
Summary Report: Nonprofit Survey Results

March 26, 2009

For more information, please contact Jen Talansky at 212.868.6710
or visit **[nonprofitfinancefund.org](http://www.nonprofitfinancefund.org)**

For full survey results, please visit
<http://www.nonprofitfinancefund.org/docs/2009/SurveyResults.pdf>

Data is based on a nationwide Zoomerang survey of nonprofit leaders conducted by Nonprofit Finance Fund, February-March 2009.

Introduction to the Survey



Nonprofit Finance Fund recently conducted a survey of nonprofits nationwide to assess the real-time financial challenges they face. **The survey focused on surfacing the most critical areas of need, both for the immediate and longer-term durability and effectiveness of the sector.**

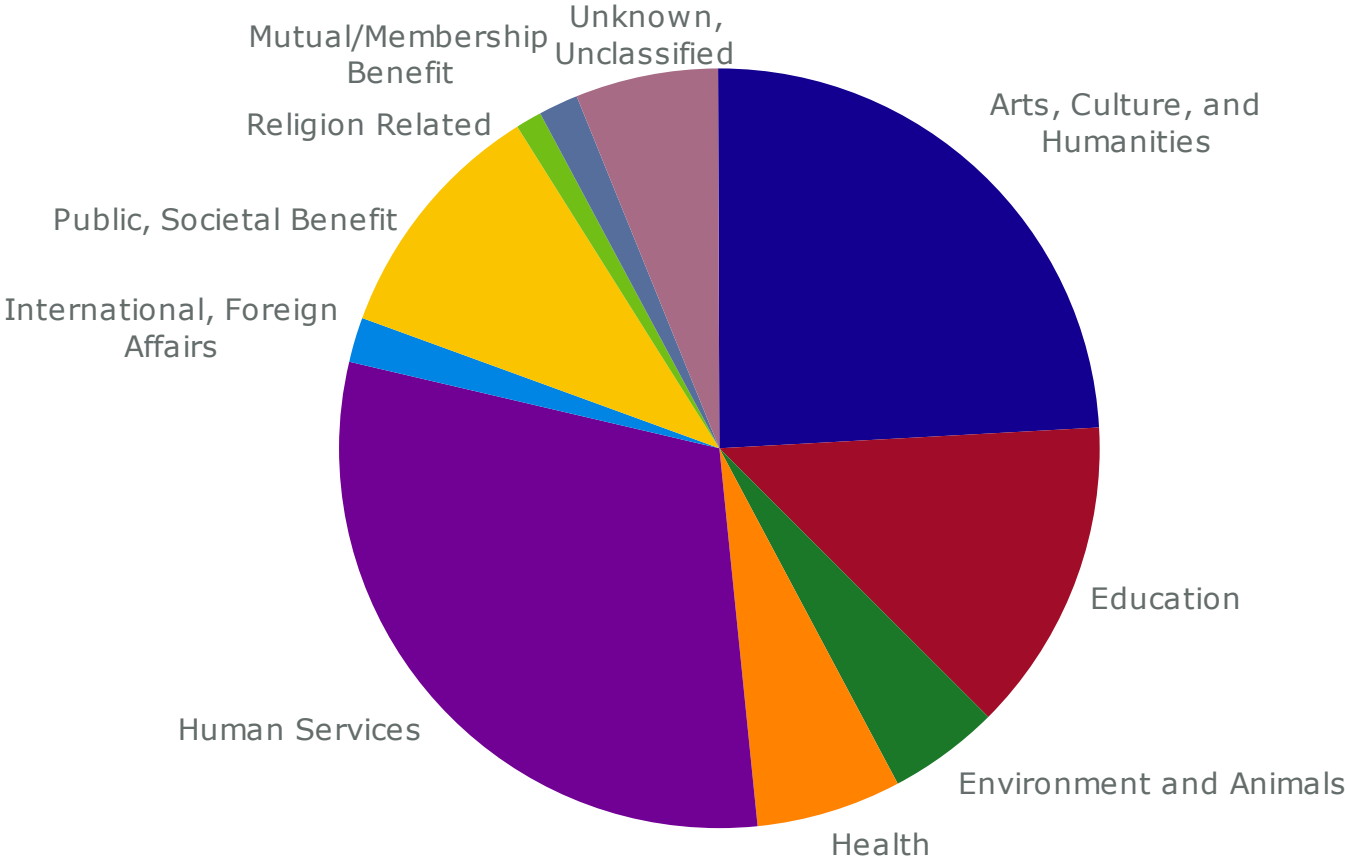
Nearly one thousand nonprofit leaders responded to our survey. Survey respondents stretched from coast-to-coast, from large organizations to small, and came from all sub-sectors.

What did we learn from their collective reply?

America's nonprofit sector is financially vulnerable.

What Areas of Need Do Survey Respondents Address?

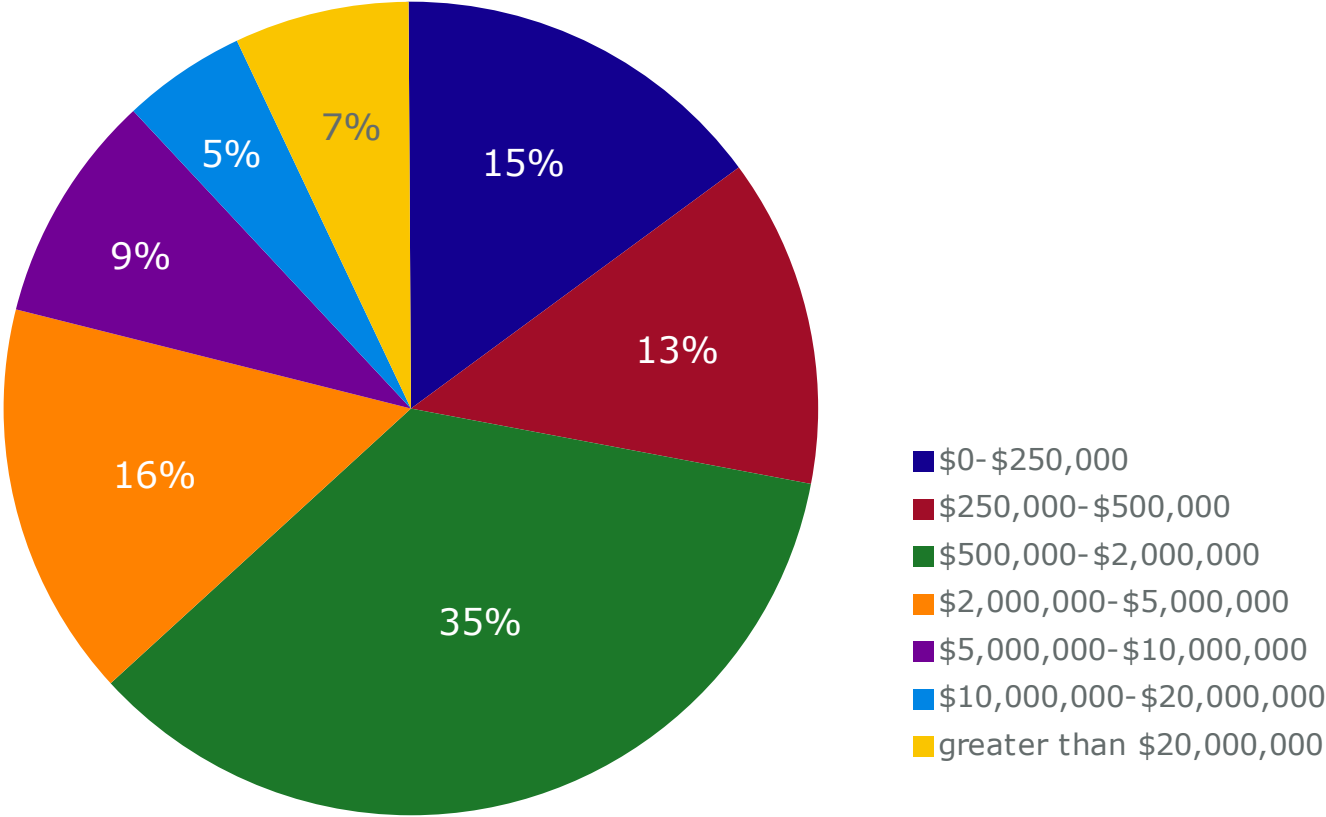
Survey Respondents by Sector



What is the Annual Expense Size of Respondents?



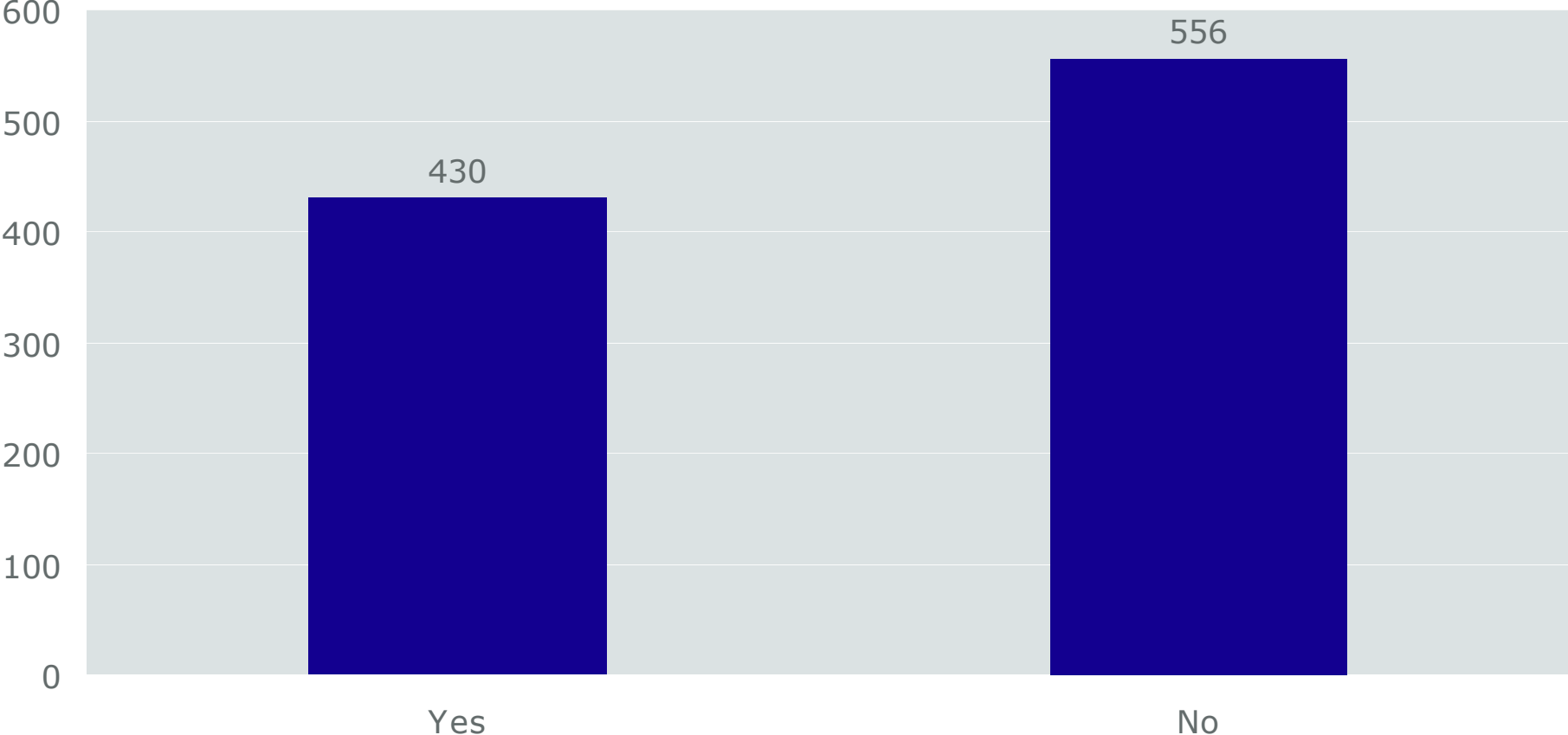
Most Survey Respondents from Small-to-Mid-Sized Nonprofits



How Many Respondents Primarily Provide Essential Services?

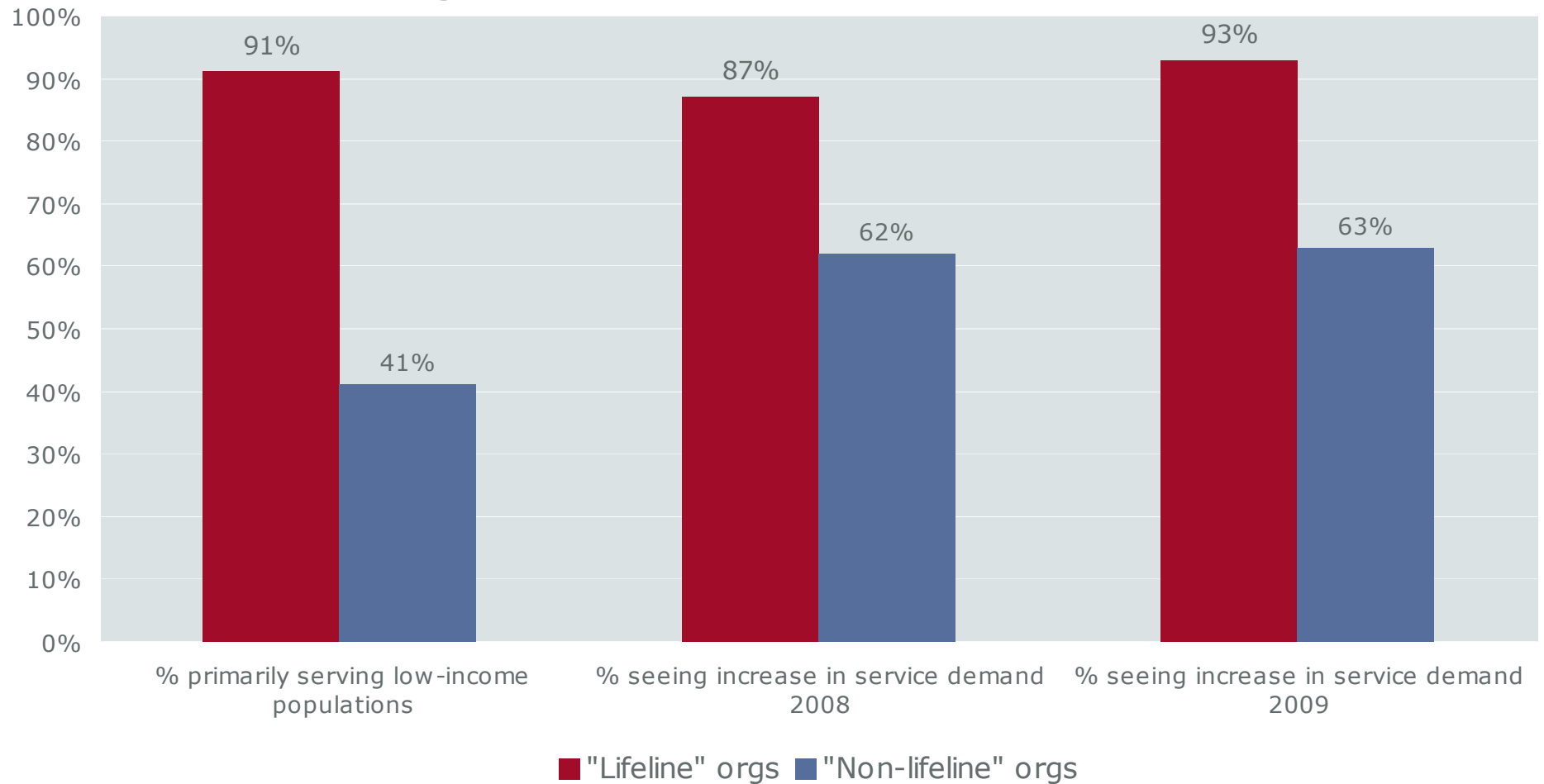


Are You a "Lifeline" Organization?



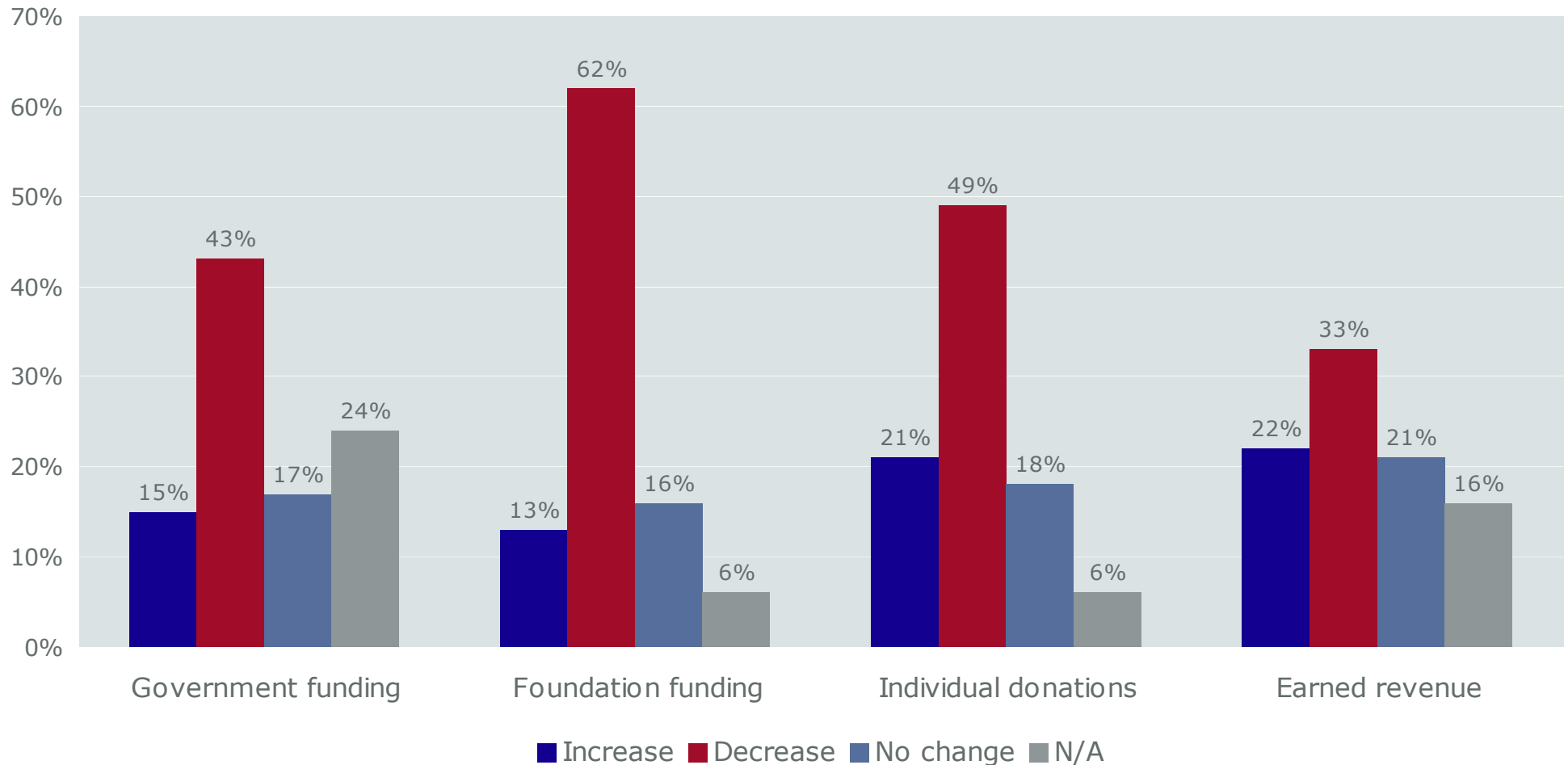
"Lifeline" vs. "Non-lifeline" Organizations

**91% of lifeline organizations primarily serve vulnerable populations;
93% of these organizations have increased service demand in 2009**



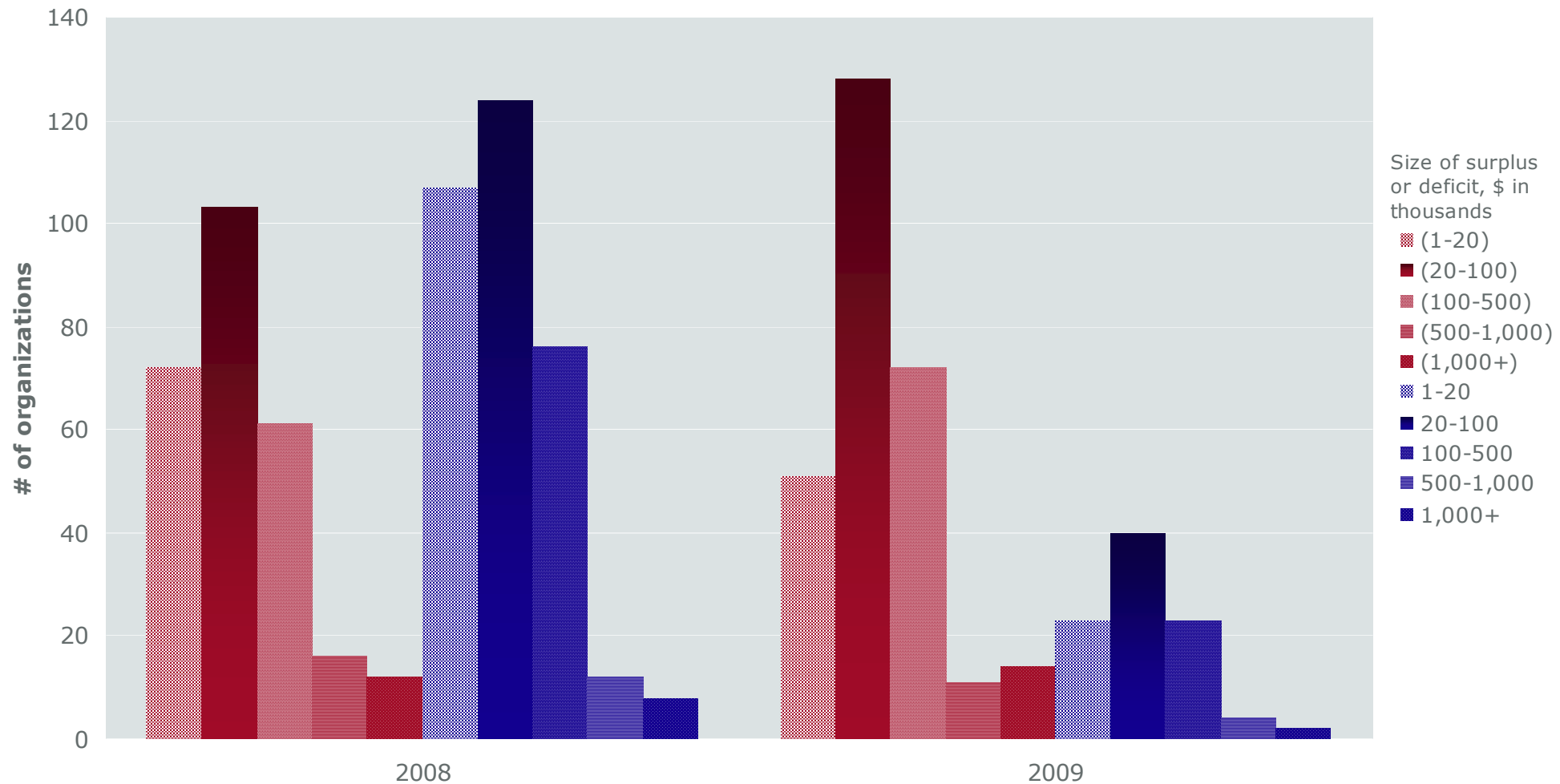
What Are Organizations' Revenue Expectations for 2009?

Organizations are bracing for funding cuts from all types of donors



Are Organizations in Surplus or Deficit? And on What Scale?

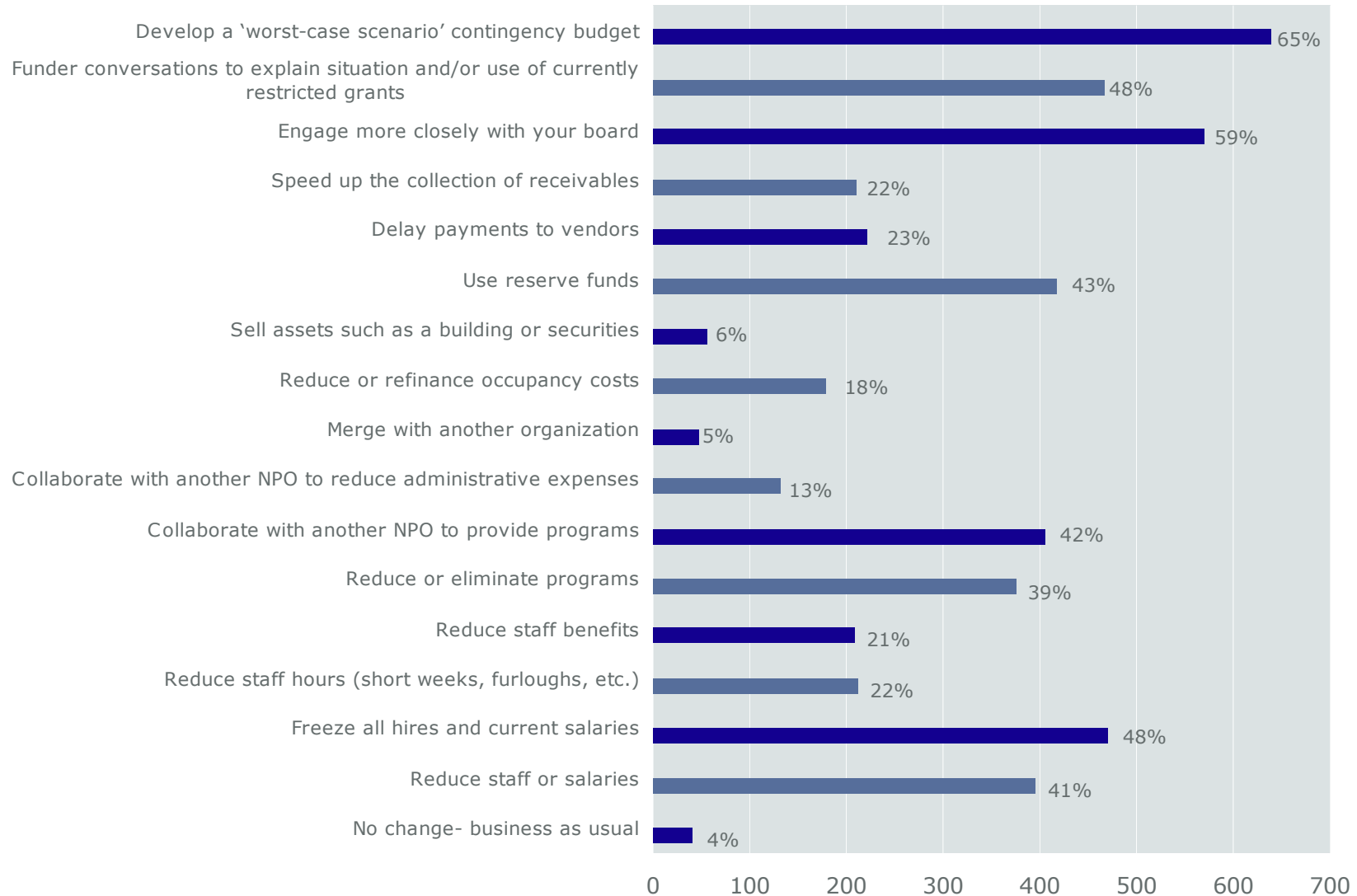
2009 shows a rise in the number of organizations expecting deficit, and significantly fewer organizations anticipating a surplus



Plans & Actions to Weather the Recession

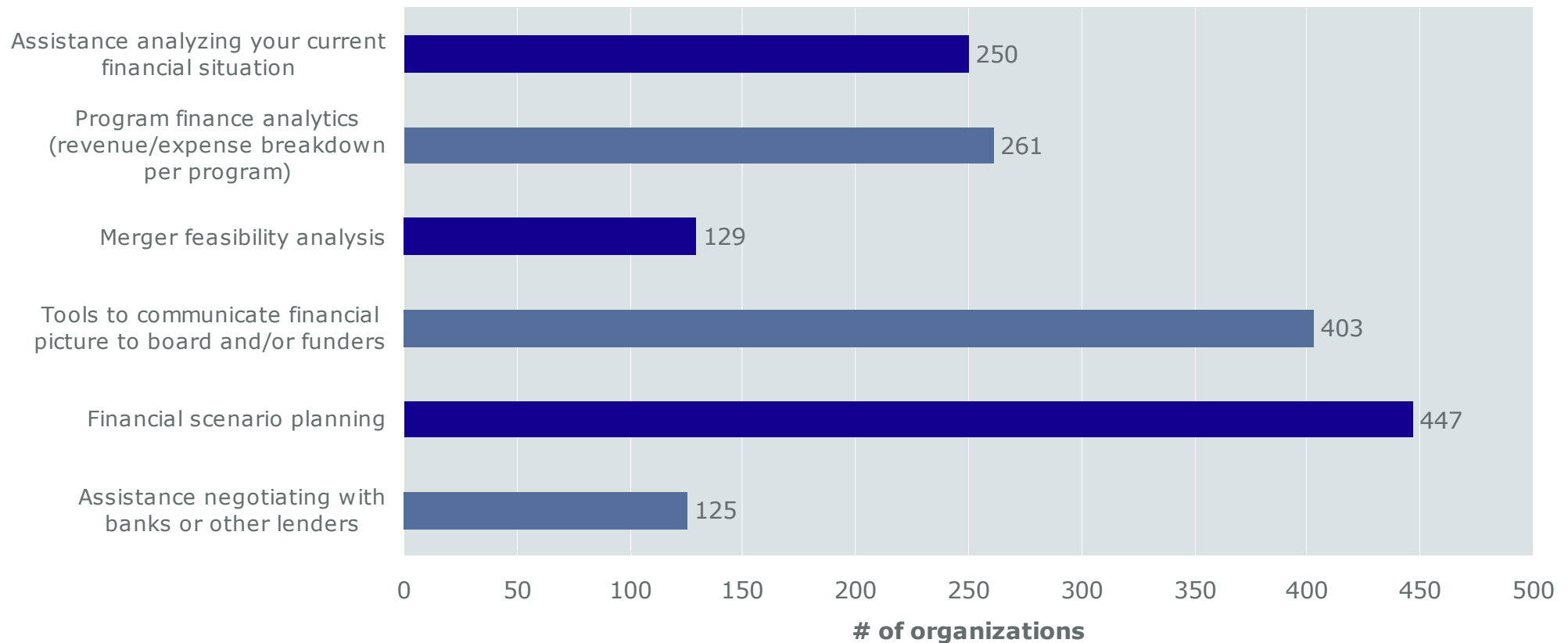


Nonprofits are taking or considering notable actions to keep their doors open in these difficult times



What Type of Technical Assistance Would Be Helpful?

Nonprofit leaders expressed interest in tools to help them manage through the crisis



The Financial State of Nonprofits

- Only 12% of all respondents expect to operate above break-even this year.
- Just 16% anticipate being able to cover their operating expenses in both 2009 and 2010.
- 31% don't have enough operating cash in hand to cover more than one month of expenses, and another 31% have less than three months' worth.
- In 2009:
 - 43% anticipate a decrease in funding from government
 - 62% anticipate a decrease in funding from foundations
 - 49% anticipate a decrease in funding from individuals
 - 33% anticipate a decrease in earned revenue
- 52% of respondents expect the recession to have a long-term (2+ years) or permanent negative financial effect on their organizations.
- 93% of lifeline organizations that provide essential services anticipate an increase in demand in 2009.

Summary of Key Findings: What Are Nonprofits Doing?



Actions Nonprofits are Taking or Considering

- Develop a 'worst-case scenario' contingency budget: 65%
- Reduce staff or salaries: 41%
- Freeze all hires and current staff salaries: 48%
- Reduce or eliminate programs: 39%
- Collaborate with another organization to provide programs: 42%
- Use reserve funds: 43%
- Delay payments to vendors: 23%
- Speed up the collection of receivables: 22%
- Engage more closely with board through more frequent reports and meetings: 59%
- Hold conversations with funders to explain situation and projections and/or to discuss the use of currently restricted grants: 48%

What Actions Can Funders Take?



We encourage funders to be active supporters of the organizations they care about.

Steps that can be taken include:

- Ask grantees how you can best help them continue to deliver on the promise of their mission. Be aware of how your grant fits into the overall revenue picture for the organization, and fund at the 'enterprise' level. Consider how you might advocate on behalf of grantees, on anything from government funding policy to funder collaboration.
- Avoid restrictions that compromise liquidity– unrestricted operating funds may be the best way to ensure organizations are able to continue providing vital programs.
- Reduce the paperwork, stress and expense on grantees:
 - Think in terms of "net grants" that take into account the cost of grant application and reporting.
 - In the application process, ask only for what you need.
 - Increase transparency around grant cycle timing and process.

The recession brings a long-standing problem into sharp relief: it reveals the precarious state of a sector that is continually asked to do more with less. This crisis presents funders and government with an opportunity to substantively change practices that perpetuate inefficiency and stymie innovation and growth. The talent, resources, and passion that people in the sector bring to the goal of addressing society's most pressing issues must be protected and nurtured. This recession is forcing the issue of how to better invest in what works for the benefit of society.

Thank you.

For the full survey results, please visit our website,
[nonprofitfinancefund.org](http://www.nonprofitfinancefund.org), or click on this link:

<http://www.nonprofitfinancefund.org/docs/2009/SurveyResults.pdf>

For any questions regarding the survey, please contact Jennifer
Talansky at 212.868.6710.