

Washington County Nonprofits and the Economy Executive Summary



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Washington County Nonprofits and the Economy

Project Summary

The “Toolbox Coalition,” comprised of the University of Wisconsin Washington County, University of Wisconsin-Extension, United Way of Washington County and the Volunteer Center of Washington County, completed during early summer of 2012 a survey of a cross section of nonprofit organizations in Washington County, WI to determine the financial health, trends and concerns of those organizations.

Project Scope

The survey project consisted of an electronic survey using the tool surveymonkey.com. The data contained within this document is a result of those responses. The survey was distributed to 91 nonprofit organizations within Washington County and 28 responses were received for a response rate of 30.8%. Responses were held in confidence and the data results in this document a summary in aggregate of those who responded.

Summary Findings

Although 95% of the nonprofits are confident that they will be able to meet the demand for services in 2012, their ability to meet future demands may be limited by other findings in this survey. These include:

- 67% indicated demand for services increased from 2010-2011
- 53% have not changed staffing levels from 2011
- 59% indicated total expenses increased from 2010-2011
- 43% have been financial healthy to date, but feel vulnerable in the future
- 43% had expenses exceed revenues in 2011
- 29% have three or less months of reserves on hand for operating expenses

Additionally, organizations indicated that their greatest challenges are obtaining funds & recruiting new donors; enhancing their visibility & reputation; and managing workloads.

Representatives from 33 organizations discussed the findings of this survey at a forum on August 16, 2012. These discussions suggested that more collaboration is needed amongst the non-profit sector in Washington County and nonprofits need to seek out new and diversified funding sources to sustain and grow services to meet demands.

It is intended that this survey be conducted on an annual basis to identify trends in the financial health of nonprofit respondents within Washington County, WI.

Key Findings

The following summarizes some of the key findings by category indicated. This document includes summaries by question in both a chart and graphical representation. Where the range of answers was significantly broad, such as vendor purchasing patterns, the data is in chart format only.

Participant Demographic Characteristics

- Focus of organization
 - 46.4% human services
 - 21.4% environment
 - 17.9% community development
- Operating budget
 - 35.7% less than \$100,000
 - 21.4%- \$101,000-\$250,000
 - 21.4%- \$501,000-\$1 million
- Geographic territory
 - 57.1% county-wide
 - 32.1% regional
- 82.1% based in Washington County
- 78.5% of responders were director or president of the organization

Challenges faced by respondents indicating minor/major responses

Programs and Services

- 78.6% attracting new members or clients is a challenge
- 57.1% collaborating with other nonprofits
- 57.1% evaluating outcomes or impacts of programs

Communications

- 89.3% enhancing our visibility and reputation
- 71.4% communication with donors

Human Resources

- 82.1% managing workload
- 71.4% volunteers, recruiting and managing

Fundraising/Donations

- 85.7% obtaining funds
- 85.7% recruiting new donors
- 75.0% maintaining donors

Operations Management

- 50.0% not a challenge

Board Management

- 67.9% board recruitment
- 64.3% board training

Technology

- 64.3% hardware & IT support (combined responses)
- 60.7 % social media & website (combined responses)

Greatest Challenges from Q6-12

- 1) Communication- 89.3% enhancing our visibility and reputation
- 2) Fundraising/Donations- 85.7% obtaining funds & recruiting new donors
- 3) Human Resources- 82.1% managing workload

Major changes respondents experienced from 2010 to 2011

- 66.7% demand for services increased
- 59.3% total expenses increased
- Revenue from donations- 32.1% increased, 32.1% decreased & 28.6% remained the same, 7.2% unsure.

Demand for Services outlook for next three years

- 67.9% will expand services in certain key areas
- 28.6% services will remain unchanged
- 0 responded that they will reduce key program budgets and services

Description of current financial health

- 42.9% are financially healthy and not currently vulnerable
- 42.9% have been financially healthy to date but feel vulnerable in the future

Annual fund development goal for current fiscal year

Combined annual fund development goal from 16 responses = \$3,702,200

- \$500, 000+ (3)
- \$100,000-499,999 (5)
- \$50,000-99,999 (3)
- \$10,000-49,999 (5)

Change in fund development goal from previous year

- 50.0% increase
- 42.9% no substantial change

Respondents indicating they will have a capital campaign in the next 9 months

- 25.0% will not have a campaign in the next 9 months

Respondents indicating status of endowment campaigns

- 82.1 % are not currently undertaking an endowment campaign

Respondents who have changed their endowment strategy due to current economic conditions

- 14.8% yes

Changes indicated in funding sources between 2010 and 2011

- 53.8% Increase in time given by volunteers / in-kind donations
- 39.3% Increase in special events/fundraisers
- 39.3% Increase in individual donations
- 21.4% decrease in donations from businesses/corporate foundations and special events/fundraisers

Anticipated funding source changes from 2011 to 2012

- 50.0% Increase in time given by volunteers/in-kind donations
- 42.9% Increase in special events/fundraisers

Actions taken by respondents if expenses exceeded revenues

- 57.1% expenses did not exceed revenues
- 35.7% used prior year's cash reserves
- 28.6% greater reliance on volunteers
- 21.4% increased fundraising activities

Waiting list for services

- 90.5% no

Confidence in meeting demand for services in 2012

- 95.3% are confident

Months of cash reserves respondents indicated they have on hand for operating expenses

- 57.1% 6 or more
- 14.2% 4-5 months
- 28.6% 3 or less months

Percentage of respondents who offer direct services to clients

- 71.4% yes

Change in demand for services compared to 2011

- 61.9% increase
- 19.0% stayed the same
- 14.3% decreased

Change in staffing levels from 2011

- 52.4% no change
- 23.8% increased
- 14.3% decreased

Reason for change in staffing levels

- 23.5% Increased demand for services
- 5.9% Decreased revenue

Organizations were asked the 3 most pressing issues facing the non-profit sector in Washington County? Their responses were clustered and appear as follows:

Funding (32)

- Funding / Money - 12
- Donors - 6
 - Financial support/donations
 - Donor fatigue, the same people getting asked for money over and over
 - Limited donor base with increased demand
 - Accountability to the donor
 - Obtain corporate sponsorships/funding
 - Acquiring New Donors
- Competition - 5
 - Funders belief that there are too many nonprofits in Washington County
 - Competition for the same funds
 - Competition for available funds by too many non-profit organizations
 - Increased competition for fund raised revenue
 - Overlap and copying of existing fund raising events
- Government - 4
 - Government Funding
 - Government cuts etc.
 - Cut back in essential funding from government sources
 - Serious decline in federal and state grant program revenue
- Grants - 2
 - Grant money for programs
 - Pullback in grant funding
- Other - 3
 - Meeting operating budgets
 - Limited access to funding to build sustainability by investing in operations
 - Eggs all in one funding basket

Public Awareness & Support (9)

- Awareness of programs/events
- Knowledge of Needs
- Public Awareness
- Community support
- Means to market and share what's going on are limited, especially to corporate employees
- Proper marketing
- Media support
- Visibility
- Communication with public, clients, donors

Economic Environment (4)

- Economy
- Economic Environment
- Poor economy
- Economy

Service Demand (4)

- Increase in clients
- Increase in service demand / decrease in staffing sustainment capacity
- Increased need for services across the board - more programs asking the same population for support
- Increased needs for services

Volunteers (4)

- Finding volunteers
- Getting volunteers interested and active
- A small number of local corporations to encourage employees to volunteers
- Volunteers are busy

Staffing (4)

- Benefit costs for staff
- Staffing
- Ongoing staffing
- The pool of available workers lack technical/computer skills to support non-profs in today's computer savvy environment

Board Development (4)

- Board development with strategic planning
- Board micro managing in areas they are not qualified to manage
- Operational management
- Lack of creativeness regarding sustainability

Mergers & Competition (3)

- Lack of willingness by nonprofits to consider consolidation/merging
- The need to collaborate/merge to increase sustainability and provide adequate services
- Too many non-profits

Change in businesses in county (2)

- Community based large businesses/corporations are disappearing which means smaller financial commitments
- A small number of local large businesses to offer financial support

Community Support (2)

- Support
- Community support

Increasing Costs (2)

- Administrative costs
- Cost of products increased

Other

- Uncertainty 2 time
- Safety
- Government dependency
- Not enough leaders
- Aging demographics - change in attitude about giving time/money by younger generations
- Program offerings (dwindling)
- Uninsured Health People
- Time commitments
- Conservative citizens
- Decreased Membership
- Negative political climate
- Homeless People

Washington County Census and Economic Forum

Key census data and the key findings of the Nonprofits and the Economy survey were presented to representatives from 33 organizations at a forum held on August 16, 2012. After the data was presented, participants discussed in small groups what the data means to their organization and what ideas they have to address funding trends and issues.

Organizations that had representatives at the forum include:

- Aging and Disability Resource Center of Washington County
- Albrecht Free Clinic
- Big Brothers Big Sisters of Washington County
- Boys & Girls Club of Washington County
- Casa Guadalupe Education Center
- Consumer Credit Counseling Service
- Council on AODA of Washington County
- Economic Development Washington County
- Family Center of Washington County
- Family Promise of Washington County
- Friends of Lac Lawrann Conservancy
- Froedtert Health Medical Group

- Germantown Area Chamber of Commerce
- Girl Scouts of WI SE, Inc
- Greater West Bend Area Chamber of Commerce
- Hartford Business Improvement District
- Interfaith Caregivers of Washington County
- Kettle Moraine YMCA
- Museum of Wisconsin Art
- Nova Services
- Sales Dynamix LLC
- Samaritan Health Center
- Southeastern WI Common Ground
- St. Joseph's Community Foundation
- The Threshold
- United Way of Washington County
- UW-Extension, Washington County
- UW-Oshkosh College of Education & Human Services
- UW-Washington County, School of Continuing Education
- Volunteer Center of Washington County
- Washington County Historical Society
- Washington County Senior Center
- Wellspring Education Center & Organic Farm

Small group discussion notes on what ideas participants have to address funding trends and issues.

Group-1

- More collaboration
- Central fundraising events (United Way)
- Fundraising through social media (LinkedIn, Facebook)
- Research communities with more population growth
- Education of public on endowments and agencies establishing endowments

Group-2

- Better education of non-profit services
- Impact of non-profit shifting responsibility to government if they did not exist

Group-3

- Better Board selection
- Better communication of services
- Focus on differences in various community needs within Washington County
- Better coordination among agencies eliminate duplication
- More creative fundraising tactics

Group-4

- Membership has stayed static-using consultant to reach out to potential new members who meet that same demographic-helps with increased funding, increased members and increased programming
- Find ways to collaborate with other agencies and build on each other's strengths
- Track reduction in government funding in programs over the years and the non-profit sector filling the gap now. Evolution of government support

Group-5

- Change focus of groups to recruit for volunteers
- Do more collaboration with other non-profits

Each group was then asked to share key points from their discussions with all participants. The "Big Ideas" that were shared include:

- Fee for service concept for non-profits
- Focus on aging population for volunteers
- Increase collaboration with other non-profits
- Increase education of community – re: services offered, which raises awareness
- Demonstrate impact of services offered. Who would have to pick it up if non-profits went away
- Help community leaders understand value of diversity
- Decrease overlap of services and programs offered through collaboration
- Better/active Board recruitment
- Better communications of service via community
- More creative fund raising
- Collaborative fund raising
- Social media use for fundraising