



Nonprofit Survey Series
Report #4

INDIANA NONPROFITS: MANAGING FINANCIAL AND HUMAN RESOURCES

A JOINT PRODUCT OF

THE CENTER ON PHILANTHROPY
AT INDIANA UNIVERSITY

AND

THE SCHOOL OF PUBLIC AND ENVIRONMENTAL AFFAIRS
AT INDIANA UNIVERSITY

AUGUST 2004

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AND
RICHARD M. CLERKIN

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NONPROFITS:
MANAGING
FINANCIAL AND
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RESOURCES**

**PROJECT ON
INDIANA NONPROFITS:
SCOPE & COMMUNITY
DIMENSIONS**

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INTRODUCTION

The volunteers and staff who run Indiana nonprofits face numerous challenges, most notably obtaining funding and assessing and evaluating program activities. In this report we rely on a large survey of all types of Indiana nonprofits to explore how these and other management challenges impact nonprofits across the state. We also assess the extent to which they have key organizational features in place to help them address the challenges.

These are complicated issues to examine since Indiana nonprofits, like those located elsewhere in the U.S., perform several broad functions. They serve as vehicles for civic and social engagement for groups that span an enormous range of concerns and interests – from religion to advocacy issues or recreation. They are also an integral part of a broad spectrum of service industries across the state, most notably in the areas of health, human services, education, or arts and culture, but also the environment and community development. Moreover, they vary in size, sources of revenue, and age, while the communities in which they are located differ in needs and available resources.

Consequently, we expect to find many differences in the types and levels of management challenges faced by Indiana nonprofits, as well as in the extent to which they have organizational tools in place to address the challenges. If Indiana nonprofits are to continue to play a key role in communities across the state, nonprofit leaders and policy makers must have solid information about the condition of the state's nonprofit sector – information not currently available.

This report on management challenges and capacities of the Indiana nonprofit sector aims to address this gap by providing new information on how the state's nonprofit organizations manage their financial, human, and other resources. No other study has examined all types of nonprofits or done so in such detail. We hope our report will be of use to a broad range of decision-makers.

Chapter I reviews the financial conditions of Indiana nonprofits to provide a context for understanding the challenges they face and the capacities they have to address them. *Chapter II* examines management challenges and capacities related to financial operations. *Chapter III* explores the challenges Indiana nonprofits face in managing staff, volunteers, and board members and whether

key structures are in place to address these challenges. *Chapter IV* considers challenges and capacities related to other important activities, such as planning and program development. Two appendices contain supplemental information on nonprofit fields of activity (*Appendix A*) and regional variations in management challenges and organizational capacities (*Appendix B*).

The analysis presented here builds on several previous reports from the project on *Indiana Nonprofits: Scope and Community Dimensions*. We have revised and updated the data that served as the basis for our preliminary report on The Indianapolis Nonprofit Sector: Management Capacities and Challenges.¹ We have also expanded the analysis to nonprofits statewide and gone beyond considerations of how challenges and capacities vary by nonprofit service fields to include also variations related to size, funding mix, age, and target population.

We also build on a second survey report, The Indiana Nonprofit Sector: A Profile, which showed that Indiana nonprofits pursue a broad array of missions and that many target their services to particular groups, especially based on geographic region and beneficiary's age. The analysis also revealed distinctive profiles for each of eight major nonprofit fields of service and showed that many Indiana nonprofits face increasing demands for their services, are fairly young and small, encounter financial challenges, and rely on donations and gifts or on dues, fees, or sales for most of their funding. While the state's nonprofits provide extensive and accessible services, they rely extensively on volunteers and find it difficult to secure staff, board members, and volunteers. Finally, we found some regional differences in the composition and characteristics of the nonprofit sector.

Our third report, Indiana Nonprofits: Community and Policy Impact, showed that the extent to which nonprofits are aware of and impacted by changes in community conditions depends on where they are located and on their size or the type of groups they target. By contrast, there are notable differences by field of service in the extent to which nonprofits report being impacted by public policies and in whether they seek to influence public policies through advocacy activities. Overall, relatively few Indiana nonprofits undertake advocacy activities and most of those that do devote only limited financial, vol-

¹ This and other project reports are available at www.indiana.edu/~nonprof.

unteer, or staff resources. Many also lack key information technology tools to undertake such activities.

Future reports will examine the extent to which Indiana nonprofits collaborate and compete with other organizations; the characteristics and roles of congregations and other faith-based nonprofits; and the characteristics and roles of membership associations.

The results presented here are based on a 2002 survey of 2,206 Indiana charities, congregations, advocacy, and mutual benefit nonprofits, representing a response rate of 29 percent. Details of how the sample was developed and the data collected are described in technical reports available upon request. The survey was designed to allow for direct comparison with a study of Illinois nonprofits sponsored by Donors Forum of Chicago.²

Our analysis highlights differences that meet statistical criteria of significance (5 percent or less chance that the results occurred randomly). We focus primarily on differences by **field of activity** (see Appendix A), but also examine the impact of **size**, **funding mix**, and **age** on the extent on how nonprofits manage **financial** resources, **staff** resources, **volunteer** resources, and **other** organizational resources. As appropriate, each of these key dimensions is discussed in more detail in the body of the report.

Methodological Note: We also examine how **the interaction** of these characteristics may be important by including a brief *multivariate analysis* of each challenge and organizational tool after exploring the *bivariate relationships* between the challenge or tool and the nonprofit field of activity, size, funding mix, and age. This analysis is used to highlight the organizational characteristics that are most important in determining the likelihood of an organization reporting that it faces a major challenge or has the organizational tool being discussed.

The type of analysis we use requires us to create a “reference category” for each of our organizational features. For field of activity, we chose human service nonprofits; for size, revenues of \$25,000 – \$99,999; for funding profile, mixed revenues; and for age, established before 1930. These reference groups provide interesting, but conservative comparisons for the analyses.

² Kirsten A. Grønbyerg & Curtis Child, *Illinois Nonprofits: A Profile of Charities and Advocacy Organizations* (Chicago, IL: Donors Forum of Chicago, December 2003).

EXECUTIVE SUMMARY

1. **Financial Conditions:** We asked Indiana nonprofits to provide information about their revenues, expenses, assets and liabilities, as well as how these have changed over the past three years.
 - Most Indiana nonprofits have low revenues (half have less than \$40,000 in annual revenues), but education and health nonprofits are quite large: respectively 15 and 14 percent have revenues of \$10 million or more, compared to 3 percent overall. More health nonprofits (37 percent) have assets in excess of \$1 million than those in other nonprofit fields (20 percent overall).
 - Other than in the health field, a greater proportion of nonprofits report at least a moderate increase in expenses (65 percent) than report a moderate increase in their revenues (57 percent), indicating that a large number of Indiana nonprofits face a challenge in developing excess financial resources to meet unforeseen organizational and community needs.
 - Larger nonprofits are more likely than smaller ones to report changes in the level of revenues they receive from government sources. Smaller nonprofits are more likely than larger ones to report changes in the level of revenues they receive from donations, dues/fees/sales, special events, and other sources of income.
 - Nonprofits that depend upon a single type of revenue are the most likely to report a change in that revenue stream. Nonprofits that rely on a mix of funding are the second most likely group to report changes in each source of revenues, potentially allowing them to off-set decreases in one type of revenue with increases in a different type of revenue.
2. **Financial Challenges and Tools:** We asked Indiana nonprofits to report on the level of challenges they face in managing their finances and the management tools they have to address these challenges.
 - Many Indiana nonprofits face major challenges in obtaining funding. Those in the health (78

percent) and the environment and animals (72 percent) fields are the most likely to say that obtaining funding is a major challenge.

- Larger nonprofits are more likely than smaller ones to report facing financial management challenges. However, they are also more likely to have organizational tools to address these challenges.
- Nonprofits that rely on government sources for more than half of their revenues are more likely to report financial management challenges than nonprofits with other resource dependencies (83 percent say obtaining funding is a major challenge vs. 43 percent overall; 20 percent say managing finances is a major challenge vs. 10 percent overall). At the same time, those that rely on dues/fees/sales for more than half of their resources appear to face the lowest level of financial management challenges, but they are also the least likely to report having financial management tools.
- Older nonprofits are more likely to have reserves dedicated to maintenance or capital needs than younger ones.

3. Staff, Volunteer, and Board Resources, Challenges, and Tools: We asked Indiana nonprofits about how many volunteers and paid staff they have, as well as the challenges they face in managing them and the tools they have to address these challenges.

- Volunteers are vital to Indiana nonprofits. Almost three-fourths report using volunteers over the past year. Of these, 74 percent report that volunteers are essential or very important to their organization. Volunteers tend to be more important to older nonprofits than to younger ones. However, few nonprofits have volunteer recruitment (22 percent) or volunteer training (27 percent) programs.
- Health (32 percent) and education (24 percent) nonprofits tend to have a larger number of paid staff members (greater than 50 Full Time Equivalent (FTEs)) while mutual benefit (64 percent), public benefit (56 percent), and arts, culture, and humanities (35 percent) nonprofits

tend to have a small number of paid staff members (0.5 to 2 FTEs). However, we find no statistically significant difference in the challenges related to managing human resources or recruiting/retaining qualified staff or in the tools associated with managing paid employees (written personnel policies or written job descriptions) by nonprofit field.

- Nonprofits that rely on government sources for more than half of their revenues have more employees (25 percent have over 50 FTEs), are more likely to have basic organizational structures in place to manage employees, and are also more likely to face challenges in managing employees than nonprofits with other funding profiles.
- Larger nonprofits, most likely because they tend to employ more employees, are more likely than smaller ones to face challenges in managing employees, but also have the tools to manage their staff.

4. Other Management Challenges and Capacities: We asked Indiana nonprofits about other challenges they face and the organizational tools they have to address other challenges.

- Health nonprofits (70 percent vs. 30 percent on average) are more likely than any other group to report having a written conflict of interest policy, most likely reflecting special pressures associated with funding, accreditation, or professional licensing requirements.
- Arts, culture, and humanities nonprofits (36 percent) are more likely than human services nonprofits (17 percent) to say they face a major challenge in evaluating their outcomes or impacts.

KEY FINDINGS

Eight key findings stand out from our analysis:

1. ***Most Indiana nonprofits have basic organizational structures in place to manage financial resources.*** Almost two-thirds have computerized financial records (60 percent) to assist in managing their finances or have had a financial audit within the past two years (61 percent). About three-quarters of Indiana nonprofit organizations have produced an annual report within the past year (73 percent) in an effort to present their organization and its activities to key stakeholders and the general public.
2. ***Most also have basic management structures in place to manage their human resources.*** About three-fourths of the organizations with paid employees have written job descriptions (80 percent) or written personnel policies (71 percent) to systematize the relationships and expectations of both the organization and the employee. However, most could significantly increase their capacity to manage volunteer resources. Only one-fourth of Indiana nonprofits have a formal volunteer recruitment program (23 percent) or a formal volunteer training program (27 percent). Slightly more (30 percent) have a written conflict of interest policy that establishes the ground rules of good trustee behavior by separating the interests of the organization and the individual members of the board of directors. Enhancing these capacities could strengthen the vital role that volunteers play in the management and governance of Indiana nonprofit organizations.
3. ***Volunteers are important to nonprofit organizations:*** Three-quarters of Indiana nonprofits report that volunteers are very important to their organizations. However, few nonprofits have formalized their volunteer recruitment/retention and training programs.
4. ***Challenges and tools related to managing paid staff are ubiquitous across nonprofit fields:*** We find no statistically significant difference among nonprofit fields in whether they face any challenges related to managing human resources, recruiting and retaining qualified staff, or the presence of written personnel policies or written job descriptions.
5. ***However, major challenges are field and size dependent:*** When restricting our analysis to only major challenges, nonprofits in the arts, culture, and humanities and mutual benefit fields are less likely than those in human services to report facing major challenges in managing their organizations. Larger nonprofits are more likely than median sized nonprofits to report facing major management challenges. Larger nonprofits are more likely than smaller ones to report having tools to assist in managing their organizations.
6. ***Government funding is related to more formalized structures:*** Nonprofits that rely on government sources for more than half of their revenues employ more employees and are more likely to have organizational tools to manage these employees, but also face the greatest levels of challenges associated with managing employees.
7. ***Reserves for Maintenance and Capital Needs:*** We find that larger nonprofits (those with \$500,000 or more in annual revenues) are more likely than smaller ones to have financial reserves dedicated to maintenance and equipment needs, thus providing these nonprofits with a buffer to meet potentially unexpected operational needs. Religion nonprofits are the most likely to have reserves dedicated to capital needs. Nonprofits founded prior to 1930 are the most likely to have financial reserves dedicated to maintenance or capital needs.
8. ***Size and age are related to the presence of organizational tools:*** Older nonprofits are more likely than younger ones to have financial management tools as well as reserves dedicated to maintenance and capital reserves.

I. FINANCIAL CONDITIONS

Most Indiana nonprofits have low revenues, but the health and education fields have larger nonprofits than other fields. Along with the religion field, they also have higher assets and liabilities. More nonprofits report increases in expenses than increases in revenues over the past three years, except for those in the health field. Larger nonprofits are more likely than smaller ones to report changes in revenues from government sources, while smaller ones are more likely to report changes in donations, in dues, fees and sales, in special events, and in other sources of income. Nonprofits that depend mainly on a single type of revenue are the most likely to report a change in that revenue stream followed by those which rely on a mix of funding sources.

Achieving and maintaining financial health of an organization can be a major challenge in and of itself. At the same time, the financial health of an organization may limit or facilitate its ability to address other challenges effectively. Therefore, we review the financial capacities and challenges of Indiana nonprofits in this chapter before examining other types of management challenges in later chapters.

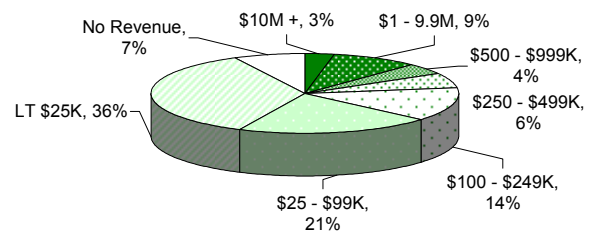
Financial Indicators. To establish the context within which Indiana nonprofits must address management challenges and enhance their capacity we begin by reviewing the state of finances for Indiana nonprofits – their revenues, expenses, assets, and liabilities. We explore the extent to which these financial indicators changed over a three-year period. We also look at the types of funding available to Indiana nonprofits and how these streams have changed.

Total Revenues. Revenues – total income and receipts from all sources received during a 12-month period – ranged from none to \$412 million for the most recent fiscal year, but most Indiana nonprofits are quite small.³ Size, as measured by total revenues, varies by field of operations, funding mix, and age.

³ The survey requested financial information for the most recently completed fiscal year, which in most cases would have been 2001. Some nonprofits include as part of their revenues the value of donated goods and volunteer work received during the year.

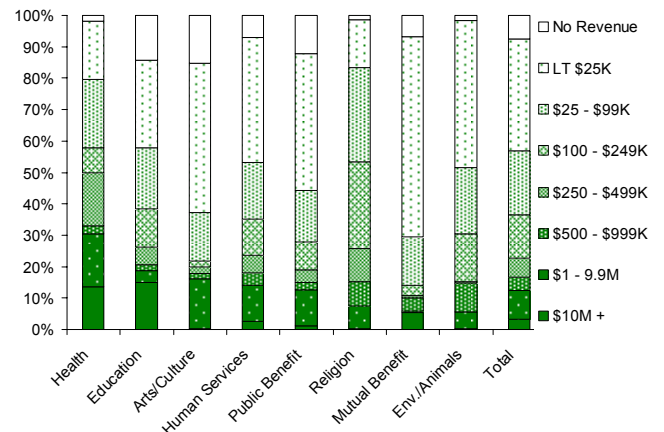
- **Overall:** Revenues averaged \$4 million, but median revenues are only \$40,000, suggesting that most are quite small.
 - More than three-fifths (64 percent) reported revenues of less than \$100,000, including one-third (36 percent) with revenues less than \$25,000 and 7 percent with no revenues. Only one in ten (12 percent) have revenues of \$1 million or more, including 3 percent with revenues of \$10 million or more. See Figure 1.

Figure 1: Total Revenues, Indiana nonprofits (n=1,724)



- **Nonprofit field:** In general, the larger nonprofits are concentrated in the health and education fields, while the mutual benefit field has the highest concentration of very small nonprofits (70 percent with none or less than \$25,000 in revenues), but also some very large ones. See Figure 2.

Figure 2: Total Revenues by major field of activity, Indiana nonprofits (n=1,724)



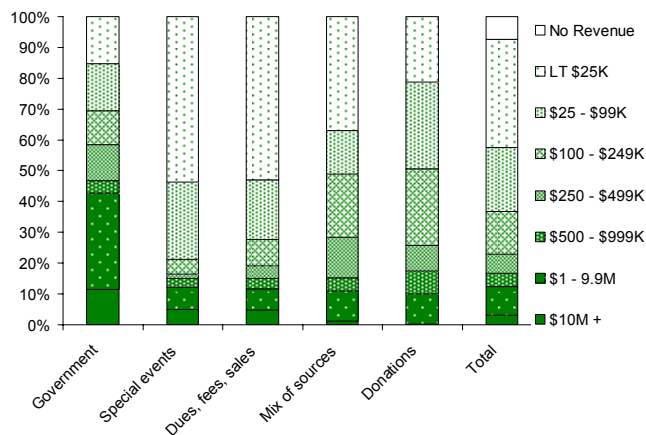
- The health field has the highest prevalence of fairly large organizations: 30 percent have revenues of \$1 million or more, including 14 percent with revenues in excess of \$10 million.
- The education field is one of extremes: it has the highest percent of nonprofits (15 percent) with

over \$10 million in revenues and the second highest percent with NO revenues (14 percent, comparable to the arts, culture and humanities field with 15 percent).

— Religious nonprofits tend to be grouped in the middle of the revenue distribution, with almost three-fifths (58 percent) of medium-small size: \$25,000 and \$250,000 in total revenues. However, very few (1 percent) have no revenues.

- **Funding profile:** Nonprofits that rely mainly on government funding tend to be much larger than those that rely on other sources or on a mix of funding. See Figure 3.

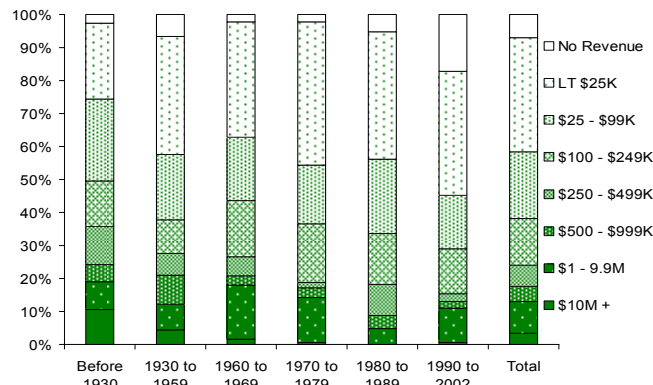
Figure 3: Total revenues by funding mix, Indiana nonprofits (n=1,581)



- Nonprofits that rely on government for most of their revenues tend to be quite large – 43 percent have revenues of \$1 million or more, compared to only 12 percent of nonprofits overall.
- Over half of nonprofits that rely mainly on dues, fees, or sales or on special events are very small (less than \$25,000 in total revenues, 53 and 54 percent, respectively), relative to 42 percent overall. This reflects the concentration of mutual benefit nonprofits in this category.
- Nonprofits that rely primarily on donations (as do most churches) are disproportionately of small-medium size with more than half (53 percent) reporting revenues of \$25,000-\$250,000, compared to 35 percent overall.

- **Age:** Older nonprofits tend to have significantly higher revenues than younger ones. See Figure 4.

Figure 4: Total revenues by age, Indiana nonprofits (n=1,613)

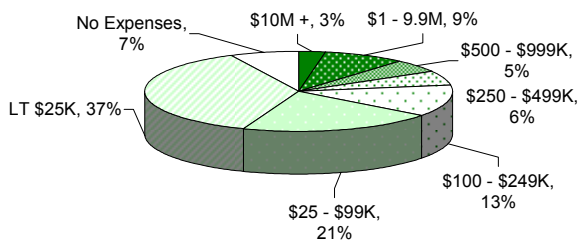


- Very old nonprofits, those founded before 1930, are most likely (11 percent) to report more than \$10 million in revenues and to include relatively few (26 percent) very small organizations (less than \$25,000 in total revenues).
- Very young nonprofits, those founded since 1990, are very small with over half (55 percent) having less than \$25,000 or no revenues.

Total Expenses. Expenses consist of all payments or outlays incurred during a 12-month period, and ranged from none to \$233 million during the most recent fiscal year. Expenses show very similar patterns as total revenues, largely because all organizations must keep expenses in line with revenues – few can operate for long if the former exceed the latter by substantial margins without access to assets or loans by which to cover the deficits.

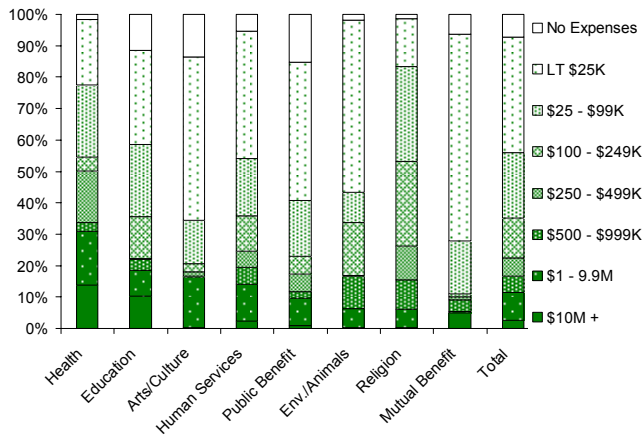
- **Overall:** On average, Indiana nonprofits reported \$2.8 million in total expenses, but the median is only \$39,000 and most have quite low expenses.
- More than two-fifths (44 percent) had less than \$25,000 in total expenses, including 7 percent with none at all. At the other extreme, 11 percent had \$1 million or more in expenses, including 3 percent with expenses of \$10 million or more. See Figure 5.

Figure 5: Total Expenses, Indiana nonprofits (n=1,704)



- Nonprofit field:** The overall pattern is similar to that for revenues, although more health nonprofits (14 percent) have very high expenses (\$10 million or more) than education nonprofits (10 percent) while the reverse held for revenues. See Figure 6.

Figure 6: Total expenses by major field of activity, Indiana nonprofits (n=1,704)



- Funding profile:** As in the case of revenues, nonprofits that rely on government for more than half of their revenues are the most likely (10 percent) to have very high expenses (\$10 million or more). Those that rely on dues/fees/sales or special events for more than half of their revenues are once again the most likely (54 percent and 53 percent, respectively) to be very small (less than \$25,000 in expenses). See Figure 7.
- Age:** As in the case of revenues, older nonprofits are generally much larger than younger ones. Nonprofits founded before 1930 are the most likely (8 percent) to report \$10 million or more in expenses, while those founded after 1990 are the most likely (58 percent) to report \$25,000 or less in expenses. See Figure 8.

Figure 7: Total expenses by funding mix, Indiana nonprofits (n=1,558)

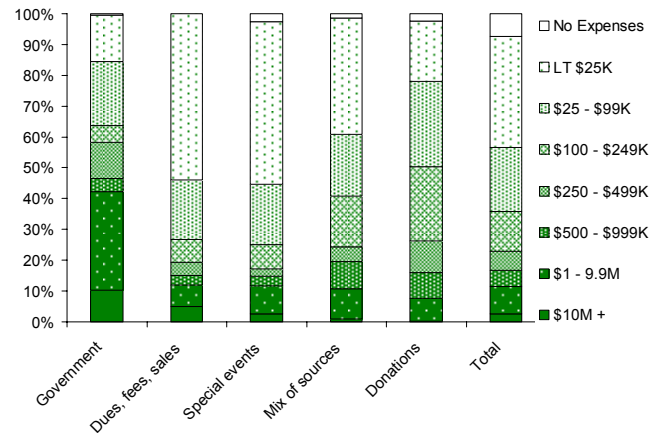
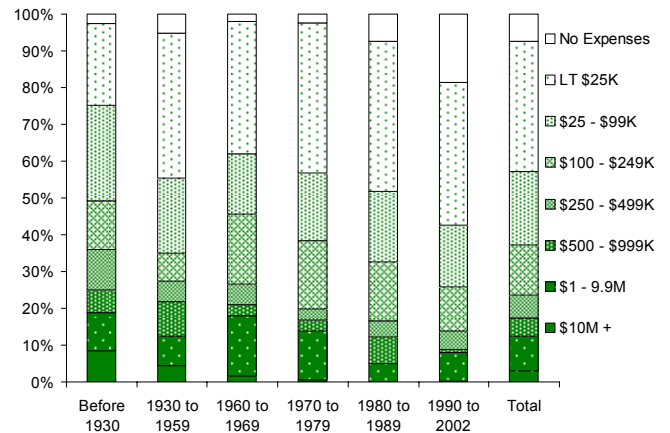


Figure 8: Total expenses by age, Indiana nonprofits (n=1,592)



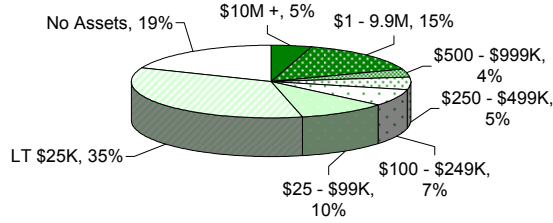
Assets: The asset holdings of Indiana nonprofits include the value of cash, investments, real estate, furnishings and equipment, and all other property they own at the end of the fiscal year.⁴ Most have very few assets, but some have substantial assets and these patterns vary by size, field of operations, funding mix, and age.

- Overall:** Indiana nonprofits reported an average of \$5.3 million in total assets, but total assets ranged from none to \$452 million.
 - Most (54 percent) of Indiana nonprofits have less than \$25,000 in total assets, including 18 percent with no assets at all. However, one in five (19 percent) have assets of \$1 million or

⁴ Depending on accounting principles used, assets may include the value of contract commitments, deferred gifts, gift pledges, and owned artifacts (e.g., museum or library holdings).

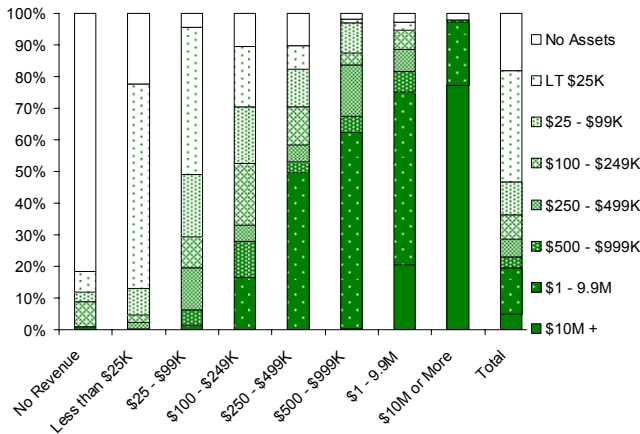
more, including 5 percent with assets of \$10 million or more. See Figure 9.

Figure 9: Total assets, Indiana nonprofits (n=1,481)



- **Size:** As expected, larger nonprofits in terms of revenues also tend to have high asset holdings. See Figure 10.

Figure 10: Total assets by total revenue category, Indiana nonprofits (n=1,455)



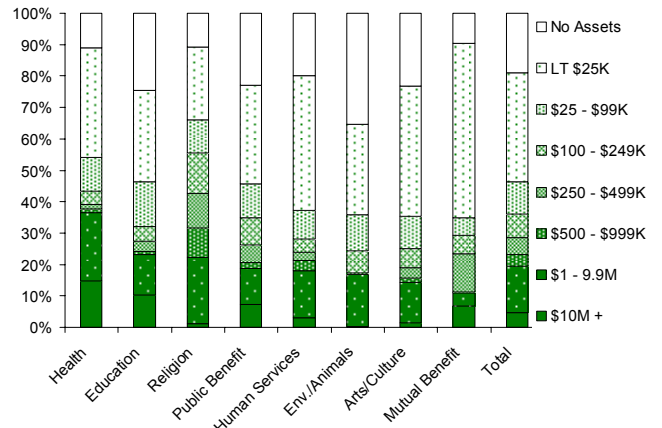
- Somewhat surprisingly, almost one-fifth (18 percent) of nonprofits without revenues or expenses have at least some assets, including 12 percent with assets in excess of \$25,000.

- **Nonprofit field:** Assets also vary greatly by nonprofit field. See Figure 11.

- More than a third (37 percent) of health nonprofits (compared to 20 percent overall) have \$1 million or more in total assets, including 15 percent with \$10 million or more in assets (compared to 5 percent overall). This is not surprising, since health nonprofits are among the largest in terms of revenues and many need expensive technology and specialized facilities to deliver their services.

- More than a fifth of education and religion nonprofits (23 and 22 percent, respectively) have at least \$1 million in total assets. Education nonprofits tend to be relatively large, while religion nonprofits are likely to own houses of worship.

Figure 11: Total assets by major field of activity, Indiana nonprofits (n=1,481)



- At the other extreme, less than a quarter (23 percent) of mutual benefit nonprofits and less than a fifth (19 percent) of arts, culture, and humanities nonprofits have assets of over \$250,000 (compared to 28 percent overall).

- **Funding profile:** Nonprofits that rely primarily on government funding are much more likely (44 percent) to have sizeable assets (\$1 million or more), followed by those that rely mainly on donations (25 percent, as do most religious nonprofits). Relatively few of those that rely mainly on dues, sales or fees or special events have assets of that value (15 and 13 percent respectively). See Figure 12.

- **Age:** In general, older nonprofits have higher assets, reflecting both their larger size and the longer time they have had to accumulate assets. Thus more than a third (35 percent) of those founded prior to 1930 have assets of \$1 million or more, compared to 5 percent overall. See Figure 13.

Liabilities. Liabilities include the value of all outstanding loans, debts, and financial obligations in effect at the end of the fiscal year.⁵ For most nonprofits, liabilities are less than total assets and some liabilities are di-

⁵ This may include wages or payroll taxes owed, payments due to outside contractors or suppliers, and similar obligations.

rectly linked to assets (e.g., when nonprofits finance the purchase of assets, such as real estate, with loans). We find that the size of liabilities vary by size, field of operations, funding mix, and age in similar ways.

Figure 12: Total assets by funding mix, Indiana nonprofits (n=1,347)

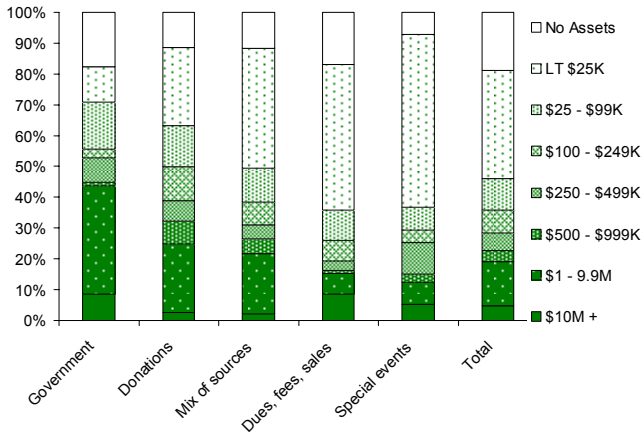
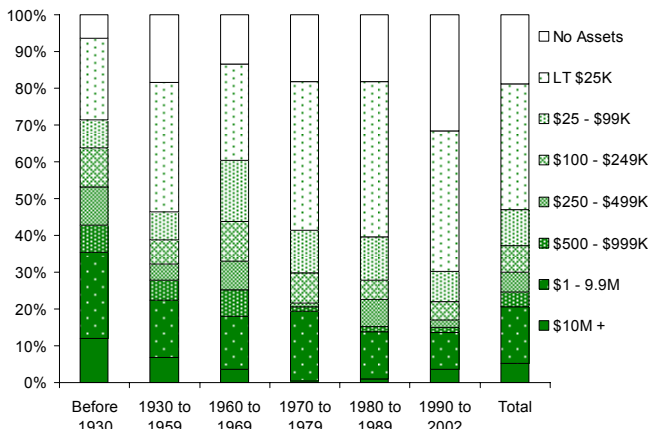


Figure 13: Total assets by age category, Indiana nonprofits (n=1,389)



- **Overall:** Indiana nonprofits reported an average of \$1.5 million in total liabilities, ranging from none to \$452 million, but almost two-thirds (63 percent) had not liabilities at all.
 - More than three-fourths (77 percent) had liabilities of less than \$25,000. At the other extreme, more than 7 percent had liabilities of \$1 million or more. See Figure 14.
- **Size:** Larger nonprofits have notably higher liabilities than smaller ones, most likely because they have

a greater volume of financial transactions and can more easily obtain loans. See Figures 15.

Figure 14: Total liabilities, Indiana nonprofits (n=1,414)

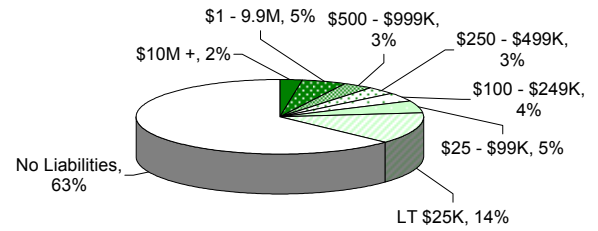
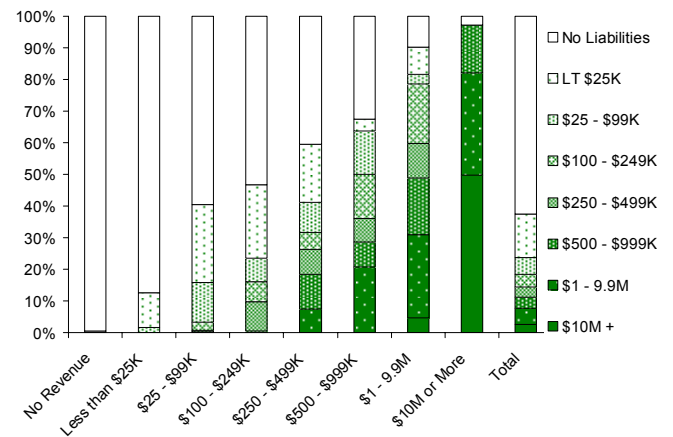
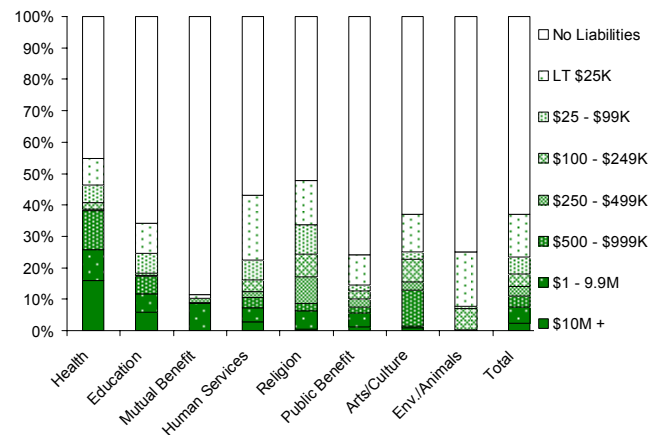


Figure 15: Total liabilities by total revenue category, Indiana nonprofits (n=1,381)



- **Nonprofit field:** As in the case of assets, health nonprofits have the highest proportion (26 percent) with liabilities of \$1 million or more, compared to 7 percent overall. See Figure 16.

Figure 16: Total liabilities by major field of activity, Indiana nonprofits (n=1,414)

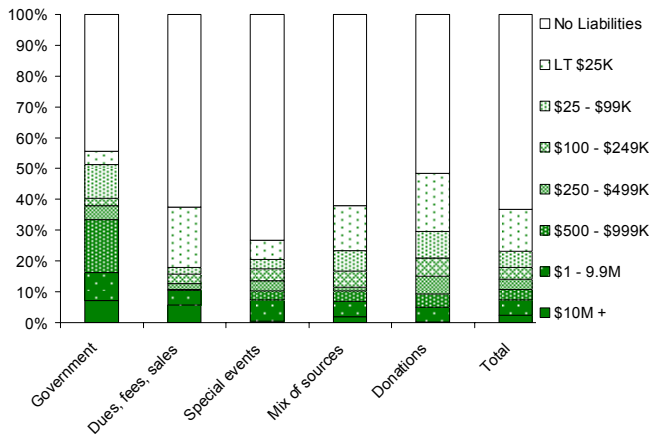


- However, while religion nonprofits ranked third in assets of \$1 million or more (22 percent), they

rank fifth in liabilities of \$1 million or more (9 percent), suggesting that they are less leveraged, relative to their asset size, than nonprofits in the health, education, human services, and mutual benefit fields.

- **Funding mix:** As in the case of assets, nonprofits that rely primarily on government sources have the highest incident (16 percent) of liabilities of \$1 million or more (compared to 2 percent overall), followed by those that rely mainly on dues, sales, or fees (11 percent). By contrast, those that rely mainly on special events are most likely (73 percent) to have no liabilities at all (compared to 63 percent overall) See Figure 17.

Figure 17: Total liabilities by funding mix, Indiana nonprofits (n=1,281)

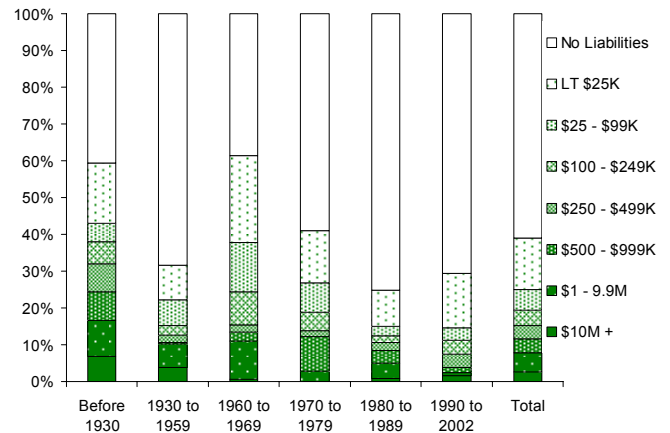


- **Age:** In general, older nonprofits have higher liabilities (but also more assets); indeed, 17 percent of those founded prior to 1930 have liabilities of \$1 million or more, compared to 2 percent overall. See Figure 18.

Changes in Revenues and Expenses. As summarized in the *Profile Report*⁶, more than two-fifths (45 percent) of Indiana nonprofits had a surplus (revenues higher than expenses) during the previous year, a quarter broke even, and another quarter had a deficit (expenses higher than revenues); the rest had no revenues or expenses. Over the prior three years, however, the financial situation of Indiana nonprofits appears to have deteriorated.

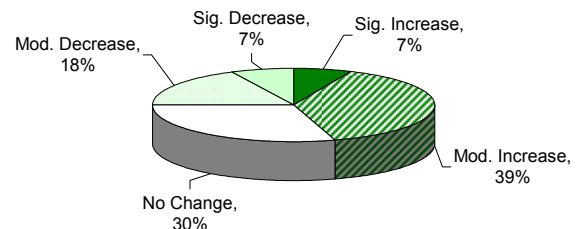
⁶ This and other project reports are available at www.indiana.edu/~nonprof.

Figure 18: Total liabilities by age, Indiana nonprofits (n=1,323)



- **Overall.** Less than half (45 percent) of Indiana nonprofits reported a moderate⁷ (38 percent) or significant (7 percent) increase in revenues over the past three years.⁸ The rest (55 percent) failed to keep revenues aligned with the cost of living, including 31 percent that reported no change in revenues. Fully one quarter reported a moderate (18 percent) or significant (7 percent) decrease in revenues. See Figure 19.

Figure 19: Changes in revenues three prior years, Indiana nonprofits (n=1,777)



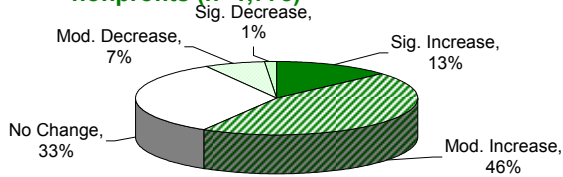
- While over half of Indiana nonprofits lost purchasing power on the revenue side of the ledger, only 8 percent reported a moderate or significant decrease in expenses; 33 percent reported no change in the level of expenses, while three-fifths (59 percent) reported either a moderate (45 percent) or significant (14 percent) increase in expenses. See Figure 20.

⁷“Moderate” is defined as a change of 5 to 25 percent while “significant” is defined as a change greater than 25 percent.

⁸ “Moderate” increase/decrease is defined as gains/losses of 5 to 25 percent, while “significant” is 25 percent or more.

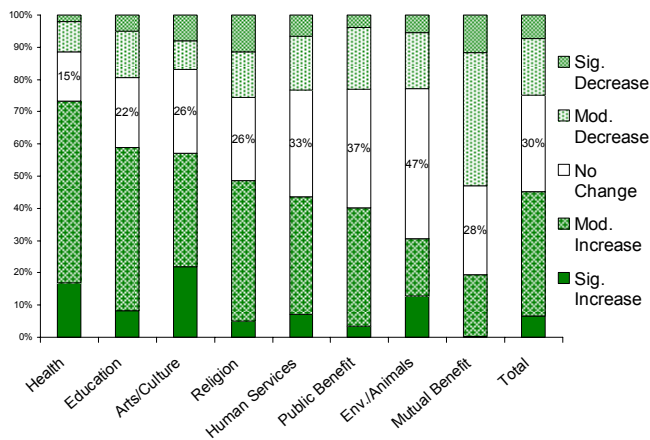
- Overall, the ratio of Indiana nonprofits with some decrease in revenues (25 percent) is three times those with some decline in expenses (8 percent).

Figure 20: Changes in expenses three prior years, Indiana nonprofits (n=1,778)



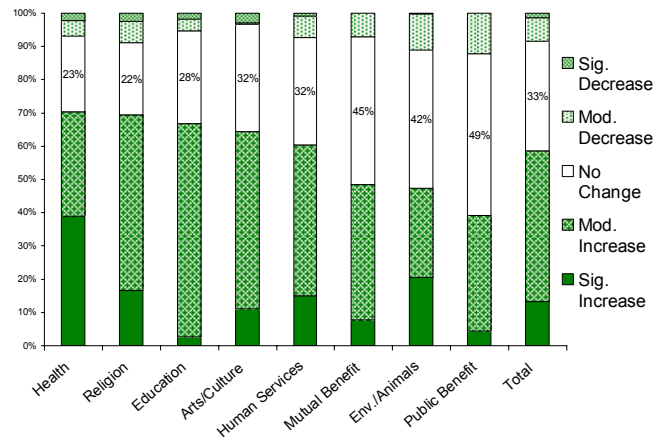
- Nonprofit field:** Nonprofit fields vary significantly in the extent to which revenues increased during the prior three years, ranging from a high of 73 percent for health nonprofits to a low of 19 percent for mutual benefit nonprofits. See Figure 21.

Figure 21: Change in revenues over three years by major field of activity, Indiana nonprofits (n=1,777)



- Increases in expenses show similar but less extreme variations, ranging between a high of 70 percent for health nonprofits and low of 39 percent for public/societal benefit nonprofits. See Figure 22.
- The vast majority of health nonprofits saw increases in both revenues (73 percent) and expenditures (70 percent). This was the only field where the percent with increased revenues exceeded the percent reporting increased expenses.
- However, almost two-fifths (39 percent) of health nonprofits reported a significant increase in expenses, while only 17 percent reported a significant increase in revenues.

Figure 22: Change in expenses over three years by major field of activity, Indiana nonprofits (n=1,778)



- Arts, culture, and humanities nonprofits are the most likely (22 percent) to report a significant increase in annual revenues, and among the least likely to report a significant increase in total expenses (11 percent). Overall, 65 percent report at least a moderate increase in expenses (65 percent) than report at least a moderate increase in their revenues (57 percent), thus suggesting that this field (like most other fields, except health) face budget squeezes as expenses grow at a faster rate than revenues.
- Mutual benefits nonprofits appear to face the most financial pressures. Almost half (48 percent) report at least a moderate increase in expenses, while over half (53 percent) report at least a moderate decrease in revenues. Only one in five report at least a moderate increase in revenues.
- Religion nonprofits also appear to be under financial pressure. More than two-thirds (70 percent) report at least a moderate increase in expenses, while only 49 percent report similar increases in revenues and a quarter (26 percent) report at least a moderate decrease in revenues.
- Only 5 percent of religion nonprofits had a significant increase in revenues, but three times as many (17 percent) had a significant increase in expenses.
- Size:** Growth in revenues lagged expenses for all size categories: See Figure 23 and Figure 24.

Figure 23: Change in revenues over three years by total revenues, Indiana nonprofits (n=1,497)

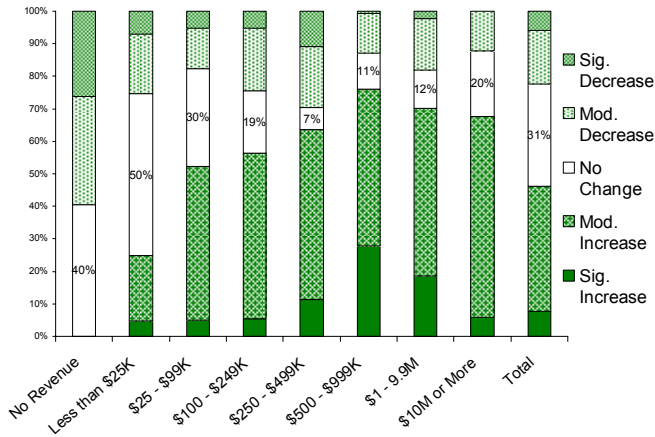
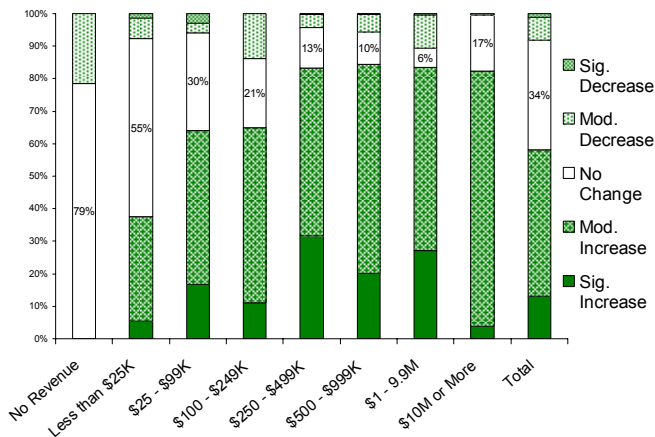


Figure 24: Change in expenses over three years by total revenues, Indiana nonprofits (n=1,496)



- Medium-sized nonprofits (revenues between \$500,000 and \$1 million) are the most likely (76 percent) to report increased revenues, but resemble larger nonprofits in the percent reporting increased expenses (85 percent). They appear also to have the highest rate of growth, given high percentages with significant increases in both revenues and expenses.
- Nonprofits in the \$250,000 - \$499,999 revenue category appear to be under more financial pressure than those in other size categories. Almost a third reported at least a moderate decrease in revenues (including 11 percent with a significant decrease) while 83 percent report at least a moderate increase in expenses (including 32 percent with a significant increase).
- Nonprofits with no revenues or expenses in their most recent fiscal year also face financial chal-

lenges. Three-fifths (60 percent) report at least a moderate decrease in revenues and about a fifth (22 percent) a moderate decrease in expenses, suggesting that even the smallest nonprofits see changes in financial resources from year to year.

- **Funding profile:** Nonprofits that rely mainly on government funding had the highest rates of at least moderate increases in both revenues (71 percent) and expenses (78 percent), a closer balance than for nonprofits with other funding profiles. On the other hand, 16 percent of these nonprofits experienced a decrease in revenues, but virtually none of them (2 percent) cut expenses. See Figure 25 and Figure 26.

Figure 25: Change in revenues over three years by funding mix, Indiana nonprofits (n=1,718)

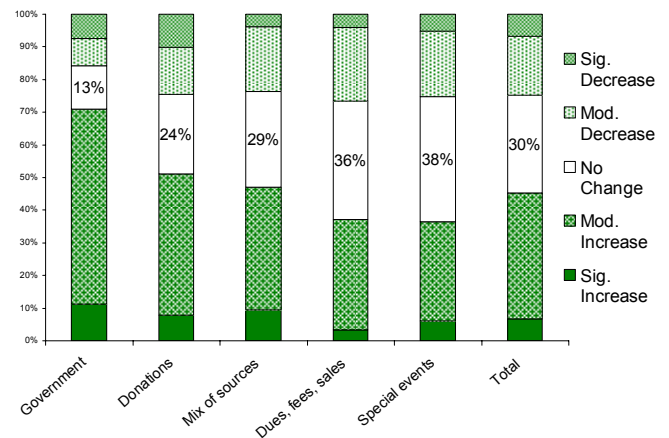
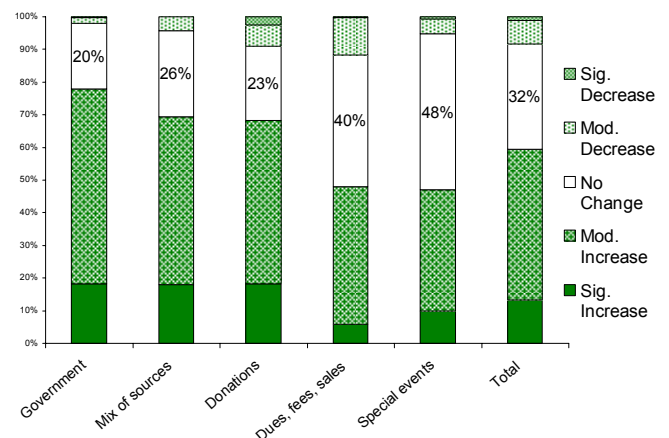


Figure 26: Changes in expenses over three years by funding mix, Indiana nonprofits (n=1,716)



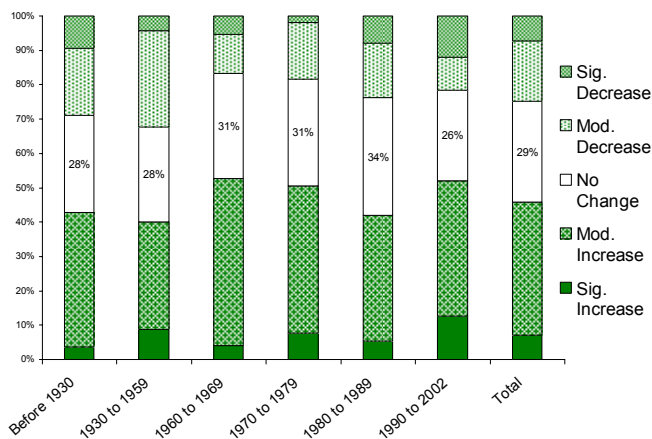
- Nonprofits that rely on a mix of funding sources appear to face more budgetary pressures than those with other funding profiles. More than two-thirds (70 percent) reported at least a mod-

erate increase in expenses (including 18 percent with a significant increase), but less than half (47 percent) reported at least a moderate increase in revenues and almost a quarter (24 percent) reported a significant decrease in revenues.

- Organizations that rely mainly on dues, fees or sales are the most likely (27 percent) to report at least a moderate decrease in revenues, but are also the most likely (12 percent) to report at least a moderate decrease in expenses, suggesting that they are more likely to reduce costs when revenues declined.
- Nonprofits that rely on special events for more than half of their revenues are the most likely to report no change in their revenues (38 percent) or expenses (48 percent). However, one-fourth (25 percent) report at least a moderate decrease in revenues over the past three years.

- **Age:** There are no significant differences in the extent of changes in expenses by year of establishment, but there are for changes in revenues, although the patterns are not very pronounced. About three in ten nonprofits founded before 1960 report at least a moderate decrease in revenues (compared to 25 percent overall), while over half of those funded in the 1960s, 1970s, or 1990s report at least a moderate increase in revenues (compared to 45 percent overall). See Figure 27.

Figure 27: Change in revenues over three years, by age, Indiana nonprofits (n=1,662)

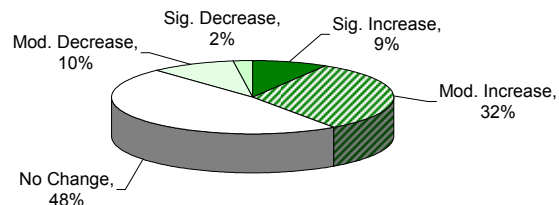


Changes in Assets and Liabilities. Most Indiana nonprofits reported no or only moderate changes (usually increases) in assets or liabilities over the past three years,

suggesting that these financial indicators are more stable than revenues and expenses.

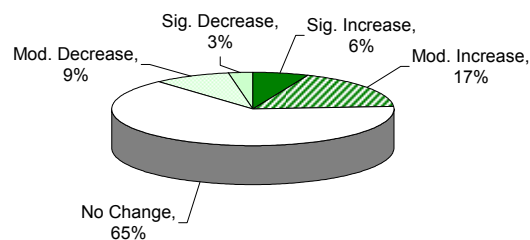
- **Overall.** Almost half (48 percent) reported that assets remained about the same, while most of the rest reported a moderate (32 percent) or significant (9 percent) increase over the past three years. See Figure 28.

Figure 28: Change in assets over three years, Indiana nonprofits (n=1,659)



- The same pattern holds for liabilities: almost two-thirds (65 percent) reported no change in liabilities while 17 percent reported a moderate increase and 6 percent a significant increase in liabilities. See 29.

Figure 29: Change in liabilities over three years, Indiana nonprofits (n=1,659)

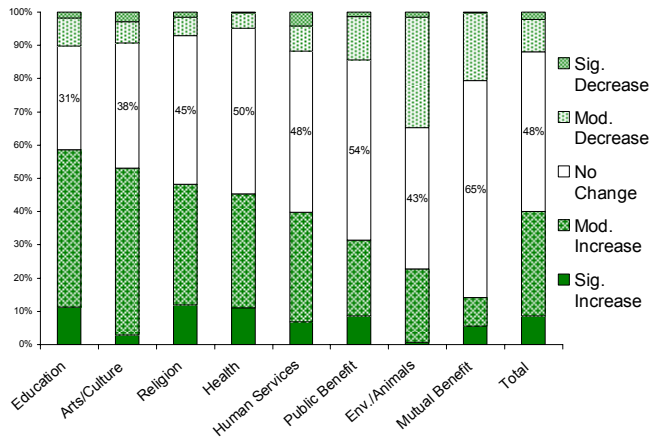


- It is somewhat surprising that more nonprofits report a growth in assets than in liabilities during a period when more also reported more growth in expenses than in revenues. However, only a minority of Indiana nonprofits are able to build their asset base during this period. Since almost a quarter ended the most recent year with a deficit and since expenditures grew faster than revenues during the previous three years, many Indiana nonprofits may face an uncertain financial future.

- **Nonprofit field:** The percent of nonprofits with increased assets over the past three years ranged from a high of 59 percent for education nonprofits to a low of 14 percent for mutual benefit nonprofits. The

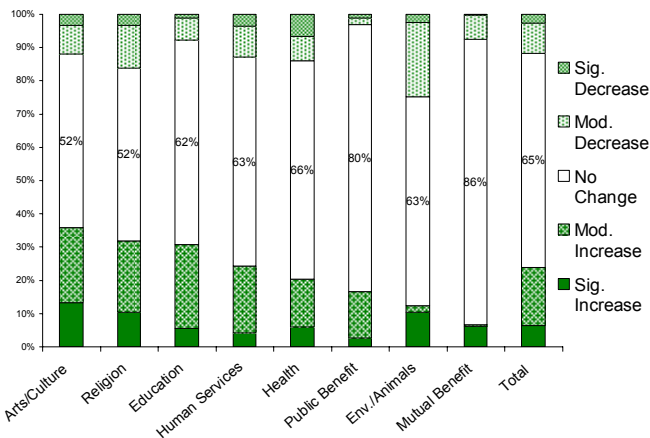
percent with decreasing assets ranged from a high of 35 percent for environmental nonprofits to a low of 5 percent for health nonprofits. See Figure 30.

Figure 30: Change in assets over three years by major field, Indiana nonprofits (n=1,659)



— The percent with increases in liabilities ranged from a high of 36 percent for arts, culture and humanities nonprofits to a low of 7 percent for mutual benefit nonprofits. Environmental nonprofits are the most likely to report decreasing liabilities (25 percent) and public and societal benefit nonprofits the least (3 percent). See Figure 31.

Figure 31: Change in liabilities over three years by major field, Indiana nonprofits (n=1,587)



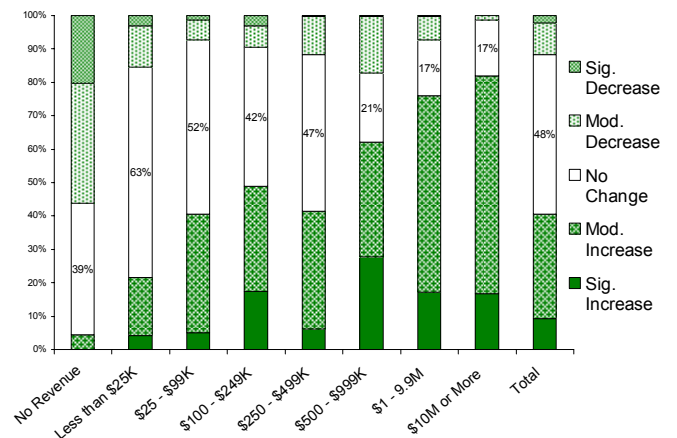
— The education and health fields have relatively more nonprofits reporting increases in assets than in liabilities, suggesting that these fields have been able to build their financial assets more so than other fields.

— Nonprofits in the environment and animal field are more likely than nonprofits in other fields to report decreases in assets (35 percent) with only 23 percent reporting any increases in assets. However, these nonprofits are also the most likely to report decreases in liabilities (25 percent, compared to 12 percent overall).

— Mutual benefit nonprofits appear to be in fairly precarious positions once again. This was the field with the fewest nonprofits reporting any increases in assets (14 percent, vs. 40 percent overall) and had second highest with decreases in assets (21 percent, vs. 12 percent overall), while less than one in ten (8 percent) reported any decreases in liabilities (compared to 12 percent overall).

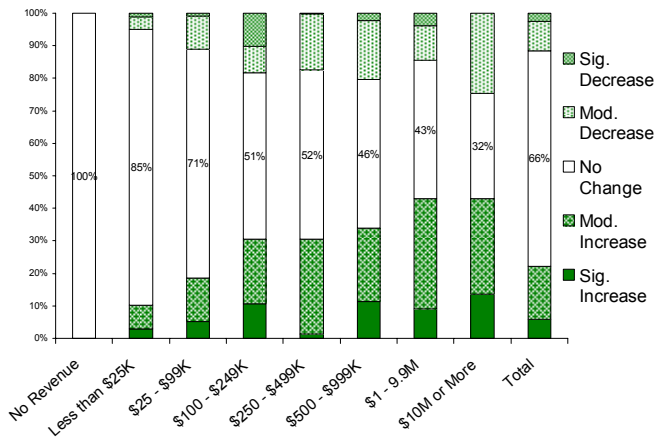
• **Size:** Nonprofits with higher revenues are more likely to report increases in assets and liabilities than those with lower revenues, but are also more likely to report decreased liabilities than very small nonprofits, suggesting greater capacity to add to their asset base and ability to take on liabilities in pursuit of their mission. See Figure 32 and Figure 33.

Figure 32: Change in assets over three years by total revenue, Indiana nonprofits (n=1,395)



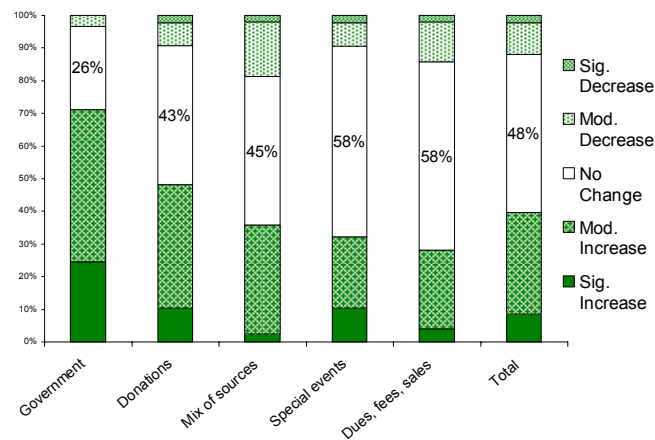
— Nonprofits with \$10 million or more in total revenues are the most likely to report at least a moderate increase in total assets (82 percent) and the most likely (25 percent) to report at least a moderate decrease in liabilities.

Figure 33: Change in liabilities over three years by total revenue, Indiana nonprofits (n=1,331)



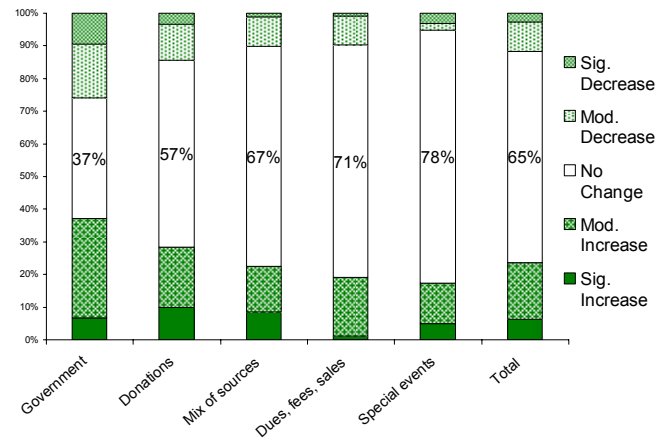
- Funding profile:** Almost three-fourths (71 percent) of nonprofits that rely mainly on government sources for income report an increase in assets over the past three years (including 25 percent with significant increases), more than nonprofits with any other funding profile. They also had the highest rate of increases (37 percent) and decreases (26 percent) in liabilities. See Figure 34 and Figure 35.

Figure 34: Change in assets over three years by funding mix, Indiana nonprofits (n=1,605)



- In contrast, nonprofits that rely on dues, fees, sales or on special events for more than half of their revenues are the least likely to report changes in assets (58 percent, compared to 48 percent overall) or liabilities (71 and 78 percent respectively, compared to 65 percent overall).

Figure 35: Change in liabilities over three years by funding mix, Indiana nonprofits (n=1,538)



- Age:** While the age of nonprofits is related to changes in assets and liabilities, the patterns are not very pronounced. See Figure 36 and Figure 37).

Figure 36: Change in assets over three years by age, Indiana nonprofits (n=1,552)

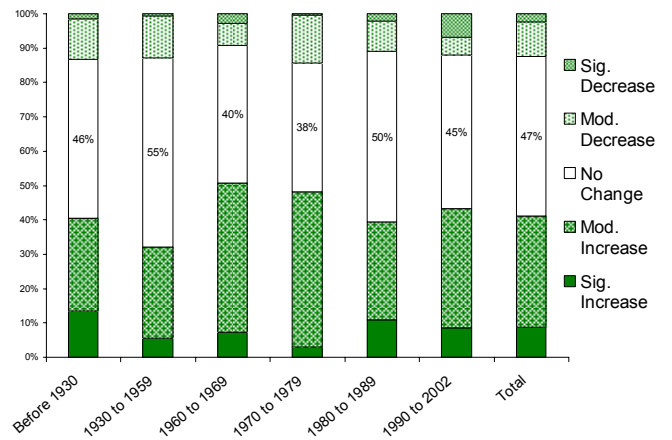
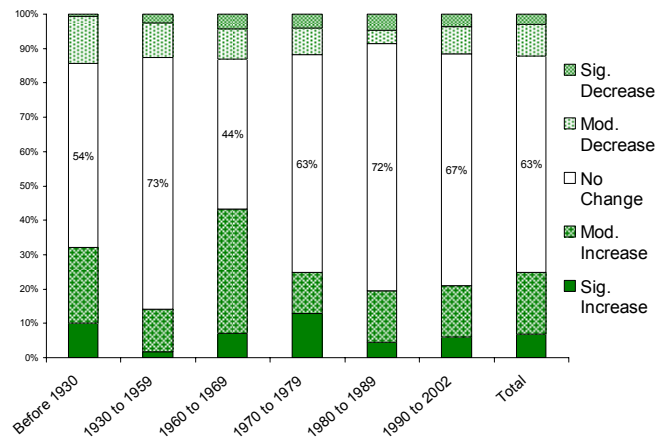


Figure 37: Change in liabilities over three years by age, Indiana nonprofits (n=1,484)



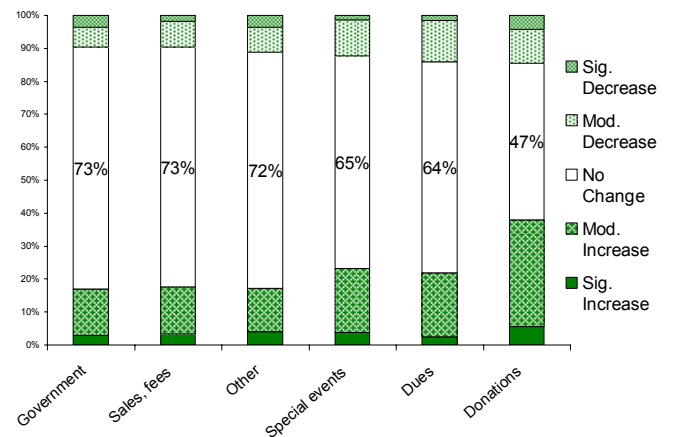
- Nonprofits founded in the 1960s are the most likely to report at least a moderate increase in assets (51 percent, compared to 41 percent overall) or in liabilities (43 percent, compared to 25 percent overall).
- Those established between 1930 and 1959 are the least likely to report increases in assets (32 percent) or liabilities (14 percent).

(38 percent) reported that donations had increased – the highest rate for any of the major sources of funding and more than twice the rate reporting at least a moderate decrease (15 percent). However, the latter was also the highest percentage for any of the major funding sources.

Changes in Revenue Sources. Overall, Indiana nonprofits reported relatively few changes in each of their major types of revenues, suggesting a fairly high degree of predictability in the various streams. However, these overall patterns may mask significant changes in funding from any one funder within a given stream (e.g., specific government agency or foundation). When major revenue streams did change, nonprofits are more likely to report an increase rather than a decrease in funding from that type of source. As reported in the Profile Report:

- **Overall:** Government funding and private sales of goods and services are the most stable sources – almost three-fourths (respectively 73 and 72 percent) of Indiana nonprofits reported that combined revenues from these sources stayed about the same during the prior three years (as did 72 percent for all other funding sources combined). This is at least in part because many nonprofits had no funding from these sources over the entire period. Less than one in five (17 percent) reported at least moderate increases⁹ from these sources, while only one in ten (10-11 percent) reported at least a moderate decrease. See Figure 38.

Figure 38: Changes in major sources of revenues by type of funding, Indiana nonprofits (n=1,474-963)

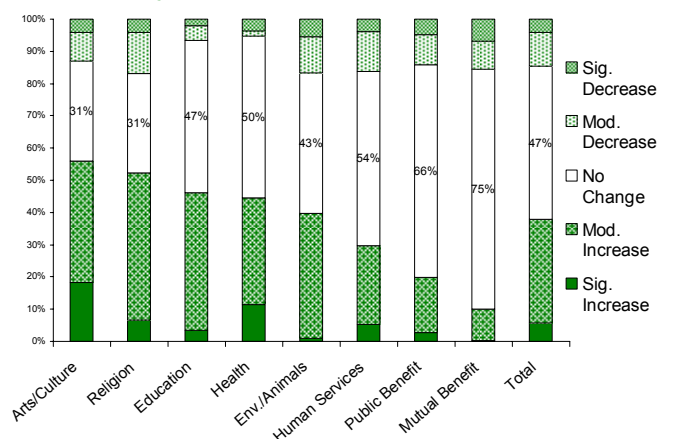


Changes in donation revenues. As noted above, donation funding is more volatile than other sources of funding for Indiana nonprofits, but this varies by nonprofit field, size, and funding profile.

- **Nonprofit field:** Changes in donations are pervasive across all major nonprofit fields reflecting the extent to which most nonprofits receive funding from this type of source. See Figure 39.

- Slightly fewer reported that the level of funding from special events or from dues and membership fees (65 and 64 percent respectively) stayed about the same. More than a fifth (23 and 22 percent respectively) reported increased revenues from these sources, while only 12 and 14 percent respectively reported any decreases from these sources.
- Revenues from donations and gifts showed the least stability, with less than half (47 percent) reporting that these revenues stayed about the same over the prior three years. Most of the rest

Figure 39: Change in donations over past three years by major field, Indiana nonprofits (n=1,474)



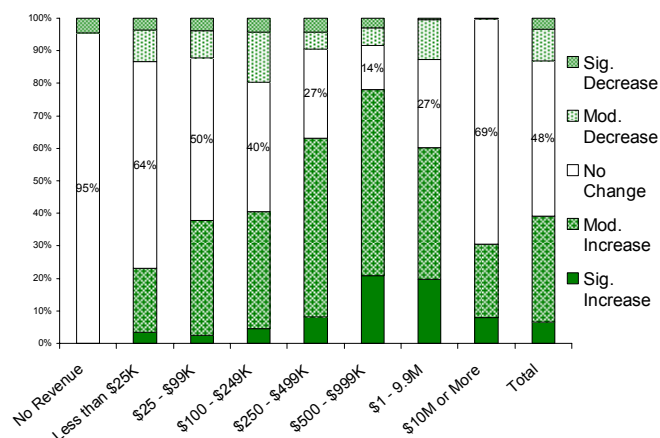
⁹ “Moderate” increase/decrease is defined as gains/losses of 5 to 25 percent, while “significant” is 25 percent or more.

- More than two-thirds (69 percent) of nonprofits in the arts, culture and humanities and religion

fields reported at least a moderate change in total donations over the past three years, as did about half of nonprofits in the environment and animals (56 percent), education (52 percent), health (50 percent), and human services (46 percent) fields. Public and societal benefit and mutual benefit nonprofits are least likely to report changes in total donations (34 and 25 percent respectively).

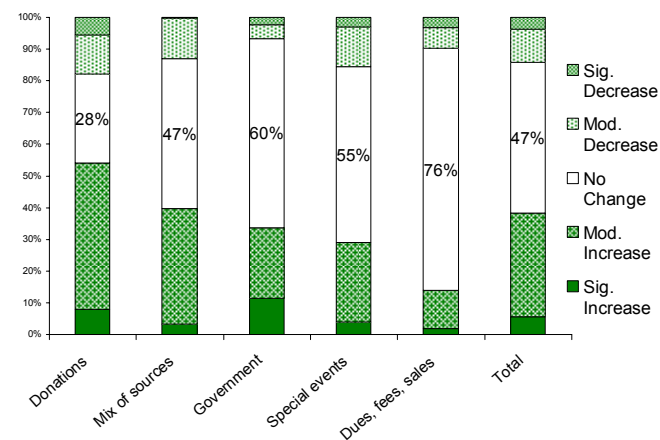
- More than half (56 percent) of arts, culture, and humanities nonprofits reported at least a moderate increase in total donations, and almost one in five (18 percent) reported a significant increase.
- More than half (52 percent) of religion nonprofits also reported at least a moderate increase in their revenues from donations, but only 7 percent overall reported a significant increase. They are the most likely to report at least a moderate decrease (17 percent) in this revenue stream.
- Only the mutual benefit field had more nonprofits reporting a decrease in donations (16 percent) than an increase (10 percent).

Figure 40: Change in donations by size, Indiana nonprofits (n=1,238)



- **Funding profile:** Not surprisingly, nonprofits that rely on donations for half or more of their revenues are the most likely to report changes in this funding stream. More than half of them (54 percent) report at least a moderate increase in donations and almost a fifth (18 percent) report at least a moderate decrease, the highest percentages for any funding profile. See Figure 41.

Figure 41: Change in donations by funding profile, Indiana nonprofits (n=1,431)



- Nonprofits that rely on a mix of funding are the next most likely group to report a change in donations, with 39 percent reporting at least a moderate increase, three times as many (13 percent) as report at least a moderate decrease.
- Nonprofits that rely mainly on government funding have the highest proportion (11 percent vs. 6 percent overall) reporting a significant increase in donations.

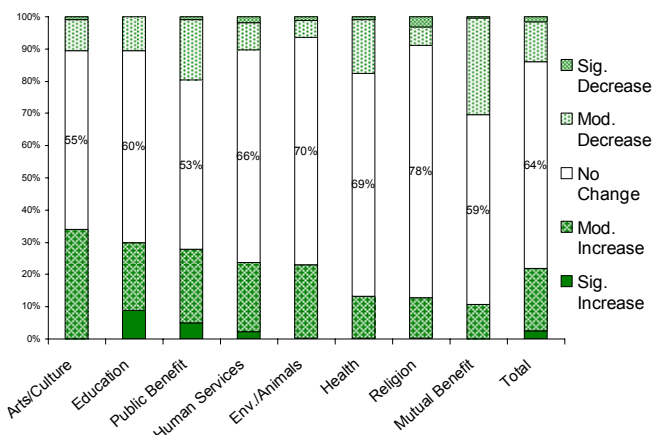
- **Size:** Medium sized nonprofits appear to have been most successful in obtaining increased donations. The percent reporting at least a moderate increase in donations increases steadily from 23 percent for those with less than \$25,000 in revenues to peak at 78 percent of those with revenues of \$500,000 to less than \$1 million, before declining steadily again to 31 percent of those with revenues of \$10 million or more. Only 14 percent of those in the \$500,000 - \$999,999 size category reported no changes in donations, the smallest percent for any size category. See Figure 40.

- Medium-large nonprofits are most successful in obtaining significant increases in donations: one fifth of those with revenues from \$500,000 - \$999,999 (21 percent) and from \$1-\$10 million (20 percent) report a significant increase in donation funding.
- Smaller nonprofits with \$100,000 - \$249,999 in total revenues are the most likely (20 percent) to report at least a moderate decrease in donations (compared to 13 percent overall).

Changes in dues revenues. Only about a third (36 percent) of Indiana nonprofits report that revenues from dues changed at least moderately over the past three years, including 22 percent that reported increases. These percentages vary by nonprofit field, size, and primary source of funding.

- **Nonprofit field:** The fields reporting at least moderate increases in dues revenues ranges from a high of 34 percent for arts, culture and humanities nonprofits to only 11 percent for mutual benefit nonprofits. The latter field had also the highest incidence (30 percent) of at least moderately declining dues. This combination helps explain why the mutual benefit field appears to be more financially vulnerable than other fields. See Figure 42.

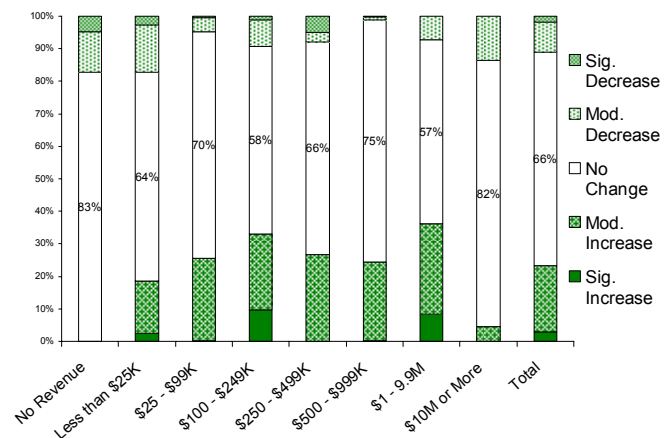
Figure 42: Change in dues revenue by major field, Indiana nonprofits (n=1,252)



- The public and societal benefits and health fields also show relatively high rates of at least moderate decline in dues revenues (20 and 18 percent respectively, compared to 14 percent overall).
- Education nonprofits are more likely to report significant increases in dues revenues (9 percent, vs. 2 percent overall).

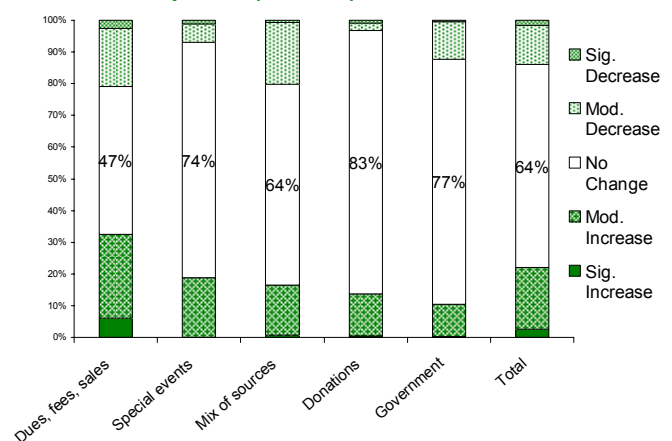
- **Size:** Changes in dues revenues are fairly consistent across most revenue size categories, except that those at either extreme are more likely to report at least a modest decline in dues over the past three years than those in between: 14 percent for the very largest nonprofits (\$10 million or more) and 17 percent of the smallest (no revenues or less than \$25,000). See Figure 43.

Figure 43: Change in dues revenue by size, Indiana nonprofits (n=1,052)



- **Funding profile:** We included dues with sales and other commercial revenues when we developed our funding profile variable. Hence it is not surprising that nonprofits which rely on dues, fees, or sales for most of their revenues are the most likely to report at least some change in their revenues from dues (53 percent), especially in terms of at least moderate increases (33 percent vs. 22 percent overall). They also have the highest rate of at least moderate decreases in dues (21 percent vs. 14 percent overall), followed closely by those with a mixed funding profile (20 percent) See Figure 44.

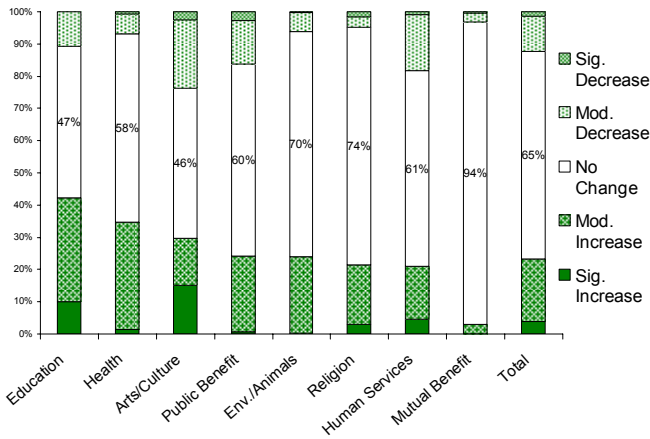
Figure 44: Change in dues by funding profile, Indiana nonprofits (n=1,218)



Changes in special events revenues. As noted above, about a third (35 percent) of Indiana nonprofits reported that revenues from special events had changed over the past three years, with twice as many (23 percent) reporting at least a moderate increase than a decrease (12 percent). These patterns vary by nonprofit field, size, funding profile, and age.

- **Nonprofit field:** More than two-fifths (42 percent) of education nonprofits reported at least moderate increase in special events over the past three years, followed by nonprofits in the health (35 percent) and arts, culture and humanities (30 percent) field. Mutual benefit nonprofits lagged far behind at only 3 percent. See Figure 45.

Figure 45: Change in special events funding over past three years by major field, Indiana nonprofits (n=1,182)



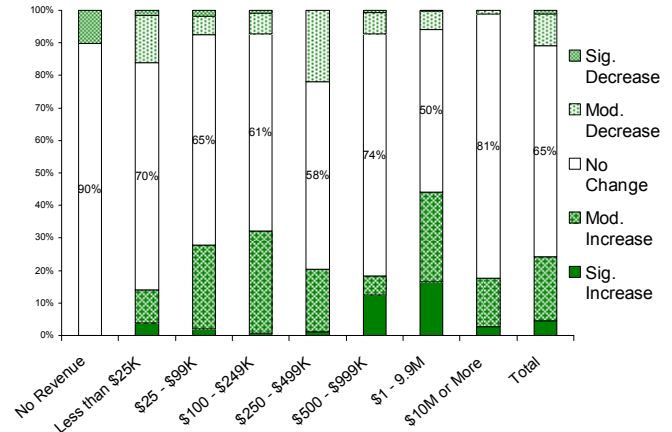
- Arts, culture, and humanities organizations show the most volatility in special events revenues. Almost a quarter (24 percent) report at least a moderate decrease in special events revenue, while 30 percent report at least a moderate increase, including 15 percent with a significant increase, more than any other field and compared to only 4 percent overall.
- The percent reporting at least a moderate decrease in special events revenues was also relatively high for human services (18 percent) and public and societal benefit nonprofits (16 percent).

- **Size:** The relationship between size and changes in special events revenues over the past three years do not follow a clear pattern. See Figure 46.

- Larger nonprofits (revenues of \$1-\$10 million) are the most likely (44 percent vs. 24 percent overall) to report that special events revenues had increased at least moderately, including (17 percent reporting a significant increase, more than any other size category. Slightly smaller nonprofits (revenues of \$500,000 - \$999,999)

had the next highest rate (12 percent) with significant increases in special events revenues.

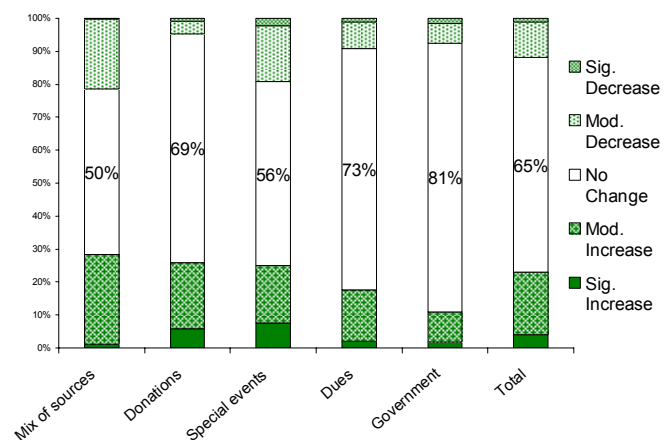
Figure 46: Change in special events revenue by size, Indiana nonprofits (n=1,005)



- Smaller nonprofits (\$250,000 - \$499,999) had the highest incidence of at least a moderate decrease (22 percent) in special events proceeds, about the same as reported at least a moderate increase (20 percent).

- **Funding profile:** Half of nonprofits that rely on a mix of funding sources report that revenues from special events changed over the prior three years, more than any other funding profile. See Figure 47.

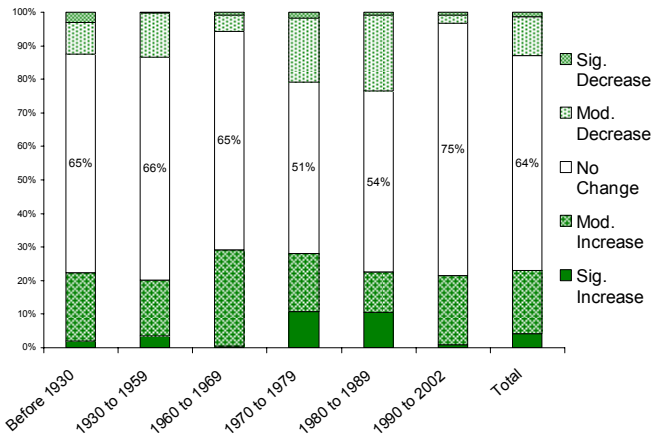
Figure 47: Change in special events revenue by funding profile, Indiana nonprofits (n=1,144)



- Those relying on a mix of funding or primarily on special events funding are the most likely to report at least moderate increases (28 and 25 percent, respectively) or decreases (22 and 19 percent, respectively) in special events funding.

- **Age:** Nonprofits founded in the 1970s and 1980s are the most likely (49 and 46 percent, respectively) to report changes in special events revenues and to report at least moderate decreases in this type of funding (21 and 23 percent respectively, compared to 13 percent overall). Other decades show less deviation from the overall pattern See Figure 48.

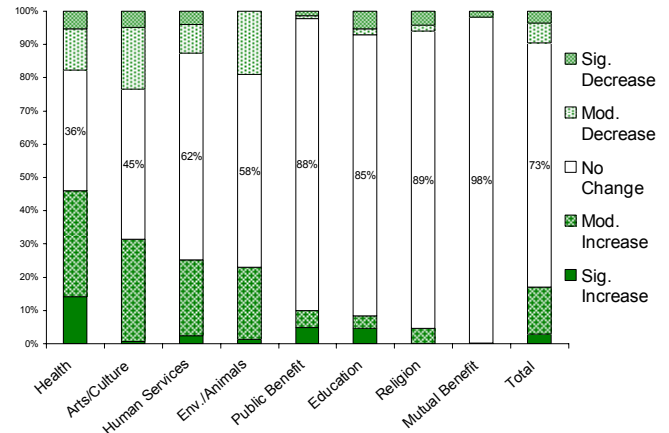
Figure 48: Change in special events revenue by age category, Indiana nonprofits (n=1,115)



Changes in government revenue sources. As noted above, government funding was relatively stable over the past three years. However, this varies significantly by nonprofit field, size, primary funding source, and age.

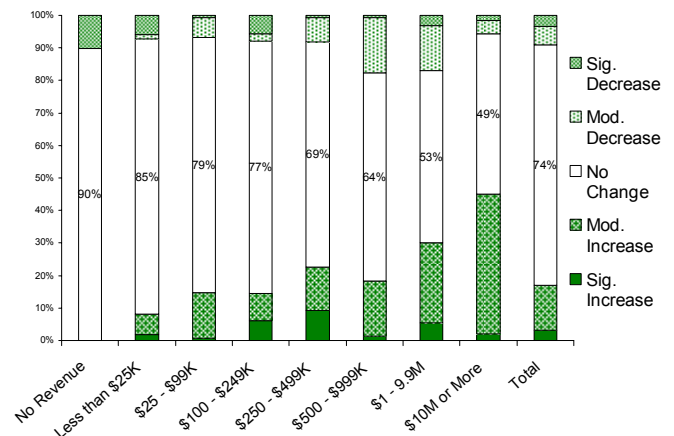
- **Nonprofit field:** Given the importance of Medicare and Medicaid funding for healthcare, it is not surprising that almost two-thirds (63 percent) of health nonprofits experienced at least a moderate change in government funding – the highest proportion for any field. Most of these (46 percent overall) report that government funding increased (including 14 percent by a significant amount). Almost one in five (18 percent), however reported at least a moderate decrease in government funding See Figure 49.

Figure 49: Change in government funding by major field, Indiana nonprofits (n=983)



- **Size:** Larger nonprofits, as measured by total revenues, are more likely to report that government funding changed over the prior three years. More than a third of those with revenues from \$500,000 to \$1 million (36 percent) and about half of those with revenues of \$1-\$10 million (47 percent) or more (51 percent) report at least some change in government funding. See Figure 50.

Figure 50: Change in government funding by size, Indiana nonprofits (n=853)

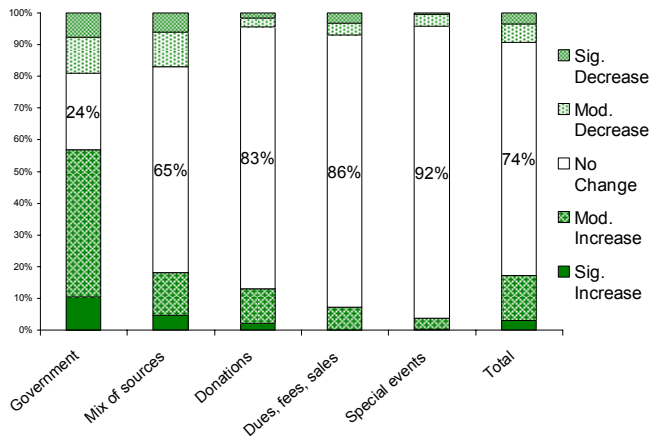


- Other fields with relatively high rates of moderate or better increases in government funding include the arts, culture and humanities (31 percent), human services (25 percent), and environment and animal (23 percent) fields. The arts, culture, and humanities and environment and animals fields had the highest rates of at least moderate decreases in government funding (23 and 19 percent respectively).

- Most said that government funding increased, including 45 percent of those with \$10 million or more in revenues (compared to 17 percent overall). However, medium-large nonprofits (revenues from \$500,000 to \$1 million and from \$1 to \$10 million) had about twice the rate of at least moderate decreases in government funding (18 percent and 17 percent respectively) as the overall rate (9 percent).

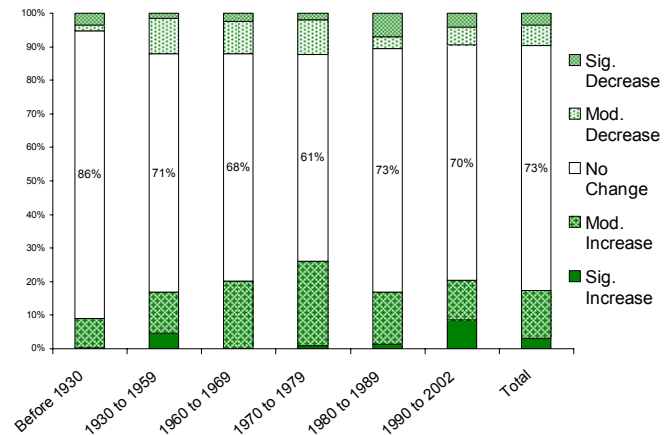
- **Funding profile:** As expected, those that rely mainly on government funding are much more likely to report changes in government funding than those with other funding profiles. See Figure 51.

Figure 51: Change in government revenue by type of funding profile, Indiana nonprofits (n=956)



- More than three-fourth (76 percent) of nonprofits that rely mainly on government funding said that this type of funding had changed over the prior three years. More than half (57 percent) report at least a moderate increase in government, three times those (19 percent) reporting at least a moderate decrease in government funding. These nonprofits also had the highest rates of significant increases (11 percent) or decreases (8 percent) in government funding. With high dependence on government funding, shifts of these magnitudes have important implications for agency operations.
- About a third (35 percent) of nonprofits that rely on a mix of funding sources also said that government funding had changed, split about evenly between those reporting at least a moderate increase (18 percent) or a at least a moderate decrease (17 percent) over the prior three years.
- **Age:** Nonprofits founded in the 1970s are the most likely to report some change in government funding (38 percent). In this group, more than twice as many (26 percent overall) report at least a moderate increase in government funding than at least a moderate decrease (12 percent). See Figure 52.

Figure 52: Change in government funding by age category, Indiana nonprofits (n=931)

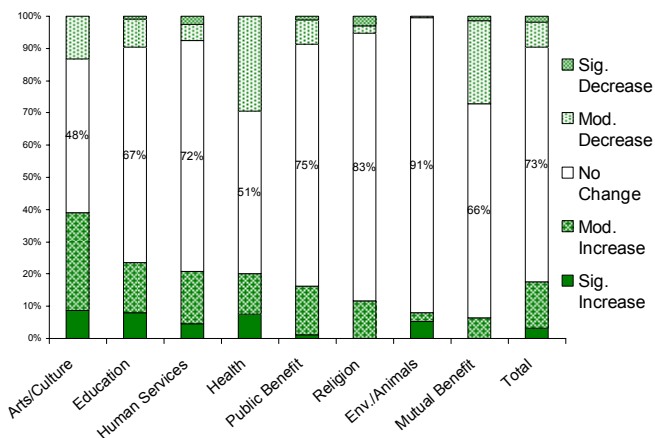


- Younger nonprofits are more likely to report more extreme changes in government funding over the past three years. Those founded since 1990 are the most likely (9 percent) to report a significant increase in government funding, while those founded in the 1980s are the most likely (7 percent) to report a significant decrease in government funding (compared to 3 percent overall for both indicators).
- Only 14 percent of nonprofits founded prior to 1930 report any change in government funding. However, since only 4 percent of these nonprofits depend mainly on government funds, this is not a surprising finding.

Changes in sales revenues. Only a quarter (27 percent) of Indiana nonprofits reported at least moderate changes in the private sales of goods or services, mostly increases (18 percent). However, these patterns vary by nonprofit field, size, funding profile, and age.

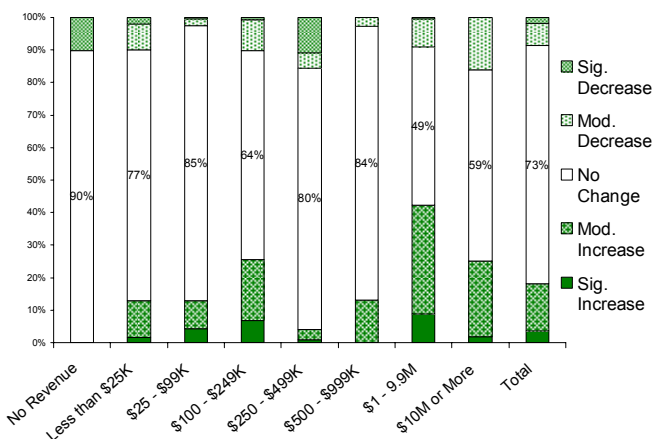
- **Nonprofit field:** The percent reporting at least moderately increased private sales over the past three years range from 39 percent for arts, culture, and humanities nonprofits to only 8 percent for mutual benefit nonprofits. See Figure 53.
- The percent reporting at least moderate decreases in sales revenues range from a high of 29 percent for health and 27 percent for mutual benefit nonprofits to virtually none for environmental and animal nonprofits and 5 percent of religion nonprofits.

Figure 53: Change in sales revenue by major field, Indiana nonprofits (n=951)



- **Size:** There are notable differences by size in the extent to which Indiana nonprofits reported increases or decreases from private sales, but these don't follow any clear patterns. See Figure 54.

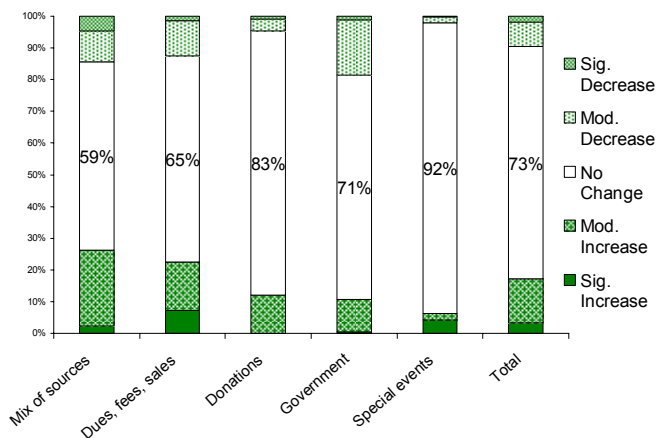
Figure 54: Change in private sales over past three years by size, Indiana nonprofits (n=820)



- Larger nonprofits (revenues of \$1-\$10 million) are most likely (42 percent) to report increases in this type of revenue (compared to 18 percent overall). Those with revenues of \$250,000-\$499,999 are least likely to do so (4 percent).
- Very large nonprofits (\$10 million or more), but also those with revenues of \$250,000-\$499,999 are the most likely to report at least moderate decreases in private sales (16 percent compared to 9 percent overall). The latter category is also the most likely (11 percent) to report a significant decrease in private sales (2 percent overall).

- **Funding profile:** Nonprofits that rely on a mix of funding sources, and those that rely mainly on dues, fees, and sales are the most likely to report at least a moderate increase in private sales revenues (by 26 and 22 percent respectively), while those that rely mainly on special events are the least likely to do so (6 percent). See Figure 55.

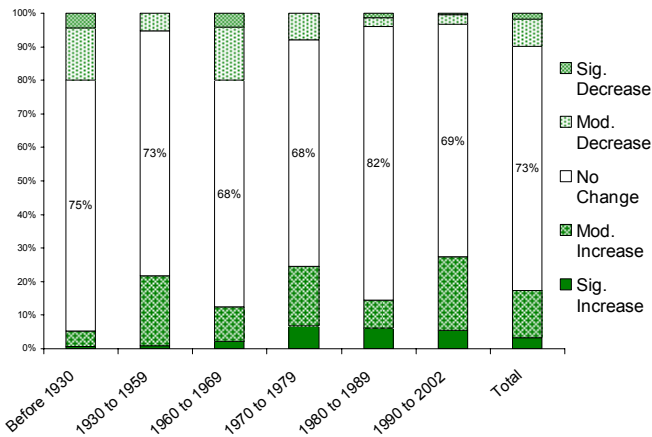
Figure 55: Change in sales revenue over three years by funding profile, Indiana nonprofits (n=933)



- Somewhat surprisingly, those that rely mainly on government funding are most likely (19 percent) to report a decrease in private sales. Those relying mainly on special events are the least likely to report declining sales (2 percent).

- **Age:** There are no clear patterns for changes in private fees by age. The oldest nonprofits and those founded in the 1960s are more likely to report at least moderate decreases in this source of income (20 percent, compared to 10 percent overall). Those founded after 1990 or in the 1970s are the most likely to report at least a moderate increase in private sales (27 and 25 percent respectively, compared to 17 percent overall). See Figure 56.

Figure 56: Change in sales revenue by age, Indiana nonprofits (n=905)



Conclusions and Implications. We draw several conclusions and implications from these findings.

- **Nonprofit field matters: Revenues/expenses and assets/liabilities.** The health and education fields have the highest concentration of nonprofits with high revenues (and expenses), while the mutual benefit field has the highest concentration of nonprofits with very low or no revenues. The health, education, and religion fields are the most likely to have assets of \$1 million in assets, with health nonprofits having the highest liabilities.
- **Nonprofit field matters: Change in revenues and expenses.** Arts, culture, and humanities nonprofits are the most likely to report a significant increase in annual revenues, and among the least likely to report a significant increase in total expenses. Overall, however, a higher percentage of these nonprofits report at least a moderate increase in expenses than a similar increase in revenues, thus suggesting that nonprofits in this field (like all fields except for health) face budget squeezes as expenses grow at a faster rate than revenues.
- **Nonprofit field matters: Changes in assets and liabilities.** In general, nonprofits in the education and health fields have the greatest gap between the percentages reporting increases in assets and in liabilities (with assets more likely to grow than liabilities), suggesting that these nonprofits have strengthened their financial positions more than those in other fields. On the other hand, mutual benefit nonprofits appear to be in the most precarious position with a

relatively large proportion reporting a decrease in assets and relatively few with increases in assets or decreases in liabilities.

- **Size matters: Assets and liabilities, changes in assets and liabilities.** Larger nonprofits are more likely than smaller ones to have significant levels of assets and liabilities. They are also more likely to have high percentages reporting increases in assets as well as decreases in liabilities.
- **Size matters: Funding sources.** Larger nonprofits in terms of total revenues are more likely to rely on government funding. They are also more affected by changes in government funding, while smaller nonprofits are affected by changes in all other types of funding.
- **Funding profile matters: Changes in assets and liabilities.** Nonprofits that depend on government sources for more than half of their revenues are the most likely to report changes in their assets or liabilities.
- **Funding profile matters: Changes in revenue streams.** As expected, nonprofits that rely on a particular funding source for most of their revenues are more likely to report changes in that source than nonprofits with other funding profiles. Those with a mix of funding sources are typically the second most likely to report changes in a given funding stream.
- **Age matters: Assets and liabilities.** Older nonprofits are more likely to have large assets and liabilities than younger ones.

II. MANAGING FINANCIAL RESOURCES

Indiana nonprofits face major challenges in obtaining funding. This is particularly a problem for those in the fields of health and environment and animals. Larger nonprofits and those that rely mainly on government funding are more likely to report a range of challenges in managing their finances (but they are also more likely to have organizational tools to address them), while those that rely mainly on dues/fees/sales are the least likely to report such challenges or to have organizational tools in place. Older nonprofits are more likely to have reserves dedicated to maintenance or capital needs than younger ones

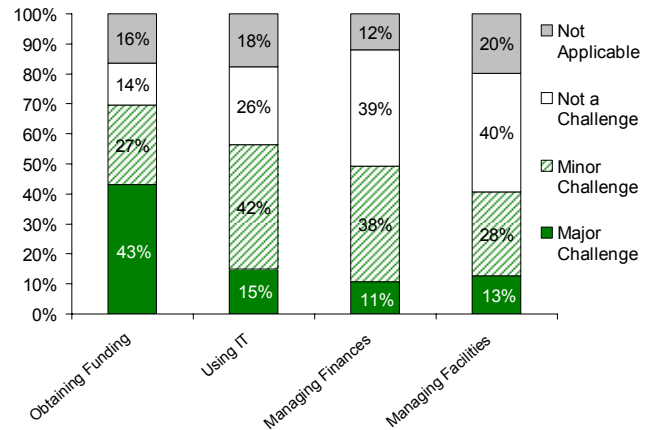
As we documented in Chapter 1, the financial resources of Indiana nonprofits vary greatly by field of activity, funding profile, and age. Despite these variations, obtaining adequate funding is the single most frequently cited challenge for nonprofits across the board. On the other hand, there are notable variations by field of activity, size, funding profile and age in the extent to which Indiana nonprofits face this and three other financial challenges examined here. There are corresponding differences in the extent to which they have in place four types of management tools to address the challenges.

Challenges in managing funding and finances. We focus first on challenges to generate funding, but also examine challenges associated with financial management and accounting more generally and those related to two major types of investment: managing facilities and using information technology effectively.

Challenge: Obtaining funding. We asked Indiana nonprofits to describe whether they found it a major, minor or no challenge to obtain funding or other financial resources, or whether this did not apply to them. This is the single most pervasive challenge of the four types of challenges related to funding and finances examined here; indeed, it is the most pervasive of all 10 types of management activities we examine in this report.¹⁰

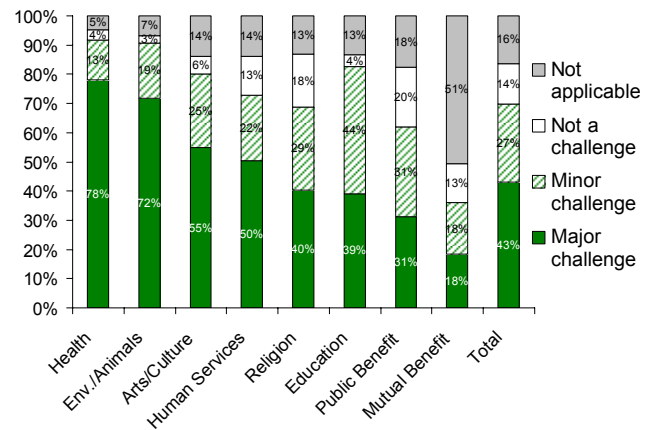
- **Overall:** Over two-fifths of Indiana nonprofits (43 percent) say obtaining funding is a major challenge and 70 percent say it is at least a minor challenge. Only 14 percent said this was not a challenge, and the rest (16 percent) said this did not apply to them. See Figure 57.

Figure 57: Extent of funding and other financial challenges, Indiana nonprofits (n=1,945- 1,952)



- The extent to which obtaining funding is a challenge for Indiana nonprofits varies by field of activity, size and funding profile, but not by age.
- **Nonprofit field:** Obtaining funding is most problematic for health and environment/animal nonprofits and least for mutual benefit nonprofits. See Figure 58.

Figure 58: Challenges in obtaining funding by nonprofit field, Indiana nonprofits (n=1,952)



- About three-fourths of health and of environment and animal nonprofits (78 and 72 percent respectively) report that obtaining adequate

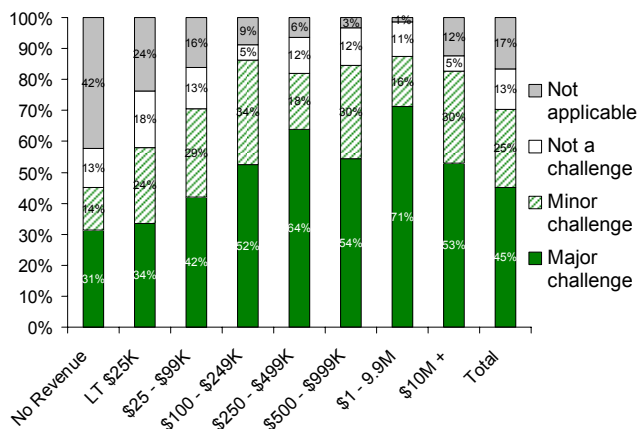
¹⁰ We examine four of these 10 challenges in this chapter, another four in Chapter 3, and two additional ones in Chapter 4.

funding is a major challenge and nine out of ten (92 and 91 percent respectively) say it is at least a minor challenge.

- Over half of nonprofits in the arts, culture, and humanities (55 percent) and human services (50 percent) fields also say that obtaining funding is a major challenge; the vast majority (80 and 73 percent respectively) say it is at least a minor challenge.
- Although education nonprofits are no more likely than nonprofits overall to say that obtaining funding is a major challenge (39 vs. 43 percent), they are much more likely to consider it a minor challenge (44 vs. 26 percent) and overall, 83 percent consider it at least a minor challenge.
- Nonprofits in the mutual benefit fields are the least likely to say that obtaining funding as a major challenge (18 percent) or at least a minor challenge (36 percent). This is because over half (51 percent) say that obtaining funding does not apply to them. This surprisingly high percentage may reflect the fact that 70 percent of these nonprofits have no revenues or less than \$25,000.

- **Size:** The extent to which nonprofits find obtaining funding or other financial resources a challenge generally increases by size. See Figure 59.

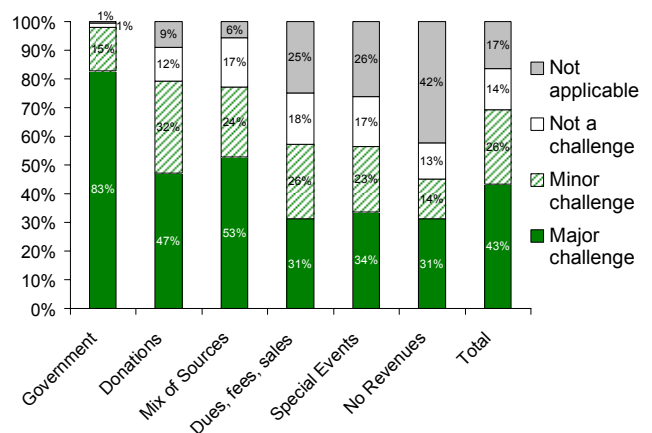
Figure 59: Challenges in obtaining funding by total revenues, Indiana nonprofits (n=1,591)



- Almost three-fourths (71 percent) of larger nonprofits (\$1 - \$10 million in revenues) say it is a major challenge to obtain funding and 88 percent say it is at least a minor challenge.

- Once nonprofits reach revenues of \$100,000 or more, obtaining funding is a major problem for half or more and at least a minor challenge for over 80 percent.
- About a third of the smallest nonprofits also report that obtaining funding is a major challenge. Over two-fifths (42 percent) of those with no revenues say that obtaining funding does not apply to them, as do about a quarter (24 percent) of those with revenues of less than \$25,000.
- **Funding profile:** Obtaining adequate funding is particularly challenging for those that rely mainly on government funding and least challenging for those that rely mainly on dues, sales and fees or on special events and is even less of a challenge for those that have no revenues. See Figure 60.

Figure 60: Challenges in obtaining funding by funding profile, Indiana nonprofits (n=1,841)



- The vast majority (83 percent) of nonprofits that rely mainly on government funding say it is a major challenge to obtain funding and virtually all (98 percent) say it is at least a minor challenge. These high percentages may reflect widespread cuts (actual or threatened) in public funding for nonprofits, as well as the increasingly competitive bidding and application processes that nonprofits face when seeking government funding.¹¹

¹¹ Government funding also requires demanding reporting and other operational procedures. See Kirsten A. Grønbjerg, *Understanding Nonprofit Funding: Management Revenues in Social Service and Community Development Nonprofits*. (San Francisco: Jossey-Bass Publishers, Inc., 1993). Online at <http://indiamond.ulib.iupui.edu/PRO/promonograph.html>

- Given challenges associated with managing multiple sources of funding, it is not surprising that over half (53 percent) of nonprofits that rely on a mix of funding say they face major challenges in obtaining funding; 77 percent say it is at least a minor challenge).
- Other than those with no revenues at all, nonprofits that rely mainly on dues, fees, or sales or on special events are the least likely to say that obtaining adequate funding is a major challenge (31 and 34 percent respectively) or at least a minor challenge (57 percent for both).

- **Combined analysis – obtaining funding¹²:** When considering all factors jointly – nonprofit field, size, funding profile, and age – so as to estimate which features best predict facing major challenges in obtaining funding, a combination of nonprofit field and funding profile is relevant.

- Controlling for all other factors, nonprofits in the environment and animal field are *more likely* to report that obtaining funding is a major challenge. Public and societal benefit, as well as mutual benefit, nonprofits are significantly *less likely* to do so, using human service nonprofits as the comparison base.
- Controlling for all other factors, nonprofits that rely on government for more than half of their revenues are significantly *more likely* to report facing a major challenge in obtaining funding. Those that rely mainly on dues, fees or sales are significantly *less likely* to do so, in both cases using nonprofits that rely on a mix of funding as the comparison base.

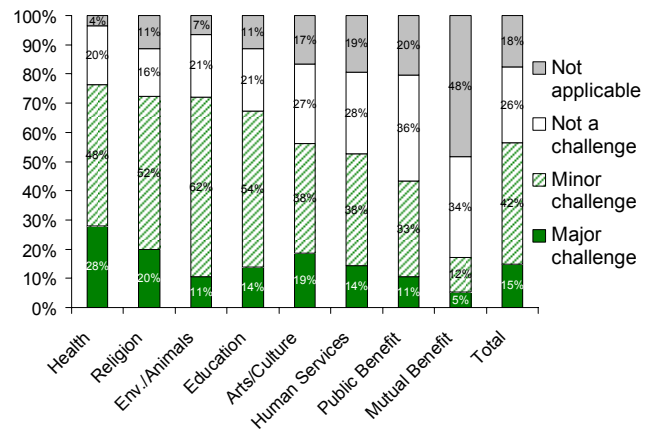
Challenge: Using information technologies. We turn now to one of the major areas of investment for nonprofits – information technology (IT). More Indiana nonprofits say that using IT effectively is a challenge than recognize financial management and accounting as a challenge, although both trail challenges in obtaining adequate funding.

- **Overall.** More than half (56 percent) of Indiana nonprofits say that using IT effectively is at least a minor challenge, including 15 percent for whom it is a

major challenge. Another quarter (26 percent) says it is not a challenge. The rest (18 percent) report it doesn't apply, presumably because they have no IT. See Figure 57 above. These patterns vary by nonprofit field, size, funding profile, and age.

- **Nonprofit field:** There are significant differences among nonprofit fields in the extent to which Indiana nonprofits find using IT effectively a challenge. Most noticeably, almost half (48 percent) of Mutual Benefit organizations say that this challenge is not applicable to them. See Figure 61.

Figure 61: Challenge in using information technologies effectively by nonprofit field, Indiana nonprofits (n=1,945)

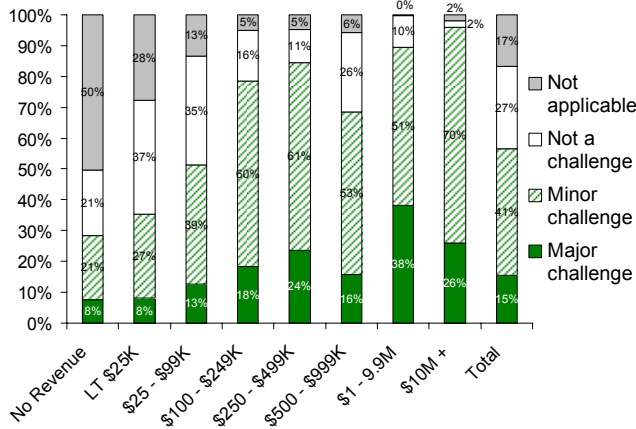


- More than a quarter (28 percent) of health nonprofits say that using IT effectively is a major challenge, followed by those in the religion and arts, culture and humanities fields (20 and 19 percent respectively).
- Overall, more than two-thirds of nonprofits in the health (76 percent), religion (72 percent), environment and animal (72 percent), and education (67 percent) fields find using IT effectively to be at least a minor challenge.
- Relatively few nonprofits in the public and societal benefit (43 percent) and mutual benefit (17 percent) fields say they face at least a minor management challenge in using IT effectively.
- **Size:** In general, larger nonprofits are more likely to face at least minor challenges in using IT effectively than smaller ones, although those in the \$500,000 -

¹² See Methodological Note in the Introduction (pg. 12).

\$999,999 deviate some from the overall pattern. See Figure 62.

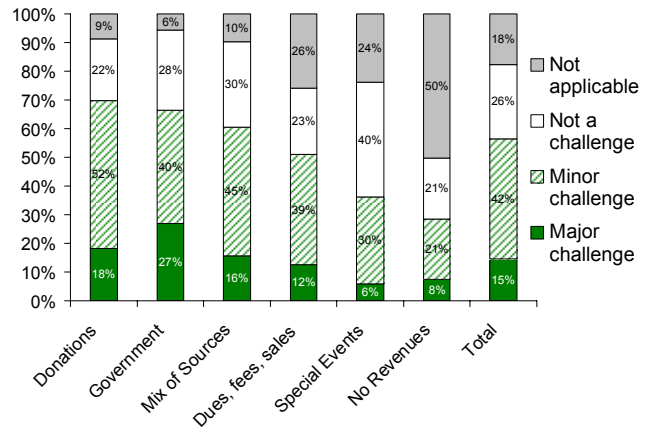
Figure 62: Challenges in using information technology effectively by total revenues, Indiana nonprofits (n=1,583)



- Almost all (96 percent) very large nonprofits (revenues \$10 million or more) say using IT effectively is at least a minor challenge, as do the vast majority of all but the smallest nonprofits.
- Major challenges in using IT effectively are especially prevalent (38 percent) for fairly large nonprofits (revenues of \$1 - \$9.9 million), more so than for the very largest ones (26 percent) or smaller size categories.
- Half of nonprofits without revenues and a quarter (26 percent) of those with less than \$25,000 say using IT effectively doesn't apply to them, presumably because they don't have any IT.

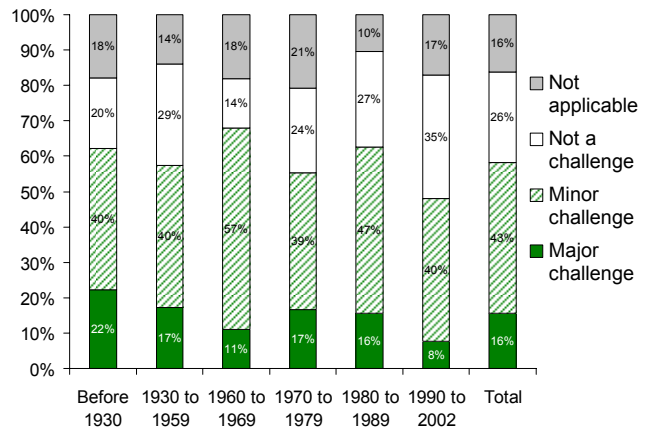
- **Funding profile:** We find a slightly different pattern between funding dependency and the level of challenges related to using IT effectively as we did for challenges related to obtaining funding. Nonprofits that rely on government for most of their revenues are the most likely to report that using IT effectively is a major challenge (27 percent), followed by those that rely on donations (18 percent), rather than a mix of funding (16 percent), while those that rely mainly on special events are least likely to do so (6 percent). See Figure 63.

Figure 63: Challenges in using information technology effectively by funding profile, Indiana nonprofits (n=1,833)



- **Age:** The relationship between age and challenges in using IT effectively is not very consistent, but older nonprofits are somewhat more likely to report that this is a major challenge, while younger nonprofits are somewhat more likely to say that it is not a challenge. See Figure 64.

Figure 64: Challenges in using information technology effectively by age, Indiana nonprofits (n=1,821)



- **Combined analysis – using IT effectively:** When considering all factors jointly so as to estimate which features best predict facing major challenges in managing IT effectively, a combination of nonprofit field, size, and age is important.
 - For the major nonprofit fields considered here, only mutual benefit nonprofits stand out, once we control for all other factors, as being significantly *less likely* to face major challenges in using IT effectively than the comparison group (human service nonprofits).

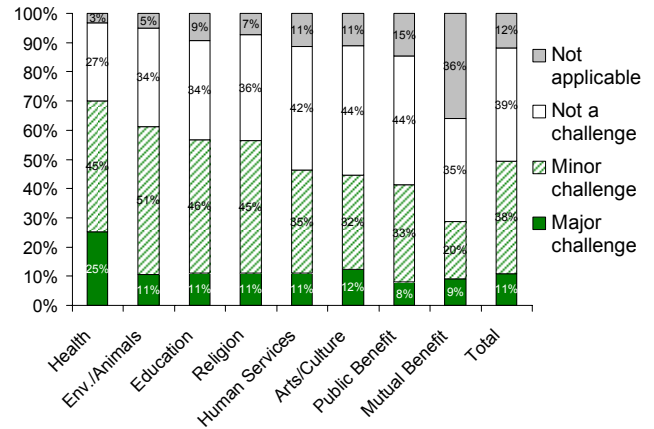
- Controlling for all other factors, larger nonprofits (revenues of \$1 - \$10 million) stand out as being *more likely* to face major challenges in using IT effectively than the comparison group (revenues of \$25,000 - \$99,999).
- Controlling for all other factors, young nonprofits (founded since 1990) are *less likely* to say using IT effectively is a major challenge than those founded in 1930 or earlier.

Challenge: Financial management and accounting. In addition to securing adequate funding, Indiana nonprofits must also manage their finances efficiently – bad financial management wastes resources in the short run and discourages current funders, staffs, and volunteers from making further investments in the organization. Yet, while the need to raise funds may be very apparent, problems related to accounting and managing financial resources are likely to be less visible, since only someone familiar with specific financial details and/or complex accounting standards may recognize the symptoms. Overall, fewer Indiana nonprofits say that it is a challenge to manage their finances and accounting. See Figure 57 above.

- Overall.** Only 11 percent say financial management and accounting is a major challenge, although almost half (49 percent) say it is at least a minor challenge. As noted above, some nonprofits may not recognize troublesome symptoms so that the percentages facing challenges in this area may actually be higher than indicated here. Even so, the extent of challenges varies by nonprofit field, size, and funding profile.
- Nonprofit field:** Nonprofits in the health field are the most likely to say that financial management and accounting is a challenge, mutual benefit nonprofits are the least likely to do so. See Figure 65.

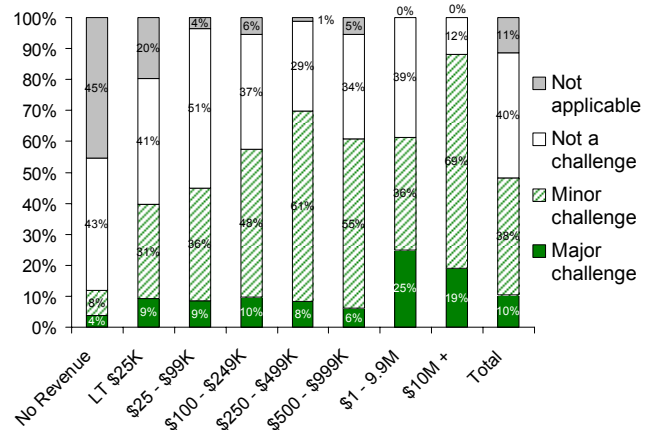
- More than two-thirds (70 percent) of health nonprofits say that financial management and accounting is at least a minor challenge, including one quarter which considers it a major challenge for their organization.
- Environment and animal nonprofits rank second (61 percent). They are less likely than health nonprofits to consider it a major challenge (11 vs. 25 percent), but more likely to consider it a minor challenge (51 vs. 45 percent).

Figure 65: Challenges in managing finances by nonprofit field, Indiana nonprofits (n=1,945)



- Nonprofits in the mutual benefit and in the public and societal benefit fields are the least likely to report that financial management and accounting presents a challenge to their organization – 29 and 41 percent respectively consider it at least a minor challenge.
- Size:** The percent reporting financial management and accounting to be at least a minor challenge is generally higher for larger nonprofits, although medium sized organizations deviates some from the overall pattern. See Figure 66.

Figure 66: Challenges in managing finances by total revenues, Indiana nonprofits (n=1,583)

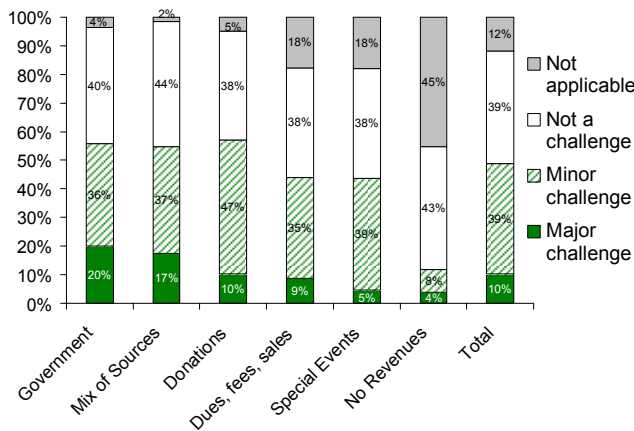


- Almost nine in ten (88 percent) of the very largest nonprofits (\$10 million or more in revenue) say that financial management and accounting is at least a minor challenge, including one in five (19 percent) that say it is a major challenge. Only 12 percent say it isn't a challenge at all.

- The second largest size category (\$1 - \$10 million) has the highest percent saying financial management and accounting is a major challenge (25 percent vs. 11 percent overall). Another third (36 percent) say it is a minor challenge, but almost two in five (39 percent) say it isn't a challenge at all.
- Not surprisingly, the very smallest nonprofits (no revenues or less than \$25,000) are most likely to say that these tasks are not a challenge at all or do not apply to them.

- **Funding profile:** We find a similar pattern between funding dependency and the level of challenges related to managing finances as we did for challenges related to obtaining funding. Nonprofits that rely on government for most of their revenues are the most likely to report that financial management and accounting is a major challenge (20 percent), followed by those that rely on a mix of funding (18 percent), while those that rely mainly on special events are least likely to do so (5 percent). See Figure 67.

Figure 67: Challenges in managing finances by funding profile, Indiana nonprofits (n=1,836)



- **Combined analysis – managing finances and accounting.** When considering all factors jointly – nonprofit field, size, funding profile, and age – so as to estimate which features best predict facing major challenges in managing finances and accounting, a combination of nonprofit field and funding profile is important.
 - Controlling for all other factors, mutual benefit nonprofits are significantly *less likely* to say financial management and accounting is a major

challenge, using human services nonprofits as the comparison base.

- Controlling for all other factors, nonprofits that rely on special events for more than half of their revenues are significantly *less likely* to say managing finances and accounting is a major challenge, using nonprofits that depend on a mix of sources as the comparison base.

Challenge: Managing facilities. Relatively few Indiana nonprofits consider it a challenge to manage facilities, another key investment for many nonprofits. In part that is because 20 percent say this challenge doesn't apply to them, as would be the case for nonprofits that don't require access to facilities on an ongoing basis (e.g., self-help groups or hobby clubs that meet in each other's homes). Those that rent or borrow facilities also may not face this type of challenge in contrast to those that own facilities or need specialized facilities in order to carry out their mission (e.g., churches, hospitals, nursing homes, day care services, schools, museums).

- **Overall:** About 41 percent of Indiana nonprofits report that managing facilities is at least a minor challenge for their organization, including 13 percent that say it is a major challenge. Another 40 percent say it isn't a challenge at all. See Figure 57 above. These patterns vary by nonprofit field, size and funding profile.
- **Nonprofit field:** Challenges in managing facilities are particularly prevalent for religion nonprofits. About a fifth of them (and of human service nonprofits) says that managing facilities is a major challenge (19 and 18 percent respectively), compared to less than five percent of public and societal benefit and mutual benefit nonprofits (4 and 3 percent respectively). See Figure 68.

- As expected, the religion field also has the highest percent saying it is at least a minor challenge, followed by the health field (62 and 58 percent respectively). These are also the fields with the fewest nonprofits saying that managing facilities do not apply to them (8 and 12 percent respectively).

Figure 68: Challenge in managing facilities by nonprofit field, Indiana nonprofits (n=1,952)

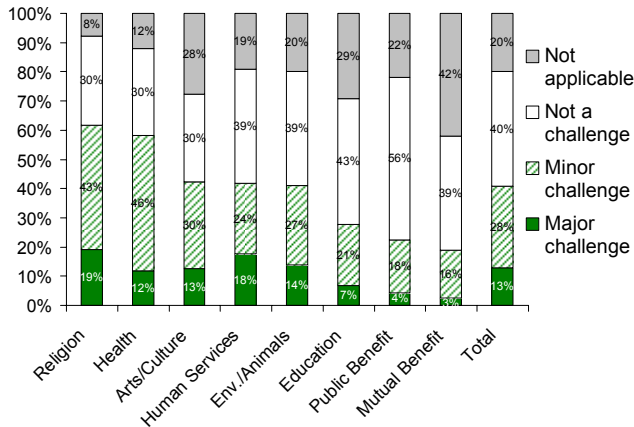
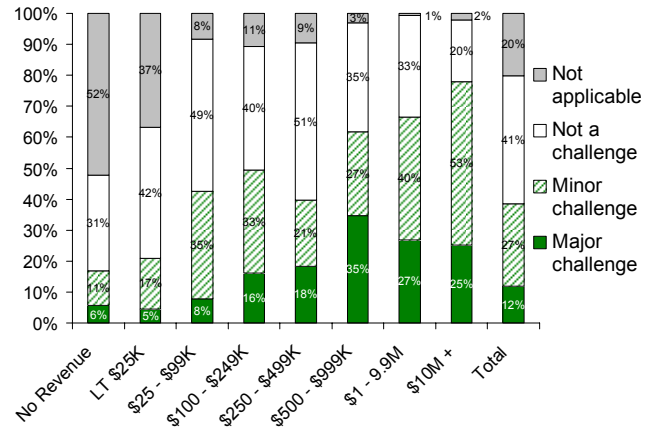
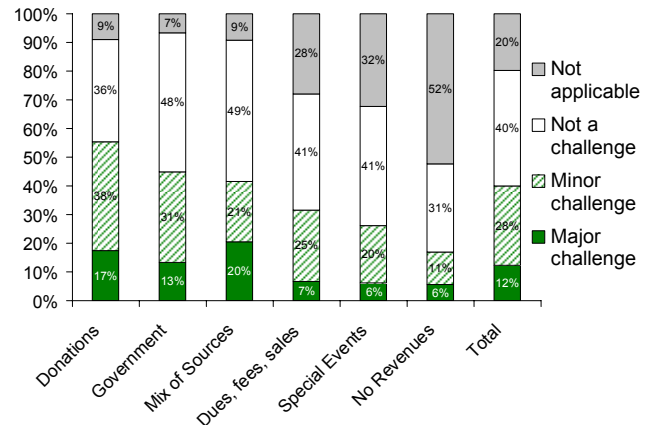


Figure 69: Challenges in managing facilities by size of revenues, Indiana nonprofits (n=1,587)



- About two in five human service, environment and animals, and arts, culture and humanities nonprofits report managing facilities is at least a minor challenge (41, 41, and 42 percent respectively).
- Somewhat surprisingly, only about one-quarter (28 percent) of education nonprofits say this is at least a minor challenge. However, when we look at more detailed categories we find that 99 percent of higher education and 73 percent of K-12 institutions say that managing facilities is at least a minor challenge.
- **Size:** Larger nonprofits (revenues of \$500,000 or more) are more likely to report facing at least minor challenges in managing facilities than smaller ones. See Figure 69.
 - The vast majority (78 percent) of very large nonprofits (revenues of \$10 million or more) say that managing facilities is at least a minor challenge, including 25 percent for whom it is a major challenge (as it is for 27 percent of those with revenues of \$1-\$10 million). Those in the \$500,000 - \$1 million range are the most likely (35 percent) to say it is a major challenge.
- **Funding profile:** Nonprofits that rely on a mix of funding are most likely (20 percent) to report that managing facilities is a major challenge, but those that rely mainly on donations (as do most churches) are most likely (55 percent) to say that it is a least a minor challenge). See Figure 70.

Figure 70: Challenges in managing facilities by funding mix, Indiana nonprofits (n=1,838)



- Only about one quarter (26 percent) of nonprofits that rely on special events for half or more of total revenues say that managing facilities is at least a minor challenge and almost one-third (32 percent) say it doesn't apply to them.
- **Combined analysis – managing facilities:** When considering all factors jointly so as to estimate which features best predict facing major challenges in managing facilities, a combination of nonprofit field, size, and funding profile is important.
 - When holding all other factors constant, nonprofits in the education, health, environment and animals, and mutual benefit fields are significantly *less likely* than human service nonprofits (the comparison base) to face major challenges in managing facilities.

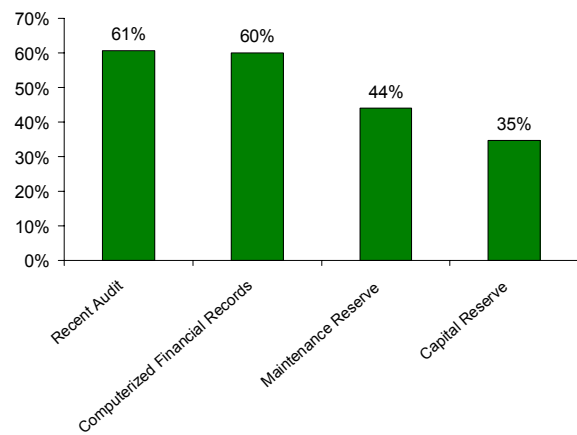
- Nonprofits with **\$500,000 or more** in annual revenues (when holding all other factors constant) are significantly *more likely* than those with revenues of \$25,000 to \$100,000 (the comparison base) to say managing facilities is a major challenge.
- Nonprofits that depend on government, on dues, fees and sales, or on special events are significantly *less likely* to report facing major challenges in managing their facilities than those that rely on a mix of funding sources (the comparison base) when holding everything else constant.

Tools for managing financial challenges. Although Indiana nonprofits face pervasive challenges in managing various aspects of their finances, most notably obtaining funding, many also have key components in place to help address the challenges. We focus here on whether Indiana nonprofits have recent financial audits (within the past year), computerized financial records, or have financial reserves dedicated to maintenance needs or to capital needs. Such tools help nonprofits address financial challenges by allowing them to monitor their financial health and/or address contingencies that may arise. However, we do not claim that nonprofits necessarily must have such tools to manage their finances or that possessing them will solve financial problems. Nor do our data allow us to say how well Indiana nonprofits use these tools, just whether they have them.

Tool: Recently completed financial audit. The percentages of Indiana nonprofits that report having a recently completed financial audit (e.g., within the past two years) or computerized financial records are notably higher than the percentages with financial reserves for maintenance or capital needs. See Figure 71.

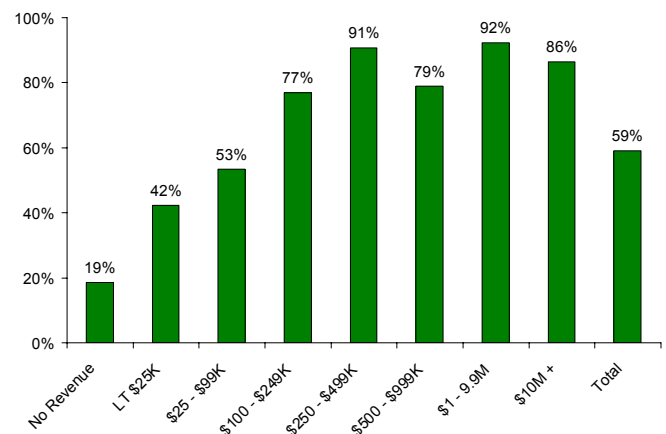
- **Overall:** Less than two-thirds of Indiana nonprofits say they have a recently completed financial audit. Those that do are less likely to say that challenges in financial management and accounting do not apply to them, but otherwise do not differ from those without audits in whether they consider it a major, minor, or no challenge. The percent of nonprofits with a financial audit varies somewhat by size, funding profile,¹³ and age, but not by nonprofit field.

Figure 71: Percent with financial tools, Indiana nonprofits (n=1,998-2,205)



- **Size:** Larger nonprofits are much more likely to have recently completed financial audits than smaller ones. Larger nonprofits are both more likely to have the resources to undertake audits, but also to face expectations by funders to have them. See Figure 72.

Figure 72: Percent reporting having a recently completed financial audit by total revenues, Indiana nonprofits (n=1,628)



- Overall, at least three-fourths of nonprofits with revenues of \$100,000 or more have a recent financial audit. The percent increases to about 90 percent for those with revenues of \$1 million or more. We are, however, surprised that it isn't 100 percent for these large nonprofits.
- The percentages with a recent financial audit drops to 53 percent for small nonprofits (re-

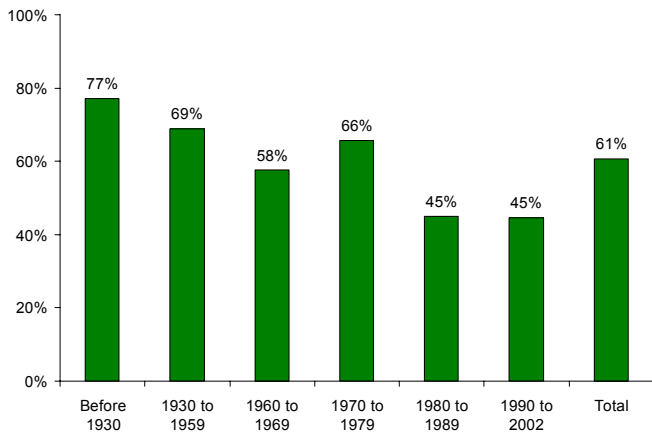
¹³ When controlling for all other variables, the proportion of nonprofits that had recently completed an audit does not vary

by funding profile, therefore we do not analyze the bivariate relationship here.

nues of \$25,000 - \$99,999) and to 42 percent for those with revenues of less than \$25,000.

- **Age:** Older nonprofits are generally more likely to have a recently completed audit than younger ones, perhaps because they have had a longer time to recognize the utility of such information. Only nonprofits founded in the 1970s deviate from this pattern in that they are more likely to have a recently completed financial audit than those established in the 1960s. See Figure 73.

Figure 73: Percent reporting having a recently completed financial audit by age, Indiana nonprofits (n=1,869)

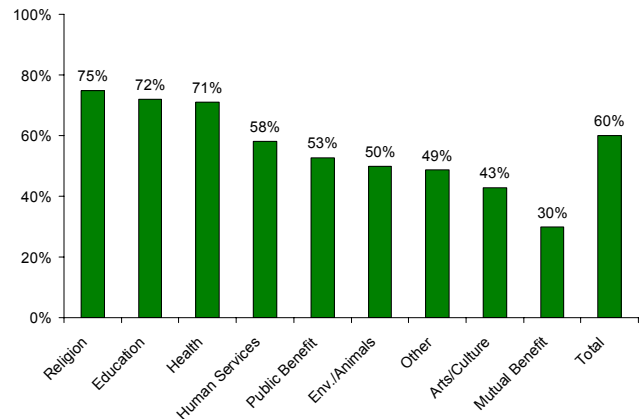


- **Combined analysis - recently completed financial audit.** When considering all factors jointly so as to estimate which features best predict whether the organization has a recently completed financial audit, a combination of size and age is important.
 - Nonprofits with less than \$25,000 in annual revenues are significantly *less likely*, while those with revenues of \$100,000 or more are significantly *more likely* to have a recently completed financial audit than is the comparison group (revenues of \$25,000 - \$99,999).
 - The oldest nonprofits, those founded before 1930, are significantly *more likely* than nonprofits founded during any other period to have a recently completed financial audit.

Tool: Computerized financial records. Computerized financial records allow staff and board members to more easily review and track the financial status of the organization.

- **Overall.** Three-fifths (60 percent) of Indiana nonprofits have computerized financial records, slightly fewer than have audited financial statements. See Figure 71 above.
 - Those with computerized financial records are less likely than those without to say that financial management and accounting doesn't apply to them.
 - Those that say using information technology effectively is a challenge (major or minor) are more likely to have computerized financial records than those for whom it is not a challenge (74 vs. 57 percent).
 - Having computerized financial records varies by nonprofit field, size, funding profile, and age.¹⁴
- **Nonprofit field:** Computerized financial records are especially prevalent in the religion (75 percent), education (72 percent), and health (71 percent) fields, while those in the arts, culture and humanities and the mutual benefit fields trail at 43 and 30 percent respectively. See Figure 74.

Figure 74: Percent with computerized financial records by nonprofit field, Indiana nonprofits (n=2,025)



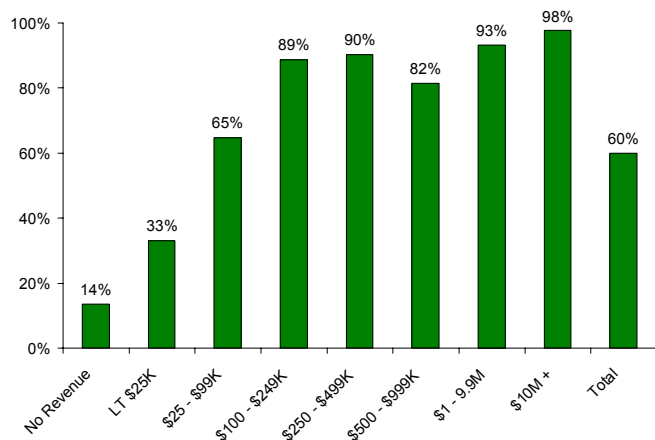
- These patterns parallel our earlier finding that mutual benefit nonprofits are the least likely to report facing challenges in financial management and accounting and health nonprofits the most likely. We do not know whether challenges in financial management and accounting influ-

¹⁴ When controlling for all other variables, the percent of nonprofits that have computerized financial records does not vary by age, therefore we do not analyze the bivariate relationship.

ence efforts to computerize financial records, or vice versa. That is, whether mutual benefit nonprofits are less likely to have computerized financial records than health nonprofits because they face fewer challenges in managing their finances, or whether mutual benefit nonprofits are more unaware of these challenges because they do not have computerized records with which to analyze their financial situation.

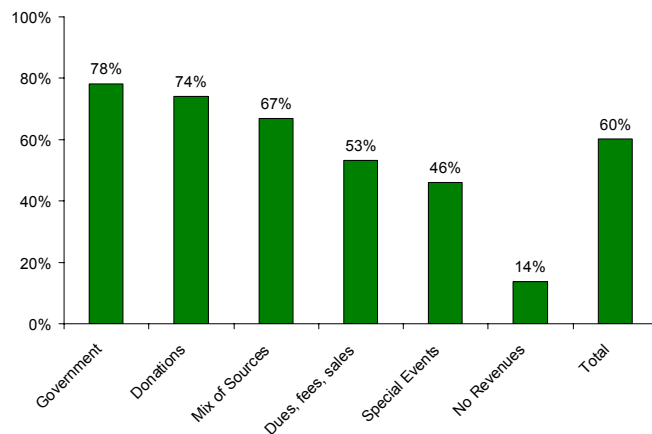
- **Size:** Perhaps reflecting the complexity of managing large sums of money, the vast majority of nonprofits with \$100,000 or more in revenues have computerized financial records, including almost all (98 percent) of those with \$10 million or more in revenues. The percentages drop to 65 percent for smaller nonprofits (\$25,000 - \$99,999) and to only 33 percent for very small ones (revenues of under \$25,000). See Figure 75.

Figure 75: Percent with computerized financial records by total revenues, Indiana nonprofits (n=1,643)



- **Funding profile:** Computerized financial records are most prevalent among those that rely mainly on government funding and donations (78 and 74 percent respectively), followed by those that rely on a mix of sources (67 percent), with those relying mainly on dues, fees, and sales or on special events trailing at respectively 53 and 46 percent. See Figure 76.
- **Combined analysis – computerized financial records:** When considering all factors jointly so as to estimate which features best predict whether Indiana nonprofits have computerized financial records, the only significant factors are a combination of size and funding profile.

Figure 76: Percent reporting having computerized financial records by funding mix, Indiana nonprofits (n=1,906)



- Very small nonprofits (revenues under \$25,000) are significantly *less likely* to have computerized financial records, while those with revenues of \$100,000 or more are significantly *more likely* to do so, compared to smaller nonprofits (revenues of \$25,000 - \$99,999).
- Nonprofits that rely mainly on dues, fees and sales or on special events are significantly *less likely* to have computerized financial records than those that rely on a mix of sources (the comparison group).

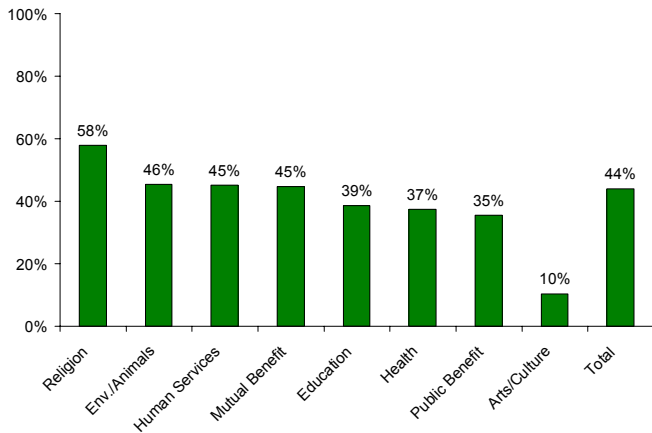
Tool: Financial reserves dedicated to maintenance or capital needs. Reserves for maintenance or equipment and capital needs are planning tools that help nonprofits deal with unexpected outlays for repairs or replacement of equipment and facilities.

- Less than half of Indiana nonprofits (44 percent) have financial reserves to meet maintenance needs, even fewer (35 percent) have reserves to meet capital needs (see Figure 71 above).
 - As one might expect, nonprofits that have instituted financial reserves are less likely to say that managing finances and accounting doesn't apply to them, but otherwise do not differ from those without financial reserves in the extent to which this presents a challenge.
 - Nonprofits that say managing facilities is a challenge (major or minor) are more likely to have instituted financial reserves for maintenance (54 percent) or capital needs (46 percent) than those

for whom it is not a challenge (45 and 33 percent respectively).

- The prevalence of reserves varies by nonprofit field, size, funding profile, and age.
- **Nonprofit field:** Religion nonprofits are more likely than nonprofits in other fields to have reserves for maintenance or capital needs, while arts, culture and humanities and mutual benefit nonprofits are the least likely to have such reserves. See Figure 77 and Figure 78.

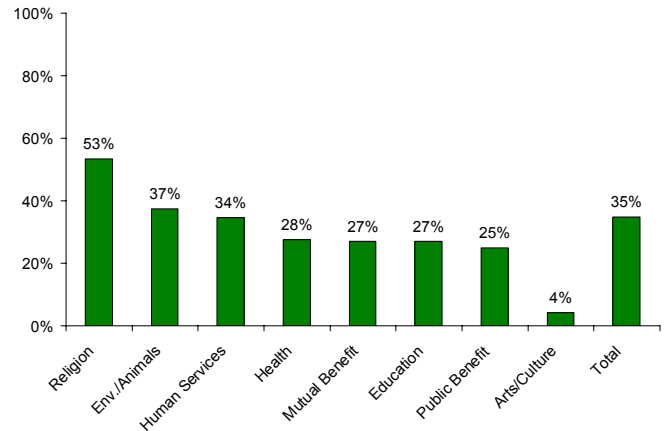
Figure 77: Percent with financial reserves for maintenance needs by nonprofit field, Indiana nonprofits (n=2,002)



- More than half of religion nonprofits have reserves for maintenance (58 percent) or capital needs (53 percent), more than any other field. These nonprofits, mainly churches and congregations, are likely to own houses of worship and are also the most likely to report facing major challenges in managing facilities.
- Surprisingly few nonprofits in the education and health fields, many of which also require special facilities, have financial reserves for maintenance needs (39 and 37 percent respectively) or capital needs (28 and 27 percent respectively).
- Nonprofits in the arts, culture, and humanities field are least likely to have reserves dedicated to maintenance (10 percent) or capital needs (4 percent), suggesting that they may find it difficult to meet unexpected outlays. They may be especially vulnerable since they are also more

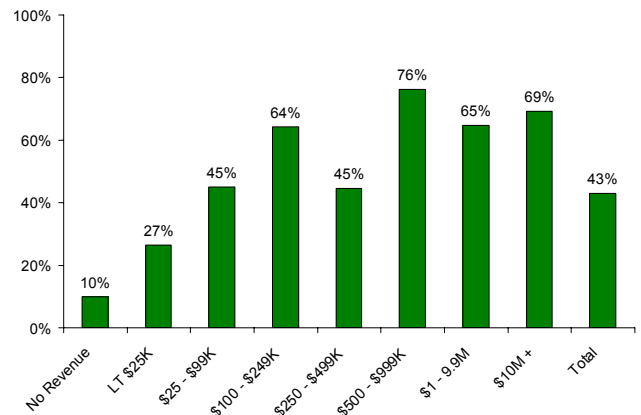
likely to report challenges in obtaining funding and in financial management and accounting.

Figure 78: Percent with financial reserves for capital needs by nonprofit field, Indiana nonprofits (n=1,998)



- **Size:** In general, larger nonprofits are more likely than smaller ones to have financial reserves for maintenance (see Figure 79) and capital needs (see Figure 80).

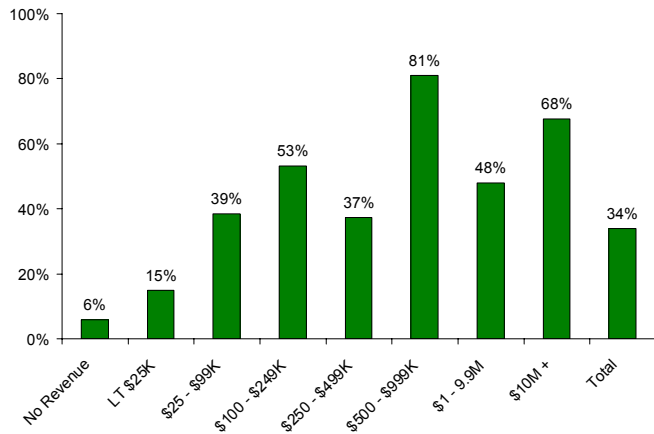
Figure 79: Percent with financial reserves for maintenance needs by total revenues, Indiana nonprofits (n=1,627)



- There are two exceptions to the overall pattern: Nonprofits with revenues of \$250,000 - \$499,999 and \$1-9.9 million are less likely than smaller or larger nonprofits to have either type of financial reserves.
- Nonprofits with revenues of \$500,000 - \$999,999 have the highest percentages with reserves for maintenance (76 percent) and for capital needs (81 percent). This is also the size

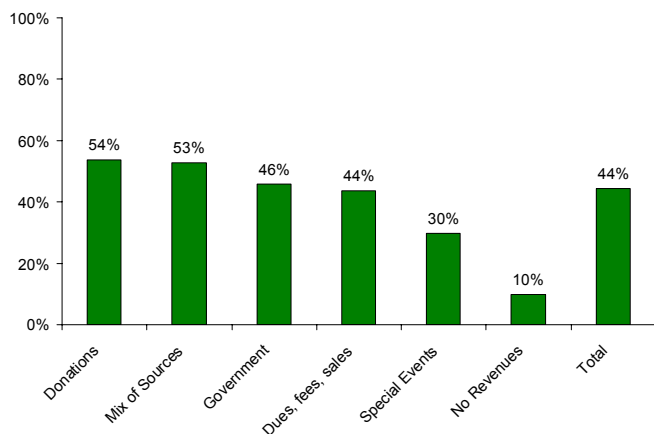
category with the highest percent saying that managing facilities represents a major challenge, suggesting that they have developed at least some tools to address these challenges.

Figure 80: Percent with financial reserves for capital needs by total revenues, Indiana nonprofits (n=1,627)



- **Funding profile:** Nonprofits relying mainly on donations are the most likely to have reserves dedicated to maintenance or capital needs; those that rely mainly on special events are the least likely to have these tools, except for those with no revenues at all. See Figure 81 and Figure 82.

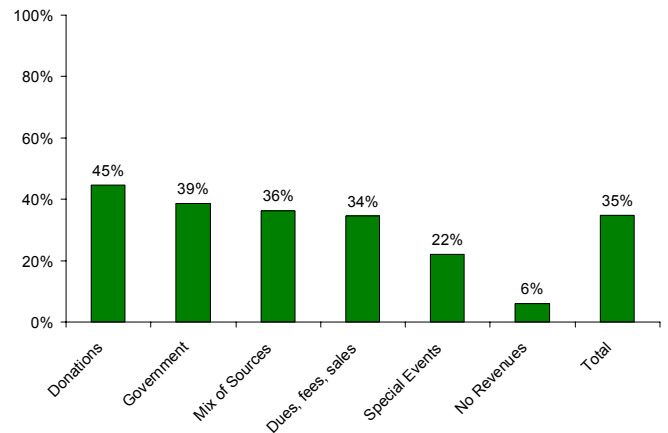
Figure 81: Percent with reserves dedicated to maintenance needs by funding profile, Indiana nonprofits (n=1,892)



- Over half of nonprofits that rely mainly on donations (as do most churches) or on a mix of sources have financial reserves for maintenance (54 and 53 percent respectively). Nonprofits that rely mainly on donations are also more likely to

have reserves for capital needs (45 percent) than those with other funding profiles.

Figure 82: Percent with reserves dedicated to capital needs by funding profile, Indiana nonprofits (n=1,890)



- Nonprofits that rely mainly on special events are least likely to have reserves for maintenance or capital needs (30 and 22 percent respectively).

- **Age:** In general, older nonprofits are more likely to report having reserves for maintenance or capital needs than younger ones. Perhaps, older nonprofits have had more time to recognize the utility of these types of financial reserves and/or to have had more time to accumulate reserves for these purposes. See Figure 83 and Figure 84.

Figure 83: Percent with reserves dedicated to maintenance needs by age, Indiana nonprofits (n=1,866)

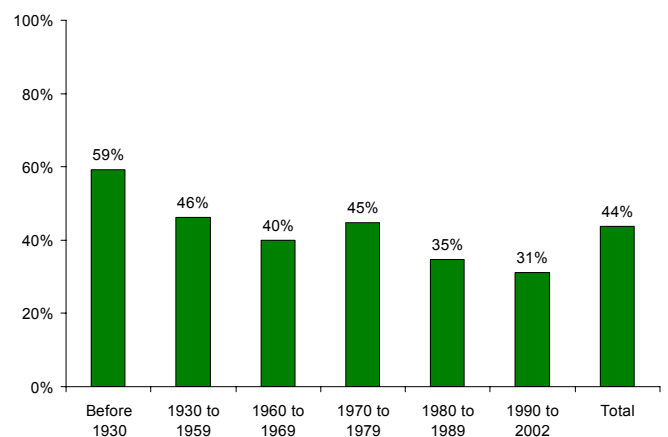
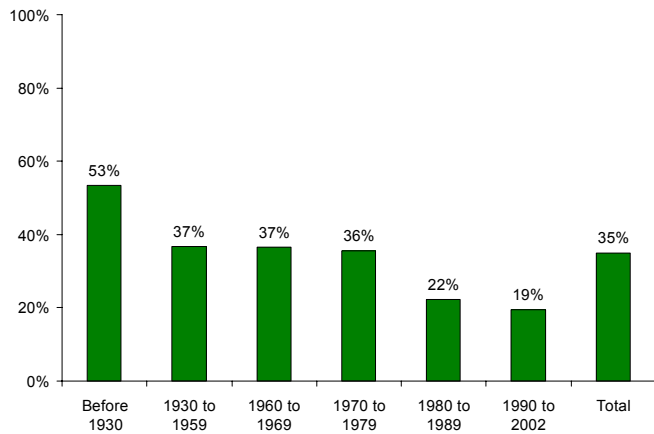


Figure 84: Percent with reserves dedicated to capital needs by age, Indiana nonprofits (n=1,865)



- Nonprofits founded before 1930 have the highest percentages with reserves for maintenance or capital needs (59 and 53 percent respectively), those established in 1990 or later have the lowest percentages (31 and 19 percent respectively).
- **Combined analysis – financial reserves for maintenance needs.** When considering all factors jointly so as to predict which features best predict having financial reserves for maintenance needs, we find that only a combination of nonprofit age, size, and funding profile remain significant.
 - The oldest nonprofits (those founded before 1930) are significantly *more likely* than younger nonprofits to have financial reserves for maintenance and equipment needs.
 - Nonprofits with \$500,000 or more in total revenues are significantly *more likely*, and those with under \$25,000 in revenues *less likely* to have reserves dedicated to maintenance and equipment needs than the comparison group (revenues of \$25,000 - \$199,999).
 - Nonprofits that rely mainly on special events are significantly *less likely* to report having reserves dedicated to maintenance and equipment needs than those that rely on a mix of sources (the comparison base).
- **Combined analysis – financial reserves for capital needs:** When considering all factors jointly so as to predict which features best predict whether Indiana nonprofits have financial reserves for capital needs,

a combination of age and nonprofit field is significant.

- Very old nonprofits (founded before 1930) are significantly *more likely* than younger nonprofits to have financial reserves for capital needs.
- Religion nonprofits are significantly *more likely* and arts, culture and humanities nonprofits *less likely* to have financial reserves for capital needs than human service nonprofits (the comparison base).

Conclusions and Implications. We draw several conclusions and implications from these findings.

- **Nonprofits face a major challenge in obtaining funding.** Managing finances and accounting or other key investments such as information technology or facilities present challenges to notably fewer nonprofits than obtaining adequate funding. Nonprofits in the health and the environment and animals fields are the most likely to say that obtaining adequate funding is a major challenge, as do larger nonprofits and those that rely mainly on government funding.
- **Financial challenges are related to using financial management tools.** Nonprofits with computerized financial records are less likely than those without to say that challenges in financial management and accounting don't apply to them. Those that report challenges in using IT effectively are more likely to have computerized financial records. Those that report challenges in managing their facilities are more likely to have established reserves for maintenance and equipment or capital needs. We do not know whether having these tools make nonprofits more aware of the challenges they face or whether those with challenges are more likely to employ the tools in an effort to address the problems they face.
- **Size matters.** Larger nonprofits generally report more financial challenges than smaller ones. However, they are also more likely to have the financial tools in place to address the challenges. Nonprofits with revenues of \$500,000 - \$999,999 deviate some from these general patterns.
- **Funding profile matters:** Nonprofits that rely mainly on government funding report greater levels

of challenges in obtaining funding and managing their finances. They are also more likely to have financial components in place to track and manage financial circumstances, most likely because government tends to require extensive reporting. Nonprofits that rely on donations for more than half of their resources are more likely than those with other funding profiles to have financial reserves dedicated to capital or maintenance needs. Nonprofits that rely mainly on dues, fees and sales or on special events, sources that come with few external strings attached, appear to face the lowest levels of management challenges, but also have the fewest financial tools in place with which to monitor their financial health.

- **Age matters, but not much:** The age of nonprofits is primarily important when it comes to having financial reserves – older nonprofits are more likely to have such reserves to meet maintenance and equipment needs or for capital needs.

III. MANAGING HUMAN RESOURCES

Nonprofit field is related to staff size, but not to challenges in managing human resources or recruiting/retaining qualified staff or to whether nonprofits have key components in place by which to manage paid employees (written personnel policies, job descriptions). Larger nonprofits, and those that rely mainly on government funding, are more likely to face challenges in managing employees than other types of nonprofits, but also to have basic structures in place by which to do so. Volunteers are vital to Indiana nonprofits. Almost three-fourths report using volunteers over the past year and three-fourths of these say volunteers are essential or very important to them. Volunteers tend to be more important to older nonprofits than younger ones. Few nonprofits have volunteer recruitment (22 percent) or training (27 percent) programs.

We began this report by exploring the financial resources of Indiana nonprofits because such features set the context for a variety of challenges nonprofits face in managing their resources – financial, human, and programmatic. Financial resources also influence whether and how nonprofits secure the capacity to address challenges. Adequate financial resources can facilitate – just as inadequate resources can constrain – the roles and activities of paid staff, volunteers, and boards of directors in their efforts to fulfill organizational missions.

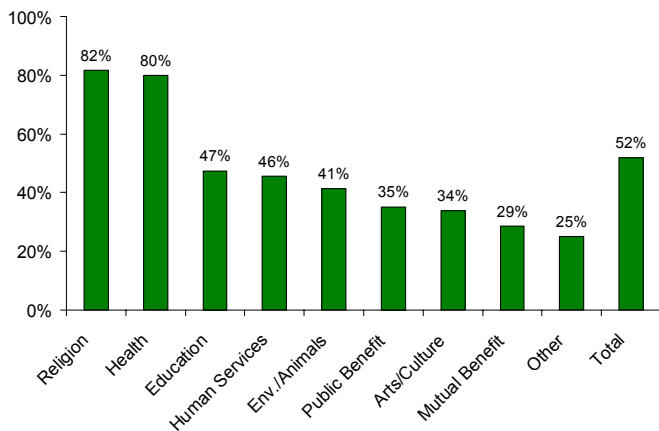
In this chapter we explore the challenges Indiana nonprofits face in managing their human resources – paid staff, volunteers, and board members. Each of these three groups has a special relationship with the organization. For each group we first examine key indicators of the extent to which Indiana nonprofits rely on the particular group, we then detail the challenges nonprofits encounter in securing and retaining access to such individuals, and finally we describe the extent to which Indiana nonprofits have key components in place by which to manage the relationships. We explore variations in each of these domains by nonprofit field, total revenues, funding profile, and age.

Paid staff. Only about half (52 percent) of Indiana nonprofits employ full or part-time workers. Of those with any employees, 81 percent have a paid executive director. But while there is a wide range in the number of

employees, most employ relatively few staff: 50 percent have less than 3 full-time equivalent employees (FTEs)¹⁵ and 75 percent have less than 12 FTEs, while only 8 percent have more than 50 FTEs. Overall, Indiana nonprofits with paid staff employ an average of 49 full-time workers and 16 part-time workers, but the medians are much lower: half have only 3 or fewer full-time workers and 3 or fewer part-time workers (not necessarily the same nonprofits).

- **Nonprofit field:** The prevalence, type, and size of paid staff vary significantly by nonprofit field.
- **Any paid employees:** The great majority of nonprofits in the religion and health fields have paid staff (82 and 80 percent respectively), compared to a third or less of public and societal benefit (35 percent), arts, culture, and humanities (34 percent) and mutual benefit (29 percent) nonprofits. See Figure 85.

Figure 85: Percent of Indiana nonprofits with paid staff by nonprofit field (n=2,089).

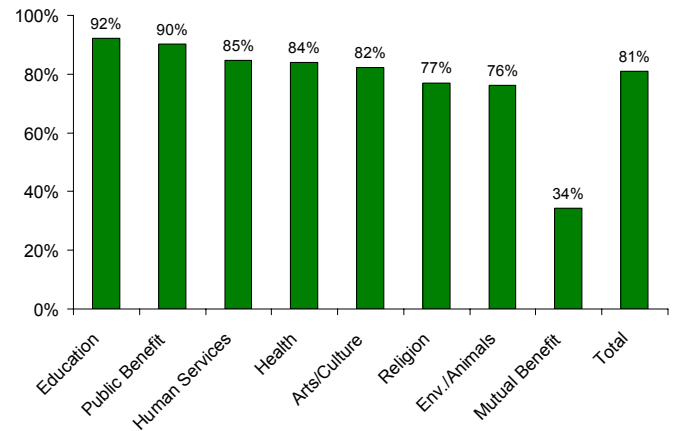


- **Paid executive director:** Of the 52 percent of Indiana nonprofits with paid employees, the great majority (81 percent) have a paid executive director, but the percent ranges from a high of 92 percent of educa-

¹⁵ We computed the number of paid FTE staff by summing the number of full-time plus one-half the number of part-time employees reported by respondents. It is only a rough estimate of actual staff capacity, since some part-time staff may work almost at the full-time level and others very few hours per month. Respondents are asked to report both the number of full-time and part-time employees; however, in cases where they reported only the number of full-time or only the number of part-time employees, we assumed that the non-reported value was zero for purposes of calculating the total FTE staff.

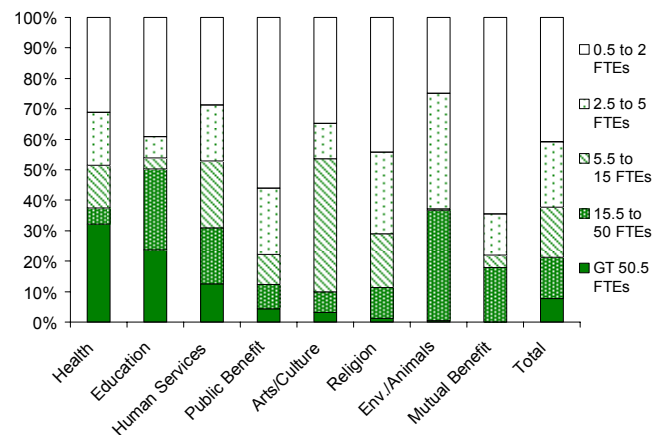
tion nonprofits to a low of 34 percent for mutual benefit nonprofits. See Figure 86.

Figure 86: Percent with paid executive director of those with any paid staff by nonprofit field, Indiana nonprofits (n=1,126).



- **Number of FTEs:** Although the number of FTEs is quite small for most of Indiana nonprofits with paid staff, there are major differences by nonprofit field. See Figure 87.

Figure 87: Size of FTE staff for nonprofits with paid staff by major field, Indiana nonprofits (n=1,100).

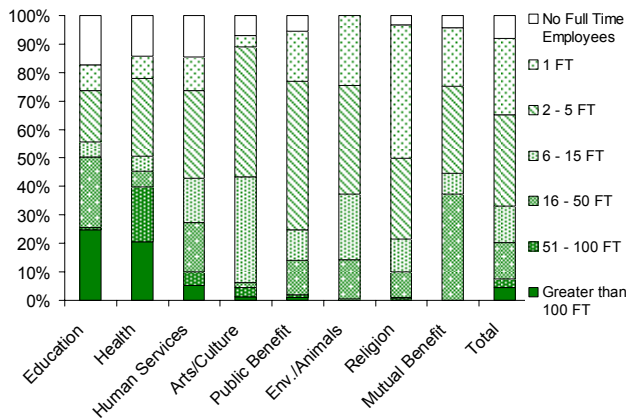


- Among nonprofits with a paid staff, health and education nonprofits are the most likely to report having relatively large FTE staffs, with respectively 32 and 24 percent reporting more than 50 FTE staffs.
- Although nonprofits in the religion field are more likely to have paid staff than other types of nonprofits, almost half of those with paid staff have 2 or fewer FTEs.

- **Number of full and part-time staff:** In general, when looking at full and part-time staff separately rather than combined in the FTE measure, there is a strong positive correlation between the number of full-time and part-time employees: nonprofits with many of the former also have many of the latter ($\rho=.82$ for size categories of full-time and of part-time employees).

- This relationship – while still positive – is much weaker for nonprofits in the mutual benefit field ($\rho=.20$) suggesting that some of these nonprofits may trade-off part-time employees for full-time staff (or vice versa).
- Religion nonprofits tend to have more part-time than full time employees. Almost three-fourths (73 percent) have more than 2 part-time employees while less than half (47 percent) have at best one full-time employee. A similar pattern holds for nonprofits in the environment and animal field. See Figure 88 and Figure 89.

Figure 88: Number of full-time employees for Indiana nonprofits with at least some paid employees by major field (n=976).



- These relationships are complicated by the fact that relatively few nonprofits have most of the paid nonprofit employees, especially full-time staff. To clarify the relationship, we computed the average and median number of employees by nonprofit field. As Table 1 shows, nonprofits in the fields of environment and animals and religion seem to be more dependent upon part-time than full-time employees. The median environment and animal nonprofit employs 10 part-time but only 3 full-time workers, the median religion

nonprofit employs 3 part-time but only 1 full-time workers.

Figure 89: Ranges of part-time employees for Indiana nonprofits, with at least some paid employees, by major field (n=928).

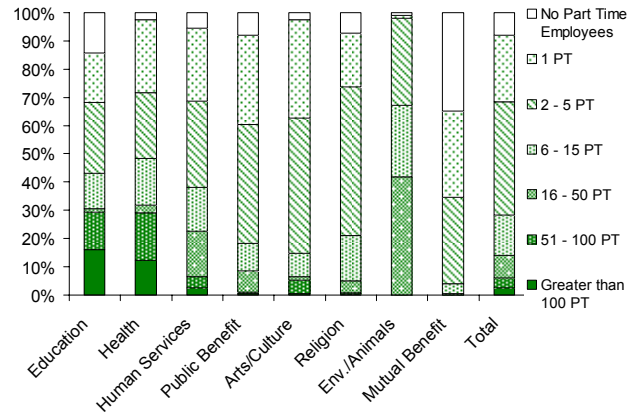


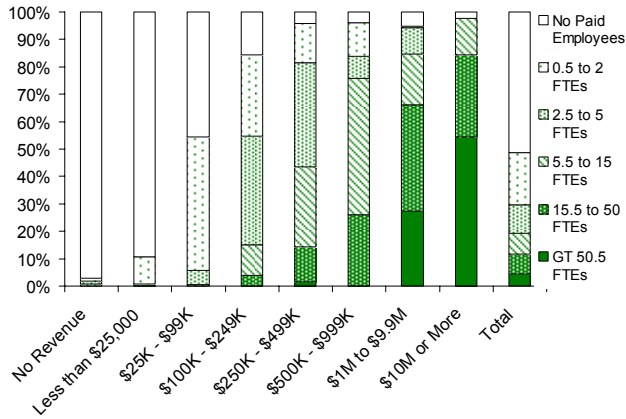
Table 1: Mean and median number of full-time and part-time employees for Indiana nonprofits with paid employees by major field (total full-time n=976, total part-time n=928).

Nonprofit Field	Full-time		Part-time	
	Average	Median	Average	Median
Health	378	6	68	5
Education	105	17	65	3
Human services	54	4	15	3
Arts/culture	11	5	8	2
Mutual benefit	11	4	2	1
Environment/animals	10	3	14	10
Public/societal benefit	8	2	5	2
Religion	7	1	6	3
Total	49	3	16	3

- Health nonprofits have the highest average number of full-time staff (378) followed by education nonprofits (105), but the median education nonprofit has more full-time employees than the median health nonprofit (17 vs. 6 full-time employees).
- **Size:** As expected, size of revenues is closely related to paid staff. The vast majority of nonprofits with revenues of \$100,000 or more have at least some paid staff and as revenues increase so does the number of paid FTEs (See Figure 90). This is largely because nonprofits with more revenues can hire more staff and because those with paid staff must have the revenues to meet the payroll. However, larger nonprofits are

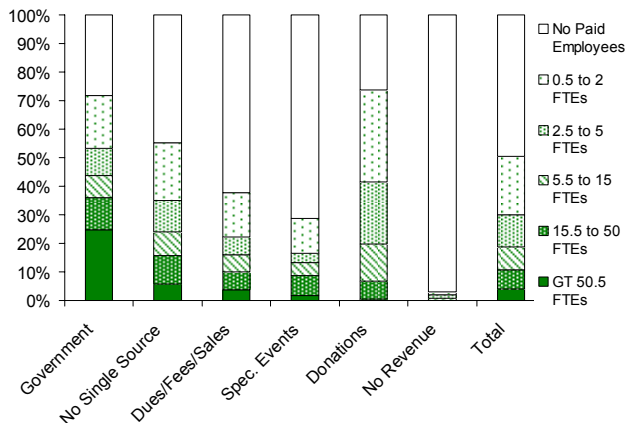
also likely to be more complex and require access to people with specialized skills on a more constant basis than most volunteers can provide.

Figure 90: Number of FTEs by total revenues (n=1,634).



- Funding profile:** Nonprofits that rely mainly on funding from government or donations, or that have multiple sources of funding, are more likely to have paid employees than those that rely mainly on dues, fees and sales or on special events for more than half of their revenue (See Figure 91). This is partly because there are corresponding differences in total revenues, but may also reflect the need for staff to manage the complex work involved in securing government and donation funding.

Figure 91: Number of FTEs by funding profile, Indiana nonprofits (n=1,893).

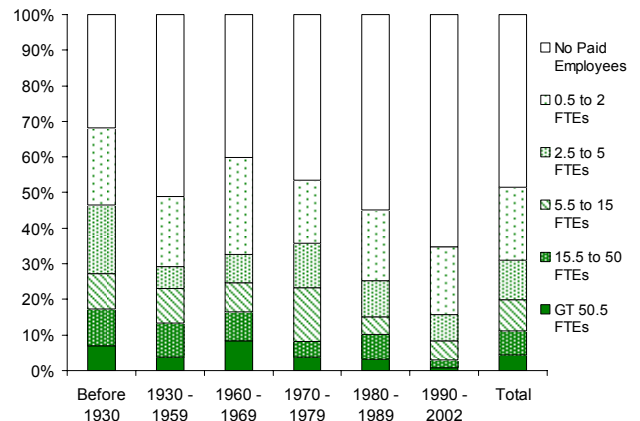


- Almost three-fourths of nonprofits that rely mainly on government (72 percent) or donations (74 percent) have some paid staff; so do over half (55 percent) of those that rely on a mix of funding. A quarter of nonprofits that rely mainly on government funds have over 50 FTEs.

- Only a third or less of nonprofits that rely on mainly on dues, fees, and sales (37 percent) or on special events (28 percent) have some paid employees.

- Age:** In general, older nonprofits are more likely to have paid employees and to have more employees than younger ones, although we don't know whether that is because those with paid staff are more institutionalized and therefore more likely to survive, or whether older nonprofits have more predictable resource relationships and therefore are more likely to secure paid staff. See Figure 92.

Figure 92: Number of FTEs by age, Indiana nonprofits (n=1,899).



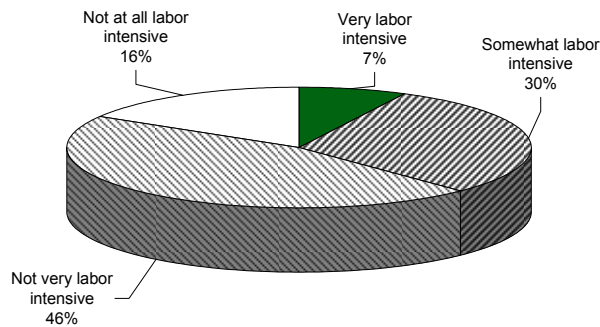
- A majority of nonprofits founded after 1980 do not have any paid staff while a majority of those established prior to 1980 do, including 68 percent of those founded before 1930 (the highest percent of any age cohort). Those founded in the 1960s have the highest percent with more than 50 FTEs (8 percent).

Labor intensity¹⁶: Few nonprofits purchase “raw materials” or goods for resale, so it is not surprising that those with paid staff may devote significant shares of total expenses to pay wages, salaries and related benefits. Of course, some nonprofits (e.g., those in the health, education, and arts, culture and humanities fields) also incur significant expenses related to facilities, supplies, and equipment.

¹⁶ We define nonprofits as very labor intensive if staff compensation absorbs over 75 percent of total expenses, as somewhat labor intensive if it absorbs 50-74 percent, as not very labor intensive if it absorbs 25-49 percent, and as not at all labor intensive if it absorbs less than 25 percent of total expenses.

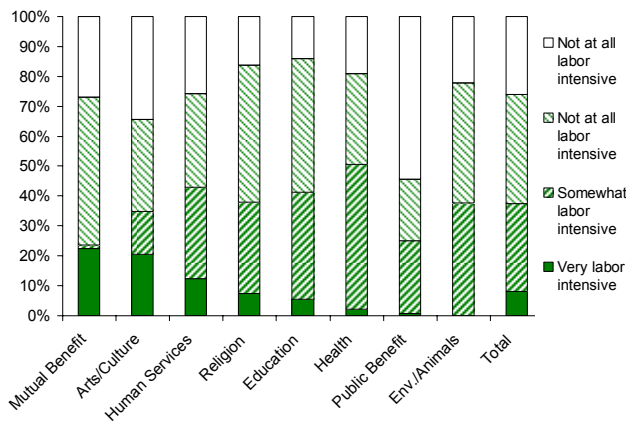
- **Overall:** About two-fifths (37 percent) of Indiana nonprofits with any paid staff at least somewhat labor intensive (e.g., allocate half or more of total expenses to staff compensation), including 7 percent that are very labor intensive (e.g., compensation accounts for three-fourths or more of total expenses). At the other extreme, about one-sixth (16 percent) are not at all labor intensive in that they spend less than one-quarter of their total outlays on employee compensation (See Figure 93). These patterns vary by nonprofit field and funding profile.

Figure 93: Degree of labor intensity (staff compensation as percent of total expenses), Indiana nonprofits with paid employees (n=808).



- **Nonprofit field:** Nonprofit fields vary significantly in the extent to which they are labor intensive. See Figure 94.

Figure 94: Percent with levels of labor intensity by nonprofit field, Indiana nonprofits with paid employees (n=808).



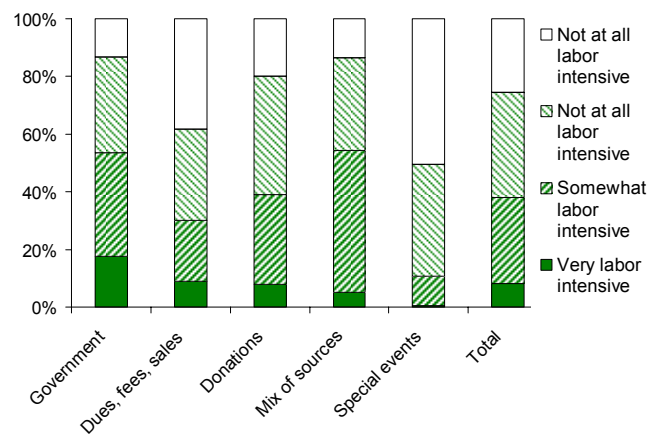
- The mutual benefit field has the highest percent (22 percent vs. 8 percent overall) of very labor intensive nonprofits. This may be because mutual benefit nonprofits have relatively few FTEs,

but tend to rely on full-time employees when they have paid staff.

- The health and human services fields have the highest rates of nonprofits that are at least somewhat labor intensive – e.g., using half or more of total expenses for staff compensation (51 and 43 percent respectively). We had expected health nonprofits to have somewhat lower percentages since many own facilities and require expensive supplies and equipment to deliver their services. However, the inclusion of labor intensive mental health and disease, disorder, and medical discipline nonprofits in this field may account for these patterns.
- Public and societal benefit nonprofits have the highest concentration of nonprofits with low labor intensity: over half (54 percent) spend less than a quarter of total expenses on staff compensation and only a quarter allocate half or more of total expenses to it.

- **Funding profile:** Nonprofits that depend mainly on government funding are notably more labor intensive and those that rely mainly on special events are less labor intensive than nonprofits with other funding profiles. See Figure 95.

Figure 95: Percent with levels of labor intensity by funding profile, Indiana nonprofits with paid employees (n=802).



- One in five (18 percent) nonprofits that rely mainly on government are very labor intensive and over half (54 percent) are at least somewhat labor intensive, as is 54 percent of those that rely on a mix of sources. Only 39 percent of those

that rely mainly on donations are at least somewhat labor intensive, with those that rely mainly on dues, fees, and sales or on special events even less likely to devote half or more of total expenses to staff compensation (30 and 11 percent respectively).

Challenges in managing employees: Having paid employees imposes direct financial costs (payroll, taxes, fringe benefits) on nonprofits, but also indirect costs that require other types of organizational resources. We examine the extent to which Indiana nonprofits are challenged by recruiting and retaining qualified employees and by managing human resources in general. These challenges do not vary by nonprofit field or age, suggesting that they are ubiquitous across these dimensions, but size and funding profile do make a difference.

Challenge: Recruiting/retaining staff: We asked Indiana nonprofits to detail the level of challenge they face in recruiting and retaining qualified staff members. Those that face such difficulties will be less able to deliver quality services or benefits to members and beneficiaries or demonstrate full accountability to stakeholders.

- **Overall:** More than three-fifths (61 percent) of nonprofits with paid staff say that recruiting and retaining qualified staff is at least a minor challenge and more than a fifth (22 percent) say it is a major challenge. This is a greater percent than say managing human resources in general is a challenge. See Figure 96.

- **Size:** Larger nonprofits are much more likely to face challenges (including major challenges) in recruiting and retaining qualified staff than smaller ones. See Figure 97.

- Almost all (97 percent) very large nonprofits (revenues of \$10 million or more) say that recruiting and retaining qualified staff is at least a minor challenge and 48 percent say it is a major challenge. The next smaller nonprofits (revenues of \$1 - \$9.9 million) are second in considering this either a minor (83 percent) or major challenge (39 percent).

- About three in five medium and medium-small sized nonprofits (revenues of \$100,000 - \$999,999) say recruiting and retaining staff is at least a minor challenge. This drops to half or less for smaller nonprofits.

Figure 96: Percent with staff challenges, Indiana nonprofits with staff (n=1,092-1,597)

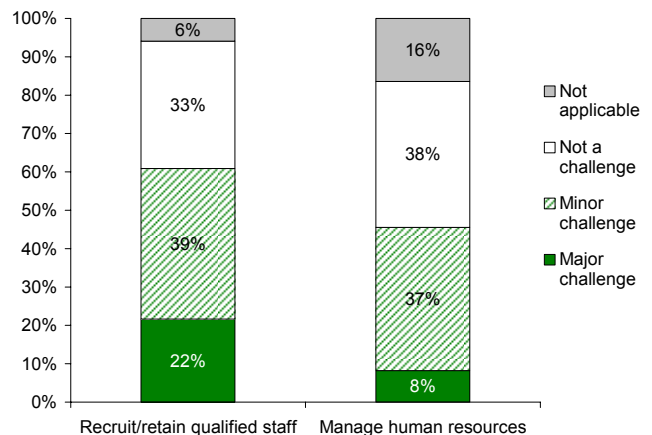
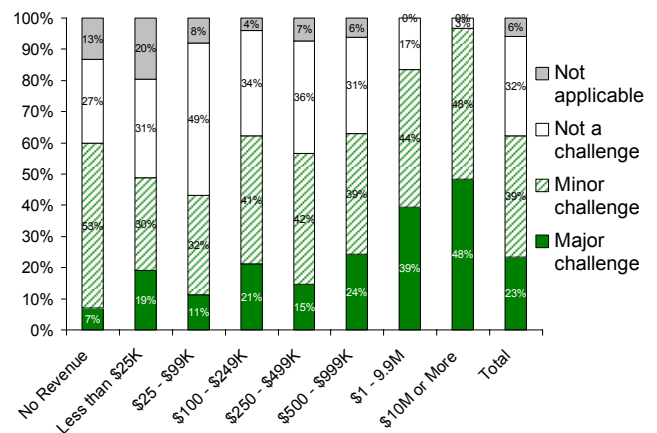


Figure 97: Percent with challenges in recruiting and retaining qualified staff by total revenues, Indiana nonprofits with paid staff (n=874).



- **FTE paid staff:** This size effect is driven by the number of paid staff. Nonprofits with more FTEs are consistently more likely to report facing at least some challenges in recruiting and retaining staff and in saying it is a major challenge than those with fewer FTEs. See Figure 98.

- **Funding profile:** Across all types of funding profiles, about 60 percent of Indiana nonprofits say that recruiting and retaining qualified staff is at least a minor challenge, but there are notable differences in the extent to which the challenge is major or minor. See Figure 99.

- Nonprofits that rely on government for more than half of total revenues are the most likely (39 percent) to say that recruiting and retaining qualified staff is a major challenge. This is not surprising, since the receipt of government

grants and contracts often requires nonprofits to hire staffs with professional credentials and produce demanding program reports.

Figure 98: Percent with challenges in recruiting and retaining qualified staff by FTEs, Indiana nonprofits with paid staff (n=1,041).

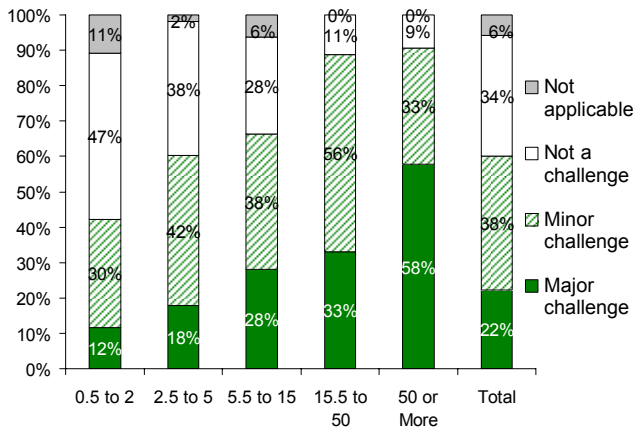
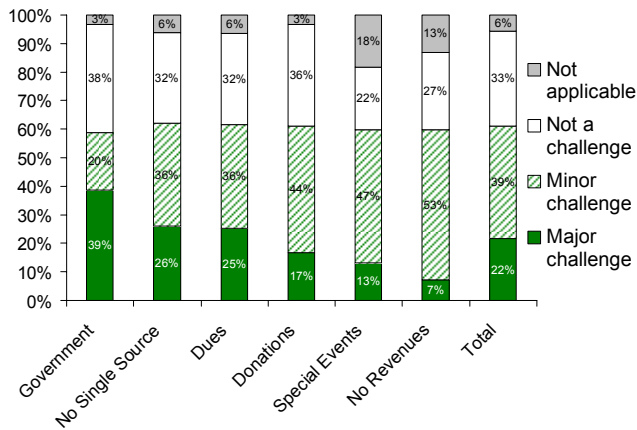


Figure 99: Percent with challenges in recruiting and retaining qualified staff by funding profile, Indiana nonprofits with paid staff (n=1,018).



Nonprofits that rely on special events for most of their revenues are the least likely (13 percent) to say that recruiting and retaining trained staff is a major challenge. These are generally smaller nonprofits where volunteers play an important role in generating the revenues.

- Combined analysis – major challenges in recruiting and retaining qualified staff. When considering all factors jointly so as to estimate which features best predict whether Indiana nonprofits face major challenges in recruiting and retaining qualified staff, a combination of nonprofit field and number of FTEs

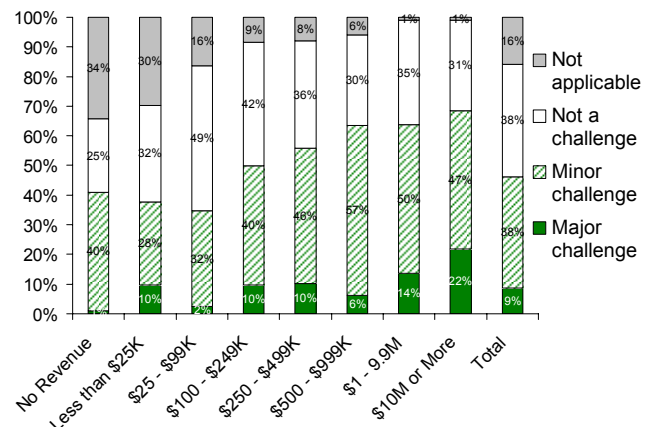
is important, even though nonprofit field was not significant by itself.

- Controlling for all other factors, human service nonprofits are much *more likely* than arts, culture and humanities, education, and mutual benefit nonprofits to report a major challenge in recruiting and retaining qualified staff members.
- Controlling for all other factors, nonprofits with the most employees (over 50 FTEs) are *more likely*, and those with the fewest staff (less than 2 FTEs) are *less likely* to report facing a major challenge in recruiting and retaining qualified staff than those with 2.5 to 5 FTEs (the comparison base). Thus, the number of paid staff rather than total revenue drives the size effect on this challenge.

Challenge: Managing human resources: Almost half (46 percent) of Indiana nonprofits that have paid staff (or use volunteers) report facing some level of challenge associated with managing these staff and/or volunteer human resources, although only 8 percent say that it is a major challenge. See Figure 96 above.

- Size: Larger nonprofits tend to report more challenges in managing staff and volunteer resources than smaller ones. See Figure 100.

Figure 100: Percent with challenges in managing human resources by total revenues, Indiana nonprofits with staff or volunteers (n=1,287)

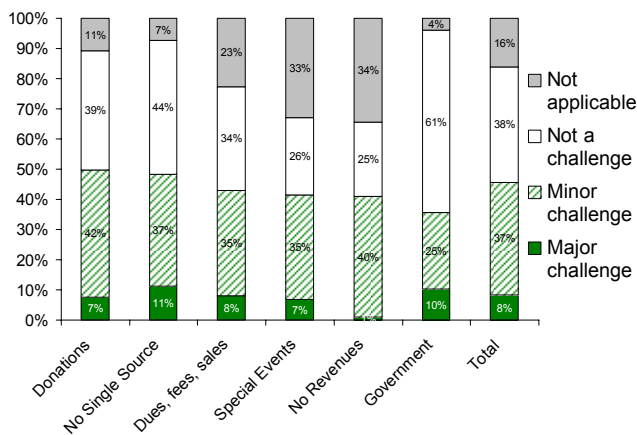


- Nonprofits with revenues of \$10 million or more are the most likely (22 percent) to say that managing human resources is a major challenge and also that it is at least a minor challenge (69 per-

cent). It is also at least a minor challenge for about two-thirds (64 percent) of those with revenues of \$500,000 - \$9.9 million.

- Nonprofits with revenues of \$100,000 or more are generally more likely to say that managing human resources is at least a minor challenge (50 percent or more), than those with fewer revenues (35-41 percent). We noted earlier that nonprofits with less than \$100,000 in annual revenues generally have 2.5 FTEs or less (they also tend to have fewer than 50 volunteers), suggesting that once nonprofits have more than two full-time employees or 50 volunteers, the task of managing human resources becomes at least a minor challenge.
- **Funding profile:** The relationship between funding profile and challenges in managing human resources is more difficult to interpret, since most of the funding profiles resemble the overall total. However, nonprofits that rely on government for half or more of total revenues are distinctive in how few say that managing human resources is at least a minor challenge (36 percent vs. 46 percent overall) and in how many say it isn't a challenge at all (61 percent vs. 38 percent overall). This suggests that nonprofits that rely mainly on government funding are better equipped to manage these types of routine organizational challenges. See Figure 101.

Figure 101: Percent with challenges in managing human resources by funding profile, Indiana nonprofits with staff or volunteers (n=1,503)



- **Combined analysis – challenges in managing human resources (paid staff or volunteers).** When considering all factors jointly so as to predict which features

best predict which types of Indiana nonprofits face challenges in managing human resources, a combination of size and primary funding profile remain important, but nonprofit field also becomes important.

- Controlling for all other factors, nonprofits with revenues of \$10 million or more are much *more likely*, and those with no revenues are *less likely*, than the comparison category (revenues of \$25,000 - \$99,999) to say they face a major challenge in managing human resources.
- Controlling for all other factors, nonprofits that rely on dues, fees, or sales for more than half of their revenues are *less likely* than those that rely on a mix of sources (the comparison base) to say managing human resources is a major challenge.
- Controlling for all other factors, arts, culture, and humanities nonprofits are *less likely* to report facing a major challenge in managing human resources than human service nonprofits.

Tools to manage employees: Given the challenges Indiana nonprofits face in recruiting and retaining paid staff and in managing their human resources (both staff and volunteers) more generally, it is important to see whether they make use of organizational procedures for managing employees and moderate the impacts of these challenges. We examine two such tools: written job descriptions and written personnel policies.

Such documents reduce uncertainties in the relationship between employer and employee by establishing expectations, duties, and rights for both parties. Job descriptions typically establish performance expectations for individual employees, while personnel policies establish and codify basic workplace relationships both among employees and between employees and the organization.

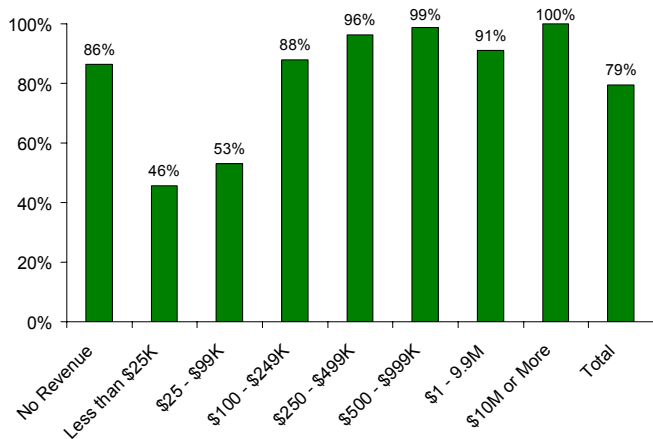
- **Overall:** the great majority of Indiana nonprofits have written job descriptions (80 percent) or written personnel policies (71 percent).
 - Of nonprofits with paid staff, most (68 percent) have both types of documents with the rest split about evenly between those that have neither (17 percent) or only one of them (15 percent).

- Nonprofits that say recruiting and retaining qualified staff is a challenge (major or minor) are more likely to have written job descriptions than those for whom this is not a challenge (82 vs. 60 percent) and written personnel policies (72 vs. 51 percent). Both types of documents are also more prevalent among nonprofits that say managing human resources is a major or minor challenge (77 and 67 percent respectively) compared to those for whom it is not a challenge (57 and 50 percent respectively).

Tool – written job descriptions: The great majority of Indiana nonprofits have written job descriptions (80 percent); this varies by total revenues, number of FTEs, and funding profile, but not by nonprofit field or age.

- Size:** In general, larger nonprofits are more likely to have written job descriptions than smaller ones. See Figure 102.

Figure 102: Percent with written job descriptions by total revenues, Indiana nonprofits with paid staff (n=889).

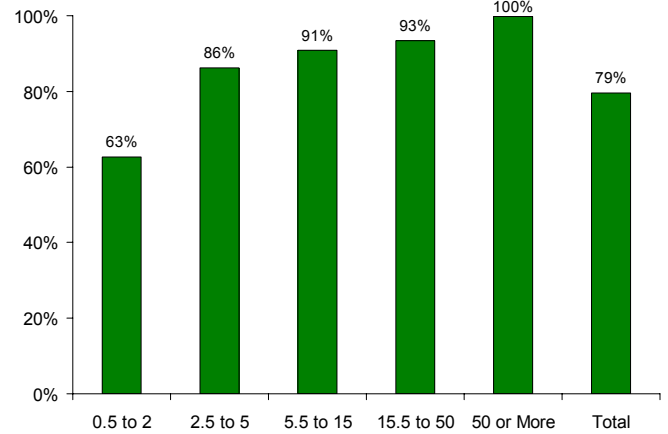


- Nonprofits with less than \$100,000 in total revenues are notably less likely to have written job descriptions than those with more revenues or no revenues at all. In the latter case, this may reflect the need to provide job descriptions for volunteers and/or board members.

- FTE paid staff:** The importance of size for encouraging the use of written job descriptions appears to be driven by staff size. The more staff Indiana nonprofits have, the more likely they are to have written job descriptions, including all of those with over 50

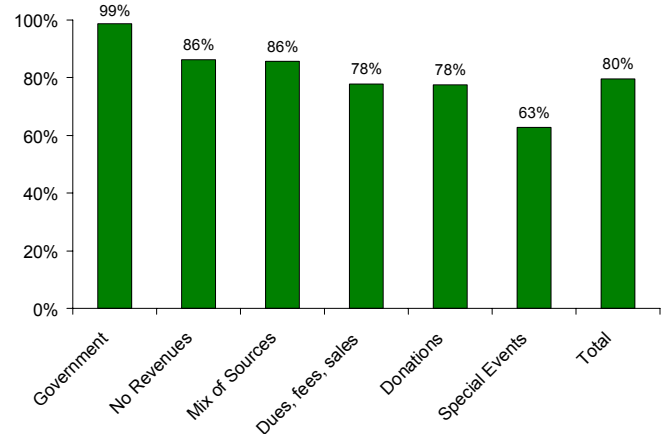
FTEs compared to only 63 percent of those with 2 or fewer FTEs. See Figure 103.

Figure 103: Percent with written job descriptions by FTEs, Indiana nonprofits with paid staff (n=1,061).



- Funding profile:** Virtually all (99 percent) nonprofits that rely mainly on government funding have written job descriptions, more than for all other funding profiles, and especially those that rely mainly on special events (63 percent). See Figure 104.

Figure 104: Percent with written job descriptions by funding profile, Indiana nonprofits with paid staff (n=1,025).



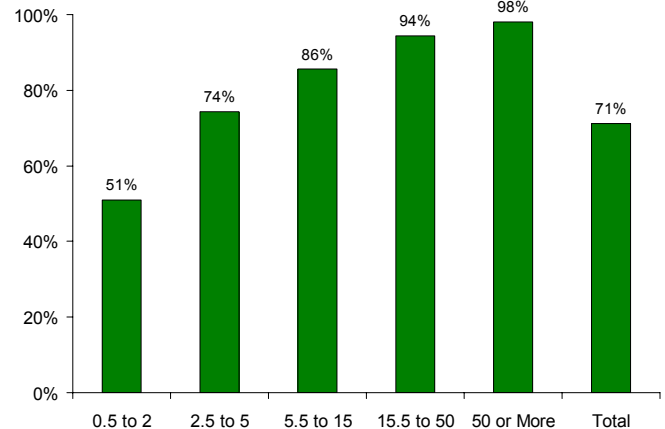
- Combined analysis - written job descriptions:** When considering all factors jointly so as to estimate which features best predict whether Indiana nonprofits make use of written job descriptions to manage relationships with paid staff, we find that a combination of funding profile, number of FTEs, and size, as well as nonprofit field (which was not significant on its own) are important.

- Controlling for all other factors, nonprofits in the arts, culture and humanities, public and societal benefit, and mutual benefit fields are *less likely* to have written job descriptions than human service nonprofits (the comparison base).
- Controlling for all other factors, nonprofits that depend mainly on government funding are *more likely* and those that rely mainly on special events or other revenues are *less likely* to have written job descriptions than those that depend on a mix of sources (the comparison base).
- Controlling for all other factors, nonprofits with 2 or fewer FTEs are *less likely* and those with at least 15 FTEs are *more likely* to have written job descriptions than those with 2.5 to 5 FTEs (the comparison base).
- Controlling for all other factors, nonprofits with revenues between \$100,000 and \$10 million are *more likely* than those with revenues of \$25,000 - \$99,999 to have written job descriptions.

Tool – written personnel policies: A written personnel policy typically details the basis of the employment relationship between the employee and the organization. Almost three-fourths (71 percent) of Indiana nonprofit organizations that have paid employees also have a written personnel policy. This varies by total revenues,¹⁷ number of FTEs, and funding profile.

- **FTE paid staff:** The relationship with size most likely reflects the higher number of employees that large revenues make possible. Nonprofits with more employees are more likely to find it necessary to formalize employment policies to insure equitable treatment and make the employment relationship more predictable. Indeed, the vast majority of nonprofits with 15 or more employees have written personnel policies, including virtually all those with 50 FTEs or more, compared to only 51 percent of those with two FTEs or less. See Figure 105.

Figure 105: Percent with written personnel policy by FTEs, Indiana nonprofits with paid staff (n=1,052).

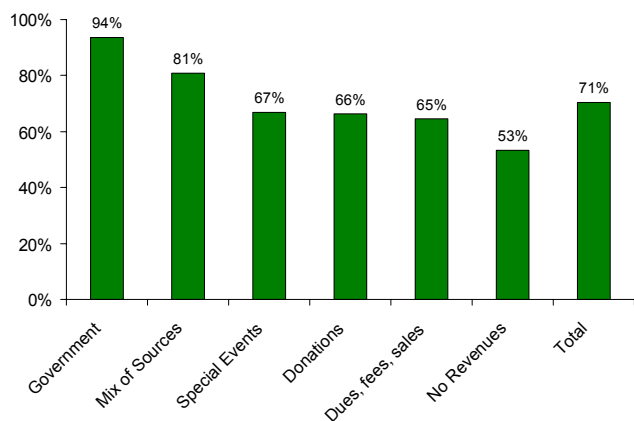


- Although nonprofits with larger staff are more likely to have written job descriptions and personnel policies than those with smaller staff, the underlying rationale differs. Larger staff sizes allow for employee specialization; therefore, job descriptions become important tools for defining the role of individual employees in the overall operation of the organization. At the same time, as organizations get larger, interactions between individuals tends to become more impersonal. Personnel policies establish the ground rules for how employees interact with each other.
- **Funding profile:** Virtually all (94 percent) nonprofits that rely on government for at least half of their revenues have written personnel policies, as do the vast majority (81 percent) of those that rely on a mix of sources, compared to about two-thirds of those that rely mainly on less staff intensive revenue sources, such as special events; donations; or dues, fees or sales. See Figure 106.
- **Combined analysis - written personnel policies.** When considering all factors jointly so as to examine which features best predict whether Indiana nonprofits make use of written personnel policies to manage relationships with paid staff, we find that a combination of funding profile and number of FTEs are important, as well as nonprofit field (which was not significant when analyzed separately).
 - Controlling for all other factors, arts, culture and humanities, education, public and societal benefit, and mutual benefit nonprofits are significantly *less likely* to have written personnel poli-

¹⁷ When controlling for all other variables, the proportion of organizations that have personnel policies does not vary by total revenues, therefore we do not analyze this relationship here.

cies than the control group (human service nonprofits).

Figure 106: Percent with written personnel policy by funding profile, Indiana nonprofits with paid staff (n=1,027).



- Controlling for all other factors, nonprofits that depend mainly on government funding are *more likely*, and those that depend mainly on special events are *less likely* to have written personnel policies than those that rely on a mix of sources (comparison base).
- Controlling for all other factors, nonprofits with 2 or fewer FTEs are *less likely* and those with 15.5 to 50 FTEs are *more likely* to have written personnel policies than those with 2.5 to 5 FTEs.

Volunteers: Volunteers are integral to Indiana nonprofits. They may be the only “staff” the organization has, or they may supplement or enhance the work of paid staff. But people who volunteer not only help nonprofits meet community needs or the needs of members. They become engaged in their communities. Because of their involvement they reap personal rewards and help create social capital – the networks and trust that communities and institutions need if they are to address challenges effectively.

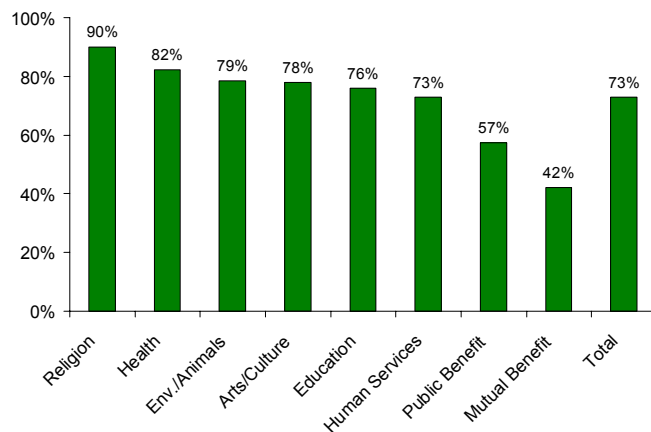
Most Indiana nonprofits use volunteers (other than board members), and while there is a wide range in number of volunteers used (none to over 140,000), many use a substantial number. In addition, most of those that use volunteers say they are essential or very important to the organization’s work.

Use of volunteers: Almost three-fourths (73 percent) of Indiana nonprofits say they use volunteers other than

board members. However, the use of volunteers varies by nonprofit field, size, funding profile, and age.

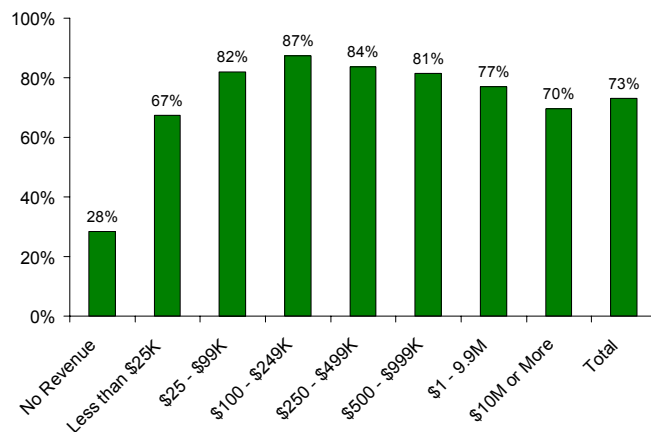
- **Nonprofit field:** The vast majority (90 percent) of religious nonprofits rely on volunteers, more than any other field. By contrast, volunteers are used by only two-fifths (42 percent) of mutual benefit and three-fifths (57 percent) of public and societal benefit nonprofits See Figure 107.

Figure 107: Percent using of volunteers during most recent fiscal year by nonprofit field, Indiana nonprofits (n=2,063).



- **Size:** Although a majority of nonprofits with any revenues use volunteers (other than board members), the pattern follows an inverted U-shape – very large and very small nonprofits are less likely to use volunteers than mid-sized ones. See Figure 108.

Figure 108: Percent using volunteers during most recent fiscal year by total revenues, Indiana nonprofits (n=1,641).



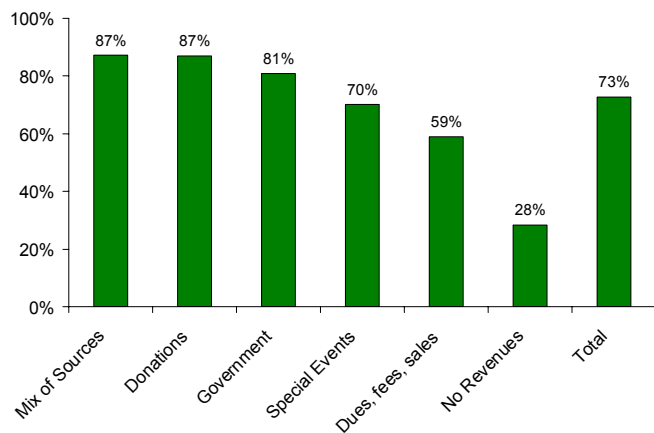
- The highest rate of using volunteers (87 percent) is found among nonprofits with revenues of

\$100,000 - \$ 249,999, and it is above 80 percent for those with revenues of \$25,000 - \$999,999.

- Given the high level of staffing implied by revenues in excess of \$1 million, it is not surprising that larger nonprofits are less likely to use volunteers (other than board members) less than smaller ones. Still, 70-77 percent do.
- It may seem surprising that the lowest incidence of using volunteers (28 percent) is found among nonprofits without revenues, since they do not have access to paid staff. However, most of these (67 percent) have their own board of directors and board members not only govern but may also provide all the services for many or most nonprofits without revenues.

- **Funding profile:** Nonprofits that rely mainly on donations or a mix of sources are more likely to use volunteers than those that rely mainly on dues, sales, and fees. See Figure 109.

Figure 109: Percent using volunteers during most recent fiscal year by funding profile, Indiana nonprofits (n=1,907).

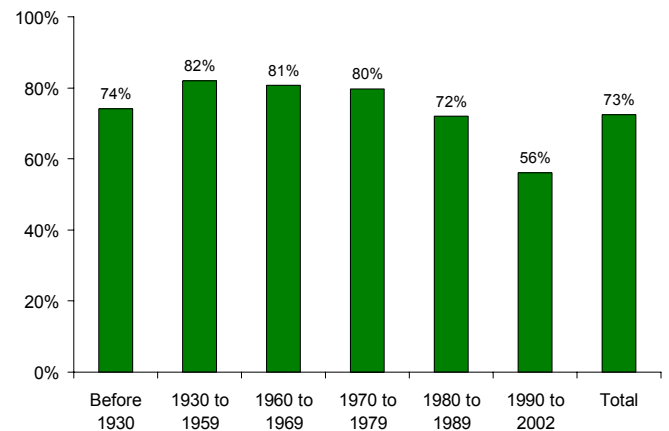


- The very high (87 percent) percent using volunteers among nonprofits that rely mainly on donations or on a mix of funding sources (which may include donations), most likely reflect the fact that many people who volunteer for a nonprofit also make financial gifts to it and that many nonprofits use volunteers to help raise funds.¹⁸

¹⁸ A survey of Indiana residents about their personal involvement with nonprofits found that helping with fund-raising was the most frequently mentioned type of volunteer work (by 28 percent). www.indiana.edu/~nonprof/results/pas.html.

- For the same reason, it is surprising that only 70 percent of nonprofits that rely mainly on special events say they use volunteers. However, many of these nonprofits are very small and the events may be small enough in scale that board members can manage them.
- It is noteworthy that fully 81 percent of nonprofits that rely mainly on government funding use volunteers, suggesting that receipt of government funds doesn't crowd out voluntary efforts.
- **Age:** While we find statistically significant differences in the use of volunteers by year of establishment, the pattern is not very pronounced. It follows an inverted U-shape with the youngest and oldest nonprofits less likely to use volunteers than those established in the intervening period. See Figure 110.

Figure 110: Percent using volunteers during most recent fiscal year by age, Indiana nonprofits (n=1,919).



- Only 56 percent of nonprofits established after 1990 use volunteers, compared to 72 percent of those founded in the 1980s and over 80 percent of those founded during the previous 50 years (1930-1979). These young nonprofits are also the least likely to have paid staff and may rely on a committed group of founders or board members to do the work of the organization.

Number of volunteers: Indiana nonprofits use many volunteers – an average of almost 200 volunteers over the course of the year for those that use volunteers (excluding board members). However, half use 30 or less, reflecting the fact that a few nonprofits (mainly larger and older ones) use a very large number of volunteers. Overall, almost a quarter (23 percent) use 100 or more volun-

teers during the year and more than four tenths (44 percent) use 40 or more, but 28 percent use less than 15. These patterns vary by nonprofit field, size, funding mix and age.

- **Nonprofit field:** On average, public and societal benefit nonprofits have the highest average number of volunteers (517) followed by human service nonprofits (228), more than twice as many as the average for mutual benefit, arts, culture, and humanities, and religion nonprofits (excluding board members). See column 1 of Table 2.

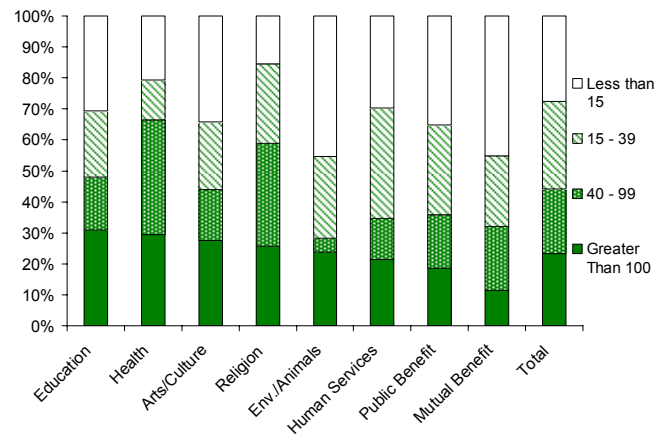
Table 2: Mean and median number of volunteers by nonprofit field, Indiana nonprofits with volunteers (n=1,168).

Nonprofit Field	Number of Volunteers	
	Average	Median
Public and societal benefit	517	20
Human services	228	28
Environment and animals	123	20
Health	121	47
Education	117	27
Mutual benefit	97	16
Arts, culture and humanities	96	30
Religion and spiritual development	94	50
Total	198	30

- However, the median values are much lower than the average (see column 2 of Table 2), especially for public and societal and human service nonprofits, indicating that while a few nonprofits in these fields use a very large number of volunteers, that the majority use relatively few. The gap between mean and median values is smallest for religion nonprofits (mean of 94, median of 50), suggesting that religion nonprofits vary much less in the number of volunteers they use. Overall, religion and health nonprofits have the highest median number of volunteers (50 and 47 respectively), while mutual benefit nonprofits have the lowest (16).
- Because the average and median values obscure finer details, we look at the percent of nonprofits in each field that use a given number of volunteers. Excluding board members, education and health nonprofits are most likely to use 100 or more volunteers (31 and 29 percent respectively), but two-thirds (66 percent) of health nonprofits use 40 or more volunteers (as do 59 percent of religion nonprofits), compared to only 48

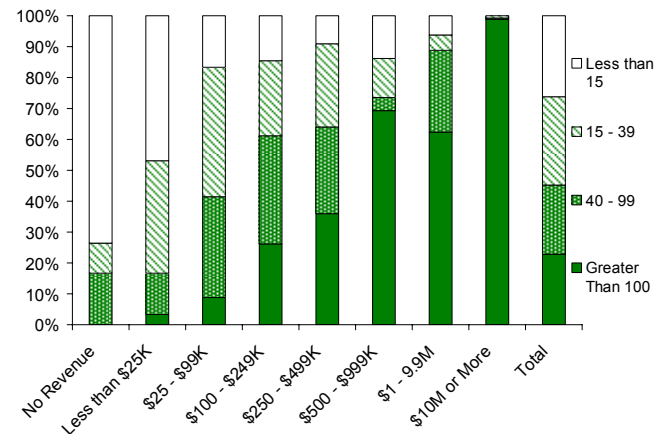
percent of education nonprofits. Only 28 percent of environment and animal protection and 32 percent of mutual benefit nonprofits used this many volunteers. See Figure 111.

Figure 111: Number of volunteers by nonprofit field, Indiana nonprofits with volunteers (n=1,168)



- **Size:** In general, the larger the nonprofit, the more volunteers they use. See Figure 112.

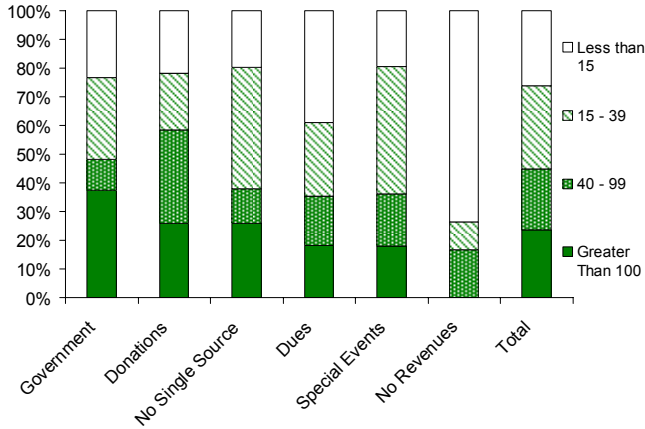
Figure 112: Number of volunteers by total revenues, Indiana nonprofits (n=973)



- Nonprofits with no revenues are most likely (74 percent) to use very few (less than 15) volunteers (other than board members), suggesting that they are particularly dependent on a small group of committed volunteers and board members to accomplish the work of the organization
- **Funding profile:** Nonprofits that rely mainly on government funding have the highest rate (37 percent) of using 100 or more volunteers, compared to only

18 percent of those that rely mainly on dues, sales, and fees or on special events. See Figure 113.

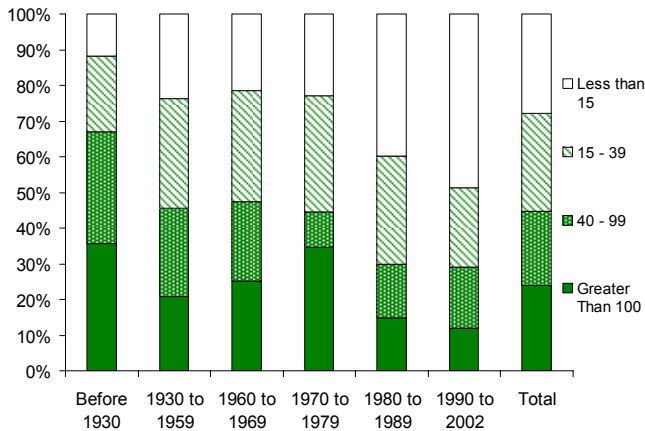
Figure 114: Number of volunteers by primary source of funding, Indiana nonprofits (n=1,101)



As expected, nonprofits that rely on donations for more than half of their revenues have the highest percent (59 percent) using many volunteers (40 or more).

- **Age:** In general, older nonprofits use more volunteers than younger ones, although the patterns are neither very distinct nor easy to interpret. See Figure 115.

Figure 115: Number of volunteers by age category, Indiana nonprofits (n=1,106)

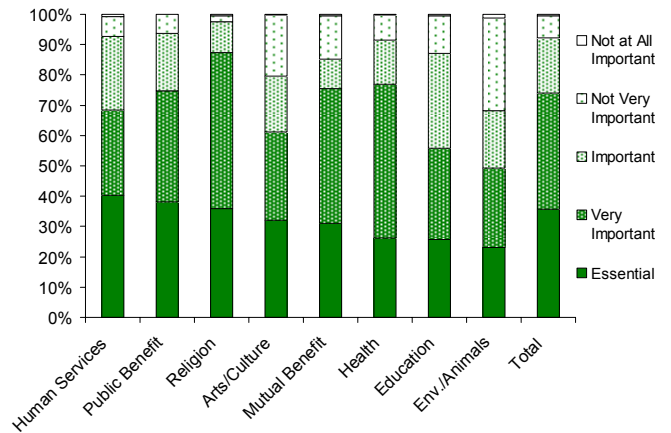


Very old nonprofits, those founded before 1930, have the highest rate (36 percent) of using many (100 or more) volunteers, while those founded since 1990 have the highest rate (49 percent) of using very few (under 15) volunteers.

Importance of volunteers: On average, the vast majority (74 percent) of nonprofits that use volunteers consider them be either very important (38 percent) or essential (36 percent) to the work of the organization. Another one-fifth (18 percent) consider volunteers important while only a small minority (8 percent) report that volunteers are not at all or not very important to the work of their organization.¹⁹ These patterns vary by nonprofit field, size, and funding profile, but not age.

- **Nonprofit field:** Volunteers play an important or essential role for half or more of nonprofits in each major field. See Figure 116.

Figure 116: Importance of volunteers by nonprofit field, Indiana nonprofits (n=1,513)

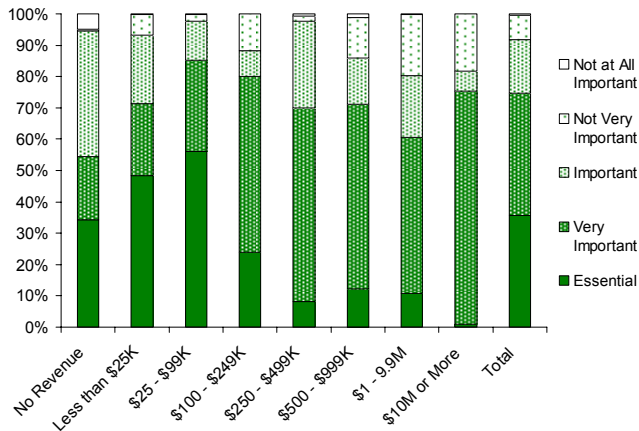


- Although human service nonprofits are most likely to say that volunteers are essential (40 percent), volunteers are particularly important to religious nonprofits: 88 percent say volunteers are either very important or essential.
- Volunteers appear to be least important for environment and animal protection nonprofits. One third (32 percent) of these organizations considered volunteers not at all or not very important as do 20 percent of arts, culture, and humanities nonprofits.

¹⁹ “Essential” here means that the organization relies entirely on volunteers to carry out its mission, while “very important” means that the organization depends on volunteers for a wide range of tasks, but not all. “Important” means that the organization depends on them for several key tasks, “not very important” means that volunteers are used for only non-essential tasks, and “not at all important” means that the mission could be achieved without using volunteers.

- **Size:** Volunteers play a much more important role for smaller nonprofits than for larger ones, reflecting their different capacities (or choices) to employ paid staff. See Figure 117.

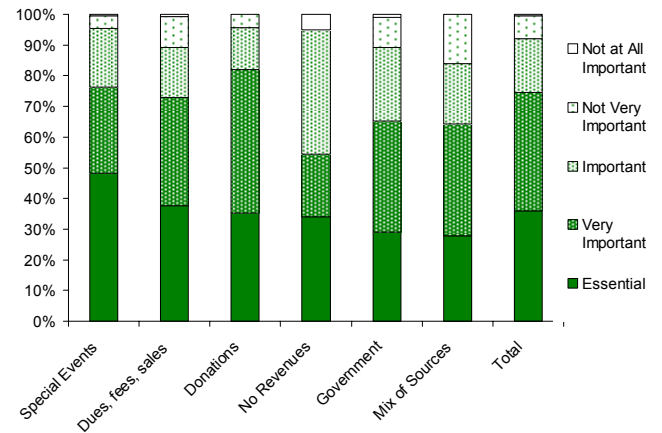
Figure 117: Importance of volunteers by revenue category, Indiana nonprofits (n=1,216)



- Nonprofits with less than \$100,000 in annual revenues are notably more likely (34-56 percent) to say that volunteers are essential to their organization than larger ones (1-24 percent).
- While a clear majority (61-74 percent) of larger nonprofits (revenues of \$1 million or more) say that volunteers are very important or essential, these larger nonprofits have the highest proportion (18-20 percent) that say volunteers are not very or not at all important.
- **Funding profile:** Nonprofits that rely mainly on special events or on donations depend more heavily on volunteers than those that rely primarily on government or dues, sales or fees. See Figure 118.

- Volunteers appear to be especially important for nonprofits that rely mainly on special events – almost half (48 percent) say that volunteers are essential to their organization.²⁰ This is as we expected since volunteers are particularly well suited to take on the episodic, but highly intensive work involved in organizing special events.

Figure 118: Importance of volunteers by funding mix, Indiana nonprofits (n=1,409)



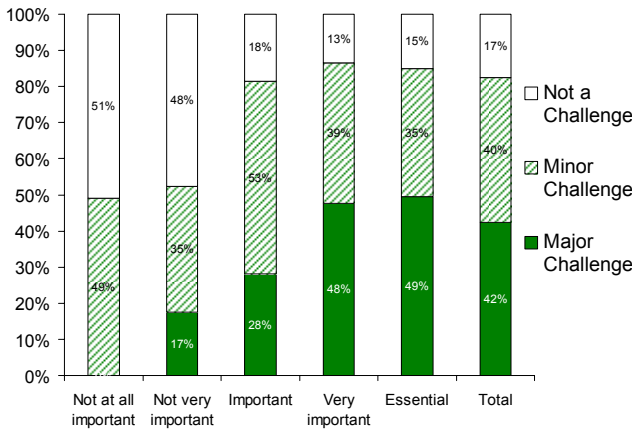
- Volunteers appear to be least important to nonprofits that depend mainly on government funding or on a mix of sources; 29 and 28 percent respectively say that volunteers are essential to their organization vs. 36 percent overall. These nonprofits are also the most likely to say that volunteers are not very or at all important (11 and 16 percent respectively). This may be because the technical expertise to manage government or multiple sources of revenues is more likely to reside in paid staff than with volunteers, or that the larger scale of operation that government funding makes possible cannot be maintained with volunteers.

Challenges in recruiting and keeping qualified volunteers. Given the important role that volunteers play for most nonprofits, it is not surprising that four-fifths (80 percent) of those that use volunteers say recruiting and keeping qualified and reliable volunteers is at least a minor challenge. Only 16 percent do not consider it a challenge at all. These patterns vary by how important volunteers are, nonprofit field, size, and funding profile, but not by age.

- **Role of volunteers:** Nonprofits for whom volunteers are very important or essential to their operations are much more likely (48-49 percent) to say that recruiting and retaining volunteers is a major challenge than those for whom volunteers are important (28 percent) or not very important (18 percent). However, even among those for whom volunteers are not at all or not very important about half (49-52 percent) still say recruiting and retaining them is at least a minor challenge. See Figure 119.

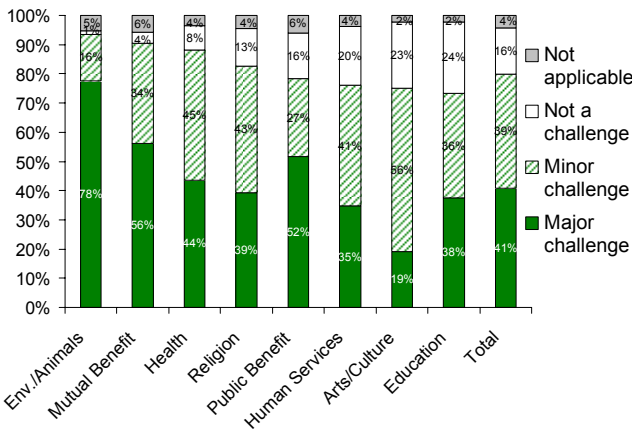
²⁰ This is only for those that use volunteers – we reported earlier that only 70 percent of these types of nonprofits do (fewer than for nonprofits with other types of funding profiles).

Figure 119: Percent saying recruiting and retaining qualified volunteers is a challenge by role of volunteers, Indiana nonprofits that use volunteers (n=1,360)



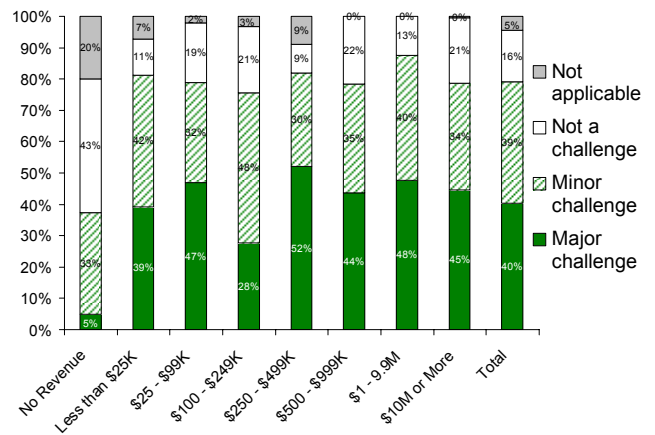
- **Nonprofit field:** Environment and animal protection nonprofits are the most likely (78 percent) to consider recruiting and retaining volunteers to be a major challenge, followed by mutual benefit nonprofits (56 percent), compared to only 19 percent of arts, culture and humanities nonprofits. See Figure 120.

Figure 120: Percent saying recruiting and retaining qualified volunteers is a challenge by nonprofit field, Indiana nonprofits that use volunteers (n=1,482)



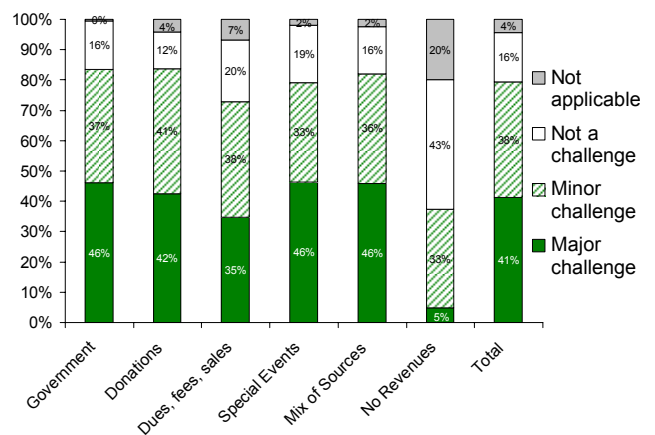
- **Size:** Almost across the board regardless of size, about 80 percent of nonprofits say that recruiting and retaining volunteers is at least a minor challenge. However, less than two-fifths (38 percent) of those with no revenue say that this is either a major (5 percent) or minor challenge (33 percent). Also, those with revenues of \$100,000 - \$249,999 are somewhat less likely to consider it a major challenge (28 percent) than those with other levels of revenues. See Figure 121.

Figure 121: Percent saying recruiting and retaining qualified volunteers is a challenge by total revenues, Indiana nonprofits that use volunteers (n=1,204)



- **Funding profile:** There are only marginal differences in the level of challenge nonprofits face in recruiting and retaining qualified volunteers by funding profile. In addition to the very low level of challenges faced by nonprofits without revenues, those that rely mainly on dues, fees, and sales are also somewhat less likely to say this is a major challenge (35 percent vs. 41 percent overall). See Figure 122.

Figure 122: Percent saying recruiting and retaining qualified volunteers is a challenge by funding profile, Indiana nonprofits that use volunteers (n=1,394)



- **Combined analysis – major challenge in recruiting and retaining qualified volunteers.** When considering all factors jointly so as to predict which features best predict whether Indiana nonprofits face a major challenge in recruiting and retaining qualified volunteers, we find that a combination of nonprofit field, size, and funding profile is important.

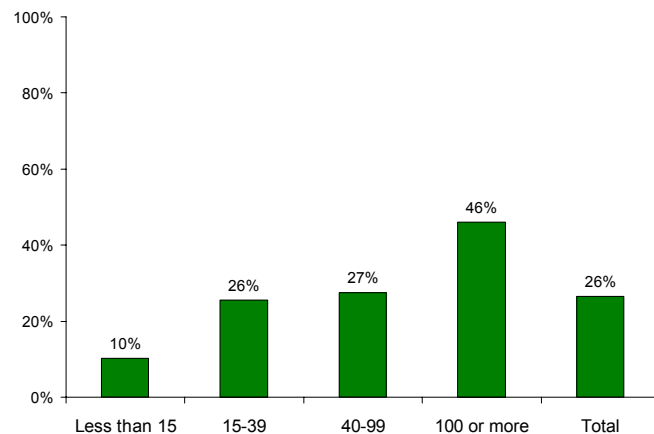
- Controlling for all other factors, nonprofits in the environment and animals field are *more likely* to face a major challenge in recruiting and retaining qualified volunteers than the comparison base (human service nonprofits).
- Controlling for all other factors, nonprofits without revenues are *less likely* to report facing a major challenge in recruiting and retaining qualified volunteers, than the comparison base (\$25,000 to \$100,000 in total revenues).
- Controlling for all other factors, nonprofits that depend on dues, fees, or sales for more than half of their revenues are *less likely* to say recruiting and retaining qualified volunteers is a major challenge than those that depend on a mix of sources (the comparison base).

Tools for managing volunteers. Despite their heavy reliance on volunteers, the great majority of Indiana nonprofits have no formal volunteer recruitment or training programs. This holds even though we only consider those that use volunteers.

Tool: Formal volunteer recruitment program: Only 23 percent of Indiana nonprofits that use volunteers have any formal programs in place to actively recruit volunteers into their organizations. And although those for whom recruiting and retaining qualified volunteers is a major challenge are more likely to have formal volunteer recruitment programs than those for whom this is only a minor or no a challenge at all, these differences do not quite reach statistical significance. Nor does having such programs vary by the importance of volunteers, field of activity or funding source, but only by size,²¹ number of volunteers, and age.

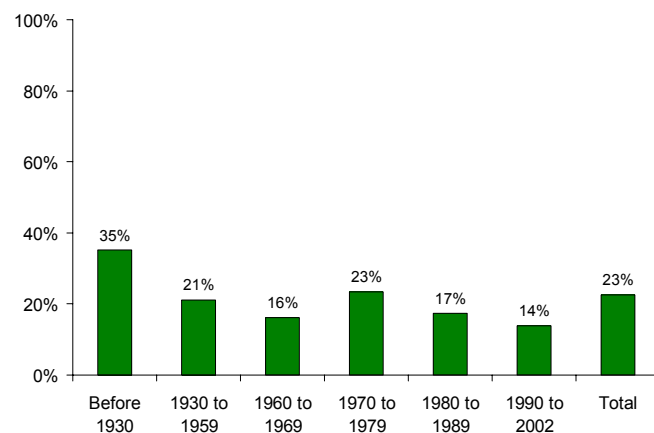
- **Number of volunteers:** Larger nonprofits are more likely to use more volunteers (see Figure 112 above), and as the number of volunteers increase, nonprofits are more likely to recognize the need for formal volunteer recruitment programs and to implement them. That is indeed the case. See Figure 123.

Figure 123: Percent with formal volunteer recruitment program by number of volunteers, Indiana nonprofits that use volunteers (n=1,122)



- **Age:** We find that older organizations are more likely to say they have a formal volunteer recruitment program than newer organizations, although the pattern is not very pronounced. We don't know whether that is because older nonprofits have had more time to recognize the importance of and implement formal volunteer recruitment programs or whether having such programs help nonprofits survive. See Figure 124.

Figure 124: Percent with formal volunteer recruitment program by age, Indiana nonprofits that use volunteers (n=1,416)



- **Combined analysis – formal volunteer recruitment program.** When considering all factors jointly so as to examine which features best predict whether Indiana nonprofits have formal volunteer recruitment programs, we find that a combination of age and funding profile, but not size, is important.

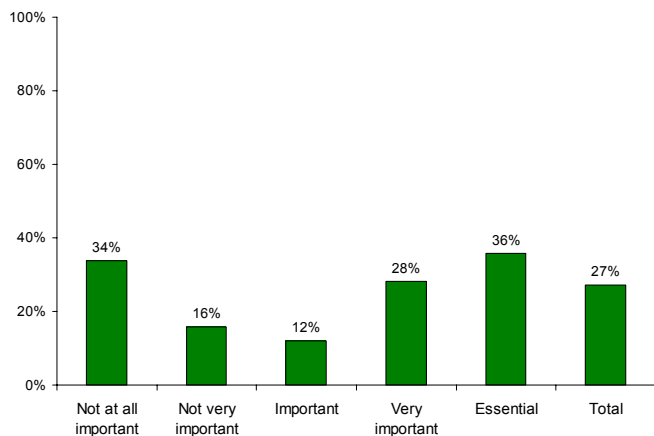
²¹ When controlling for all other factors, the percent of nonprofits that have a formal volunteer recruitment program does not vary by total revenues, therefore we do not analyze this relationship here.

- Controlling for all other factors, nonprofits founded after 1960 are *less likely* than those founded before 1930 to have a formal volunteer recruitment program.
- Nonprofits that depend on donations or on dues, fees and sales for more than half of their revenues are *less likely* than those that rely on a mix of funding sources to have a formal volunteer recruitment program.

Tool: Formal volunteer training program: Just as relatively few Indiana nonprofits that use volunteers have formal volunteer recruitment programs, only a quarter (27 percent) have formal volunteer training programs (often the same organizations), suggesting that most rely on informal training of new volunteers by existing volunteers and/or staff. This varies by how important volunteers are to the organization, whether volunteer recruitment and retention is a challenge, and by nonprofit field, size, and funding profile, but not age.

- **Role of volunteers:** Nonprofits for whom volunteers are essential or very important are more likely to have formal volunteer training programs than those for whom volunteers are important or not very important. However, 34 percent of those for whom volunteers are not at all important have a formal volunteer training program, most likely because the latter tend to be larger nonprofits with the capacity to implement such programs. See Figure 125.

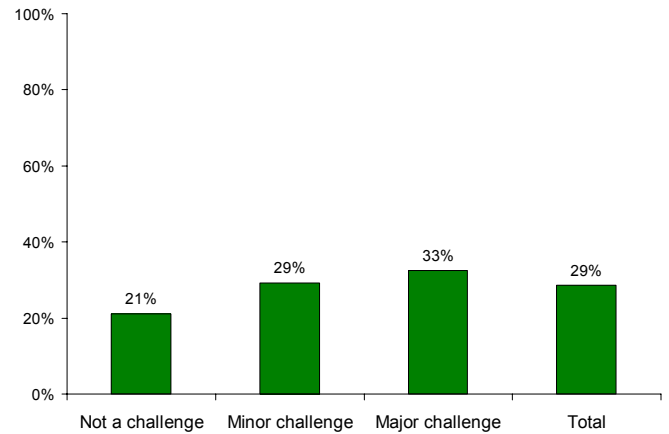
Figure 125: Percent with formal volunteer training program by importance of volunteers, Indiana nonprofits that use volunteers (n=1,439)



- **Challenge recruiting and retaining volunteers:** Nonprofits for whom recruiting and retaining qualified

volunteers is a major challenge are more likely to have formal volunteer training programs than those for whom this is only a minor or no challenge at all. Still two-thirds of those for whom volunteer recruiting and training is a major challenge have no formal volunteer training programs. See Figure 126.

Figure 126: Percent with formal volunteer training program by challenge in recruiting and retaining volunteers, Indiana nonprofits that use volunteers (n=1,601)



- We find that nonprofit field, size, number of volunteers,²² and funding profile are each related to whether an organization has a formal volunteer training program.
- **Nonprofit field:** Nonprofits in the health and environment and animal protection fields are notably more likely (52 and 45 percent respectively) to have formal volunteer recruitment programs than nonprofits in the mutual benefit, human service, and religion fields (31-29 percent), and especially those in the education or arts, culture and humanities fields (12 and 16 percent respectively). See Figure 127.
- **Funding profile:** Surprisingly, nonprofits that rely on government (48 percent) or on a mix of funding sources (39 percent) are more likely to say they have a formal volunteer training program. We speculate that these nonprofits are more likely to have both the size and management capacity to institute such programs. See Figure 128.

²² When controlling for all other variables, the proportion of organizations that have a formal volunteer training program does not vary by field, size, or number of volunteers, therefore we do not analyze the size and number of volunteers relationships here.

Figure 127: Percent with formal volunteer training program by nonprofit field, Indiana nonprofits that use volunteers (n=1,493)

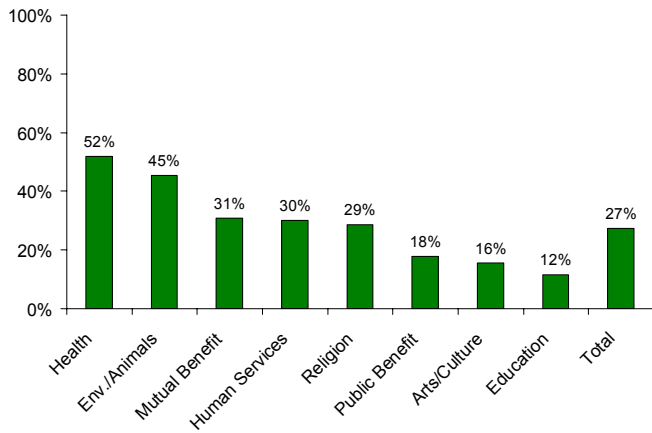
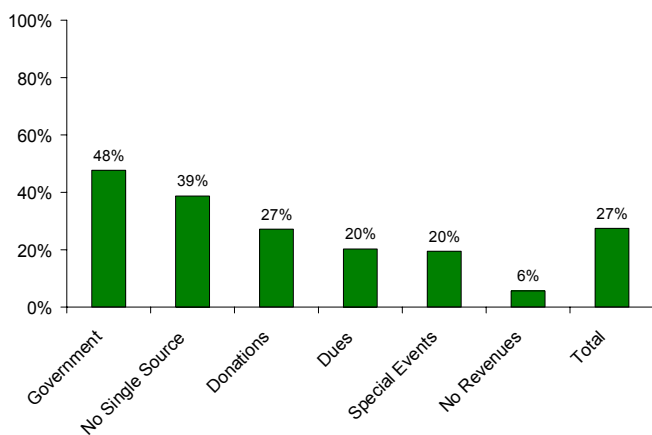


Figure 128: Percent with formal volunteer recruitment program by major funding source, Indiana nonprofits that use volunteers (n=1,406)



- **Combined analysis – formal volunteer training program.** When considering all factors jointly so as to estimate which features best predict whether Indiana nonprofits have formal volunteer training programs, we find that only funding profile remains important.
 - Nonprofits that depend mainly on donations, on dues, fees or sales, or on special events are *less likely* that those that depend on a mix of sources to have a formal volunteer training program.

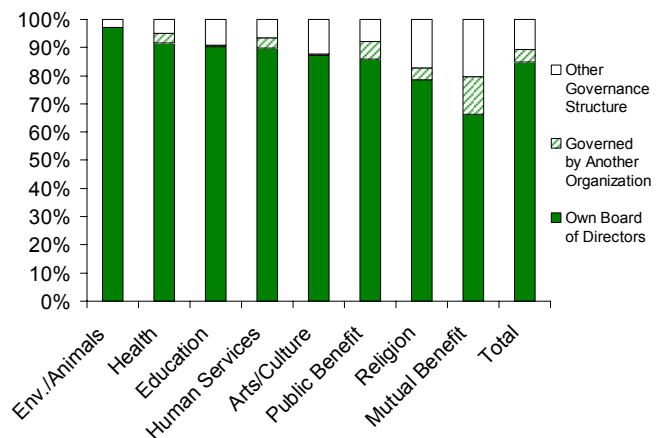
Boards of Directors: Like nonprofits everywhere, Indiana nonprofits are particularly dependent on a special type of volunteer – those that serve on boards of directors and carry fiduciary and legal responsibilities for the organization. The vast majority of Indiana nonprofits have their own board of directors but most boards are

small. Many boards use committees or establish special task forces to carry out their work.

Type of governance. Overall, 85 percent of Indiana nonprofits have their own board of directors. One tenth (11 percent) have some other governance structure while the rest (4 percent) is governed by another organization. These patterns vary by nonprofit field, size, funding profile, and age.

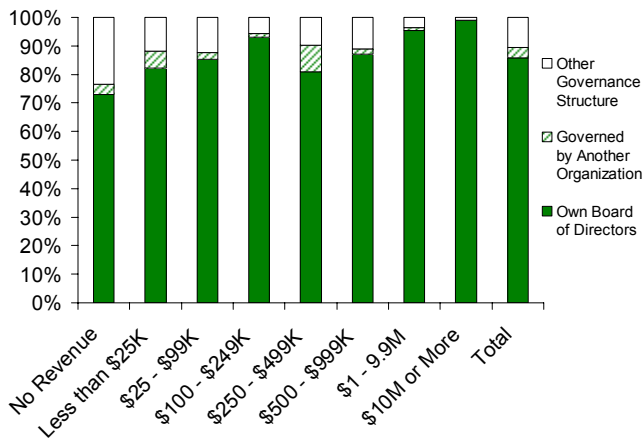
- **Nonprofit field:** Almost all (97 percent) of environment and animal protection nonprofits have their own board of directors, followed by 92 percent of health nonprofit. Mutual benefit nonprofits are least likely (67 percent) to have a board of directors and most likely to be governed by another organization (13 percent) or have some other governance structure (20 percent). See Figure 129.

Figure 129: Governance structure used by major field, Indiana nonprofits (n=2,064)



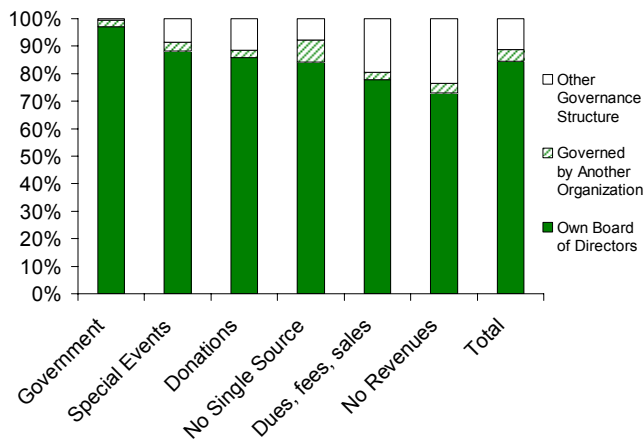
- **Size:** We notice two stair-step patterns when examining the relationship between organizational size and type of governance structure. In the first stair-step, the percent of nonprofits with their own board of directors increases from 73 percent for those with no revenues to 93 percent for those with \$100,000 - \$249,999. In the second stair-step, the percent of nonprofits with their own board of directors increases from 81 percent for organizations with between \$250,000 and \$499,999 to 99 percent for those with \$10 Million or more in annual revenue. See Figure 130.

Figure 130: Governance structure used by organizational size, Indiana nonprofits (n=1,648)



Funding profile: Organizations that rely on government sources for more than half of their revenue are the most likely to have their own board of directors (97 percent). Organizations that rely on dues, fees, or sales for more than half of their revenue (78 percent) and those with no revenue (73 percent) are the least likely to have their own board of directors. See Figure 131.

Figure 131: Governance structure used by funding profile, Indiana nonprofits (n=1,912)

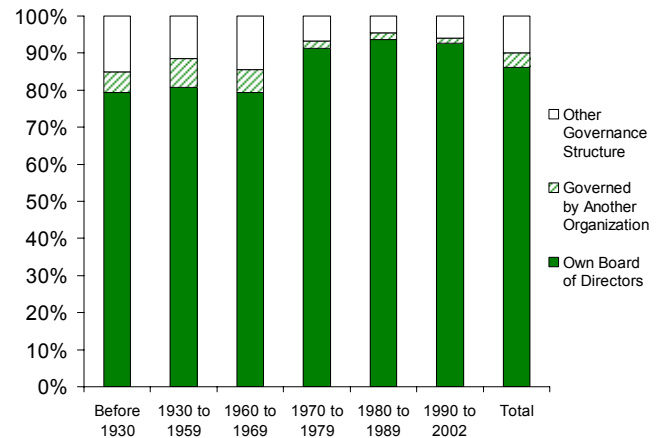


- **Age:** Older organizations (those founded prior to 1970) are more likely than younger organizations to have some other governance structure. Younger organizations (those founded since 1970) are more likely than older organizations to have their own board of directors. See Figure 132.

Size of board. Most nonprofits with boards have relatively few members – over half (53 percent) have no more than 9 members (including 15 percent with no more than 4 members) and three-quarters (76 percent)

have less than 15 members.²³ Another fifth (19 percent) have between 15 and 29 members and only 4 percent have 30 members or more. The size of boards varies by nonprofit field, size, funding profile, and age.

Figure 132: Governance structure used by age, Indiana nonprofits (n=1,922)



- **Nonprofit field:** Boards of mutual benefit nonprofits are disproportionately small (71 percent of those with boards have less than 10 members) followed by 62 percent of environment and animal protection nonprofits. Health and arts, culture, and humanities nonprofits tend to have larger boards (about 47 and 40 percent, respectively, have 15 members or more). See Figure 133.
- **Size:** In general, the larger the organization the greater the number of board members. Organizations with more than \$10 Million in annual revenues are the most likely (29 percent) to have extremely large board (greater than 30 members). Organizations with \$250,000 to \$499,999 are the most likely (52 percent) to have between 15 and 29 board members, while organizations with no revenues are the most likely (41 percent) to have the fewest number of board members (1 - 4 members). See Figure 134.
- **Funding profile:** Organizations that rely on government sources for more than half of their revenues are the most likely to have a large number (15 or greater) of board members (47 percent). Other than

²³ We compute the total number of board members by adding the number of existing board members plus the number of vacant board positions. In cases where respondents only provided information on the number of existing board members, we assumed that the number of vacant positions was zero.

those with no revenues (74 percent) organizations that rely on dues, fees, or sales for more than half of their revenues (61 percent) are the most likely to have 9 or fewer board members. See Figure 135.

Figure 133: Size of Board of Directors by major field, Indiana nonprofits (n=1,669)

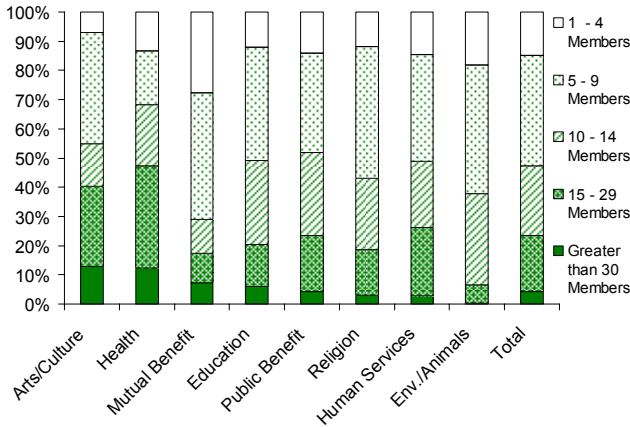
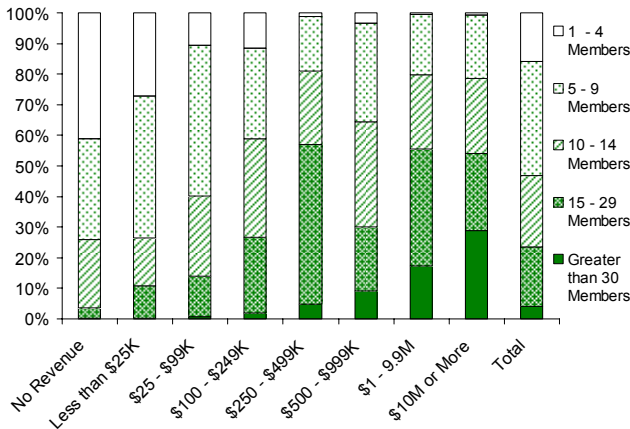


Figure 134: Size of Board of Directors by total revenue, Indiana nonprofits (n=1,354)



- **Age:** Older organizations are likely to have larger numbers of board members than younger organizations. See Figure 136.

Board committee structure: Almost three quarters (72 percent) of existing boards use some form of committee structure to carry out their work, including on-going committees (54 percent) or committees or task forces for short-term tasks (18 percent). These features vary by size of board, nonprofit field, size, funding profile, and age.

- **Size of board:** As we might expect, using committees to carry out the work of the organization varies

greatly depending on the size of the board of directors. Almost all nonprofits with large boards (30 or more board members) use committees to carry out some or all work (92 percent), while only 25 percent of nonprofits with very small boards (1 to 4 members) do so. See Figure 137.

Figure 135: Size of Board of Directors by funding profile, Indiana nonprofits (n=1,553)

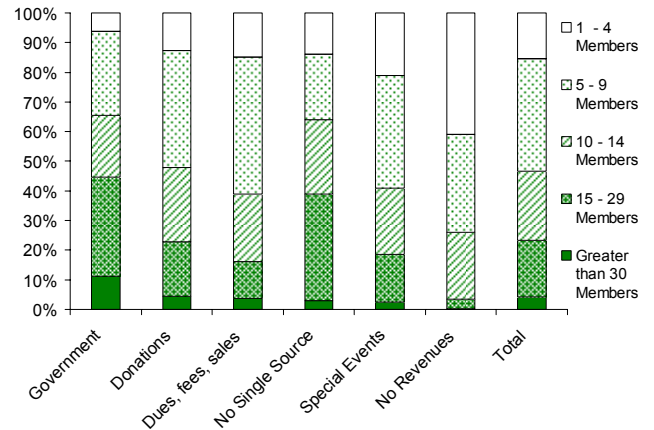
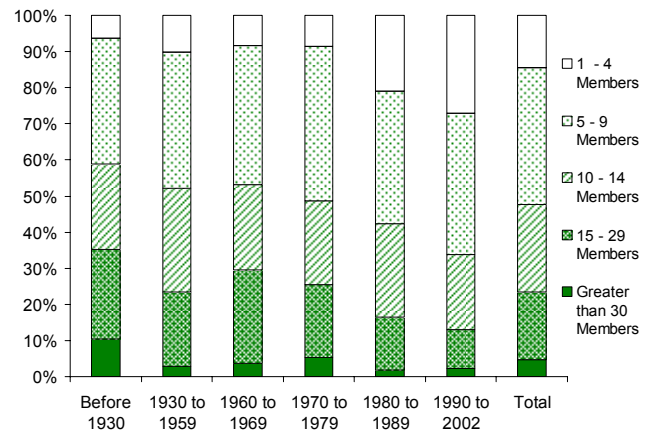


Figure 136: Size of Board of Directors by age, Indiana nonprofits (n=1,566)



- **Nonprofit field:** The use of committees or task forces is particularly prevalent among health (85 percent) and public and societal benefit nonprofits (80 percent), compared to only 57 percent of mutual benefit and 41 percent of environment and animal protection nonprofits. See Figure 138.

Figure 137: Use of committees to carry out work by size of Board of Directors, Indiana nonprofits (n=1,621)

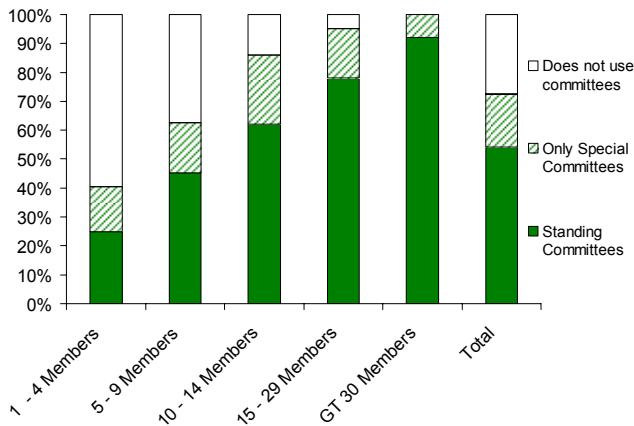
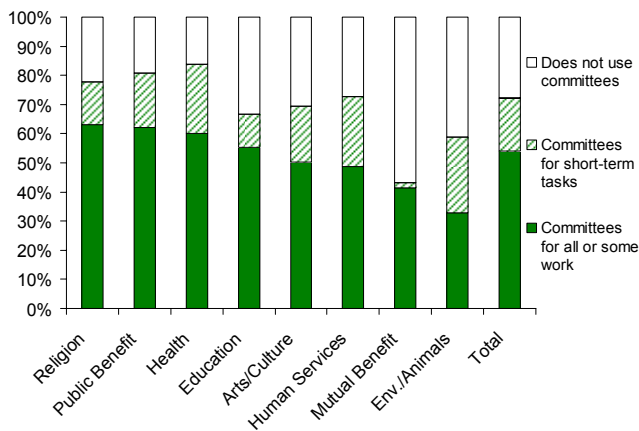


Figure 138: Percent using committee structures by major field, Indiana nonprofits (n=1,650)



- **Size:** Given the complexities of leading large organizations, it is not surprising that, in general, the larger the organization the more likely it is to use some form of committees for at least some of the work of the board. The largest organizations (\$10 million or greater) are the most likely to have committees for all or some of their work (81 percent). At the other extreme, the smallest organizations (those with no revenues) are the most likely to have no committees (62 percent). See Figure 139.
- **Funding profile:** Organizations that rely on donations or special events for more than half of their revenues are the most likely to use committees for all or some of the work of the board (60 percent and 59 percent, respectively). Other than those with no revenues, only organizations that rely on no single source for more than half of their revenues are more likely not to use committees (44 percent) than to use

committees for all or some of their work (36 percent). See Figure 140.

Figure 139: Percent using committee structures by total revenue, Indiana nonprofits (n=1,332)

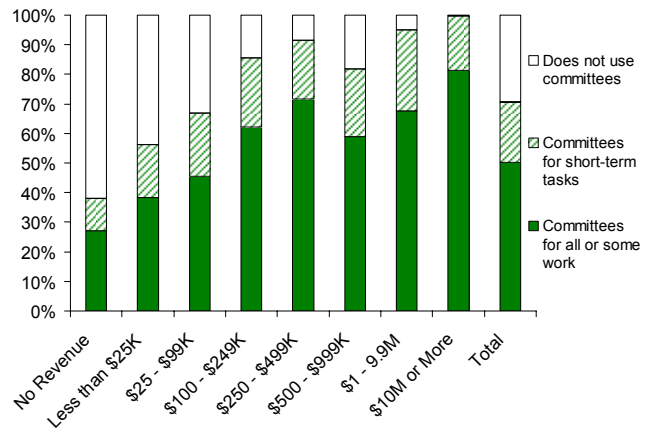
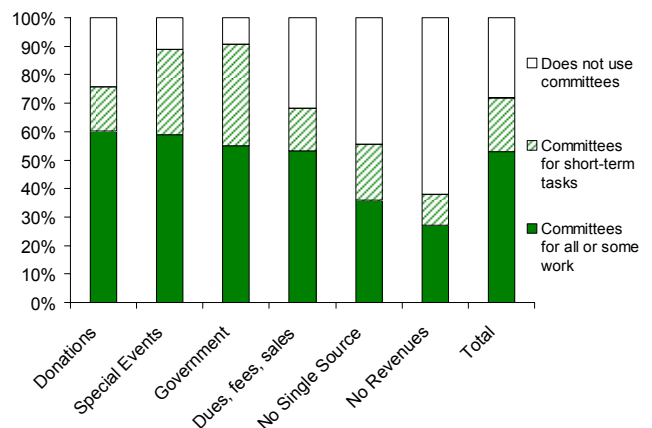


Figure 140: Percent using committee structures by funding profile, Indiana nonprofits (n=1,533)



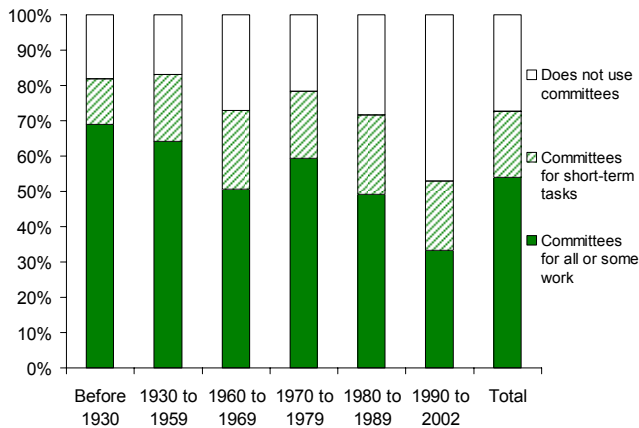
- **Age:** In general, older organizations are more likely than younger organizations to use committees for at least some of the work of the board. See Figure 141.

Challenges in managing boards of directors. Because nonprofit boards of directors have fiduciary and legal responsibilities for the organizations they serve, board-related issues are relevant to most of the other financial, staff, volunteer, and program related challenges we examine in this report. Here we focus on whether nonprofits face challenges in recruiting and retaining qualified board members and in managing board staff relations.

Challenge: Recruiting and retaining qualified board members: Almost two-thirds (62 percent) of Indiana nonprofits with their own board of directors face either a

major (28 percent) or minor challenge (34 percent) in recruiting and retaining qualified board members. This is, however, fewer than say they face corresponding levels of challenges in recruiting non-board volunteers (41 percent a major challenge, 38 percent a minor challenge). These patterns vary by nonprofit field, size, funding profile, and age.

Figure 141: Percent using committee structures by age, Indiana nonprofits (n=1,548)



- **Nonprofit field:** Environment and animal protection and health nonprofits are the most likely to consider board member recruitment and retention to be a major challenge (51 and 46 percent respectively) and 82 percent of health nonprofits say it is at least a minor challenge. Only 6 percent of mutual benefit nonprofits say it is a major challenge and almost half (48 percent) say that recruiting and retaining board members does not apply to them or is not a challenge. See Figure 142.

- **Size:** Recruiting and retaining qualified board members is at least a minor challenge for at least 60 percent of Indiana nonprofits, regardless of size except for those with no revenues (44 percent) and revenues of \$500,000 - \$999,999 (50 percent). The percent increases to 73-74 percent for those with revenues of \$1 million or more, suggesting that larger nonprofits find it at least as difficult to recruit and retain board members as smaller ones. See 143.

- Mid-sized nonprofits (revenues of \$250,000 – \$499,999) are most likely (41 percent) to say that recruiting and retaining board members is a major challenge, while the next larger category (revenues of \$500,000 - \$999,999) is the least

likely to do so (21 percent), except for those with no revenues at all (14 percent).

Figure 142: Percent saying recruiting and retaining Board members is a challenge by nonprofit field, Indiana nonprofits (n=1,579)

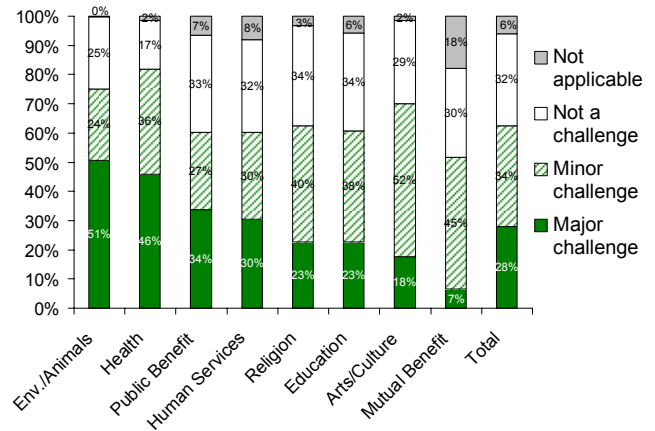
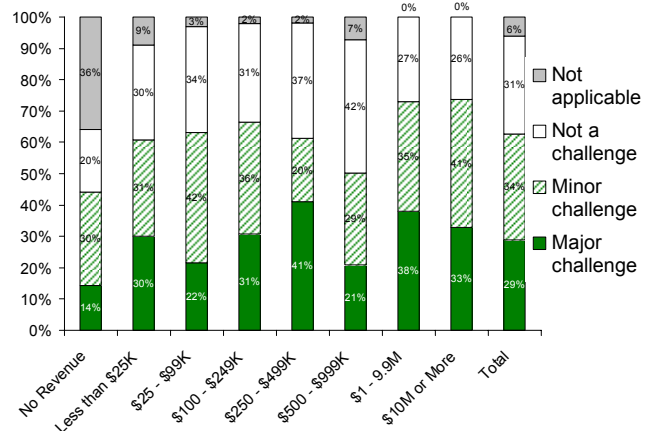


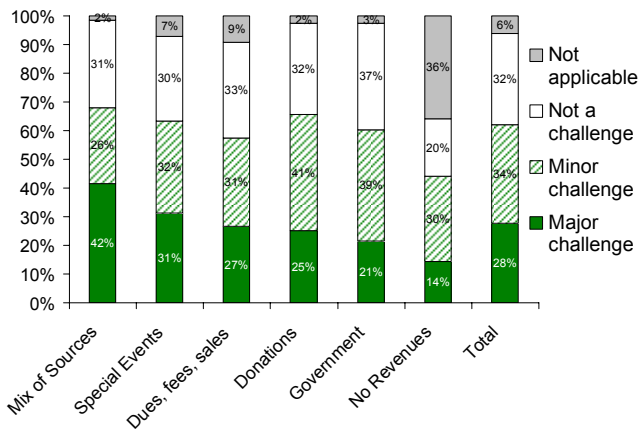
Figure 143: Percent with challenges in recruiting and retaining board members by total revenues, Indiana nonprofits (n=1,298)



- **Funding profile:** About two-thirds of nonprofits that rely mainly on donations (66 percent), special events (63 percent), or a mix of funding sources (which usually includes donations, 68 percent) say they face at least minor challenges in recruiting and retaining qualified board members. Nonprofits that rely on these types of revenues are likely to need board members that can play an active role in generating revenues, something many board members are not comfortable doing. See Figure 144.

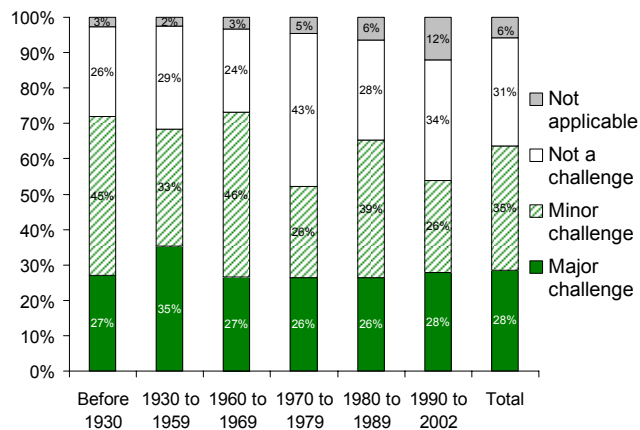
- Nonprofits that rely on a mix of funding sources are the most likely (42 percent) to say it is a major challenge to recruit and retain qualified board members.

Figure 144: Percent with challenges in recruiting and retaining board members by funding source, Indiana nonprofits (n=1,489)



- Nonprofits that rely on government for more than half of their revenues are the least likely (21 percent) to say recruiting and retaining qualified board members is a major challenge and the most likely (37 percent) to say it presents no challenge.
- Age:** Younger nonprofits are less likely than older ones to say they face a challenge in recruiting and retaining qualified board members, although the patterns are not pronounced. This is somewhat surprising, since we would expect older nonprofits to have developed more extensive networks from which to recruit board members. See Figure 145.

Figure 145: Percent with challenges in recruiting and retaining board members by age, Indiana nonprofits (n=1,492)



- Combined analysis – major challenge in recruiting and retaining qualified board members.** When considering all factors jointly so as to predict which fea-

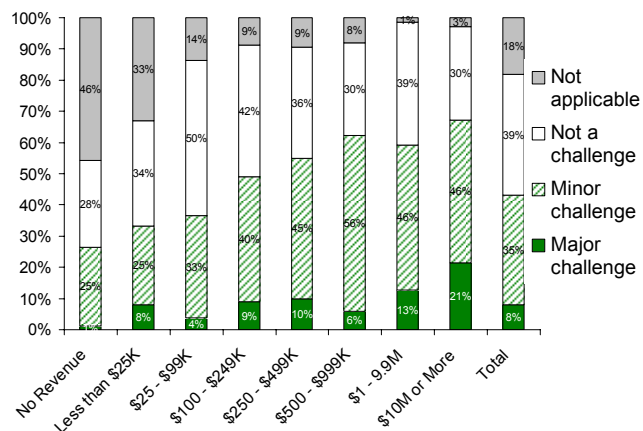
tures best predict whether Indiana nonprofits face a major challenge in recruiting and retaining qualified board members, we find that only nonprofit field is important.

- Nonprofits in the arts, culture and humanities and the mutual benefit fields are *less likely* to face a major challenge in recruiting and retaining effective board members than the comparison group (human service nonprofits).

Challenge: Managing board-staff relations: Over two-fifths (43 percent) of Indiana nonprofits that have their own board of directors and paid staff say that they face some challenges in managing board-staff relationships. However, this tends to be a minor (35 percent) rather than a major challenge (8 percent). This varies by funding profile, but not by nonprofit field, size or age.

- Size:** Larger nonprofits are more likely to face challenges in managing board staff relations, as they are in managing human resources. Those with \$10 million or more in total revenues are the most likely (67 percent) to say this is at least a minor challenge, compared to about a third of those with less than \$100,000 and only a quarter (26 percent) of those with no revenues. See Figure 146.

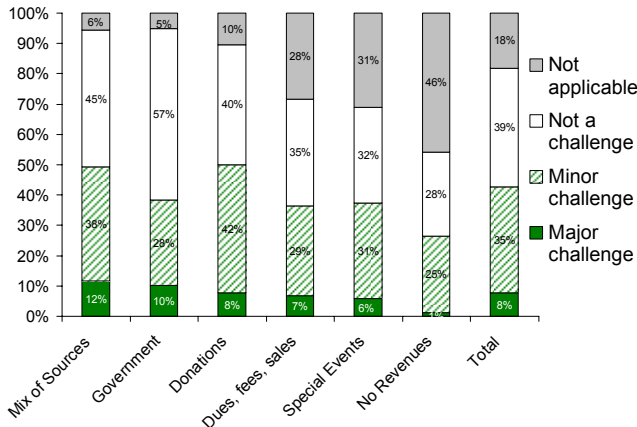
Figure 146: Percent with challenges in managing board-staff relationship by total revenues, Indiana nonprofits with paid staff or volunteers and their own board (n=1,405)



- Funding profile:** Given the important role that board members typically play in fundraising it is not surprising that nonprofits which rely mainly on donations (50 percent) or a mix of funding sources (which usually includes donations, 49 percent) say

they face at least minor challenges in managing board-staff relationships. See Figure 147.

Figure 147: Percent with challenges in managing board-staff relationship by funding profile, Indiana nonprofits with paid staff or volunteers and their own board (n=1,625)



- **Combined analysis – major challenge in managing board-staff relations.** When considering all factors jointly so as to predict which features best predict whether Indiana nonprofits face a major challenge in managing board-staff relations, we find that only size of revenues is important.

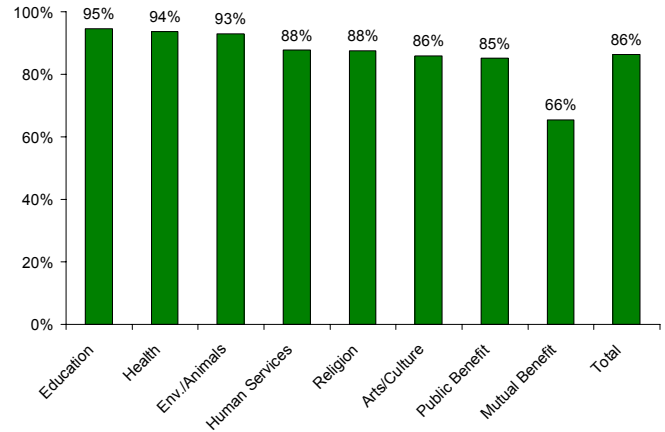
- Nonprofits with no revenues are *less likely* and those with \$10 million or more in annual revenues are *more likely* to report having a major challenge in managing board-staff relations than the comparison group (nonprofits with revenues of \$25,000 - \$99,999).

Board governance tools. We turn to a set of organizational features that relate to the work of boards of directors and to general governing practices of nonprofits in general. In particular, we examine whether Indiana nonprofits have written governance policies or by-laws or a written conflict of interest policy.

Tool: Written governance policy. Nonprofits that have written governance policies or by-laws have codified their basic structure and established the ground rules for continuing to operate once founders or current members are no longer involved. Almost all (86 percent) Indiana nonprofits have such a basic document, but there are some differences by field, size, and funding profile.

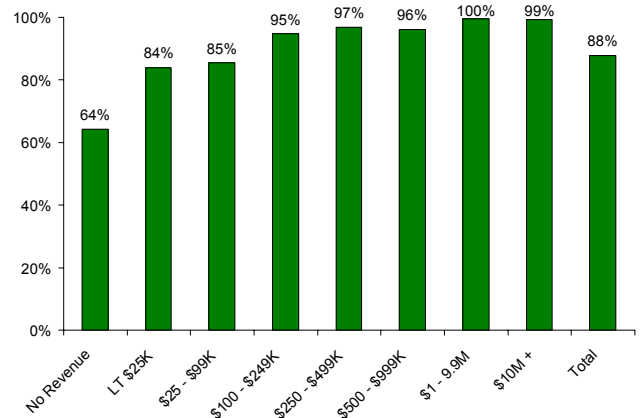
- **Nonprofit field:** Only 66 percent of mutual benefit nonprofits have formalized governance structures, compared to 85 percent or more for all other fields. See Figure 148.

Figure 148: Percent with written governance policies/by-laws by nonprofit field, Indiana nonprofits (n=2,031)



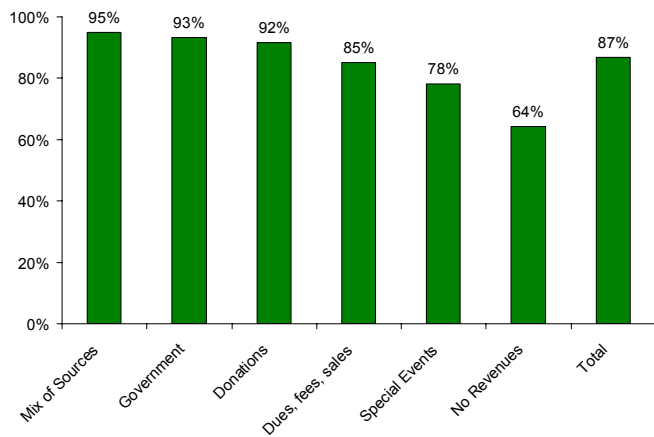
- **Size:** Almost all (95 percent or more) nonprofits with revenues of \$100,000 or more have written governance policy or by-laws, but so do 85 percent or so of those with lower revenues, compared to 65 percent of those without any revenues. See Figure 149.

Figure 149: Percent with written governance policies/by-laws by total revenues, Indiana nonprofits (n=1,646)



- **Funding profile:** Only nonprofits that have no revenues (64 percent), rely mainly on special events (78 percent), or on dues, fees and sales (85 percent) deviate some from the overwhelming percentages that have written governance policies or by-laws that characterize other funding profiles (92 percent or more). See Figure 150.

Figure 150: Percent with written governance policies/by-laws by funding profile, Indiana nonprofits (n=1,913)



- **Combined analysis – written governance policy or by-laws.** When considering all factors jointly so as to estimate which features best predict whether Indiana nonprofits have written governance policies or by-laws, we find that a combination of size and funding profile remains important.

- The largest nonprofits, those with revenues of \$1 million or higher, are *more likely* than the comparison base (revenues of \$25,000 - \$99,999) to have written governance policies.
- Nonprofits that depend mainly on dues, fees or sales or on special events are *less likely* than those that rely on a mix of sources (the comparison base) to have written governance policies.

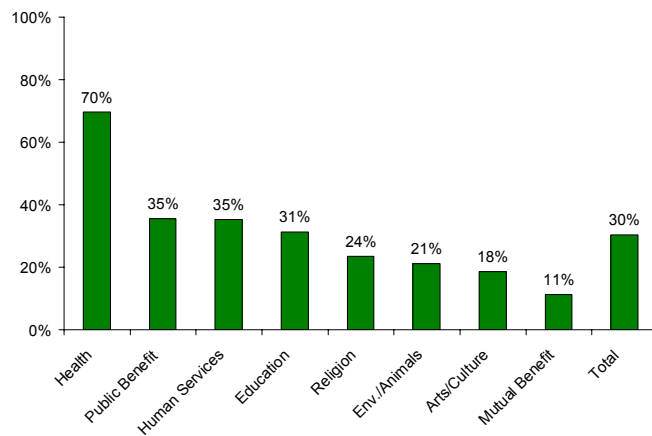
Tool: Conflict of interest policy. Having a conflict of interest policy indicates that the organization has seriously considered the role of trustees and laid the ground rules for good trustee behavior by taking steps to protect not only the interest of the organization, but also those of trustees. Only 30 percent of Indiana nonprofits have written conflict of interest policies, much fewer than the 85 percent that have written governance policies. The prevalence of conflict of interest policies vary by nonprofit field, size, and funding profile,²⁴ but not age.

- **Nonprofit field:** The most striking finding is that over two-thirds (70 percent) of health nonprofits

²⁴ When controlling for all other variables, the percent of nonprofits with a written conflict of interest does not vary by funding profile, therefore we do not analyze this relationship here.

have written conflict of interest policies, almost twice as many as the next closest fields: public and societal benefit (36 percent) and human services (35 percent). We suspect that this reflects strong institutional pressures in the health field to institute such policies from funding, accreditation, and/or professional licensing requirements. See Figure 151.

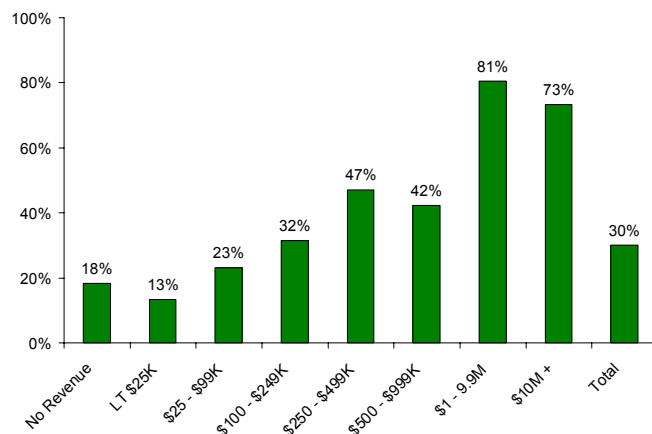
Figure 151: Percent with written conflict of interest policy by nonprofit field, Indiana nonprofits (n=1,983)



- Only about a fifth of nonprofits in the environment and animals (21 percent) or arts, culture and humanities (19 percent) fields have such policies, with mutual benefit nonprofits at only half that rate (11 percent)

- **Size:** There is a strong relationship between size of revenues and having a written conflict of interest policy, although there are some deviations from the overall pattern. See Figure 152.

Figure 152: Percent with written conflict of interest policy by total revenues, Indiana nonprofits (n=1,611)



-
- ***Combined analysis – written conflict of interest policy.*** When considering all factors jointly so as to estimate which features best predict whether Indiana nonprofits have written conflict of interest policies, we find that only size remains important.

- The largest nonprofits, those with revenues of \$1 million or higher, are *more likely* and those with revenues of \$25,000 or less or no revenues at all are *less likely* than the comparison base (revenues of \$25,000 - \$99,999) to have written conflict of interest policies.

Conclusions and Implications. We draw several conclusions and implications from these findings.

- ***Volunteers are vital.*** Almost three-quarters (72 percent) of Indiana nonprofit organizations report using some volunteers over the past year. For those that do, volunteers are essential (36 percent) or very important (38 percent) to the operation of the nonprofit.
- ***Few nonprofits have formal volunteer recruitment and training programs.*** While almost half (44 percent) of nonprofits use 40 or more volunteers over the past year, very few have developed formal processes to recruit and train volunteers. Overall, only about a quarter of Indiana nonprofits has a formal volunteer recruitment (22 percent) or training program (27 percent). Those with fewer than 15 volunteers are the least likely to have recruitment (11 percent) or training (14 percent) programs, those with over 100 volunteers are the ones most likely to have formal recruitment (40 percent) and training (36 percent) programs.
- ***Age matters: managing volunteers.*** Volunteers play a more important role in older than younger nonprofits organizations. Older nonprofits also are more likely to have more volunteers than younger ones and to have institutionalized formal recruitment and training programs.
- ***Age matters: recruiting/retaining board members:*** Younger nonprofits are less likely to report challenges in recruiting/retaining board members than older ones, suggesting that nonprofits encounter challenges as they seek to replace the initial group of founding board members in order to enhance their access to resources and community legitimacy.
- ***Government funding matters: managing paid staff.*** Nonprofits that rely mainly on government funding have more employees than those that rely on other resource streams. They tend to face the greatest level of challenge in managing, recruiting and retaining paid staff, but are also the most likely to have the basic organizational structures in place with which to address these challenges, e.g., written job descriptions and personnel policies.
- ***Funding profile matters.*** Nonprofits that rely mainly on government or on a mix of sources are consistently more likely than those with other funding profiles to have written governance policies or by-laws or a written conflict of interest policy.
- ***Nonprofit field matters some: staff.*** There are significant differences between nonprofit fields in the presence and size of staff – nonprofits in the health and in the education fields have the largest staff, those in the mutual benefit and arts, culture and humanities fields the smallest staff. However, there are no major differences by field in challenges related to managing human resources or recruiting and retaining qualified staff, nor in the presence of written personnel policies or written job descriptions.
- ***Size matters.*** Overall, larger nonprofits (most likely because they have more paid staff and volunteers) face greater challenges in managing staff and volunteer resources. However, they also are more likely than smaller nonprofits to have the organizational components in place to assist them in managing employees, volunteers, and board members. We suspect that larger nonprofits face a greater need to routinize governance procedures and minimize risks through written by-laws and conflict of interest policies.

IV. OTHER MANAGEMENT RELATED CHALLENGES AND CAPACITIES

A clear majority of Indiana nonprofits face challenges related to strategic planning and assessing the impact or outcomes of their programs. Although most Indiana nonprofits have formal governance documents and produce annual reports, only a minority have written conflict of interest policies. For all of these dimensions, the patterns generally vary by nonprofit field, size, and funding profile.

Other management challenges. In this section we examine several general challenges related to governing and managing Indiana nonprofits: strategic planning and evaluating program outcomes or impacts.

Challenge: Strategic planning. Strategic planning is not a simple process, but requires an ability to articulate the organization’s mission and role in an evolving and uncertain future. It is therefore not surprising that a great majority (70 percent) of Indiana nonprofits say that strategic planning is a challenge for their organization, including 30 percent that say it is a major challenge. The latter is a smaller percent than say obtaining adequate funding is a major challenge (43 percent), although both challenges are considered at least a minor challenge by 70 percent of Indiana nonprofits.

- **Nonprofit field:** Strategic planning is a major challenge for at least a third of nonprofits in the religion (44 percent), health (37 percent), and arts, culture and humanities (35 percent) fields. In contrast, mutual benefit nonprofits are the most likely to say that strategic planning is not applicable (31 percent) or not a challenge (34 percent) to their organization. See Figure 153.
- Overall, more than four-fifths of nonprofits in the health, religion, and environment and animal fields (84, 82, and 82 percent respectively) say that strategic planning is at least a minor challenge.
- **Size:** Over 80 percent of larger nonprofits (revenues of \$100,000 or more) say that strategic planning is at

least a minor challenge, compared to 58-72 percent of those with revenues of under \$100,000, and only 33 percent of those with no revenues. See Figure 154.

Figure 153: Percent with challenges in strategic planning by nonprofit field, Indiana nonprofits (n=1,953)

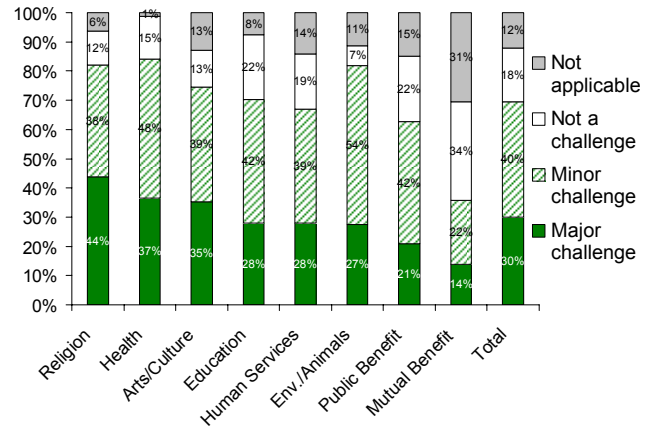
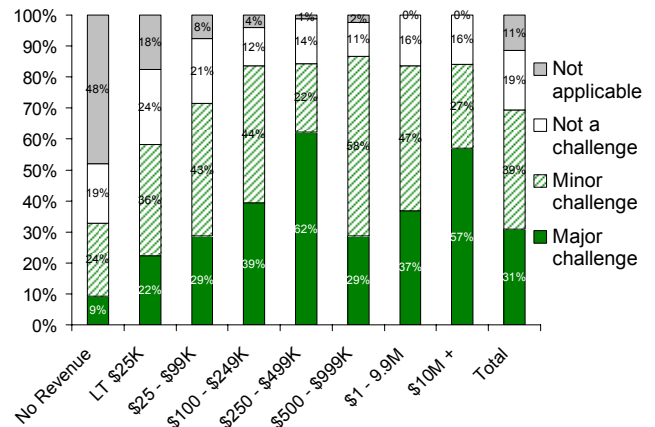


Figure 154: Percent with challenges in strategic planning by total revenues, Indiana nonprofits (n=1,590)

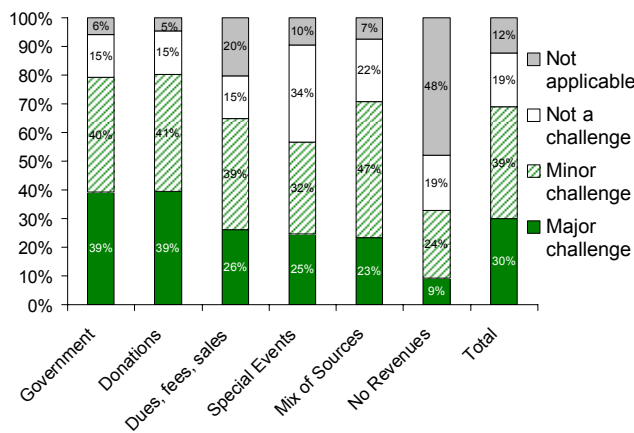


- There are less clear patterns between size of revenues and whether strategic planning is a major challenge. The percent saying it is a major challenge increases by size from 9 percent of those with no revenues to 62 percent of those with revenues of \$250,000 - \$499,999, then drops to 29 percent for the next size categories before increasing again to 57 percent of those with \$10 million or more in revenues.
- It is possible that smaller nonprofits find it easier to undertake strategic planning because their scope of operations is smaller and the process therefore less complex. However, we believe

these findings may also reflect less awareness among smaller nonprofits of external conditions, such as community and policy changes,²⁵ so that any strategic planning efforts, if undertaken at all, may be less comprehensive.

- **Funding profile:** Nonprofits that rely mainly on government funding or on donations are more likely (39 percent) to say that strategic planning is a major challenge, compared to only a quarter (23-26 percent) of those with other funding profiles. About four-fifth of nonprofits with these two profiles say that strategic planning is at least a minor challenge (79 – 80 percent), compared to those that rely on a mix of sources or primarily on dues, fees or sales, or on special events (71, 65 and 56 percent respectively). This suggests that government and donation funding sources present particularly complex environmental constraints for Indiana nonprofits. See Figure 155.

Figure 155: Percent with challenges in strategic planning by funding profile, Indiana nonprofits (n=1,841)



- One-fifth of nonprofits that rely mainly on dues, fees or sales say that strategic planning is not applicable, while a third (34 percent) of those that rely mainly on special events say it is not a challenge.

- **Combined analysis – major challenge in strategic planning.** When considering all factors jointly so as

²⁵ See Kirsten A. Grønberg and Curtis Child, *Indiana Nonprofits: The Impact of Community and Policy Changes*. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, June 2004). Online report available at www.indiana.edu/~nonprof/results/nps/inscom.html.

to estimate which features best predict whether Indiana nonprofits face a major challenge in strategic planning, only size remains important.

- Nonprofits with revenues of \$250,000 - \$999,999 and those with \$10 million or more are *more likely* than the comparison group (revenues of \$25,000 - \$99,999) to face a major challenge in undertaking strategic planning.

Challenge: Evaluating program outcomes or impacts.

Like nonprofits elsewhere, Indiana nonprofits face increasing demands from government and other institutions to document the outcomes and impacts of their programs as a condition of obtaining funding from these sources. However, most nonprofits are in the people-changing business, e.g., they seek to change people’s behavior, values, and/or understanding, and it is notoriously difficult to measure exactly how much people change, or even to know the right time frame within which to expect a change. It is even more problematic to demonstrate that people change because of specific nonprofit services, rather than because of developments in the broader environment or other events in their lives. We are therefore surprised that evaluating outcomes or impacts are considered less of a challenge than strategic planning – only 22 percent of Indiana nonprofits say that evaluating outcomes or impacts is a major challenge; an additional 40 percent say it is a minor challenge. These patterns vary by whether nonprofits have actually conducted an evaluation, by nonprofit field, size, and funding profile.

- **Completed evaluation or assessment.** Only 30 percent of Indiana nonprofits have completed a program evaluation or assessment during the past two years. Those that have done so are more likely (75 percent) to say that evaluating outcomes or impacts is a challenge than those that have not (56 percent). Thus, some nonprofits may not consider program evaluation a challenge because they have not done one. See Figure 156.
- **Nonprofit field:** Nonprofits in the health (40 percent) and arts, culture and humanities (36 percent) fields are the most likely to say that evaluating outcomes and impacts is a major challenge. By contrast, only 6 percent of mutual benefit nonprofits say this is a major challenge. This is also the group most likely to say evaluating outcomes or impacts it is not a chal-

lenge (36 percent) or doesn't apply (40 percent). See Figure 157.

Figure 156: Percent reporting challenges in conducting program evaluations or assessments by whether completed an evaluation in last two years, Indiana nonprofits (n=1,874)

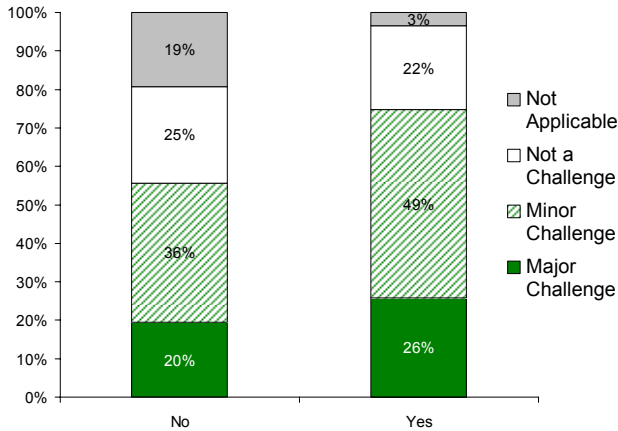
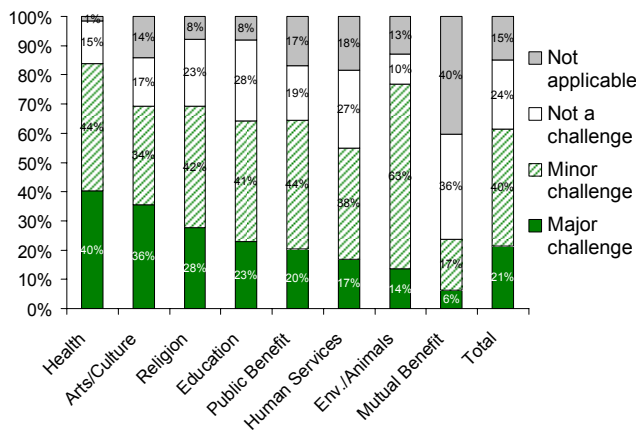


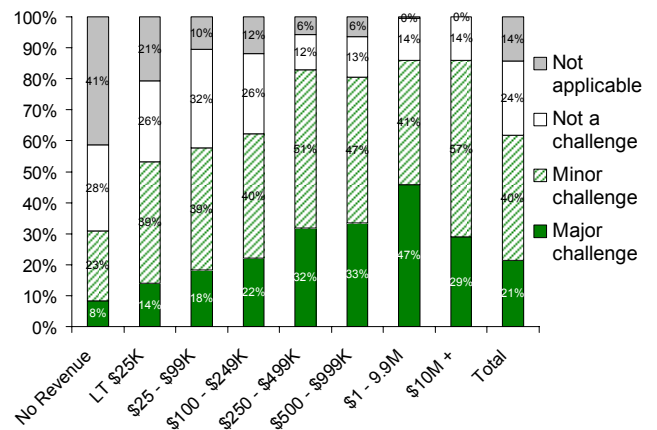
Figure 157: Percent with challenges in evaluating outcomes or impacts by nonprofit field, Indiana nonprofits (n=1,937)



- More than three-fourths of environment and animal (76 percent) and of health nonprofits (84 percent) say that evaluating outcomes or impacts is at least a minor challenge, compared to only 53-62 percent of those with lower revenues and 31 percent of those with no revenues. The latter is surprising, since human service outcomes are notoriously difficult to determine.
- There are no significant differences among fields in whether nonprofits have conducted outcome evaluations, so that is not likely to explain the differences we observe here.

- **Size:** Generally, the larger the nonprofit organization, the more likely it is to consider evaluating outcomes and impacts to be at least a minor challenge. The same pattern holds for the percent saying it is a major challenge, except for the very largest nonprofits (revenues of \$10 million or more). Since larger nonprofits are more likely than smaller ones to have multiple services and programs, our finding that they face more difficulties in evaluating outcomes and impacts is not surprising. See Figure 158.

Figure 158: Percent with challenges in evaluating outcomes or impacts by total revenues, Indiana nonprofits (n=1,578)

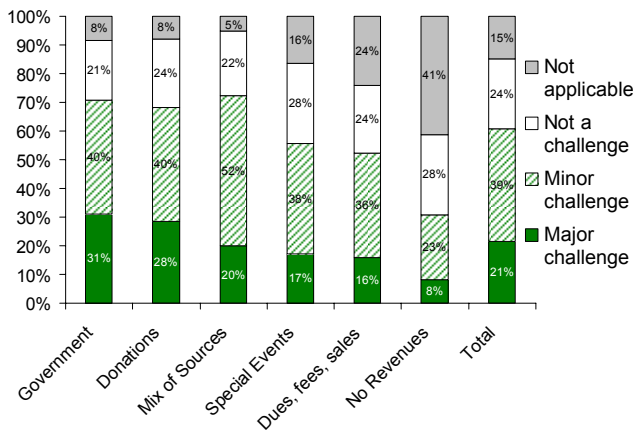


- More than 80 percent of nonprofits with revenues of \$250,000 or more say that evaluating outcomes or impacts is at least a minor challenge, compared to only 53-62 percent of those with lower revenues and 31 percent of those with no revenues.
- We find the highest incidence of saying that evaluating outcomes or impacts is a major challenge among nonprofits with revenues of \$1 - \$9.9 million – almost half (47 percent), declining to only 14 percent of those in the smallest revenue category (less than \$25,000) and to 29 percent for even larger nonprofits.
- Larger nonprofits are more likely to have evaluated program outcomes or impacts over the last two years than smaller ones: more than half of those with revenues of \$250,000 - \$499,999 (53 percent), \$1 - \$10 million (55 percent) or \$10 million or more (76 percent) have done so, compared to only 11 percent of those with no reve-

nues and 13 percent of those with less than \$25,000 in total revenues.

- **Funding profile:** As expected, nonprofits that rely mainly on government funding are most likely to say that outcome or impact evaluation is a major challenge (31 percent) and are about as likely to say it is at least a minor challenge (71 percent) as those that rely on a mix of sources (72 percent) or mainly on donations (68 percent). By comparison only just over half of those that rely mainly on special events (56 percent) or on dues, fees and sales (52 percent) say this is at least a minor challenge. See Figure 159.

Figure 159: Percent reporting challenges in evaluating outcomes or impacts by funding profile, Indiana nonprofits (n=1,826)



- The high incidence of considering outcome and impact evaluation to be a challenge (and a major challenge) among nonprofits that rely mainly on government funding may reflect their greater experience with such evaluations. Thus 63 percent say they have completed an evaluation of their outcomes or impacts within the past two years, compared to only 30 percent of those that rely mainly on donations. It is also likely, of course, that the types of evaluations demanded by government are more rigorous and therefore may present more severe challenges.

- **Combined analysis – major challenge in evaluating outcomes or impact.** When considering all factors jointly so as to estimate which features best predict whether Indiana nonprofits face a major challenge in evaluating their program outcomes or impacts, we find that a combination of nonprofit field and size remains important.

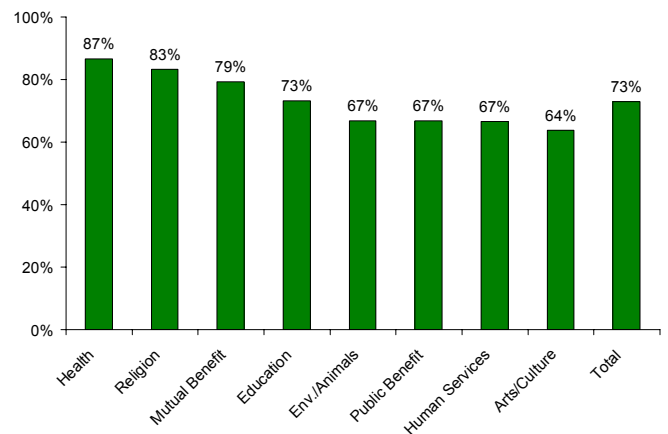
- **Arts, culture and humanities** nonprofits are *more likely* to face a major challenge in evaluating their outcomes or impacts than human service nonprofits (the comparison base).
- Nonprofits with revenues of **\$1 - \$10 million** are *more likely* than the comparison group (revenues of \$25,000 - \$99,999) to say evaluating outcomes and impacts is a major challenge.

Other management tools. We turn finally to an organizational practice that relates to managing nonprofits in general. We examine whether Indiana nonprofits have produced an annual report within the past year.

Tool: Annual report. Producing annual reports help nonprofits present themselves to their stakeholders and the broader community. Almost three-quarters (73 percent) of Indiana nonprofits did so within the past year, but this varies by nonprofit field, size, funding profile, and age.²⁶

- **Nonprofit field:** Health and religion nonprofits are the most likely (87 and 83 percent respectively) to have produced an annual report; arts, culture and humanities (64 percent) are the least likely to have done so. See Figure 160.

Figure 160: Percent having produced an annual report within the past year by nonprofit field, Indiana nonprofits (n=1,983)

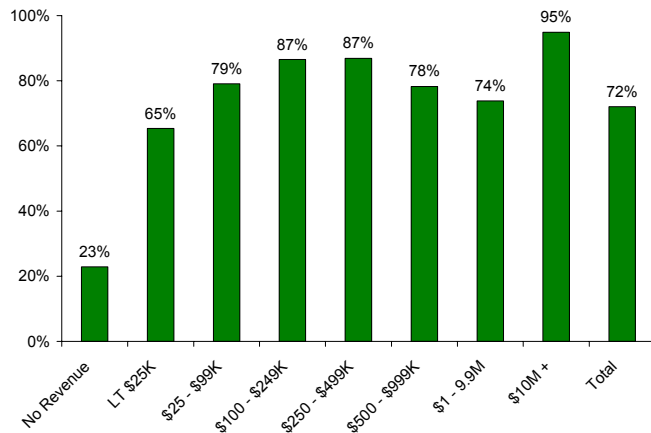


- **Size:** Although larger nonprofits are more likely to have produced an annual report than smaller ones, there are some deviations from the overall pattern

²⁶ When controlling for all other variables, the percent of nonprofits that have produced an annual report in the past year does not vary by funding profile or age, therefore we do not analyze these relationships here.

for medium and larger-sized nonprofits (revenues of \$500,000 - \$9.9 million). See Figure 161.

Figure 161: Percent having produced an annual report within the past year by total revenues, Indiana nonprofits (n=1,639)



- The largest nonprofits (revenues of \$10 million or more) are the most likely (95 percent) to have produced an annual report in the past year; those with less than \$25,000 (65 percent) or no revenues (23 percent) are the least likely. Producing reports requires financial and human resources and larger nonprofits are more likely to have those available.

- **Combined analysis – recent annual report.** When considering all factors jointly so as to estimate which features best predict whether Indiana nonprofits have produced a recent annual report, we find that a combination of nonprofit field and size remains important.

- Nonprofits in the health and the mutual benefit fields are *more likely* to have recently produced an annual report than human service nonprofits.

- Very small nonprofits (revenues of less than \$25,000) are *less likely* to have recently produced an annual report than the comparison base (revenues of \$25,000 - \$99,999).

Conclusions and Implications. We draw several conclusions and implications from these findings.

- **Size matters.** Larger nonprofits are more likely than smaller ones to face challenges in strategic planning and evaluating outcomes or impacts. However, they

are also more likely to have a written governance policy or by-laws, a written conflict of interest policy, and annual reports.

- **Funding profile matters.** Nonprofits that rely mainly on government or on a mix of sources are consistently more likely than those with other funding profiles to face challenges in strategic planning or program evaluation and to have produced an annual report within the past year. Nonprofits that depend on dues, fees or sales or on special events for more than half of their revenues are consistently less likely to have these challenges or organizational components. We suspect these patterns reflect the greater demands imposed by government funding.

- **Field matters: Somewhat.** There are some differences among fields in whether evaluation of outcomes or impact is a major challenge and in whether the organization has produced an annual report.

APPENDIX A

NATIONAL TAXONOMY OF EXEMPT ENTITIES MAJOR CATEGORIES AND MAJOR FIELDS

NTEE Major Fields	NTEE Major Groups and Decile Categories	
I Arts and Culture	Arts, Culture and Humanities (A)	
	A20 Arts, cultural organizations	A60 Performing arts organizations, activities
	A30 Media, communications organizations.	A70 Humanities organizations
	A40 Visual art organizations, services	A80 Historical societies and related
	A50 Museums, museum activities	A90 Arts service organizations and activities
II Education	Education (B)	
	B20 Elementary, secondary education	B60 Adult, continuing education
	B30 Vocational, technical schools	B70 Libraries, library science
	B40 Higher education institutions	B80 Student servcs & organizations of students
	B50 Graduate, professional schools	B90 Educational services & schools—other
III Environment/Animals	Environment (C)	
	C20 Pollution abatement and control services	D20 Animal protection and welfare
	C30 Nat. resources conservation & protection:	D30 Wildlife preservation, protection
	C40 Botanical, horticultural, & landscape	D40 Veterinary services, n.e.c.
	C50 Envirnm't'l beautification & open spaces	D50 Zoo, zoological society
	C60 Environmental educ. & outdoor survival	D60 Other services—specialty animals
	Animal-Related (D)	
IV Health	Health Care (E)	
	E20 Hospitals, primary medical care facilities	F20 Alcohol, drug, & subs. Abuse, dependency prevention & treatment
	E30 Health treatment facilities, outpatient	F30 Mental health treatment
	E40 Reproductive health care facilities, allied	F40 Hot line, crisis intervention services
	E50 Rehabilitative medical services	F50 Addictive disorders, n.e.c.
	E60 Health support services	F60 Counseling support groups
	E70 Public health programs	F70 Mental health disorders
	E80 Health (general and financing)	F80 Mental health association
	E90 Nursing services	
	Diseases, Disorders & Medical Disciplines (G)	
	G20 Birth defects and genetic diseases	H20 Birth defects and genetic diseases
	G30 Cancer	H30 Cancer research
	G40 Diseases of specific organs	H40 Specific organ research
	G50 Nerve, muscle, and bone diseases	H50 Nerve, muscle, and bone research
	G60 Allergy related diseases	H60 Allergy related diseases
	G70 Digestive diseases, disorders	H70 Digestive diseases, disorders
	G80 Specifically named diseases, n.e.c.	H80 Specifically named diseases, n.e.c.
	G90 Medical Disciplines, n.e.c.	H90 Medical Specialty Research, n.e.c.
	Mental Health & Crisis Intervention (F)	
	Medical Research (H)	
V Human Services	Crime & Legal Related (I)	
	I20 Crime prevention	J20 Employ. procurement assist. & job training
	I30 Correctional facilities	J30 Vocational rehabilitation
	I40 Rehabilitation services for offenders	J40 Labor unions, organizations
	I50 Administration of justice, courts	
	I60 Law enforcement agencies	
	I70 Protect, prevent: neglect, abuse, exploit.	
	I80 Legal Services	
	Employment (J)	
	Food, Agriculture & Nutrition (K)	
	K20 Agricultural programs	L20 Housing devel., construction, management
	K30 Food service, free food distribution	L30 Housing search assistance
	K40 Nutrition programs	L40 Low-cost temporary housing
	K50 Home economics	L50 Housing owners, renters' organizations
	L80 Housing support services: other	
Housing & Shelter (L)		

NTEE Major Fields	NTEE Major Groups and Decile Categories	
V. Human Services (continued)	Public Safety, Disaster Preparedness, Relief (M)	Recreation & Sports (N)
	M20 Disaster preparedness & relief services M40 Safety education	N20 Recreational & sporting camps N30 Physical fitness, recreational facilities N40 Sports training facilities, agencies N50 Recreational, pleasure, or social club N60 Amateur sports clubs, leagues N70 Amateur sports competitions N80 Professional athletic leagues
	Youth Development (O)	Human Services (P)
VI International	O20 Youth centers & clubs O30 Adult, child matching programs O40 Scouting organizations O50 Youth development programs, other	P20 Human service organizations P30 Children's & youth services P40 Family services P50 Personal social services P60 Emergency assist. (food, clothing, cash) P70 Residential, custodial care (group home) P80 Services to promote independence of groups
	International, Foreign Affairs & National Security (Q)	
	Q20 Promotion of international understanding Q30 International development, relief services Q40 International peace & security	Q50 Foreign policy research & analysis Q70 International human rights
VII Public and Societal Benefit	Civil Rights, Social Action & Advocacy (R)	Community Improvement, Capacity Building (S)
	R20 Civil rights, advocacy for specific groups R30 Intergroup, Race Relations R40 Voter Education, Registration R60 Civil Liberties Advocacy	S20 Community, neighborhood devel/imprvm't S30 Economic development S40 Business & industry S50 Nonprofit management S80 Community service clubs
	Philanthropy, Voluntarism, Foundations (T)	Science & Technology (U)
	T20 Private grantmaking foundations T30 Public foundations T40 Voluntarism promotion T50 Philan., charity, voluntarism promotion T60 Non-grantmaking, non-operat. foundations T70 Fund-raising organizations var. categories T90 Named trusts, n.e.c.	U20 Science, general U30 Physical, earth sciences research & prom. U40 Engineering & technology research, serv. U50 Biological, life science research
	Social Science (V)	Public & Societal Benefit (W)
VIII Religious and Spiritual Development	V20 Social science research institutes, services V30 Interdisciplinary research V40 Mystic, paranormal studies: incl. astrology.	W20 Government & public administration W30 Military, veterans' organizations W40 Public transportation systems, services W50 Telephone, telegraph, telecommunication W60 Financial institutions, services W70 Leadership development W80 Public utilities W90 Consumer protection & safety
	Religion-Related (X)	
	X20 Christian X30 Jewish X40 Islamic X50 Buddhist	X60 Confucian X70 Hindu X80 Religious media, communications orgs X90 Interfaith Issues
IX Mutual Benefit	Mutual & Membership Benefit (Y)	
X Unknown	Y20 Insurance Providers, Services Y30 Pension and Retirement Funds	Y40 Fraternal Beneficiary Societies Y50 Cemeteries & Burial Services
	Unknown (Z)	

APPENDIX B

DIMENSIONS OF NONPROFIT MANAGEMENT CHALLENGES AND CAPACITIES FOR SELECTED INDIANA REGIONS

Nonprofit Challenge or Capacity	Percent of Nonprofits In Region															Entire State of Indiana
	Selected Indiana Metropolitan Statistical Areas					Selected Indiana Non-metropolitan Counties					Rest of State					
	Indiana-polis	Gary-North-west*	Fort Wayne	Evans-ville**	South Bend	Bloom-ing-ton	Muncie	Bar-tholomew	Dubois	Scott			Miami	Cass		
<i>Challenges in Strategic Planning***</i>																
Not a Challenge	12.7	19.3	25.3	23.8	21.9	20.9	19.5	30.9	28.7	26.8	19.6	18.6	18.1	18.3		
Minor Challenge	49.6	40.4	26.5	40.6	36.2	36.2	30.9	36.2	34.2	44.6	28.7	36.7	36.8	39.6		
Major Challenge	30.7	26.7	36.1	24.3	27.6	38.7	33.8	24.9	24.2	22.6	36.5	32.7	29.7	30.1		
Not Applicable	7.1	13.6	12.2	11.2	14.2	4.2	15.7	8.1	12.9	5.9	15.1	12.0	15.4	12.1		
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of cases	228	151	194	184	187	123	125	145	112	57	88	94	265	1,953		
<i>Challenges in Evaluating or Assessing Program Outcomes or Impact***</i>																
Not a Challenge	18.3	25.2	23.6	29.7	23.8	20.7	24.5	30.7	27.5	32.0	20.9	23.4	26.4	23.8		
Minor Challenge	39.6	31.0	41.9	40.1	37.0	42.8	36.5	40.2	39.5	39.8	36.9	38.4	42.9	39.9		
Major Challenge	29.4	16.3	24.6	18.3	21.9	28.0	25.2	16.4	20.0	16.6	24.7	22.6	16.1	21.4		
Not Applicable	12.8	27.5	9.9	12.0	17.3	8.5	13.8	12.7	12.9	11.5	17.4	15.6	14.6	14.9		
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of cases	229	151	188	184	185	121	125	147	112	54	89	96	256	1,937		
<i>Challenges in Recruiting and Retaining Effective Board Members***</i>																
Not a Challenge	29.4	27.2	25.8	29.7	31.1	21.6	29.3	35.9	35.3	25.1	28.0	28.7	34.2	30.6		
Minor Challenge	24.5	35.7	36.4	33.2	27.9	30.1	38.0	32.5	32.4	35.1	33.2	33.9	34.4	31.7		
Major Challenge	38.0	20.8	26.4	25.3	22.2	38.4	19.2	22.4	19.8	22.0	24.1	27.8	15.2	24.5		
Not Applicable	8.1	16.3	11.4	11.8	18.8	9.9	13.4	9.2	12.5	17.8	14.7	9.6	16.3	13.2		
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of cases	228	154	193	185	187	124	125	143	113	56	91	96	261	1,956		

Nonprofit Challenge or Capacity		Percent of Nonprofits in Region													Entire State of Indiana
		Selected Indiana Metropolitan Statistical Areas						Selected Indiana Non-metropolitan Counties						Rest of State	
		Indianapolis	Gary-Northwest*	Fort Wayne	Evansville**	South Bend	Bloomington	Muncie	Bartholomew	Dubois	Scott	Miami	Cass		
<u>Challenges in Recruiting and Retaining Effective Board Members, if Have Own Board of Directors***</u>															
Not a Challenge	26.3	28.0	27.3	30.5	33.2	22.1	29.4	37.2	38.3	27.6	27.7	28.7	38.1	31.6	
Minor Challenge	26.2	37.5	39.9	36.2	30.6	32.1	40.3	32.7	35.4	37.6	35.5	34.2	38.3	34.4	
Major Challenge	42.6	26.2	31.8	27.7	23.0	39.5	23.2	23.8	20.2	23.0	25.4	30.9	17.0	28.0	
Not Applicable	5.0	8.3	1.0	5.6	13.2	6.4	7.1	6.3	6.1	11.7	11.4	6.1	6.6	6.1	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Number of cases	190	109	152	147	135	112	98	125	96	47	74	81	213	1,579	
<u>Challenges in Recruiting and Retaining Qualified and Reliable Volunteers</u>															
Not a Challenge	24.0	25.4	23.9	23.1	23.9	20.6	31.8	15.8	29.0	28.7	30.1	21.1	32.8	27.4	
Minor Challenge	33.0	32.9	37.8	31.0	27.3	26.2	27.2	26.9	26.1	22.2	33.8	28.5	24.8	29.6	
Major Challenge	20.5	15.3	17.0	14.9	19.2	20.8	9.8	15.6	17.4	17.2	18.5	22.1	11.0	15.5	
Not Applicable	22.5	26.3	21.3	30.9	29.6	32.4	31.2	41.7	27.5	32.0	17.6	28.3	31.3	27.5	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Number of cases	228	152	190	185	186	121	123	145	111	58	88	96	263	1,946	
<u>Challenges in Recruiting and Retaining Qualified and Reliable Volunteers, if Have Volunteers</u>															
Not a Challenge	18.5	12.6	11.6	19.7	19.8	13.6	24.6	12.9	23.4	23.6	12.3	16.4	14.9	16.0	
Minor Challenge	34.9	36.4	44.8	43.6	41.4	41.2	34.0	49.6	51.4	37.0	47.8	43.7	39.0	38.9	
Major Challenge	45.9	43.8	34.7	31.4	34.7	40.8	29.0	33.0	19.9	31.7	34.0	39.0	42.2	40.9	
Not Applicable	0.7	7.1	8.9	5.2	4.1	4.3	12.3	4.5	5.2	7.7	5.9	1.0	3.8	4.2	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Number of cases	179	113	151	143	121	101	97	102	76	44	70	74	211	1,482	
<u>Challenges in Recruiting and Retaining Qualified Staff</u>															
Not a Challenge	18.6	15.6	18.8	19.0	23.8	11.3	23.4	11.4	26.9	25.4	14.6	18.7	20.4	19.1	
Minor Challenge	29.8	29.3	37.6	38.5	34.2	34.3	32.1	36.1	39.0	34.2	40.3	37.2	32.0	32.3	
Major Challenge	34.3	33.9	29.8	26.9	26.1	34.9	27.6	23.6	16.0	27.1	30.3	33.0	31.9	31.7	
Not Applicable	17.4	21.2	13.8	15.7	16.0	19.5	16.9	28.9	18.1	13.3	14.8	11.2	15.7	16.8	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Number of cases	230	153	192	186	183	124	120	149	112	57	90	97	262	1,955	

Nonprofit Challenge or Capacity		Percent of Nonprofits in Region														Entire State of Indiana
		Selected Indiana Metropolitan Statistical Areas							Selected Indiana Non-metropolitan Counties							
		Indianapolis	Gary-Northwest*	Fort Wayne	Evansville**	South Bend	Bloomington	Muncie	Bartholomew	Dubois	Scott	Miami	Cass	Rest of State		
<u>Challenges in Recruiting and Retaining Qualified Staff, if Have Staff***</u>		25.1	26.5	26.0	32.2	31.0	27.2	33.6	24.5	28.8	35.0	32.5	19.5	47.0	33.2	
Not a Challenge		38.2	48.4	49.9	40.6	41.2	38.6	43.2	46.5	40.5	27.4	41.9	37.4	33.2	39.2	
Minor Challenge		28.9	23.2	19.9	20.9	27.4	31.3	17.6	21.3	24.2	24.2	20.8	32.0	13.1	21.6	
Not Applicable		7.7	1.8	4.1	6.3	0.4	2.9	5.6	7.7	6.5	13.4	4.9	11.1	6.6	5.9	
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
<i>Number of cases</i>		158	80	116	112	90	70	66	68	48	29	49	55	151	1,092	
<u>Challenges in Managing Human Resources (Staff and Volunteers)</u>		23.7	26.7	27.8	24.6	28.6	17.7	28.1	20.5	32.8	31.7	20.6	27.7	32.6	27.9	
Not a Challenge		39.4	34.9	38.9	36.9	28.8	46.0	36.1	35.1	31.2	28.3	41.9	34.4	31.0	35.1	
Minor Challenge		19.8	11.1	11.3	10.5	15.2	16.0	7.7	7.6	11.2	12.9	12.9	13.5	10.3	13.3	
Not Applicable		17.1	27.2	22.0	27.9	27.3	20.3	28.2	36.8	24.8	27.1	24.7	24.4	26.0	23.6	
Total		100	100	100	100	100	100	100	100	100	100	100	100	100	100	
<i>Number of cases</i>		229	152	190	183	183	122	122	143	112	55	88	91	259	1,929	
<u>Challenges in Managing/Improving Board/Staff Relations***</u>		38.0	31.2	35.1	37.5	34.8	34.7	33.0	32.5	40.2	41.2	38.9	38.7	40.4	37.5	
Not a Challenge		41.6	28.5	31.4	28.4	28.8	28.8	30.7	27.7	29.8	24.0	30.8	30.1	27.6	32.0	
Minor Challenge		7.2	7.3	9.1	6.1	7.3	11.5	12.4	2.8	7.8	6.4	9.5	7.6	5.9	7.0	
Not Applicable		13.3	33.0	24.3	27.9	29.1	25.0	23.9	36.9	22.2	28.4	20.8	23.6	26.1	23.5	
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
<i>Number of cases</i>		227	150	190	183	183	124	119	142	110	56	86	94	262	1,926	
<u>Challenges in Obtaining Funding or Other Financial Resources</u>		9.9	13.8	19.1	11.0	15.9	11.5	14.3	10.1	16.3	10.2	13.5	13.1	15.9	13.9	
Not a Challenge		25.3	21.6	28.4	29.1	26.0	27.4	30.5	22.2	34.6	39.0	25.8	22.7	27.7	26.5	
Minor Challenge		51.9	40.3	39.3	43.0	41.4	49.3	41.1	38.5	38.7	43.9	50.9	48.1	38.8	43.2	
Not Applicable		12.8	24.3	13.2	16.9	16.7	11.8	14.0	29.2	10.4	6.9	9.8	16.1	17.5	16.4	
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
<i>Number of cases</i>		228	153	191	184	187	125	122	147	112	58	91	93	261	1,952	

Nonprofit Challenge or Capacity		Percent of Nonprofits In Region														Entire State of Indiana
		Selected Indiana Metropolitan Statistical Areas							Selected Indiana Non-metropolitan Counties							
		Indiana-polis	Gary-North-west*	Fort Wayne	Evans-ville**	South Bend	Bloom-ing-ton	Muncie	Bar-tholomew	Dubois	Scott	Miami	Cass	Rest of State		
<u>Challenges in Financial Management and Accounting</u>		35.0	35.0	37.8	39.6	45.2	35.0	40.5	48.7	45.3	37.5	40.0	38.2	41.5	38.8	
Not a Challenge		40.7	37.8	46.7	42.3	34.3	43.3	33.1	32.5	38.1	44.7	35.7	32.8	35.1	38.4	
Minor Challenge		14.6	10.1	8.1	7.4	8.2	12.4	12.2	10.1	11.6	12.8	14.0	13.1	9.6	10.9	
Major Challenge		9.6	17.1	7.4	10.7	12.3	9.4	14.2	8.8	5.0	5.0	10.3	15.9	13.8	11.9	
Not Applicable		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Total		227	152	189	182	188	123	123	147	114	58	90	95	257	1,945	
<u>Challenges in Managing Facilities or Space Your Organizations Uses</u>		38.4	36.0	40.7	39.6	39.9	33.6	32.2	26.3	35.7	41.2	40.5	39.1	42.4	39.5	
Not a Challenge		24.4	31.6	31.1	33.6	27.8	33.7	39.7	31.8	29.7	18.8	32.0	29.3	26.4	27.9	
Minor Challenge		16.6	9.1	11.8	9.7	11.6	12.1	10.6	10.3	16.0	25.4	16.9	13.4	11.9	12.8	
Major Challenge		20.6	23.3	16.3	17.1	20.6	20.6	17.4	31.6	18.6	14.6	10.6	18.2	19.3	19.8	
Not Applicable		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Total		230	152	191	185	188	123	125	146	113	57	87	95	260	1,952	
<u>Challenges in Using Information Technology Effectively***</u>		20.6	16.8	32.3	24.6	27.4	25.5	33.7	34.0	26.8	38.7	18.6	32.2	30.2	26.0	
Not a Challenge		47.6	33.6	39.5	47.2	43.8	40.1	41.2	34.1	36.9	35.5	48.5	31.3	39.5	41.5	
Minor Challenge		19.6	20.2	12.7	12.5	11.6	21.7	11.5	17.9	12.4	11.8	19.6	19.5	10.6	14.9	
Major Challenge		12.3	29.3	15.4	15.7	17.2	12.6	13.5	14.0	24.0	14.1	13.4	17.0	19.7	17.6	
Not Applicable		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Total		229	151	190	183	189	124	124	145	113	57	89	94	257	1,945	
<u>Computerized Financial Records***</u>		71.6	57.9	60.8	59.2	64.9	68.3	57.9	71.8	43.0	55.0	64.6	54.6	51.5	60.1	
Yes		28.4	42.1	39.2	40.8	35.1	31.7	42.1	28.2	57.0	45.0	35.4	45.4	48.5	39.9	
No		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Total		237	161	199	188	190	127	130	156	119	58	92	98	270	2,025	

Nonprofit Challenge or Capacity		Percent of Nonprofits in Region															
		Selected Indiana Metropolitan Statistical Areas							Selected Indiana Non-metropolitan Counties							Rest of State	Entire State of Indiana
		Indiana-polis	Gary-North-west*	Fort Wayne	Evans-ville**	South Bend	Bloom-ing-ton	Muncie	Bar-tholomew	Dubois	Scott	Miami	Cass				
<u>Written Governance Policies/By-Laws</u>		88.5	88.3	86.2	90.9	85.0	95.0	85.0	91.0	87.4	92.1	89.1	88.4	83.1	86.4		
Yes		11.5	11.7	13.8	9.1	15.0	5.0	15.0	9.0	12.6	7.9	10.9	11.6	16.9	13.6		
No		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
Total		241	161	200	190	187	126	128	157	120	59	92	97	273	2,031		
<u>Written Conflict of Interest Policy</u>		32.6	34.1	28.1	35.2	36.1	38.7	29.3	25.3	32.7	35.5	29.9	29.6	26.4	30.3		
Yes		67.4	65.9	71.9	64.8	63.9	61.3	70.7	74.7	67.3	64.5	70.1	70.4	73.6	69.7		
No		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
Total		230	157	194	185	188	123	127	148	119	58	90	95	269	1,983		
<u>Written Personnel Policies</u>		53.1	43.4	46.0	49.9	48.9	53.5	47.0	39.9	40.9	52.9	52.7	43.6	40.8	46.1		
Yes		46.9	56.6	54.0	50.1	51.1	46.5	53.0	60.1	59.1	47.1	47.3	56.4	59.2	53.9		
No		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
Total		233	157	197	188	190	121	127	155	116	58	91	97	272	2,002		
<u>Written Job Descriptions***</u>		66.7	54.3	64.1	63.6	56.3	63.1	61.3	48.6	49.2	49.8	65.2	58.7	51.2	58.2		
Yes		33.3	45.7	35.9	36.4	43.7	36.9	38.7	51.4	50.8	50.2	34.8	41.3	48.8	41.8		
No		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
Total		236	160	199	191	189	125	129	155	119	58	94	97	273	2,025		
<u>Formal Volunteer Recruitment Policy</u>		16.7	23.2	23.8	20.2	26.2	25.5	24.3	14.0	26.1	22.0	23.7	22.5	14.3	18.3		
Yes		83.3	76.8	76.2	79.8	73.8	74.5	75.7	86.0	73.9	78.0	76.3	77.5	85.7	81.7		
No		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
Total		234	161	197	188	189	125	130	154	120	58	89	94	272	2,011		

Nonprofit Challenge or Capacity		Percent of Nonprofits in Region														Entire State of Indiana	
		Selected Indiana Metropolitan Statistical Areas							Selected Indiana Non-metropolitan Counties								Rest of State
		Indianapolis	Gary-Northwest*	Fort Wayne	Evansville**	South Bend	Bloomington	Muncie	Bartholomew	Dubois	Scott	Miami	Cass				
<u>Formal Volunteer Training Program</u>		17.6	24.2	24.9	24.2	26.7	27.3	24.7	18.8	24.0	17.1	26.5	18.9	20.0	21.1		
Yes		82.4	75.8	75.1	75.8	73.3	72.7	75.3	81.2	76.0	82.9	73.5	81.1	80.0	78.9		
No		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
Total		232	157	198	188	189	124	126	154	120	58	89	94	270	1,999		
<u>Number of cases</u>																	
<u>Reserves Dedicated to Capital Improvement</u>																	
Yes		31.2	35.8	31.8	33.0	32.9	35.5	24.6	26.9	37.6	32.7	41.3	29.2	39.0	34.7		
No		68.8	64.2	68.2	67.0	67.1	64.5	75.4	73.1	62.4	67.3	58.7	70.8	61.0	65.3		
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
Total		230	158	196	186	191	123	129	152	118	58	91	96	270	1,998		
<u>Number of cases</u>																	
<u>Reserves Dedicated to Maintenance/Equipment</u>																	
Yes		43.8	44.3	34.5	46.5	40.6	43.9	32.2	33.2	48.7	42.9	56.0	43.3	47.3	43.9		
No		56.2	55.7	65.5	53.5	59.4	56.1	67.8	66.8	51.3	57.1	44.0	56.7	52.7	56.1		
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
Total		229	159	197	187	191	124	129	152	119	57	92	97	269	2,002		
<u>Number of cases</u>																	
<u>Recent Audited Financial Statement***</u>																	
Yes		67.3	63.4	61.6	57.3	64.8	51.9	70.9	74.3	54.2	56.6	65.2	69.1	53.8	60.7		
No		32.7	36.6	38.4	42.7	35.2	48.1	29.1	25.7	45.8	43.4	34.8	30.9	46.2	39.3		
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
Total		233	156	198	187	191	124	128	153	120	57	92	98	268	2,005		
<u>Number of cases</u>																	
<u>An Annual Report Produced within the Past Year</u>																	
Yes		71.7	69.7	72.9	75.4	61.6	71.5	66.6	68.6	77.6	76.3	80.2	76.4	75.9	72.8		
No		28.3	30.3	27.1	24.6	38.4	28.5	33.4	31.4	22.4	23.7	19.8	23.6	24.1	27.2		
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
Total		238	162	200	191	189	123	130	154	121	58	92	98	267	2,023		
<u>Number of cases</u>																	

Nonprofit Challenge or Capacity	Percent of Nonprofits in Region													Entire State of Indiana
	Selected Indiana Metropolitan Statistical Areas						Selected Indiana Non-metropolitan Counties						Rest of State	
	Indianapolis	Gary-Northwest*	Fort Wayne	Evansville**	South Bend	Bloomington	Muncie	Bartholomew	Dubois	Scott	Miami	Cass		
<i>An Evaluation or Assessment of Program Outcomes/Impacts within the Past Two Years***</i>														
Yes	36.8	28.3	34.7	32.6	32.3	37.1	27.4	42.0	34.4	36.9	29.6	36.1	23.5	30.2
No	63.2	71.7	65.3	67.4	67.7	62.9	72.6	58.0	65.6	63.1	70.4	63.9	76.5	69.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>Number of cases</i>	229	157	198	185	185	121	124	153	119	59	90	93	269	1,982
<i>Organization has paid employees***</i>														
Yes	61.3	49.3	50.5	56.2	53.8	54.2	50.6	44.8	45.8	53.5	55.0	56.4	45.7	52.0
No	38.7	50.7	49.5	43.8	46.2	45.8	49.4	55.2	54.2	46.5	45.0	43.6	54.3	48.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>Number of cases</i>	243	165	210	200	195	131	129	158	122	59	94	103	280	2,089
<i>Organization has paid executive director or similar position***</i>														
Yes	83.4	81.7	78.3	76.4	81.1	85.6	85.1	69.7	67.5	68.0	73.8	74.1	63.0	75.0
No	16.6	18.3	21.7	23.6	18.9	14.4	14.9	30.3	32.5	32.0	26.2	25.9	37.0	25.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>Number of cases</i>	161	87	128	120	101	72	74	80	60	33	53	57	171	1,197
<i>Number of Paid Staff FTEs for those Organizations with Paid Employees***</i>														
0.5 to 2 FTEs	30.5	43.8	24.7	43.0	29.7	32.1	40.0	34.9	46.4	58.5	47.1	54.5	55.4	40.7
2.5 to 5 FTEs	23.1	19.4	29.5	25.8	19.9	15.3	30.9	23.9	15.5	12.5	22.3	24.1	17.5	21.5
5.5 to 15 FTEs	22.0	14.2	17.3	18.5	15.7	26.7	16.6	24.7	18.7	14.5	14.7	6.1	11.0	16.6
15.5 to 50 FTEs	17.1	8.5	19.3	6.5	14.1	14.3	6.6	4.1	5.7	7.2	11.3	4.0	12.2	13.4
More than 50 FTEs	7.2	14.1	9.2	6.1	20.6	11.6	5.8	12.4	13.7	7.2	4.5	11.2	3.9	7.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>Number of cases</i>	160	82	120	116	88	68	62	70	54	29	49	57	155	1,110
<i>Number of Full Time Employees for those Organizations with some FTEs***</i>														
No F-T Emps.	10.5	8.8	11.9	10.5	7.5	3.4	4.8	3.3	8.3	10.8	2.9	11.0	4.4	8.1
1 F-T Emp.	13.5	29.2	18.4	30.6	25.3	20.7	30.6	29.8	27.5	32.8	41.3	31.6	41.9	26.8
2 - 5 F-T Emps.	32.6	31.4	32.4	33.6	27.3	35.7	43.3	30.3	28.5	24.0	27.1	38.2	30.7	31.9

Nonprofit Challenge or Capacity		Percent of Nonprofits In Region															
		Selected Indiana Metropolitan Statistical Areas							Selected Indiana Non-metropolitan Counties							Rest of State	Entire State of Indiana
		Indianapolis	Gary-Northwest*	Fort Wayne	Evansville**	South Bend	Bloomington	Muncie	Bartholomew	Dubois	Scott	Miami	Cass				
6 – 15 F-T Emps.	18.0	10.1	9.9	12.2	10.6	13.4	13.2	19.4	16.2	18.5	18.4	2.6	9.3	12.9			
16 – 50 F-T Emps.	18.7	8.2	21.7	6.4	6.3	15.4	1.8	4.3	5.8	9.3	4.9	4.9	9.0	12.8			
51 – 100 F-T Emps.	2.4	11.7	4.4	0.0	5.1	3.9	4.7	3.6	3.6	0.0	0.0	0.0	0.0	2.9			
More than 100 F-T	4.3	0.6	1.4	6.7	17.8	7.4	1.6	9.4	10.1	4.6	5.4	11.8	4.6	4.6			
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0			
<i>Number of cases</i>	146	72	110	101	81	59	56	59	48	22	42	45	135	976			
<u>Number of Part Time Employees for those Organizations with some FTEs</u>																	
No P-T Emps.	8.5	4.9	4.7	12.8	4.4	5.8	13.5	9.3	7.4	6.3	17.6	7.1	9.1	8.1			
1 P-T Emp.	29.1	23.2	16.9	21.8	27.6	19.1	22.5	25.8	20.9	16.8	30.0	25.5	19.3	23.5			
2 – 5 P-T Emps.	32.7	41.5	36.8	44.9	23.3	32.0	35.5	34.2	37.9	58.8	34.2	46.3	51.8	40.0			
6 – 15 P-T Emps.	16.5	9.2	27.4	15.1	14.8	25.2	17.4	18.6	23.2	4.5	11.5	7.9	8.3	14.4			
16 – 50 P-T Emps.	9.9	6.3	7.7	2.1	14.9	11.4	8.6	7.4	6.6	13.6	4.8	10.9	5.8	7.8			
51 – 100 P-T Emps.	0.7	10.5	6.6	0.2	9.7	4.2	2.5	2.7	3.9	0.0	1.9	0.0	2.8	3.5			
More than 100 P-T	2.6	4.4	0.0	3.1	5.2	2.3	0.0	2.0	0.0	0.0	0.0	2.4	2.8	2.6			
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0			
<i>Number of cases</i>	135	67	108	98	74	55	52	62	44	23	43	49	118	928			

Staff Compensation as a Percentage of Total Expenses															
		Indianapolis	Gary-Northwest*	Fort Wayne	Evansville**	South Bend	Bloomington	Muncie	Bartholomew	Dubois	Scott	Miami	Cass	Rest of State	Entire State of Indiana
Less than 25	16.5	6.4	7.3	12.5	9.7	8.4	11.1	5.6	9.1	15.5	6.5	11.3	10.1	11.1	
25 to 49	17.3	14.7	19.1	15.5	11.5	15.2	13.0	16.2	7.1	20.8	17.2	17.6	14.4	15.6	
50 to 74	12.9	14.3	13.7	12.6	15.5	19.9	17.3	9.4	17.3	7.1	16.0	17.5	10.7	12.7	
75 to 100	6.7	2.4	2.2	4.6	4.3	3.6	1.5	7.1	5.7	4.1	1.3	2.2	1.4	3.4	
No Paid Employees	46.6	62.2	57.7	54.8	59.0	53.0	57.2	61.7	60.8	52.5	59.0	51.4	63.4	57.2	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
<i>Number of cases</i>	196	136	178	160	159	112	109	142	109	53	73	87	226	1,740	

Staff Compensation as a Percentage of Total Expenses for Organizations with some FTEs															
		Indianapolis	Gary-Northwest*	Fort Wayne	Evansville**	South Bend	Bloomington	Muncie	Bartholomew	Dubois	Scott	Miami	Cass	Rest of State	Entire State of Indiana
Less than 25	30.9	17.0	17.3	27.7	23.7	17.9	25.9	14.5	23.3	32.7	15.9	23.3	27.5	26.0	
25 to 49	32.5	38.8	45.1	34.3	28.1	32.2	30.3	42.4	18.0	43.8	41.9	36.3	39.3	36.4	

Nonprofit Challenge or Capacity		Percent of Nonprofits In Region															
		Selected Indiana Metropolitan Statistical Areas							Selected Indiana Non-metropolitan Counties							Rest of State	Entire State of Indiana
		Indiana- apolis	Gary- North- west*	Fort Wayne	Evans- ville**	South Bend	Bloom- ing-ton	Muncie	Bar- tholo- mew	Dubois	Scott	Miami	Cass				
50 to 74	24.1	37.8	32.5	27.8	37.7	42.3	40.4	24.5	44.2	14.9	39.1	35.9	29.3	29.6			
75 to 100	12.5	6.4	5.2	10.2	10.5	7.6	3.4	18.7	14.5	8.6	3.0	4.6	3.9	8.0			
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0			
<i>Number of cases</i>	119	56	93	79	59	52	49	56	43	25	28	42	107	808			
<u>Use any Volunteers</u>																	
Yes	70.4	73.4	76.3	73.5	70.7	79.4	84.3	66.6	71.3	73.0	77.3	76.2	72.7	72.8			
No	29.6	26.6	23.7	26.5	29.3	20.6	15.7	33.4	28.7	27.0	22.7	23.8	27.3	27.2			
Total	26.8	11.1	9.7	5.1	4.1	1.9	2.2	1.4	0.9	0.5	0.6	0.8	34.9	100.0			
<i>Number of cases</i>	239	165	209	201	189	131	126	157	120	60	92	101	273	2,063			
<u>Number of Volunteers for those Organizations who have used volunteers in the past year</u>																	
Less than 15 Vols.	27.7	32.8	31.5	29.2	22.9	21.7	31.1	24.1	16.5	32.5	28.5	15.6	25.9	27.6			
15 – 39 Vols.	24.3	23.0	21.0	28.4	27.2	24.0	40.5	31.8	27.6	38.7	28.0	37.4	34.1	28.3			
40 – 99 Vols.	16.5	26.1	24.1	21.6	12.9	15.4	16.5	15.2	30.4	9.6	26.6	27.4	23.9	21.0			
Greater than 100 Vols.	31.5	18.2	23.3	20.8	37.1	38.9	12.0	28.8	25.5	19.2	16.8	19.6	16.1	23.2			
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0			
<i>Number of cases</i>	144	81	120	120	98	82	82	82	62	36	47	56	158	1,168			
<u>Importance of Volunteers to Organization***</u>																	
Not at all Important	0.0	1.0	1.0	0.0	2.7	1.2	2.7	1.2	6.0	0.0	1.3	0.0	0.0	0.5			
Not very Important	8.7	13.1	1.5	7.3	7.8	7.3	10.6	4.9	4.6	5.8	4.2	5.9	6.1	7.3			
Important	28.9	12.7	22.0	15.5	20.6	22.4	12.5	26.5	12.9	24.7	10.7	14.3	10.7	18.1			
Very Important	39.1	43.1	40.1	39.2	36.2	34.7	39.1	35.3	36.6	21.6	34.0	38.7	36.9	38.4			
Essential	23.4	30.2	35.3	38.1	32.7	34.5	35.2	32.1	39.9	47.9	49.9	41.1	46.3	35.7			
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0			
<i>Number of cases</i>	186	119	158	141	124	99	98	102	84	44	69	75	214	1,513			
<u>Governance Structure Used</u>																	
Other Gov. Structure	8.2	17.5	11.3	11.4	13.9	5.2	10.5	9.1	8.2	14.4	13.1	10.2	10.1	10.6			
Gov. by Other Org.	2.9	8.5	6.4	2.6	2.4	3.6	5.8	2.1	5.1	3.7	4.2	1.2	4.5	4.4			
Board of Directors	88.9	73.9	82.3	86.0	83.7	91.2	83.7	88.8	86.7	82.0	82.8	88.7	85.5	84.9			
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0			
<i>Number of cases</i>	239	159	205	200	191	131	126	159	124	60	94	100	276	2,064			

Nonprofit Challenge or Capacity		Percent of Nonprofits In Region													
		Selected Indiana Metropolitan Statistical Areas						Selected Indiana Non-metropolitan Counties						Rest of State	Entire State of Indiana
		Indiana-polis	Gary-North-west*	Fort Wayne	Evans-ville**	South Bend	Bloom-ing-ton	Muncie	Bar-tholomew	Dubois	Scott	Miami	Cass		
<u>Size of Board of Directors***</u>		7.0	5.7	5.3	4.2	4.7	3.6	6.5	1.5	0.0	0.0	7.7	2.5	2.0	4.4
30 or More		22.5	21.9	20.0	23.7	27.5	17.3	31.6	14.9	12.2	17.0	14.9	23.6	13.6	19.1
15 to 29		30.7	19.5	25.5	25.1	21.4	19.9	13.7	19.6	26.6	17.0	23.6	24.7	20.3	23.8
5 to 9		29.8	38.0	35.7	33.1	28.3	43.1	35.0	40.3	47.7	51.8	36.2	42.0	45.3	37.7
1 to 4		10.0	14.9	13.5	13.8	18.1	16.1	13.3	23.6	13.5	14.2	17.6	7.2	18.9	15.0
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of cases		200	112	163	155	136	118	101	135	107	50	77	87	228	1,669
<u>Percent Using Committee Structures</u>		23.2	29.8	28.3	25.0	22.8	24.9	29.4	38.4	30.7	31.3	19.3	21.6	31.5	27.8
Doesn't Use Com.		22.7	15.4	11.0	17.8	13.5	15.5	16.8	11.7	15.1	28.0	21.4	20.1	18.4	18.3
Com. for Sp. Tasks		54.1	54.8	60.7	57.2	63.7	59.5	53.8	50.0	54.2	40.7	59.3	58.3	50.2	54.0
Com. for some/all work		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total		197	110	163	156	134	116	101	134	106	48	75	84	226	1,650
Number of cases		197	110	163	156	134	116	101	134	106	48	75	84	226	1,650
<u>Change in Funding from Government/Public Agencies***</u>		2.2	4.3	1.2	2.1	2.7	8.4	4.4	2.5	0.0	2.7	5.4	5.2	4.8	3.5
Significant Decrease		2.6	9.2	7.4	15.1	9.0	7.1	8.9	2.8	9.3	11.1	8.6	11.6	5.2	6.0
Moderate Decrease		72.3	65.7	80.9	61.3	75.5	64.6	71.2	71.4	81.9	49.8	74.9	70.2	76.3	73.3
Stayed the Same		14.1	19.1	8.6	19.4	12.4	13.3	11.7	17.7	8.8	36.4	11.2	11.6	13.5	14.1
Moderate Increase		8.8	1.6	1.9	2.1	0.4	6.6	3.8	5.7	0.0	0.0	0.0	1.3	0.2	3.1
Significant Increase		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total		114	72	98	72	83	63	56	81	69	30	41	59	146	984
Number of cases		114	72	98	72	83	63	56	81	69	30	41	59	146	984
<u>Change in Funding from Donations and Gifts</u>		4.2	7.1	5.4	5.9	3.2	6.3	5.4	3.3	0.9	4.5	3.2	2.4	2.9	4.1
Significant Decrease		12.2	18.0	11.0	11.7	15.3	13.4	8.6	15.2	10.6	17.4	20.0	11.0	6.2	10.4
Moderate Decrease		44.5	48.7	40.2	44.9	49.8	38.2	44.1	54.0	51.1	47.3	40.9	55.8	50.7	47.4
Stayed the Same		30.4	18.2	40.1	33.3	26.0	32.0	38.7	21.9	33.4	28.5	30.7	24.8	36.1	32.3
Moderate Increase		8.8	8.0	3.3	4.2	5.8	10.1	3.2	5.7	4.0	2.2	5.2	6.0	4.1	5.7
Significant Increase		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total		170	108	148	140	110	91	91	112	95	47	61	80	222	1,475
Number of cases		170	108	148	140	110	91	91	112	95	47	61	80	222	1,475

Nonprofit Challenge or Capacity		Percent of Nonprofits in Region													Entire State of Indiana
		Selected Indiana Metropolitan Statistical Areas						Selected Indiana Non-metropolitan Counties						Rest of State	
		Indianapolis	Gary-Northwest*	Fort Wayne	Evansville**	South Bend	Bloomington	Muncie	Bartholomew	Dubois	Scott	Miami	Cass		
<u>Change in Funding from Special Events</u>		0.4	5.3	1.2	0.0	0.4	3.2	2.5	2.0	1.0	3.4	0.0	5.2	0.8	1.3
Significant Decrease		11.6	13.7	11.3	12.4	20.4	6.5	10.9	16.1	7.0	10.1	13.8	9.2	8.5	10.9
Moderate Decrease		59.1	69.3	54.5	66.0	62.0	64.8	70.1	66.3	63.9	59.6	75.4	65.4	68.6	64.4
Stayed the Same		21.5	10.0	28.3	19.3	15.7	23.8	15.2	11.6	28.1	23.5	8.7	18.7	19.1	19.3
Moderate Increase		7.5	1.7	4.7	2.3	1.5	1.7	1.3	4.1	0.0	3.4	2.1	1.4	3.0	4.0
Significant Increase		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total		144	92	110	107	91	72	68	93	86	33	44	74	170	1,184
<u>Change in Funding from Dues/Memberships</u>		1.0	3.7	0.1	2.2	0.8	2.8	2.8	6.4	0.0	10.3	4.0	4.6	1.1	1.5
Significant Decrease		16.7	20.0	9.2	14.0	16.3	8.4	10.8	7.7	6.1	5.3	6.9	13.4	8.3	12.5
Moderate Decrease		60.7	55.2	61.4	63.0	58.9	61.5	64.4	45.1	71.7	70.1	78.2	67.1	70.9	64.2
Stayed the Same		17.6	21.0	22.7	18.5	23.6	19.1	22.0	38.5	22.3	9.0	10.9	14.9	18.3	19.3
Moderate Increase		4.0	0.1	6.6	2.4	0.3	8.2	0.0	2.4	0.0	5.3	0.0	0.0	1.4	2.5
Significant Increase		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total		146	100	113	105	112	82	84	101	88	36	46	67	172	1,252
<u>Change in Funding from Private Sales of Goods or Services</u>		1.5	1.7	0.0	0.0	1.0	3.6	3.3	3.0	0.0	0.0	2.2	0.0	2.4	1.7
Significant Decrease		3.4	16.9	4.2	5.7	8.9	9.5	10.0	7.3	11.6	3.6	4.9	10.5	8.9	7.8
Moderate Decrease		66.6	57.6	88.8	73.8	76.0	61.5	73.3	72.2	78.8	72.9	63.6	72.7	77.5	72.9
Stayed the Same		24.1	17.3	5.6	13.9	10.1	16.3	13.4	16.0	9.6	23.5	21.7	14.8	9.3	14.3
Moderate Increase		4.4	6.5	1.4	6.6	4.0	9.0	0.0	1.5	0.0	0.0	7.5	2.0	1.8	3.3
Significant Increase		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total		107	68	78	69	86	62	64	76	73	22	42	57	147	951
<u>Change in Funding from Other Sources</u>		4.4	7.3	2.3	4.3	0.0	1.8	4.8	2.4	1.4	0.0	0.0	4.1	2.4	3.5
Significant Decrease		10.2	1.0	4.9	4.3	14.6	12.4	4.7	13.3	4.8	6.0	8.2	9.4	7.5	7.6
Moderate Decrease		67.8	77.1	64.0	70.9	73.0	67.5	71.9	46.6	78.7	75.3	74.3	73.1	76.1	71.8
Stayed the Same		14.1	12.9	23.9	15.4	11.2	16.5	13.7	12.0	12.0	18.7	12.2	13.4	9.9	13.2
Moderate Increase		3.5	1.7	4.9	5.2	1.2	1.8	4.8	25.8	3.1	0.0	5.3	0.0	4.1	4.0
Significant Increase		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total		124	66	93	77	74	62	61	85	62	24	37	56	142	963

Nonprofit Challenge or Capacity		Percent of Nonprofits in Region															
		Selected Indiana Metropolitan Statistical Areas								Selected Indiana Non-metropolitan Counties							
		Indiana-polis	Gary-North-west*	Fort Wayne	Evans-ville**	South Bend	Bloom-ing-ton	Muncie	Bar-tholo-mew	Dubois	Scott	Miami	Cass	Rest of State	Entire State of Indiana		
<u>Size of Total Revenues***</u>		4.1	17.1	8.1	5.1	9.3	0.4	4.8	2.4	3.5	11.1	11.2	4.3	7.4	7.4		
No Revenue		29.5	29.3	35.9	39.0	39.6	36.4	42.1	31.5	42.2	37.2	31.0	40.7	40.4	35.6		
Less than \$25K		12.2	22.5	13.8	24.2	16.2	13.8	16.5	24.5	22.9	30.3	26.4	20.6	27.7	20.5		
\$25K - \$99K		17.3	11.3	14.0	14.7	13.2	18.4	16.3	13.9	14.5	6.9	13.7	16.5	11.3	13.7		
\$100K - \$249K		9.5	6.5	10.6	7.4	7.5	9.7	4.0	8.4	7.5	3.7	7.0	3.4	2.1	6.2		
\$250K - \$499K		3.8	2.8	4.6	2.8	3.7	6.2	9.8	8.7	1.1	4.3	2.6	5.2	4.9	4.4		
\$500K - \$999K		17.3	10.2	11.8	4.4	4.3	10.2	5.8	9.9	6.6	4.3	8.1	3.6	3.8	9.1		
\$1M - \$9M		6.2	0.3	1.2	2.4	6.2	4.9	0.8	0.9	1.9	2.2	0.0	5.7	2.5	3.2		
\$10M or More		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
Total		199	135	180	156	161	108	105	141	110	50	76	80	223	1,724		
<u>Number of cases</u>																	
<u>Size of Total Expenses***</u>		5.7	12.4	8.3	4.2	8.2	0.4	4.0	3.0	4.5	12.2	12.7	4.4	7.7	7.3		
No Revenue		29.8	31.8	34.7	44.2	41.2	39.2	43.5	32.3	45.6	37.9	33.9	41.9	41.8	36.8		
Less than \$25K		13.0	25.7	13.3	19.6	17.8	13.9	16.4	23.1	20.6	27.2	23.9	19.0	27.7	20.7		
\$25K - \$99K		16.5	9.1	15.3	14.5	14.7	15.2	16.1	13.3	10.7	10.2	14.1	17.7	9.5	12.7		
\$100K - \$249K		9.3	7.6	10.2	7.8	2.8	10.6	6.4	8.0	9.9	2.1	8.4	3.4	1.5	5.9		
\$250K - \$499K		5.5	2.8	5.2	2.9	4.1	6.4	6.2	10.5	1.9	6.2	2.6	4.0	5.8	5.2		
\$500K - \$999K		15.9	10.2	11.8	5.3	5.4	9.4	6.7	8.9	4.9	2.1	4.4	5.2	3.4	8.7		
\$1M - \$9M		4.4	0.3	1.2	1.5	6.0	5.0	0.8	0.9	1.9	2.1	0.0	4.4	2.5	2.7		
\$10M or More		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
Total		201	133	178	152	158	106	105	140	108	51	74	77	221	1,704		
<u>Number of cases</u>																	
<u>Size of Total Assets***</u>		15.4	22.2	13.8	12.4	16.8	10.8	21.1	17.8	14.1	28.5	32.5	18.1	23.2	18.9		
No Revenue		31.7	25.1	41.3	39.5	34.3	35.3	34.3	33.8	32.8	31.1	20.3	36.2	38.3	34.7		
Less than \$25K		8.6	13.9	6.6	14.0	16.7	18.0	7.1	16.1	14.4	12.0	15.6	13.0	9.5	10.3		
\$25K - \$99K		3.4	15.9	8.2	8.4	5.8	4.8	12.2	8.0	5.7	10.9	7.5	4.4	7.3	7.5		
\$100K - \$249K		6.5	1.5	4.2	11.0	5.6	5.9	7.3	3.5	10.4	6.0	6.6	4.4	5.5	5.5		
\$250K - \$499K		2.0	4.6	6.3	7.6	4.0	6.5	4.6	1.9	7.7	1.8	12.5	5.0	2.5	3.6		
\$500K - \$999K		22.9	15.9	18.4	4.6	12.5	15.1	8.9	15.6	9.7	9.8	3.6	17.2	9.4	14.7		
\$1M - \$9M		9.6	0.9	1.4	2.5	4.3	3.5	4.5	3.3	5.3	0.0	1.4	1.9	4.3	4.8		
\$10M or More		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
Total		174	122	156	137	135	101	92	127	89	45	66	61	176	1,481		
<u>Number of cases</u>																	

Nonprofit Challenge or Capacity	Percent of Nonprofits in Region													Entire State of Indiana
	Selected Indiana Metropolitan Statistical Areas						Selected Indiana Non-metropolitan Counties						Rest of State	
	Indiana-polis	Gary-North-west*	Fort Wayne	Evans-ville**	South Bend	Bloom-ing-ton	Muncie	Bar-tholo-mew	Dubois	Scott	Miami	Cass		
<u>Size of Total Liabilities</u>	57.5	64.6	62.8	64.3	66.8	51.1	61.1	66.5	65.7	68.5	81.1	63.9	66.2	63.0
No Revenue	12.0	12.3	16.2	20.7	7.2	14.3	13.9	12.7	4.9	14.4	4.0	7.7	15.0	13.7
Less than \$25K	1.5	7.4	4.0	6.1	9.0	9.0	9.3	6.4	10.3	2.8	5.7	7.0	6.5	5.3
\$25K - \$99K	7.4	4.5	6.2	1.4	3.8	6.2	5.6	3.8	2.0	6.8	3.3	4.8	0.6	3.9
\$100K - \$249K	4.5	2.0	1.6	2.5	4.2	7.0	2.1	0.0	3.5	2.0	4.0	3.6	3.1	3.2
\$250K - \$499K	6.4	4.7	6.9	0.8	1.5	2.6	1.0	3.3	3.7	0.0	0.0	3.0	0.7	3.5
\$500K - \$999K	5.8	3.6	1.2	2.8	3.8	9.0	7.0	5.4	7.6	5.5	1.9	8.2	6.1	5.0
\$1M - \$9M	4.7	1.0	1.1	1.4	3.8	0.9	0.0	2.0	2.3	0.0	0.0	1.8	1.9	2.4
\$10M or More	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total	163	118	150	130	134	91	87	118	84	39	67	63	170	1,414
<u>Number of cases</u>														
<u>Change in Total Revenues</u>	5.7	6.6	8.2	6.2	7.0	7.6	7.9	6.6	4.4	10.6	6.9	7.9	8.5	7.3
Significant Decrease	20.5	22.6	9.4	18.4	19.5	10.4	17.5	22.0	14.2	10.6	23.3	20.2	16.1	17.6
Moderate Decrease	26.2	30.0	35.5	30.7	37.4	30.0	34.3	26.9	38.2	38.7	29.5	38.3	29.3	29.8
Stayed the Same	40.1	34.1	44.5	39.2	30.4	34.2	33.5	36.2	38.7	36.0	35.0	25.2	39.1	38.6
Moderate Increase	7.5	6.7	2.4	5.4	5.7	17.7	6.8	8.3	4.5	4.1	5.3	8.5	7.0	6.7
Significant Increase	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total	213	137	175	168	159	114	108	123	113	52	78	88	249	1,777
<u>Number of cases</u>														
<u>Change in Total Expenses</u>	0.5	0.0	1.1	1.4	0.0	2.8	4.2	0.0	2.4	1.5	1.4	3.1	2.1	1.3
Significant Decrease	9.3	9.9	1.9	7.9	6.2	5.3	3.5	12.5	8.1	3.6	4.0	1.3	6.3	7.0
Moderate Decrease	28.5	38.7	25.8	32.2	44.2	27.7	39.7	33.2	40.7	36.0	35.4	36.6	34.4	32.9
Stayed the Same	45.7	37.5	60.6	47.6	39.3	47.6	42.0	42.9	42.6	46.9	47.9	48.3	44.5	45.5
Moderate Increase	16.0	13.9	10.6	10.8	10.3	16.7	10.6	11.4	6.3	12.0	11.2	10.6	12.7	13.2
Significant Increase	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total	209	136	177	169	159	114	108	124	116	51	77	88	250	1,778
<u>Number of cases</u>														

Nonprofit Challenge or Capacity		Percent of Nonprofits in Region														Entire State of Indiana
		Selected Indiana Metropolitan Statistical Areas							Selected Indiana Non-metropolitan Counties							
		Indiana-polis	Gary-North-west*	Fort Wayne	Evans-ville**	South Bend	Bloom-ing-ton	Muncie	Bar-tholomew	Dubois	Scott	Miami	Cass	Rest of State		
<u>Change in Total Assets</u>		2.8	2.3	4.5	1.1	2.0	2.2	3.8	4.1	0.8	4.5	1.2	2.6	1.3	2.2	
Significant Decrease		10.2	7.3	7.0	9.1	12.2	10.1	9.4	12.8	16.2	7.9	9.6	16.1	10.1	9.7	
Moderate Decrease		40.1	57.3	42.5	47.7	55.9	43.4	51.4	40.2	46.6	53.2	57.1	48.2	51.4	47.9	
Stayed the Same		36.1	27.4	39.4	36.7	22.0	34.9	25.5	34.4	31.2	26.9	25.1	26.6	28.4	31.6	
Moderate Increase		10.9	5.7	6.6	5.3	7.9	9.3	10.0	8.5	5.2	7.5	7.0	6.5	8.7	8.6	
Significant Increase		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Total		200	126	164	156	144	101	105	109	111	48	75	87	233	1,659	
<u>Change in Total Liabilities</u>		3.8	3.1	1.6	4.9	0.2	3.9	2.5	5.3	3.4	0.0	0.0	2.7	2.0	2.7	
Significant Decrease		6.9	9.6	12.5	5.9	8.4	7.2	11.3	7.5	9.8	12.2	6.7	6.8	9.7	8.9	
Moderate Decrease		60.5	63.8	69.1	66.1	70.5	63.2	57.9	61.7	66.8	57.5	73.0	69.1	65.9	64.5	
Stayed the Same		19.2	21.9	13.4	20.8	15.4	18.7	19.5	17.2	18.2	16.0	15.9	14.8	15.8	17.5	
Moderate Increase		9.7	1.6	3.5	2.3	5.5	7.0	8.8	8.4	1.8	14.2	4.5	6.6	6.6	6.4	
Significant Increase		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Total		192	119	157	146	140	94	99	106	105	46	72	85	226	1,587	

* Includes LaPorte County
** Includes Gibson County
*** Significant at p<.05

PROJECT PUBLICATIONS AND REPORTS

Over the last several years a number of reports and articles related to the Indiana Nonprofit Sector Project have been published, in addition to papers presented at various colloquiums and conferences. The following citations include project-related reports and papers as of August 2004. Online reports, as well as summaries of all other items are available on the project web site: www.indiana.edu/~nonprof. To obtain a complete version of an unpublished paper please contact Kirsten Grønbjerg (kgronbj@indiana.edu, (812) 855-5971).

Indiana Nonprofit Survey Analysis

This survey of 2,205 Indiana nonprofits, completed in spring and early summer of 2002, covered congregations, other charities, advocacy nonprofits, and mutual benefit associations. It used a stratified random sample drawn from our comprehensive Indiana nonprofit database and structured so as to allow for comparisons among (1) different nonprofit source listings (including those identified through the personal affiliation survey) and (2) twelve selected communities around the state. The survey included questions about basic organizational characteristics, programs and target populations, finances and human resources, management tools and challenges, advocacy activities, affiliations, and involvement in networking and collaboration. An almost identical instrument was used to survey Illinois congregations, charities and advocacy nonprofits for the Donors Forum of Chicago (report available Online at www.donorsforum.org, December, 2003).

Online Reports

- Indiana Nonprofits: Managing Financial and Human Resources, by Kirsten A. Grønbjerg and Richard M. Clerkin. Online report. Survey Report #4. August 2004 (www.indiana.edu/~nonprof/results/npsurvey/insman.html).
- Indiana Nonprofits: Impact of Community and Policy Changes, by Kirsten A. Grønbjerg and Curtis Child. Online report. Survey Report #3. June 2004 (www.indiana.edu/~nonprof/results/npsurvey/inscom.html).
- The Indiana Nonprofit Sector: A Profile, by Kirsten A. Grønbjerg and Linda Allen. Online report. Survey Report #2. January 2004 (www.indiana.edu/~nonprof/results/npsurvey/insprofile.html).
- The Indianapolis Nonprofit Sector: Management Capacities and Challenges, by Kirsten A. Grønbjerg and Richard Clerkin. Online report. Preliminary Survey Report #1. February 2003 (www.indiana.edu/~nonprof/results/npsurvey/indymanag.html).

Journal Articles and Conference Presentations

- “Examining the Landscape of Indiana’s Nonprofit Sector: Does What You Know Depend on Where You Look?” by Richard Clerkin and Kirsten A. Grønbjerg. Paper presented at the Annual Meetings of the Academy of Management, New Orleans, LA, August, 2004.
- “Nonprofit Advocacy Organizations: Their Characteristics and Activities” by Curtis Child and Kirsten A. Grønbjerg. Paper presented at the Biannual Conference of the International Society for Third-Sector Research, Toronto, Canada, July 11-14, 2004.
- “The Indiana Nonprofit Survey: Does What You Know Depend on How You Draw Your Sample?” by Kirsten Grønbjerg and Richard Clerkin. Paper presented at the Annual Meetings of ARNOVA, Denver, CO, November 20-22, 2003.
- “The Role of Congregations in Delivering Human Services” by Richard Clerkin and Kirsten Grønbjerg. Available Online. Paper presented at the Independent Sector Spring Research Forum, Washington, D.C., March 6-7, 2003.

Indiana Nonprofit Employment Analysis

An analysis, comparing ES202 employment reports with IRS registered nonprofits under all sub-sections of 501(c), using a methodology developed by the Center for Civil Society Studies at The Johns Hopkins University, to examine nonprofit employment in the state of Indiana for 2001 with comparisons to 2000 and 1995. The analysis includes detailed information by county, region, and type of nonprofit as well as industry and sector comparisons.

Online Reports

- Indiana Nonprofit Employment, 2001. Nonprofit Employment Report No. 1 by Kirsten Grønbjerg and Hun Myoung Park. July 2003 (www.indiana.edu/~nonprof/results/innonprofitemploy.htm).
- Bloomington Nonprofit Employment, 2001. Nonprofit Employment Report No. 1, Supplement A, by Kirsten Grønbjerg and Sharon Kioko. August 2003 (www.indiana.edu/~nonprof/results/inemploy/bloomingtonempl03.pdf).

Personal Affiliation Survey Analysis

We completed a survey of 526 Indiana residents in May 2001, designed to make it possible to evaluate the utility of an alternative approach to sampling Indiana nonprofits (as compared to drawing a sample from a comprehensive nonprofit database). The survey probed for the respondents' personal affiliations with Indiana nonprofits as employees, worshippers, volunteers, or participants in association meetings or events during the previous 12 months. We recorded the names and addresses of the church the respondent had attended most recently, of up to two nonprofit employers, up to five nonprofits for which the respondent had volunteered, and up to five nonprofit associations.

Journal Articles and Conference Presentations

- "The Role of Religious Networks and Other Factors in Different Types of Volunteer Work" by Kirsten Grønbjerg and Brent Never. Nonprofit Management and Leadership 14 (Winter 2004, No. 3):263-90 .
- "Individual Engagement with Nonprofits: Explaining Participation in Association Meetings and Events" by Kirsten Grønbjerg. Paper presented at the ARNOVA Meetings, Montreal, Canada, November 14-16, 2002.
- "Volunteering for Nonprofits: The Role of Religious Engagement" by Kirsten Grønbjerg and Brent Never. Paper presented at the Association for the Study of Religion. Chicago, August 14-16, 2002.

Indiana Nonprofit Database Analysis

We developed a comprehensive database of 59,400 Indiana nonprofits of all types (congregations, other charities, advocacy nonprofits, and mutual benefit associations) using a unique methodology that combines a variety of data sources, most notably the IRS listing of tax-exempt entities, the Indiana Secretary of State's listing of incorporated nonprofits, and the yellow page listing of congregations. We supplemented these listings with a variety of local listings in eleven communities across the state and with nonprofits identified through a survey of Indiana residents about their personal affiliations with nonprofits. The database is available in a searchable format through a link at www.indiana.edu/~nonprof.

Journal Articles and Conference Presentations

- "Extent and Nature of Overlap Between Listings of IRS Tax-Exempt Registrations and Nonprofit Incorporation: The Case of Indiana" by Kirsten Grønbjerg and Laurie Paarlberg. Nonprofit and Voluntary Sector Quarterly 31 (No. 4, December, 2002): 565-94.
- "Evaluating Nonprofit Databases." American Behavioral Scientist 45 (July, 2002, No. 10): 1741-77. Resources for Scholarship in the Nonprofit Sector: Studies in the Political Economy of Information, Part I: Data on Nonprofit Industries.
- "Community Variations in the Size and Composition of the Nonprofit Sector: The Case of Indiana" by Kirsten Grønbjerg and Laurie Paarlberg. Paper presented at the Small Cities Conference, Muncie, IN, September 14-15, 2001.
- "Community Variations in the Size and Scope of the Nonprofit Sector: Theory and Preliminary Findings" by Kirsten A. Grønbjerg & Laurie Paarlberg. Nonprofit and Voluntary Sector Quarterly 30 (No. 4, December, 2001) 684-706.



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