



Nonprofit
Finance Fund[®]

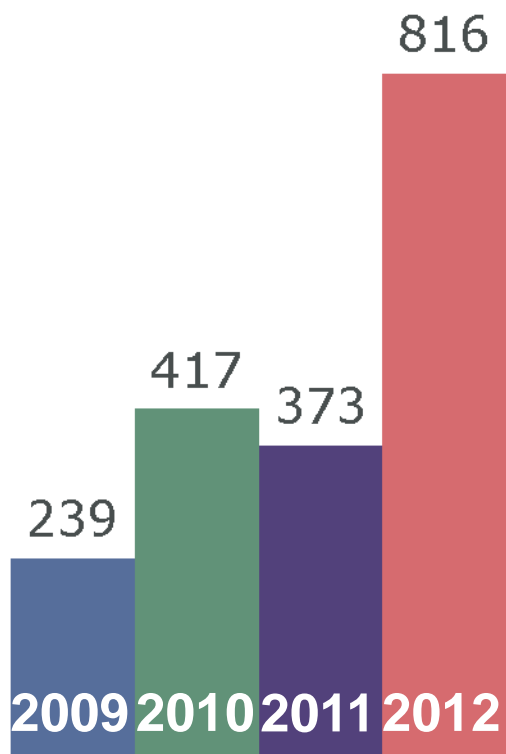
2012 State of the Nonprofit Sector Arts Survey Results

<http://nonprofitfinancefund.org/survey>

Based on a nationwide survey of nonprofit leaders conducted by Nonprofit Finance Fund, January-February 2012.

About the 2012 Survey:

A total of 4,607 respondents and 816 arts/culture respondents. We are growing open data to help guide action



Arts Respondents



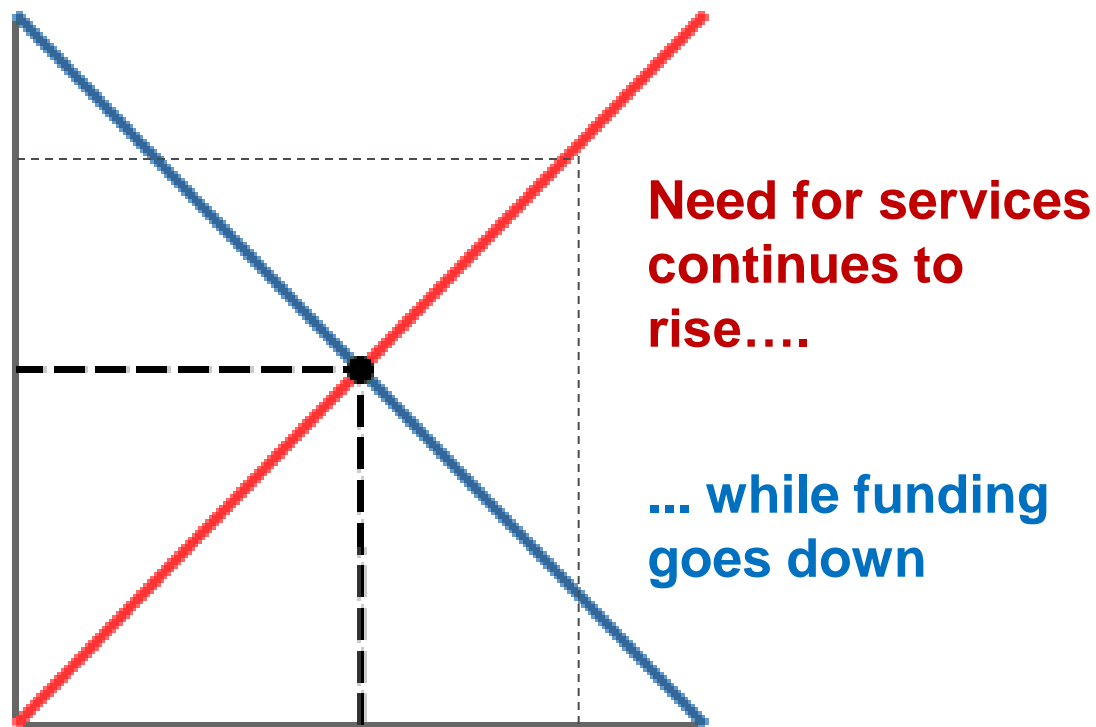
survey.nonprofitfinancefund.org



Learning By Doing



Big picture: out of the 4,607 total respondents, 816 arts/culture leaders tell us that the financial crisis is not over



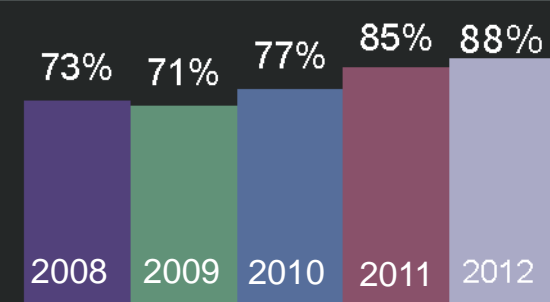
“Business as unusual” approaches are needed for organizations to stay afloat and innovate in the new environment.

“...While our organization is holding on,... funding organizations look at the tax return... and it looks as if we are sinking... Our staff is stretched to the limit, our Board has no experience in running campaigns, and no major funder wants to give to an [NPO] without a solid financial future. It's a horrible cycle and there is no way out...”

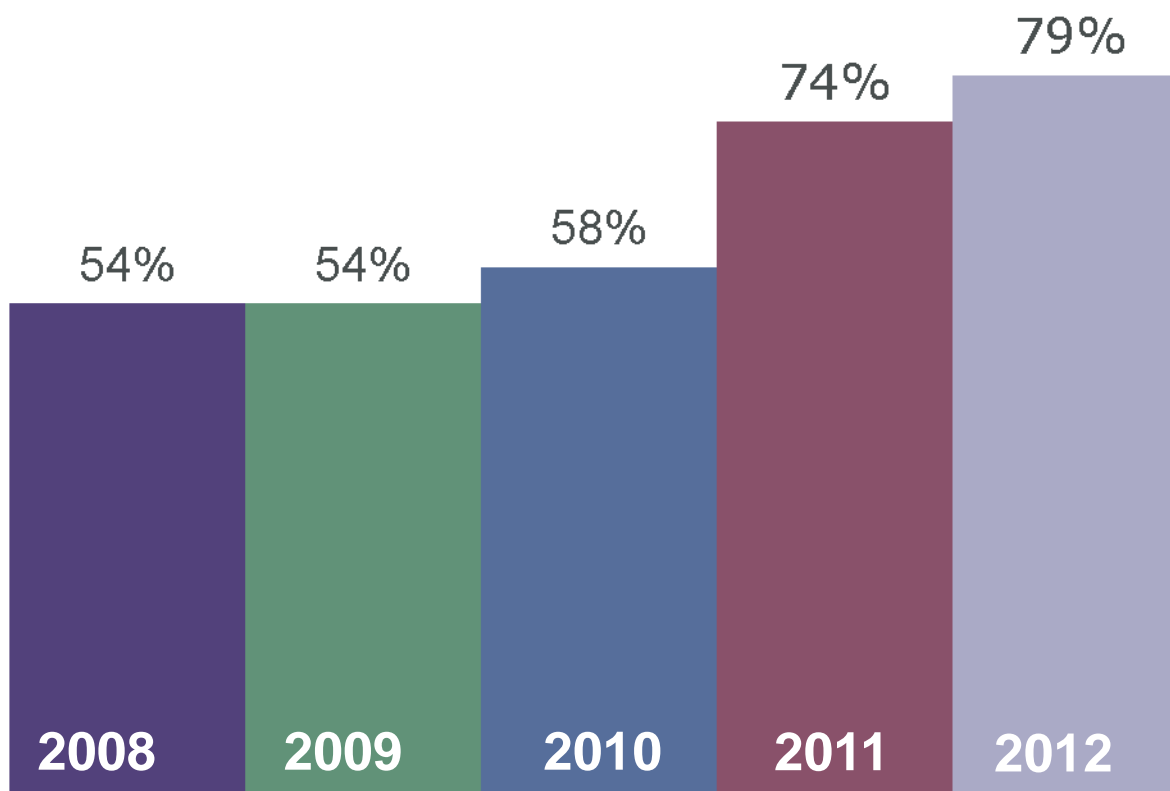
Arts, Culture, & Humanities
NPO, MT



Demand for arts/culture programming increasing each year: a small sign of economic recovery, as more people participate in the arts?



increased demand among the 4,607

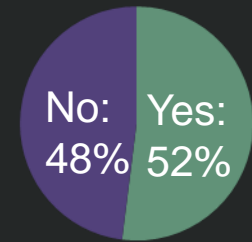


reports of increased demand for services by arts/culture respondents

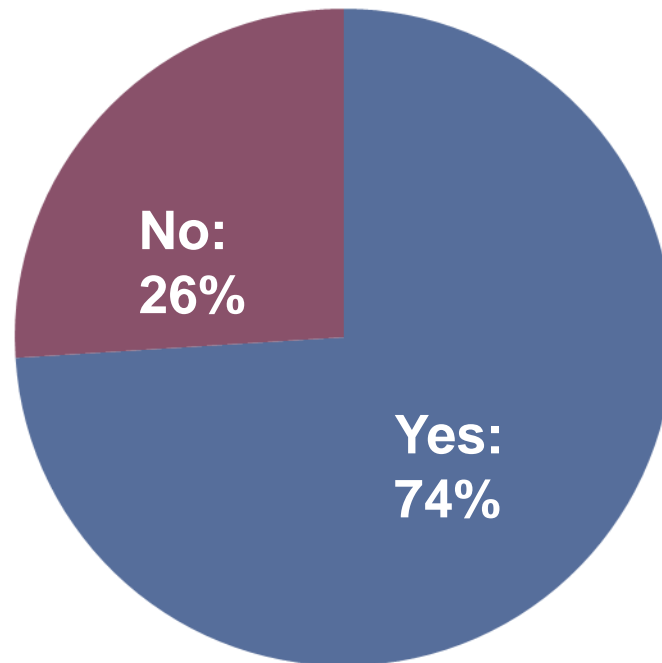


Organizations are trying to keep up with demand. Arts/culture organizations are meeting demand more successfully than nonprofit sector overall

All 4,607 Organizations Met Demand?



816 Arts Organizations Met Demand?



To keep up with demand, many arts nonprofits are increasing programming; cost reduction strategies are fewer than in recent years past

Program and Operations Expansion:

- 54% added/expanded programs
- 50% increased the number of people served
- 52% collaborated with another organization to provide programs
- 45% hired new staff
- 35% relied more on volunteers
- 21% expanded geographies served

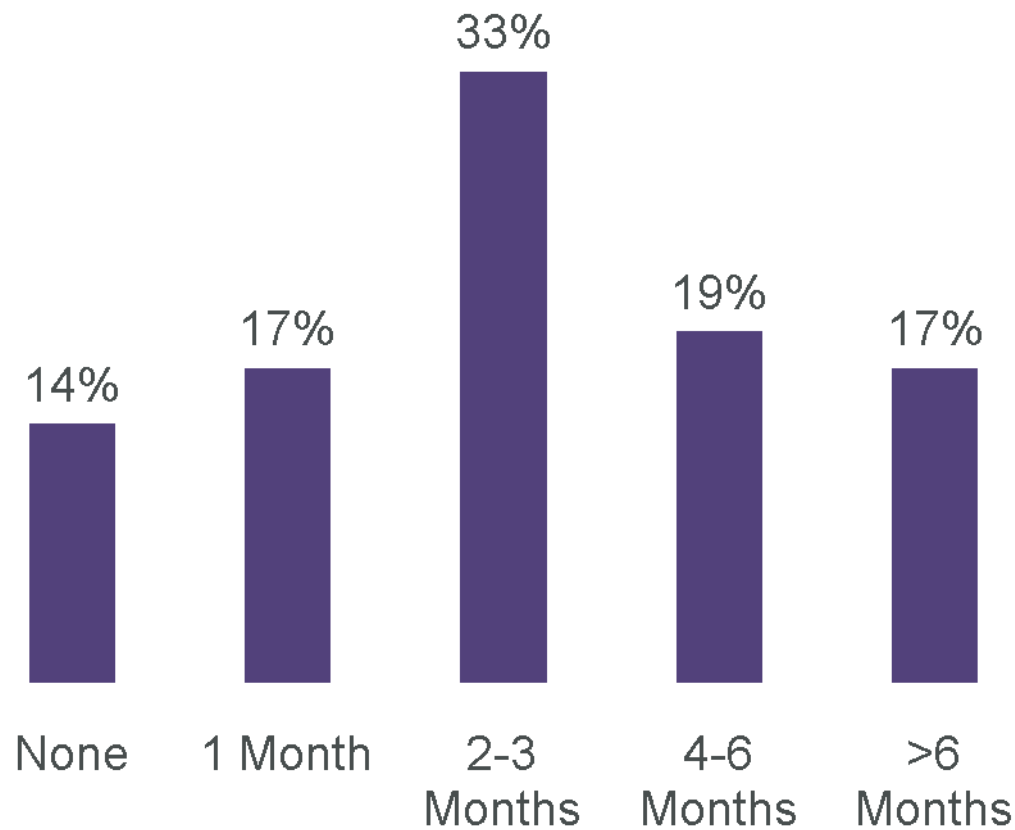
Cost Reduction & Balance Sheet Strategies:

- 25% used reserves
- 17% reduced staff
- 15% collaborated to reduce administrative costs
- 7% reduced staff benefits



**~2/3 of respondents are getting by with 3 months or less of cash.
Liquidity is insufficient for managing risk and creatively adapting**

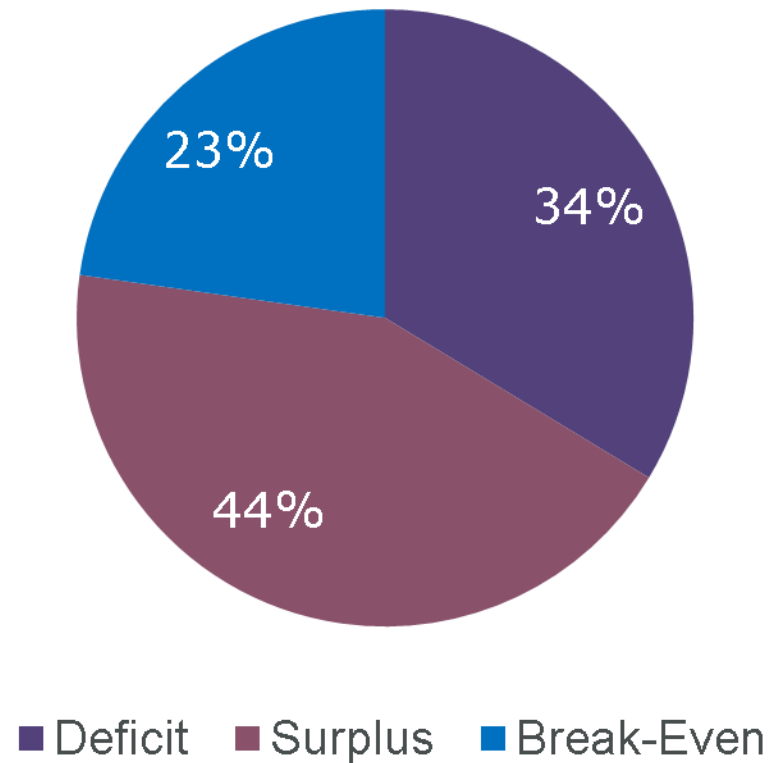
Facts on months of cash for the 4,607 orgs (total respondents):
9%: none
16%: 1 month
32%: 2-3 months
22%: 4-6 months
21% >6 months



More than 55% are running deficits or just breaking even, unable to build a cash cushion for the future.

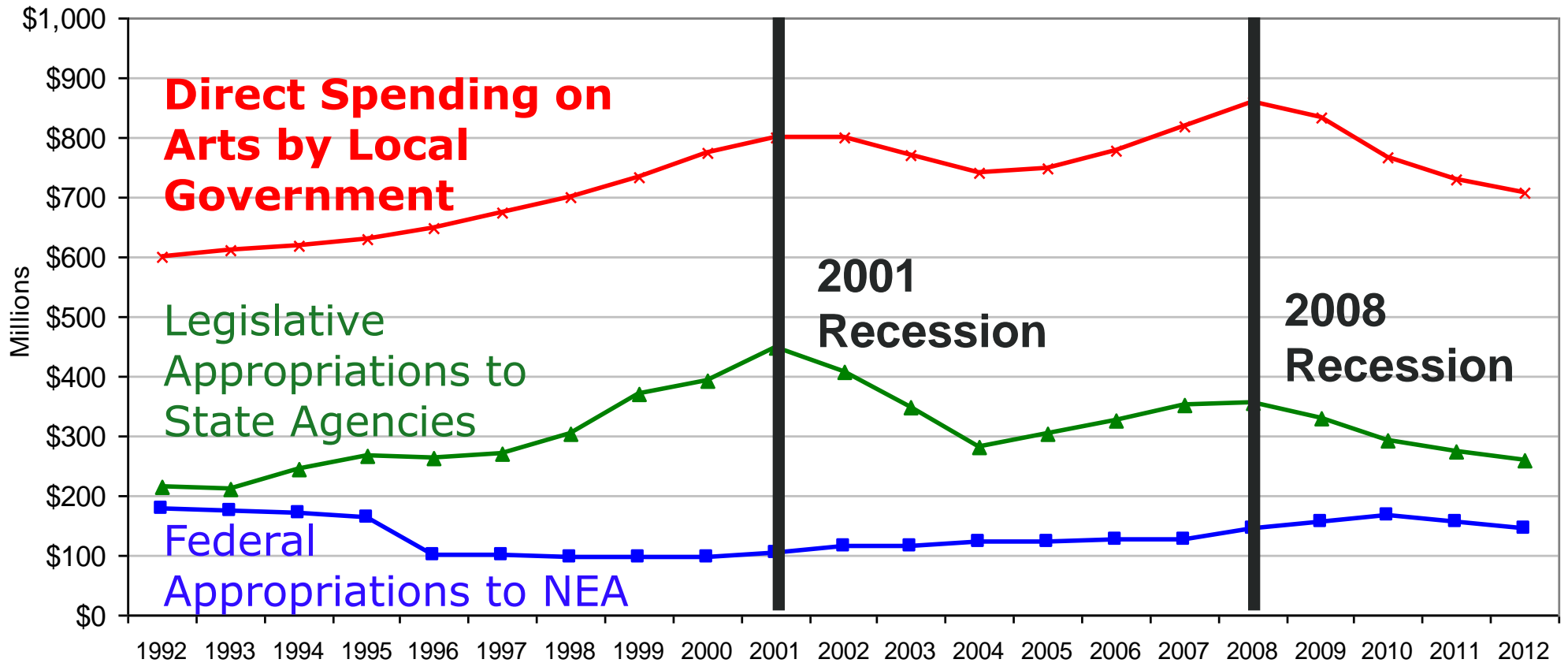
The 4,607 orgs in 2011 (total respondents):
31% had deficits
44% had surpluses
25% broke even

Ended FY '11 With....



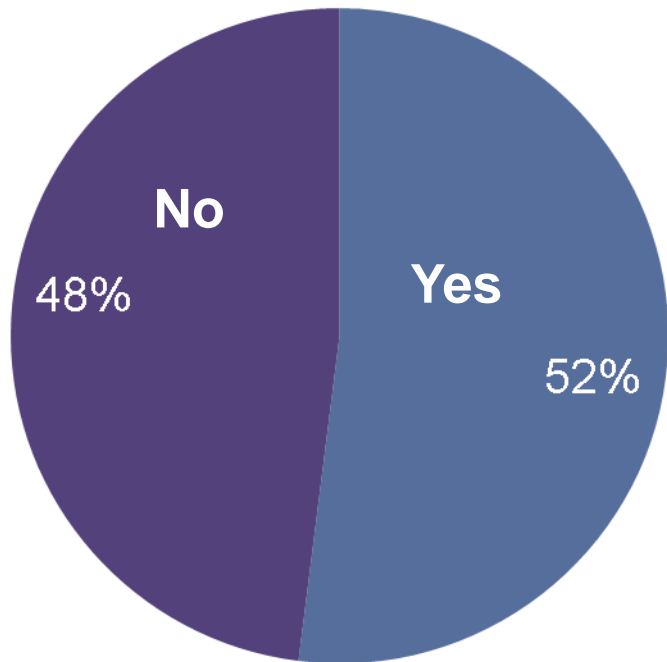
Government funding has declined steadily since the 2008 recession, and overall, funding hasn't fully recovered in a decade

Data from GIA Reader

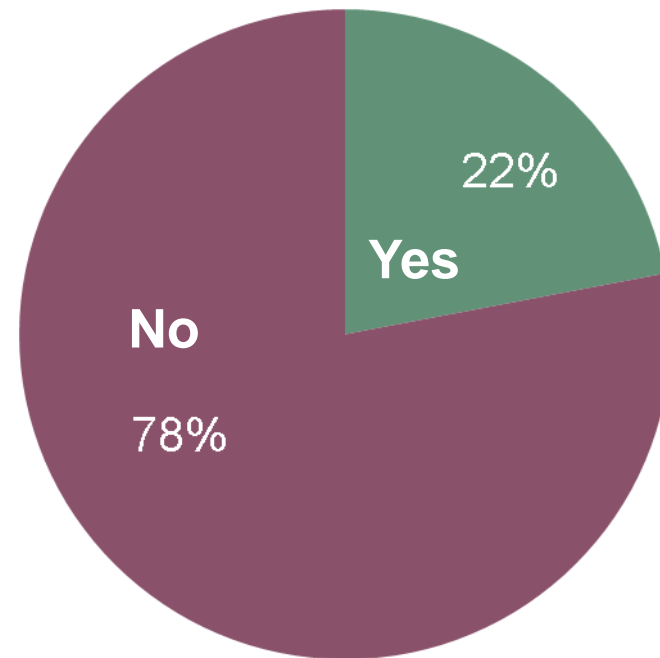


Government funding, while not the primary source of revenue for most arts/culture organizations, rarely covers full costs of services

Hold State/Local Contracts?

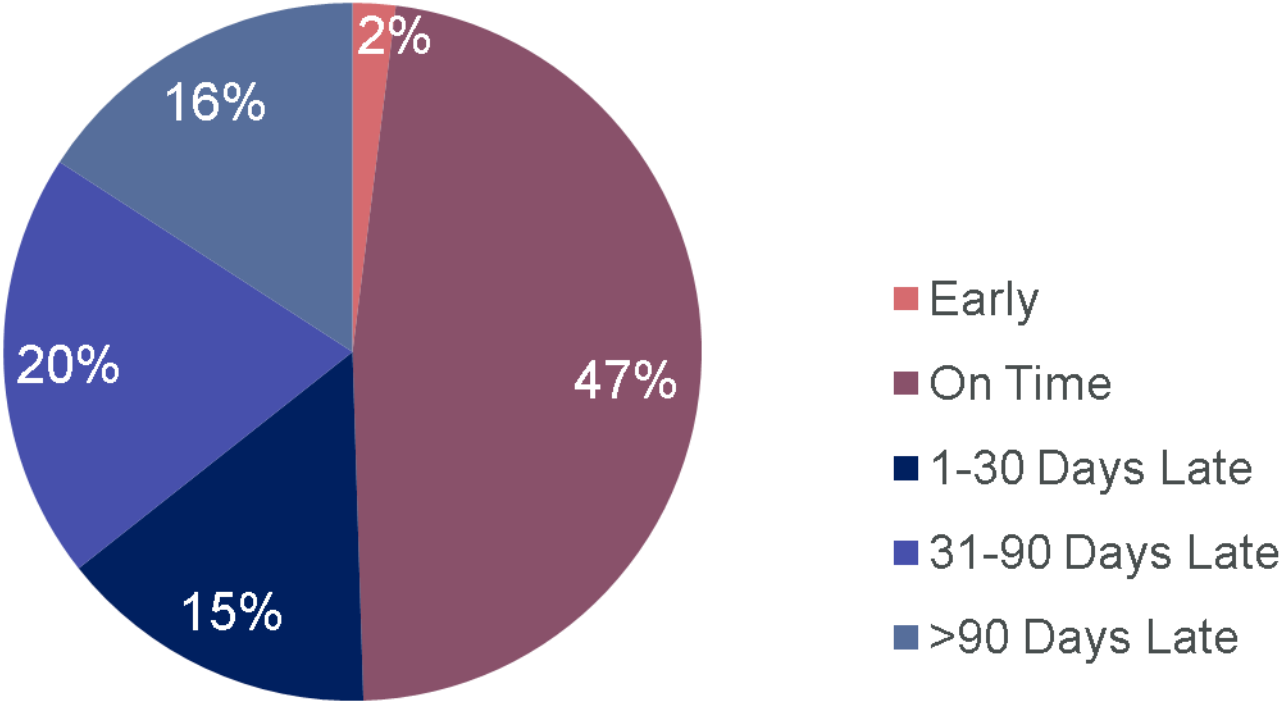


Do funds cover the full cost of services?

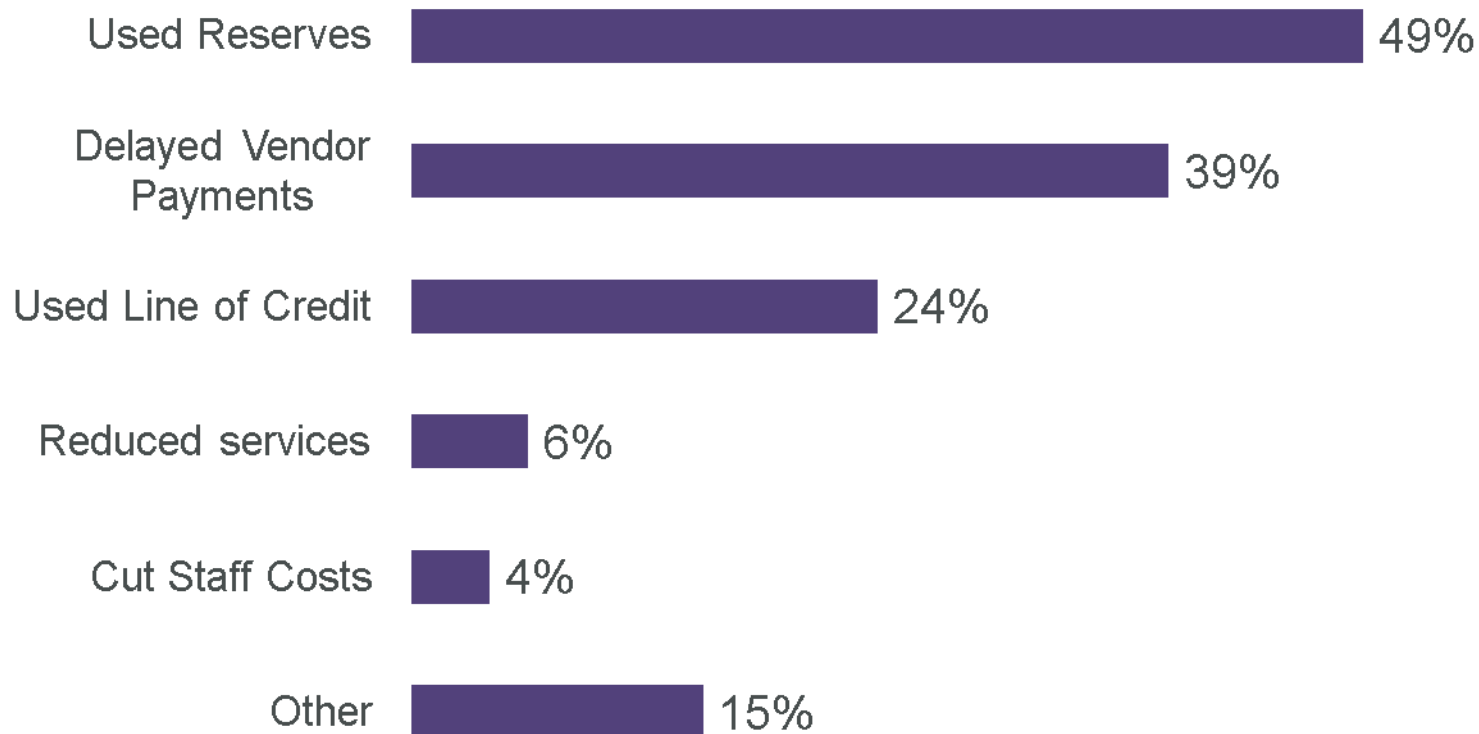


Government funding, when it comes, is often reliably late

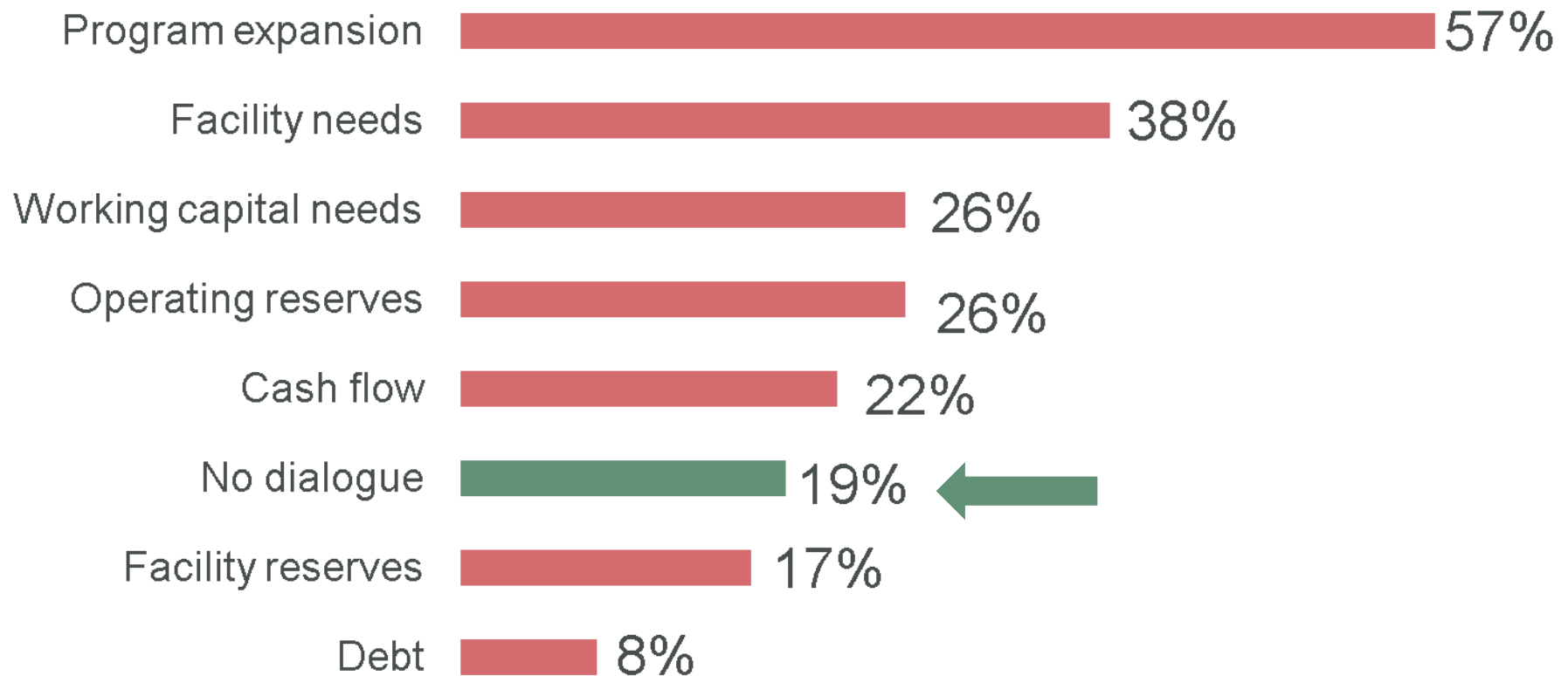
When Do you Receive State/Local Payment?



Organizations had to make difficult decisions to manage payment delays, often weakening their balance sheets



Communication gap? Organizations feel uncomfortable discussing their needs for flexible funding and financing to manage their operations and build healthier balance sheets



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Where Money Meets Mission[®]

Learn more at:

- nonprofitfinancefund.org/survey
- Nonprofitfinancefund.org/arts

Interact with the data yourself at:

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