sustainability, donor database management, board development, attracting and retaining quality board members, and communications & marketing, strategic planning and accounting. Midsize nonprofits tend to view staff succession planning as more challenging, while large nonprofits view diversity, equity and inclusion as more challenging than their counterparts.

Extent of Nonprofit Challenge BY ANNUAL BUDGET (% respondents who selected 'moderate' or 'serious' challenge)	Annual Budget		
	Less than $250k	$250k to $999k	$1 mil or more
(Fund development): Fundraising strategy and sustainability*	95%	82%	73%
(Fund development): Donor database management*	80%	56%	51%
(Board leadership): Board development*	71%	64%	44%
(Board leadership): Attracting and retaining quality board members*	68%	59%	41%
(Communications & marketing): Marketing to donors/potential donors*	83%	71%	54%
(Communications & marketing): Community branding/visibility*	64%	59%	45%
(Staff leadership): Staff succession planning*	33%	53%	49%
(Mission, vision, strategy): Strategic planning*	47%	38%	28%
(Financial management): Accounting*	28%	19%	14%
(Diversity): Diversity, equity and inclusion*	19%	30%	37%

*Differences are statistically significant (p≤.05); Differences not significant for remaining challenges and therefore not included
Blue font=highest proportion within subgroups

C. EXTERNAL SERVICES USED

Next, participants were asked to indicate whether or not their organization has used/participated in external services from a nonprofit support organization in each of the 19 challenge areas. The gap between the proportion of respondents who view each issue as a 'challenge' and the percent that have 'used services' in each area was significant for most of the top 10 challenges, particularly in the areas of:

Fund development
- Fundraising strategy and sustainability (80% 'challenge'; '44% 'used services')
- Donor database management (59% 'challenge'; 25% 'used services')

Communications & marketing
- Marketing to donors/potential donors (66% 'challenge'; 36% 'used services')

Evaluation & learning
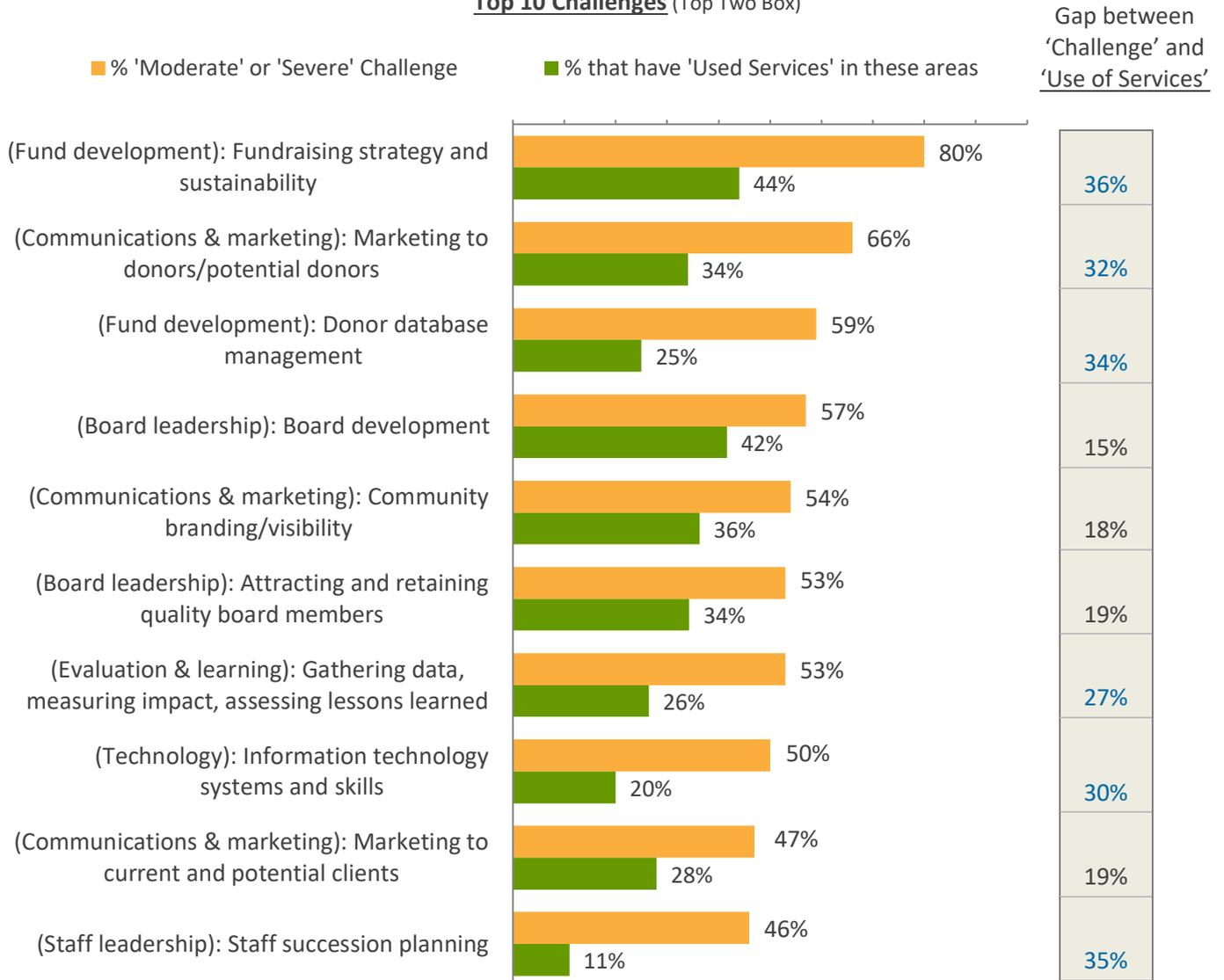- Gathering data, measuring impact, assessing lessons learned (53% 'challenge'; 26% 'used services')

Technology
- Information technology systems and skills (50% 'challenge'; 20% 'used services')

Staff leadership
- Staff succession planning (46% 'challenge'; 11% 'used services')

Has your organization used/participated in external services from a nonprofit support organization in the following areas?
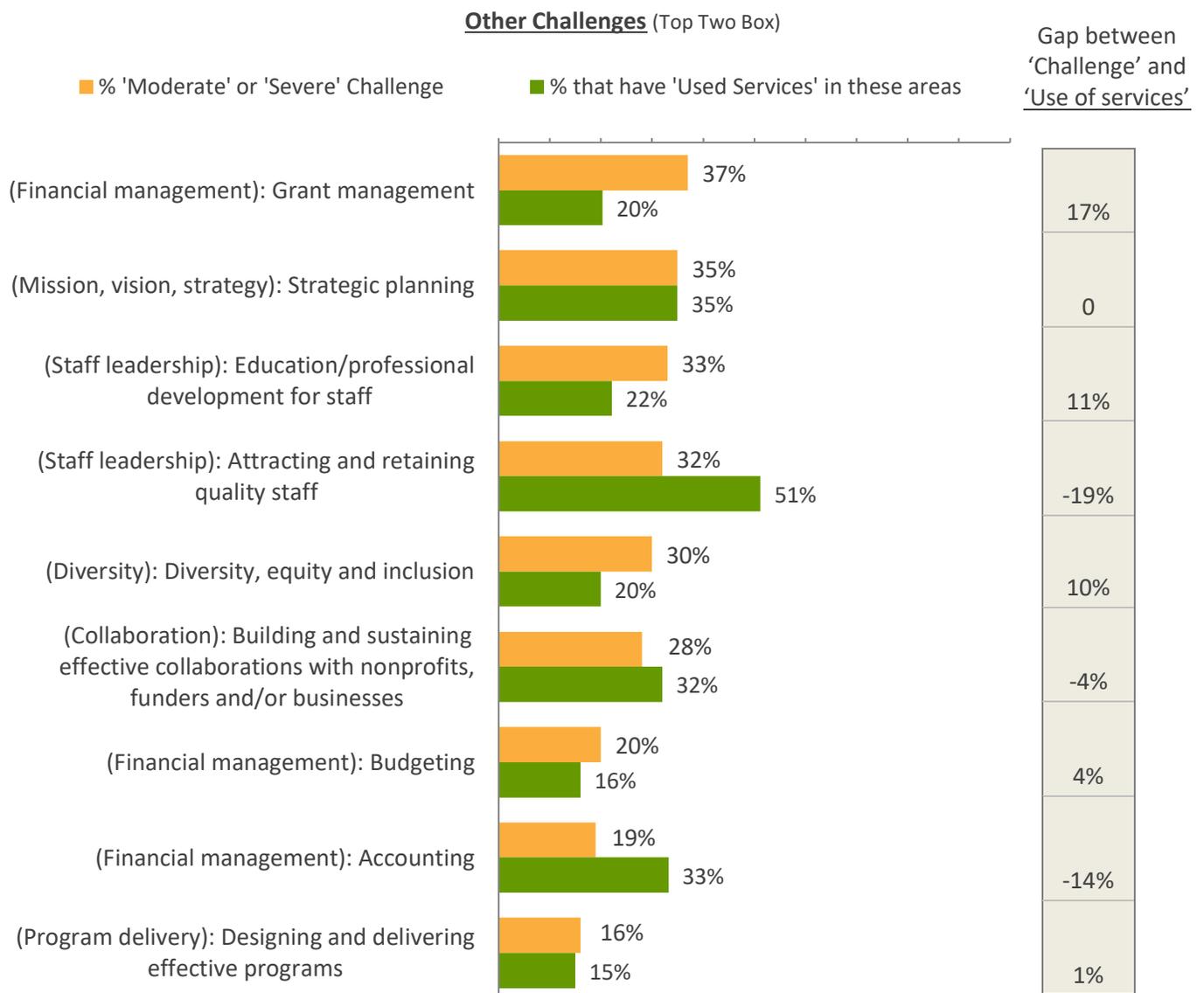
Top 10 Challenges (Top Two Box)

■ % 'Moderate' or 'Severe' Challenge   ■ % that have 'Used Services' in these areas

Gap between 'Challenge' and 'Use of Services'

Challenge	Moderate/Severe	Used Services	Gap
(Fund development): Fundraising strategy and sustainability	80%	44%	36%
(Communications & marketing): Marketing to donors/potential donors	66%	34%	32%
(Fund development): Donor database management	59%	25%	34%
(Board leadership): Board development	57%	42%	15%
(Communications & marketing): Community branding/visibility	54%	36%	18%
(Board leadership): Attracting and retaining quality board members	53%	34%	19%
(Evaluation & learning): Gathering data, measuring impact, assessing lessons learned	53%	26%	27%
(Technology): Information technology systems and skills	50%	20%	30%
(Communications & marketing): Marketing to current and potential clients	47%	28%	19%
(Staff leadership): Staff succession planning	46%	11%	35%

Base=All respondents (n=252)
Note: Top 10 of 19 issues; based on a 4-category scale: 'Not a challenge'; 'Minor challenge', 'Moderate challenge' and 'Serious challenge'
Blue font=greatest gap

For the remaining nine areas, gaps between the proportion of respondents that view each issue as a 'challenge' and the percent that have 'used services' in each area were not as significant. In fact, for two areas in particular, more respondents reported receiving services in each area than the proportion that reported it as a moderate or severe challenge. This finding may indicate that the needs of nonprofits are being well-met in these areas - nonprofits are being well-served by support organizations in these areas to the extent that they do not perceive these issues as challenging:

- (Staff leadership): Attracting and retaining quality staff (32% 'challenge'; 51% 'used services')
- (Financial management): Accounting (19% 'challenge'; 33% 'used services)

Has your organization used/participated in external services from a nonprofit support organization (e.g., MCNL, NPC, SKC) in the following areas?

Other Challenges (Top Two Box)

Gap between 'Challenge' and 'Use of services'

■ % 'Moderate' or 'Severe' Challenge   ■ % that have 'Used Services' in these areas

Area	% 'Moderate' or 'Severe' Challenge	% that have 'Used Services'	Gap
(Financial management): Grant management	37%	20%	17%
(Mission, vision, strategy): Strategic planning	35%	35%	0
(Staff leadership): Education/professional development for staff	33%	22%	11%
(Staff leadership): Attracting and retaining quality staff	32%	51%	-19%
(Diversity): Diversity, equity and inclusion	30%	20%	10%
(Collaboration): Building and sustaining effective collaborations with nonprofits, funders and/or businesses	28%	32%	-4%
(Financial management): Budgeting	20%	16%	4%
(Financial management): Accounting	19%	33%	-14%
(Program delivery): Designing and delivering effective programs	16%	15%	1%

Base=All respondents (n=252)
Note: Other 9 of 19 issues; based on a 4-category scale: 'Not a challenge'; 'Minor challenge', 'Moderate challenge' and 'Serious challenge'

Crosstabs of each challenge by Annual Budget reveal three areas of difference between smaller vs. larger organizations. Smaller organizations with annual budgets of less than $250,000 were more likely to use external services for grant management (36%) than medium (22%) or large (10%) organizations. In the area of education/professional development for staff, medium (56%) and large (55%) organizations were more likely to use these external services than smaller organizations (37%). Medium-sized organizations with budgets of $250k to $999k were more likely to use external accounting services (46%) than their counterparts.

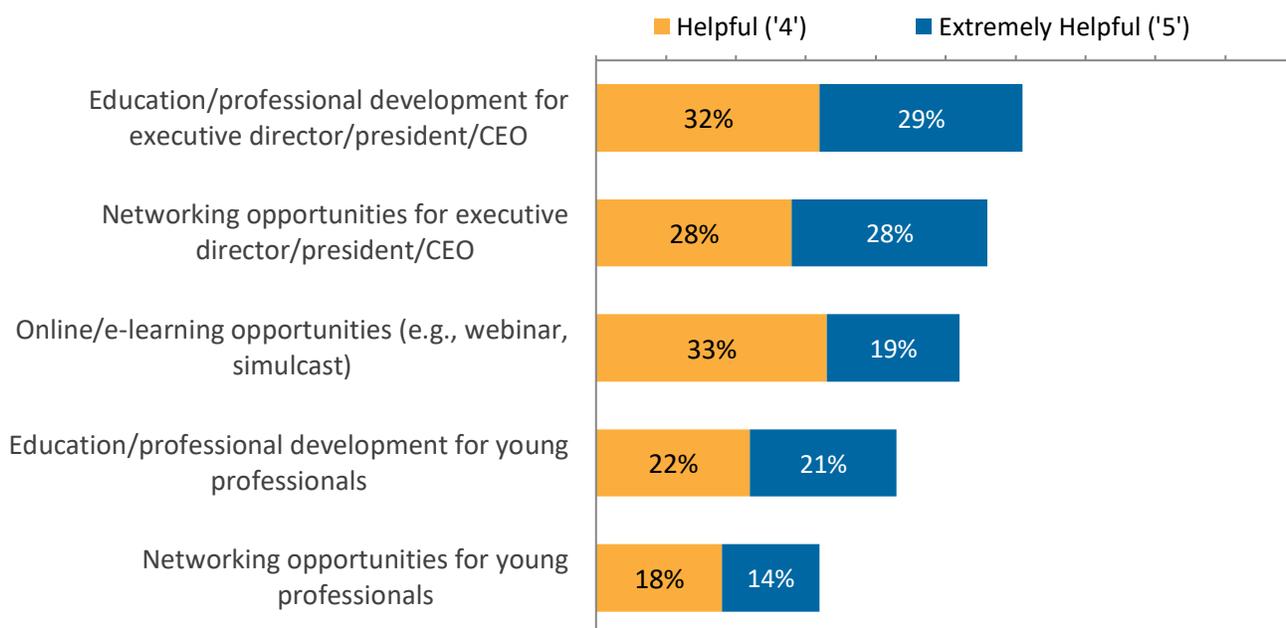|	Annual Budget		
Used External Services BY ANNUAL BUDGET (% respondents who selected 'used services')	**Less than $250k**	**$250k to $999k**	**$1 mil or more**
(Financial management): Grant management*	36%	22%	10%
(Staff leadership): Education/professional development for staff*	37%	56%	55%
(Financial management): Accounting*	37%	46%	20%

*Differences are statistically significant (p≤.05); Differences not significant for remaining challenges and therefore not included
Blue font=highest proportion within subgroups

Crosstabs of each challenge by those that have used/not used support services in those same challenge areas reveal few statistically significant differences, with two exceptions. In the area of fundraising strategy and sustainability, 88% of those that have used external support services in this area view it as a continued moderate/serious challenge, compared to 75% of respondents that have not used services in this area.

Regarding grant management, 53% of those that have used external support services in this area view it as a continued moderate/serious challenge, compared to 33% of respondents that have not used services in this area.

	Use of external support services	
Fund development: Fundraising strategy and sustainability	**Used service**	**Have not used service**
Not a challenge/minor challenge	12%	25%
Moderate/serious challenge	88%	75%

*Differences are statistically significant (p≤.05); Differences not significant for remaining challenges and therefore not included
Blue font=highest proportion within subgroups

	Use of external support services	
Financial management: Grant management	**Used service**	**Have not used service**
Not a challenge/minor challenge	47%	68%
Moderate/serious challenge	53%	33%

*Differences are statistically significant (p≤.05); Differences not significant for remaining challenges and therefore not included
Blue font=highest proportion within subgroups

Several specific supports that were mentioned during the interview phase were tested to determine how helpful they would be to nonprofits. Sixty percent of respondents indicated that education/professional development for executive director/president/CEO would be 'helpful' or 'extremely helpful,' while 57% indicated networking opportunities for this these executives would be helpful. Additional online/e-learning opportunities were viewed as helpful by 53% of participants. Education/professional development and networking opportunities for young professionals were viewed as potentially less helpful. Mid-size nonprofits are more interested in executive level and young professional supports than smaller nonprofits.

How helpful would the following additional external supports be to your organization?
(Top Two Box)

■ Helpful ('4')   ■ Extremely Helpful ('5')

Support	Helpful ('4')	Extremely Helpful ('5')
Education/professional development for executive director/president/CEO	32%	29%
Networking opportunities for executive director/president/CEO	28%	28%
Online/e-learning opportunities (e.g., webinar, simulcast)	33%	19%
Education/professional development for young professionals	22%	21%
Networking opportunities for young professionals	18%	14%

Base=All respondents (n=252)

Note: Based on a 5-point scale where 1='Not at all Helpful' and 5='Extremely Helpful'

Helpfulness of Additional External Supports by ANNUAL BUDGET (**Averages** where 1='Not at all Helpful' and 5='Extremely Helpful')	Annual Budget		
	Less than $250k	**$250k to $999k**	**$1 mil or more**
Education/professional development for executive director/president/CEO*	3.5	4.1	3.4
Networking opportunities for executive director/president/CEO*	3.6	3.8	3.4
Education/professional development for young professionals*	2.6	3.2	3.3

*Differences are statistically significant (p≤.05); Differences not significant for remaining challenges and therefore not included
Blue font=highest average rating within subgroups

D. INVENTORY OF NONPROFIT ORGANIZATIONAL PLANS/STRUCTURES IN PLACE
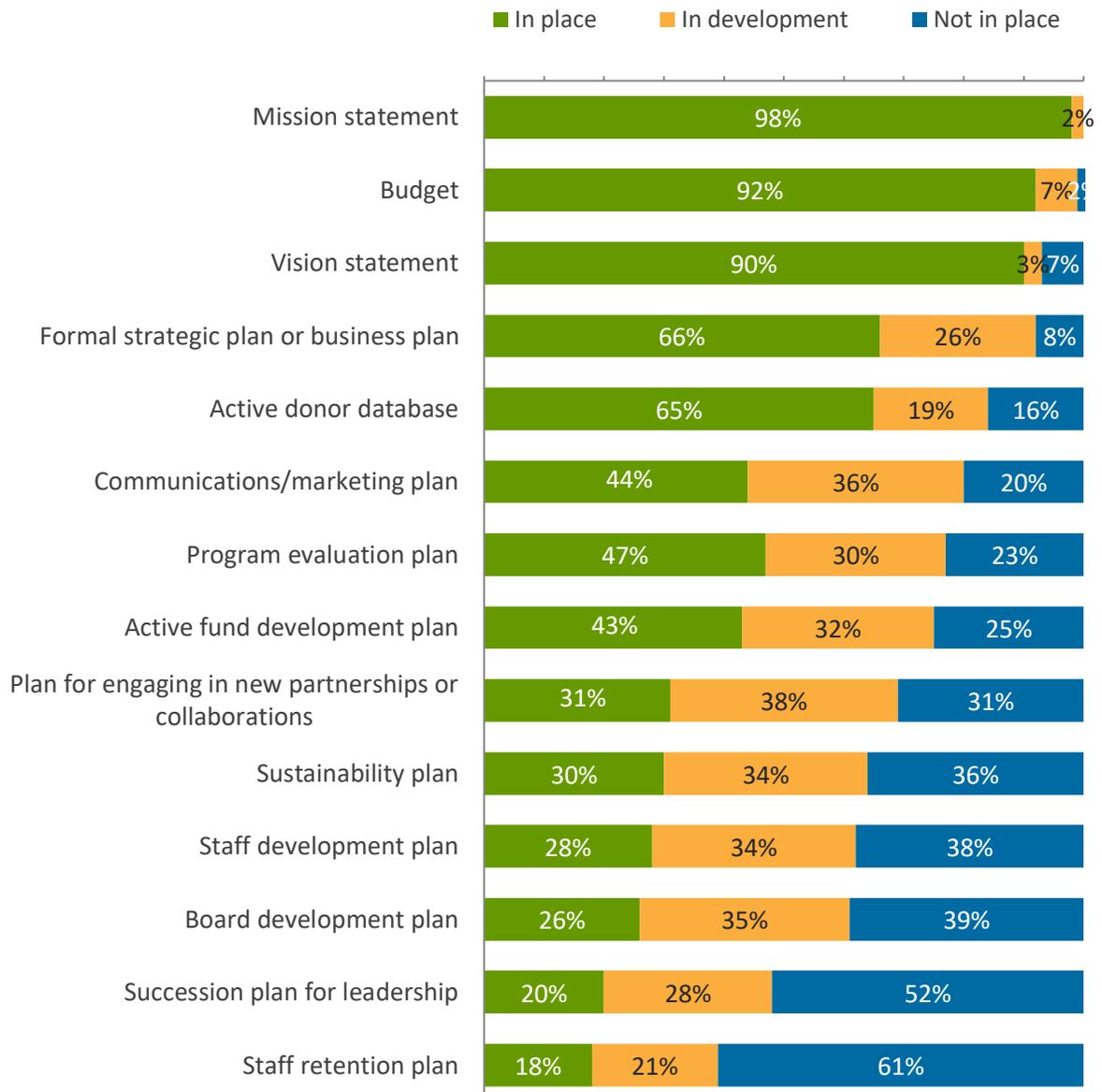
Finally, respondents were asked to indicate what plans/structures they currently have in place for their nonprofit organization. Nonprofit executives were **most likely** to report having the following organizational plans in place:
- Mission statement (98%)
- Budget (92%)
- Vision statement (90%)
- Formal strategic plan or business plan (66%)
- Active donor database (65%)

Respondents were **less likely** to report having the following plans in place:
- Program evaluation plan (47%)
- Communications/marketing plan (44%)
- Active fund development plan (43%)
- Plan for engaging in new partnership or collaborations (31%)
- Sustainability plan (30%)
- Staff development plan (28%)
- Board development plan (28%)
- Succession plan for leadership (20%)
- Staff retention plan (18%)

Please indicate whether or not your organization currently has the following in place or in development.

■ In place   ■ In development   ■ Not in place

	In place	In development	Not in place
Mission statement	98%		2%
Budget	92%	7%	2%
Vision statement	90%	3%	7%
Formal strategic plan or business plan	66%	26%	8%
Active donor database	65%	19%	16%
Communications/marketing plan	44%	36%	20%
Program evaluation plan	47%	30%	23%
Active fund development plan	43%	32%	25%
Plan for engaging in new partnerships or collaborations	31%	38%	31%
Sustainability plan	30%	34%	36%
Staff development plan	28%	34%	38%
Board development plan	26%	35%	39%
Succession plan for leadership	20%	28%	52%
Staff retention plan	18%	21%	61%

Base=All respondents (n=235)

E. SUGGESTIONS FOR ADDITIONAL NONPROFIT SUPPORTS

What other external supports would be beneficial to address the capacity needs of your organization?
Themes among open-ended responses: ✓ Funding or organizational development/growth-oriented (e.g., operations funding; capital funding; grant writing; grant identification; standardized grant requests from funders) (n=18) ✓ Back-office supports (e.g., data entry; IT; website; database support; donor development strategy; legal) (n=8) ✓ Executive or management level supports (e.g., contracting options; executive sharing from business community; leadership & skills development) (n=7) ✓ Marketing/community awareness (n=5) ✓ Diversity-related supports (n=2) ✓ Board-related supports (n=2)

Following are examples of specific responses for each theme:

✓ **Funding or organizational development/growth-oriented**

"Funding is the biggest need." (Human services-focused nonprofit)

"Operational and capital funds." (Education-focused nonprofit)

"How to get beyond living from month-to-month with cash flow." (Human services-focused nonprofit)

"Multi-year, unrestricted funding would allow us to address actual organization needs and priorities." (Human services-focused nonprofit)

"Networking opportunities…with funders. Would love to see funders work together so grants could look similar for nonprofits. This would save a tremendous amount of time." (Education-focused nonprofit)

"Fundraising support." (Human services-focused nonprofit)

"Funds to hire a part-time administrative assistant." (Health-focused nonprofit)

"How to approach potential funders/supporters." (Environment & animals-focused nonprofit)

"Funding is our most critical challenge. Aging of our faithful donor base. Difficulty in identifying and engaging the next generation." (Health-focused nonprofit)

"How to develop venture initiatives to organization that are supported 100% by philanthropic means." (Public & societal benefit-focused nonprofit)

"More advocacy and work directly with funders on behalf of nonprofits to dispel the overhead myth; devise more consistent and unified grant reporting systems." (Arts, culture & humanities-focused nonprofit)

"Money. Grant development. Funding that pays for administrative costs and the actual expenses of underpaid staff." (Other-focused nonprofit)

✓ **Back-office supports**

"Back-office support for donor data entry and grants management entry."
(Human services-focused nonprofit)

"Free technical assistance in underdeveloped areas of operation, particularly on technology management and donor development strategy." (Human services-focused nonprofit)

"IT support." (Education-focused nonprofit)

"More in-depth support and training for Salesforce databases." (Human services-focused nonprofit)

"We need dedicated resources for sustained focus including a strategy officer and more robust data science operations." (Health-focused nonprofit)

"Starter templates, examples or online tools (but online makes sure we are in regulatory compliance) to create our own policies, procedures, applications, performance reviews, salary ranges, benefits, etc."
(Human services-focused nonprofit)

"Translation services for English to Spanish. Pro Bono or reduced fee services for legal assistance, contract review, MOA review, fiscal agency." (Other-focused nonprofit)

"Building a website that has the ability to be updated easily by volunteers." (Other-focused nonprofit)

✓ **Executive or management level supports**

"Executive-sharing from local corporations and businesses." (Education-focused nonprofit)

"Having quality contracted executive level supports - at this time I contract out our Director of Operations and we are able to get a high-quality, knowledgeable professional without the cost of adding another upper level staff. I believe that small organizations desperately need these supports and these could come affordably in a contract way. Support KC should not be the only choice." (Education-focused nonprofit)

"More opportunities for staff and leadership development for nonprofit leaders."
(Arts, culture & humanities-focused nonprofit)

"Helping nonprofit CEO's and boards understand nonprofit development/fundraising: how it works, setting realistic goals, why one might employ one strategy over another depending on needs and goals (major gifts vs annual fund, for example) so that Boards and CEOs understand and value the role of the development officer/director and speak the same language. The need to take a longer term view of development/need to invest in infrastructure to be sustainable, pay the development officer a living wage, see them as an investment rather than viewing them as something of a necessary evil, expense item or playing a second fiddle to programs. COMPASS Study: The Crisis of Short Tenure of Development Directors. Address this issue through workshops, board/staff facilitation and consulting." (Health-focused nonprofit)

"Similar support for board members would be useful. Executive coaching would also be helpful." (Health-focused nonprofit)

"Supports for managers/directors; networking opportunities, leadership development, educational/professional development." (Health-focused nonprofit)

✓ **Marketing/community awareness**

"Potential donors tend not to be aware of our effort, nor the urgency of delivering our program." (Education-focused nonprofit)

"Market penetration (clients)." (Health-focused nonprofit)

"Need more ways to publicize the mission and needs of the organization." (Other-focused nonprofit)

"Building a website that has the ability to be updated easily by volunteers. Social media marketing." (Other-focused nonprofit)

"Not many people really understand what we do. It is a difficult message to play in public. And I feel that is why we're the best kept secret." (Other-focused nonprofit)

✓ **Diversity-related supports**

"I think diversity--connecting with communities of color, finding candidates for employment from these communities, and designing programs that are truly helpful to them--is a huge issue facing non-profits in KC, and would appreciate help with this issue." (Environment & animals-focused nonprofit)

"Diversity/inclusion officer." (Health-focused nonprofit)

✓ **Board-related supports**

"Support for board members would be useful [similar to executive supports]." (Health-focused nonprofit)

"Helping nonprofit CEO's and boards understand nonprofit development/fundraising: how it works, setting realistic goals, why one might employ one strategy over another depending on needs and goals (major gifts vs annual fund, for example) so that Boards and CEOs understand and value the role of the development officer/director and speak the same language. The need to take a longer term view of development/need to invest in infrastructure to be sustainable, pay the development officer a living wage, see them as an investment rather than viewing them as something of a necessary evil, expense item or playing a second fiddle to programs. COMPASS Study: The Crisis of Short Tenure of Development Directors. Address this issue through workshops, board/staff facilitation and consulting." (Health-focused nonprofit)

III. Overall Study Conclusions

Following is a summary of key findings that emerged from this research.

KEY FINDING: Fund Development (includes fundraising strategy and sustainability & donor database management)

✓ The top challenge facing Kansas City-based nonprofits is fundraising strategy, which must be strengthened in order to impact the long-term financial sustainability of these organizations.

Results from the online survey reveal that the top challenge facing nonprofits in Kansas City is **fundraising strategy and sustainability** (80% 'moderate' or 'serious' challenge), while only 44% of leaders indicated their organizations have used external support services in this area during the past three years. Only 43% indicated they have an active fund development plan in place, and only 30% currently have a financial sustainability plan. Of those nonprofits that have used **fund development services** from external support organizations 38% indicated their capacity had improved 'to some/great extent'; 17% indicated 'no/little' improvement.

A lesser but still significant fund development-related challenge is **donor database management** (59% 'moderate' or 'serious' challenge, according to online survey results). Only 25% of surveyed nonprofit leaders indicated their organizations have used external support services in this area during the past three years; although 65% indicated they currently have an active donor database in place. The existence of a donor database, however, is not a direct measure of quality database management.

According to interviews, the most significant capacity-related challenge mentioned by interview participants was fund development. Fundraising resources were also mentioned by interviewees as one of the most effective external support services in helping grow their organizational capacity.

All online survey respondents were asked the extent to which their nonprofit has improved its **long-term financial sustainability as** a result of services they have received from the nonprofit support organizations. Only 20% of nonprofits reported an increase in overall financial sustainability 'to some/great extent'. Financial sustainability was defined in the survey as, 'attracts and effectively uses funding necessary to achieve its long-term sustainability.'

KEY FINDING: Communications and Marketing

✓ Another key challenge for Kansas City-area nonprofits is communications and marketing, particularly marketing to donors/potential donors and community branding/visibility.

Results from the online survey reveal that the area of communications and marketing is particularly challenging for nonprofits:
- Marketing to donors/potential donors (67% 'challenge'; 34% 'used services in past 3 years')
- Community branding/visibility (54% 'challenge'; 36% 'used services in past 3 years')
- Marketing to current and potential clients (47% 'challenge'; 28% 'used services in past 3 years')

Only 44% of surveyed leaders indicated their nonprofit currently has a **communications/marketing plan** in place. Of those that have used external supports in the area of **communications, marketing, branding**, half reported their capacity had improved 'to some/great extent', while 23% reported 'no/little' improvements in this area.

According to interview participants, marketing/communications is a significant capacity-related challenge facing the nonprofit community.

KEY FINDING: Board Leadership
✓ Nonprofits in Kansas City are challenged by board leadership, particularly board development and attracting/retaining quality board members.

According to the online survey, <u>board leadership</u> also proves challenging for nonprofits:
- Board development (57% 'challenge'; 42% 'used services in past 3 years')
- Attracting and retaining quality board members (53% 'challenge'; 34% 'used services in past 3 years')

Only 28% of nonprofit leaders indicated their organizations currently have a **board development plan** in place. Forty percent of nonprofits that have used external **board leadership & development** services report that their organization's capacity has increased to 'some/great extent' as a result of this support, while 30% reported 'no/little' capacity improvement in this area.

According to depth interviews, board leadership development and training was mentioned by interviewees as a top capacity-related challenge. Aligned board and staff training was also mentioned by interviewed leaders as an external support service that has been very effective in helping grow their organizational capacity.

KEY FINDING: Evaluation and Learning
✓ Area nonprofits need assistance with evaluation and learning focusing on continuous improvement of the programs and services they offer to the community.

Online survey results reveal that nonprofits face challenges in the area of **evaluation and learning**, with 53% of respondents rating this area as a 'moderate' or 'serious' challenge. Only 26% indicated they have used external support services in this area during the past three years. Almost half (47%) of organizations indicated they have an **evaluation plan** in place for their programs. Nonprofits need additional support in gathering data, measuring program impact and assessing lessons learned.

According to survey findings, of those nonprofits that have used **evaluation and learning services** from external support organizations nearly half indicated their capacity had improved 'to some/great extent'; 26% indicated 'no/little' improvement.

KEY FINDING: Technology
✓ Many Kansas City-area nonprofits are challenged by information technology systems and skills.

Online survey results reveal that **information technology systems and skills** is a challenge for half of nonprofits, while only 20% have used external support services in this area during the past three years. Of those that have used external supports in this area, 41% reported their capacity had improved 'to some/great extent', while a sizeable **42% reported 'no/little' improvements in this area**.

According to interviews, technology/IT/database management and training was mentioned by interviewed leaders as a significant capacity-related challenge.

KEY FINDING: Staff Leadership

✓ Staff succession planning and leadership development is an ongoing need among Kansas City-area nonprofits, including:
    o Education/professional development and networking opportunities for executive director/president/CEO
    o Additional online/e-learning opportunities

Online survey results reveal that **staff succession planning** is a challenge for 46% of nonprofits, while only 11% have used services in this area. Relatively few nonprofits indicated that they currently have key **staff leadership plans** in place:

- Staff development plan (28% 'in place')
- Succession plan for leadership (20% 'in place')
- Staff retention plan (18% 'in place')

In the area of **staff leadership and development,** 56% of organizations that have received support services received from intermediary organizations reported capacity-related improvements to 'some' or a 'great extent'.

Interview participants recommended the following additional executive director-level supports:

- Course on how to effectively manage a board of directors
- CEO networking groups
- 'How-to- guide' of nonprofit best practices for executive directors
- Hands-on consultation for executive directors regarding nonprofit management, effectiveness, board development, succession planning

Several specifically recommended supports from interviewed nonprofit leaders were tested in the online survey to determine how helpful they would be to the broader nonprofit community:

- 60% of survey respondents indicated that additional education/professional development for executive director/president/CEO would be 'helpful/extremely helpful'.
- 57% indicated additional networking opportunities for this executive director/president/CEO would be 'helpful/extremely helpful'.
- 53% indicated additional online/e-learning opportunities would 'helpful/extremely helpful'.

KEY FINDING: Other Nonprofit Support Services

✓ Additional ongoing needs among nonprofits include strategic planning, collaboration-building among organizations, and financial management (e.g., accounting, grant management)

Although the following issues were rated less challenging relative to other issues facing nonprofits, they still present a challenge to a portion of the nonprofit community:

- Strategic planning (35% 'challenge'; 35% 'used services')
- Collaboration-building (28% 'challenge'; 32% 'used services')
- Financial management: Accounting (19% 'challenge'; 33% 'used services)

For the most part, more survey respondents reported receiving services in each of these areas than the proportion that rated each area as a challenge. This finding may indicate that intermediary organizations are currently meeting the needs of nonprofits in these areas (i.e., nonprofits are being served well enough by support organizations that most nonprofits do not perceive these issues as seriously challenging). In fact, in the area of financial management, some interview participants mentioned financial management services as a top service received from external support organizations that has been very effective in increasing their capacity. According to online survey findings, external supports received in the areas of financial management and collaboration demonstrated the greatest impact in improving organizational capacity (60% and 58% to 'some/great extent', respectively). Support services should likely continue in these areas in order to meet ongoing nonprofit needs.