



2018

GREATER EVANSVILLE NONPROFIT SURVEY

A comprehensive look at the state and health of the Evansville area nonprofit community.



2018 GREATER EVANSVILLE NONPROFIT SURVEY

A SURVEY OF NONPROFIT EXCELLENCE INDICATORS FROM THE WELBORN BAPTIST FOUNDATION

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SURVEY ADMINISTRATION, ANALYSIS, REPORT CONSULTATION AND DATA VISUALIZATION

Diehl Consulting Group, Evansville, IN

SPECIAL THANKS

Greg Nielsen and Center for Nonprofit Excellence (CNPE) in Louisville, KY for consultation and support.

SUGGESTED CITATION

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INTRODUCTION

During the spring of 2018, Welborn Baptist Foundation (WBF) commissioned a study of the nonprofit sector in a five-county, greater Evansville region: Gibson, Posey, Vanderburgh, and Warrick Counties in Indiana and Henderson County, Kentucky. A primary goal of the study was to assess the nonprofit sector's health through measurement of key indicators; to use findings to inform WBF's planning for services and opportunities offered through their dedicated Nonprofit Excellence Community Impact area; and to share findings with community stakeholders. Survey questions are provided verbatim throughout the report.

WBF partnered with Diehl Consulting Group (DCG) to conduct this study. Importantly, it should be noted that many of the methods employed in this study were modeled with permission after an existing study of nonprofits in the Louisville metro area conducted by the Center for Nonprofit Excellence (CNPE). CNPE is a greater Louisville, KY nonprofit hub that provides professional development, consultation and resources to support effective and successful nonprofit leaders and organizations. WBF and DCG gratefully acknowledge the consultation and guidance that Greg Nielsen, in particular, provided throughout this study.



LETTER FROM THE CEO



There's a billion dollar 'industry' operating under the radar, right here in the Tri-State...an industry that most people never even think about. That 'industry'...is our community's nonprofits.

Hundreds of large and small nonprofit organizations serve our community, by serving those most in need – through a wide variety of charitable sectors, to a host of audiences, across multiple counties. Their work is fueled largely by a combination of program fees and private donors.

Over the last several months, Welborn Baptist Foundation reached out to nonprofits across the Tri-State, to profile their organizations: the areas of excellence and opportunities for growth. What we found, is captured in this report.

Two thoughts to frame what you will see:

1. These organizations need **our** help. Though staffed by talented and equipped leaders with servant hearts and passion for their mission, our community needs to come alongside in ever-increasing numbers – volunteering, giving, and governing. Find the cause that resonates with your heart and be a part.
2. We need **their** help. A thriving nonprofit sector is the too-often hidden success factor, in becoming a community that flourishes...a community that truly is, for everyone.

Thanks in advance for considering your unique role in supporting the work of our nonprofits, and those they serve.

Sincerely,

A handwritten signature in black ink, appearing to read 'KRB'.

Kevin R. Bain
Executive Director and CEO
Welborn Baptist Foundation

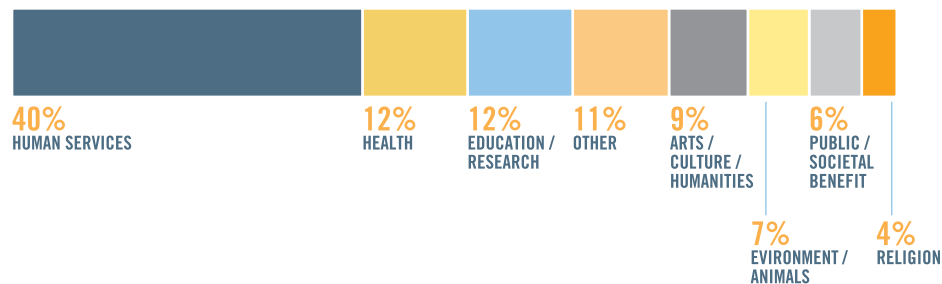
EXECUTIVE SUMMARY

NONPROFITS ARE ASSETS TO OUR COMMUNITIES

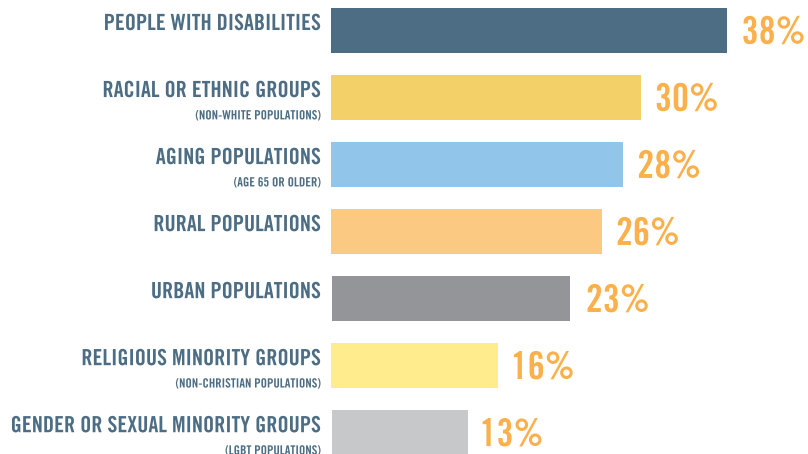


THE REGION'S NONPROFITS ARE A VITAL PART OF THE LOCAL LANDSCAPE.

Nonprofits add value to the local economy and provide a variety of important services to at least 36 counties across Indiana, Kentucky and Illinois (see page 9):



The services are provided to a host of specialized audiences (see page 10).



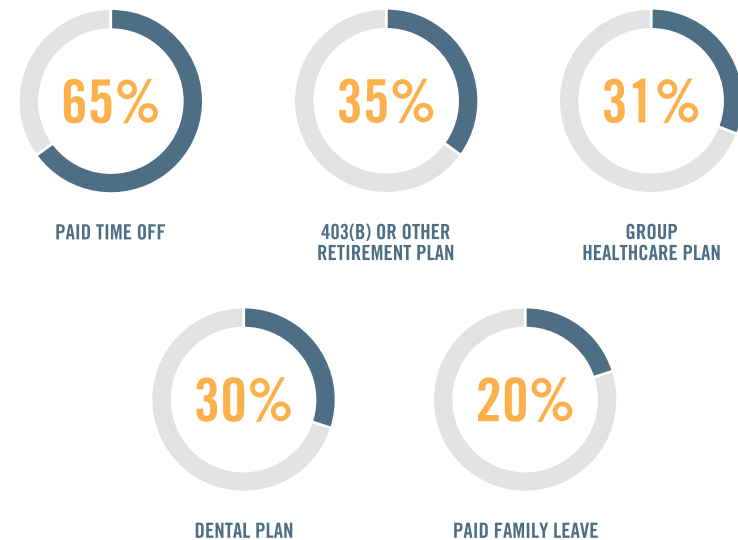
BUT THESE ORGANIZATIONS ARE AT RISK



PEOPLE AND FINANCES ARE STRETCHED.

Most nonprofits are also working with a small annual budget (most less than \$500K) and few financial reserves. In fact, half of all nonprofits have less than six months of revenue in reserves.

Other than funding, top challenges for area nonprofits include recruiting and maintaining staff and volunteers. Organization models vary, but typically, nonprofits rely on a workforce of few staff and larger volunteer networks. Nonprofit employment tends to come with its own challenges, some offering paid time off but few offering other paid benefits (see page 17):



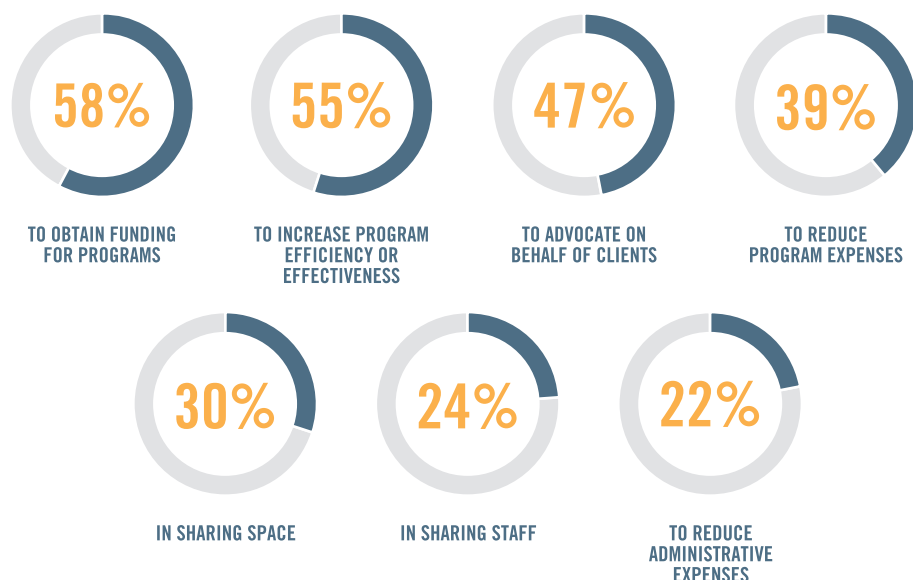
INCREASED COLLABORATION WILL HELP



OPPORTUNITIES EXIST TO REDUCE THE BURDEN OF FINANCIAL, STAFFING AND PROGRAM NEEDS.

Collaboration with others, in areas like space or back office staff, can help nonprofits reduce financial burdens and increase efficiency.

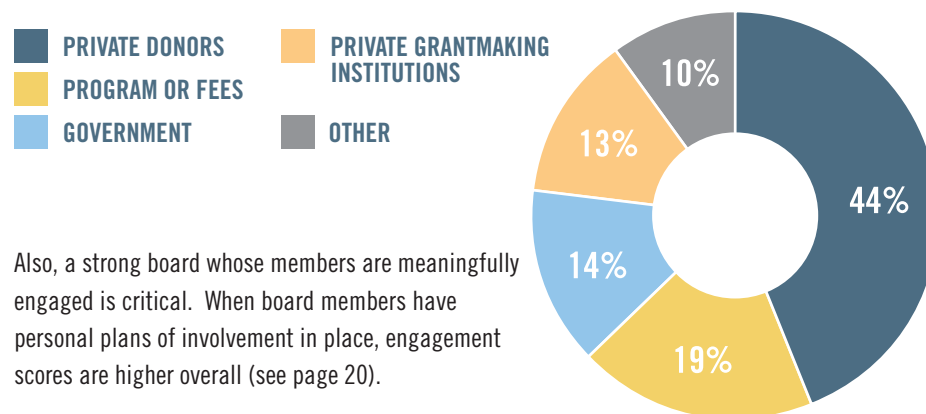
A little more than half of nonprofits are already collaborating to obtain funding for programs or to increase program efficiency or effectiveness. Opportunity exists for more nonprofits to collaborate to reduce program expenses, share space, share staff and to reduce administrative expenses (see page 12):



AS WILL MORE FOCUS ON LONG-TERM SUSTAINABILITY

DIVERSIFIED FUNDING SOURCES AND A STRONG BOARD OF DIRECTORS ARE ESSENTIAL.

A diverse funding mix, especially one with a healthy base of individual donors at all levels, helps organizations weather financial changes like the loss of grants or market fluctuations. Just under half (44%) of the region's nonprofit revenue comes from private donors as compared to upwards of 70% nationally (see page 24):



Also, a strong board whose members are meaningfully engaged is critical. When board members have personal plans of involvement in place, engagement scores are higher overall (see page 20).

32% of local nonprofits, or one-third, say their board is 'very engaged'.



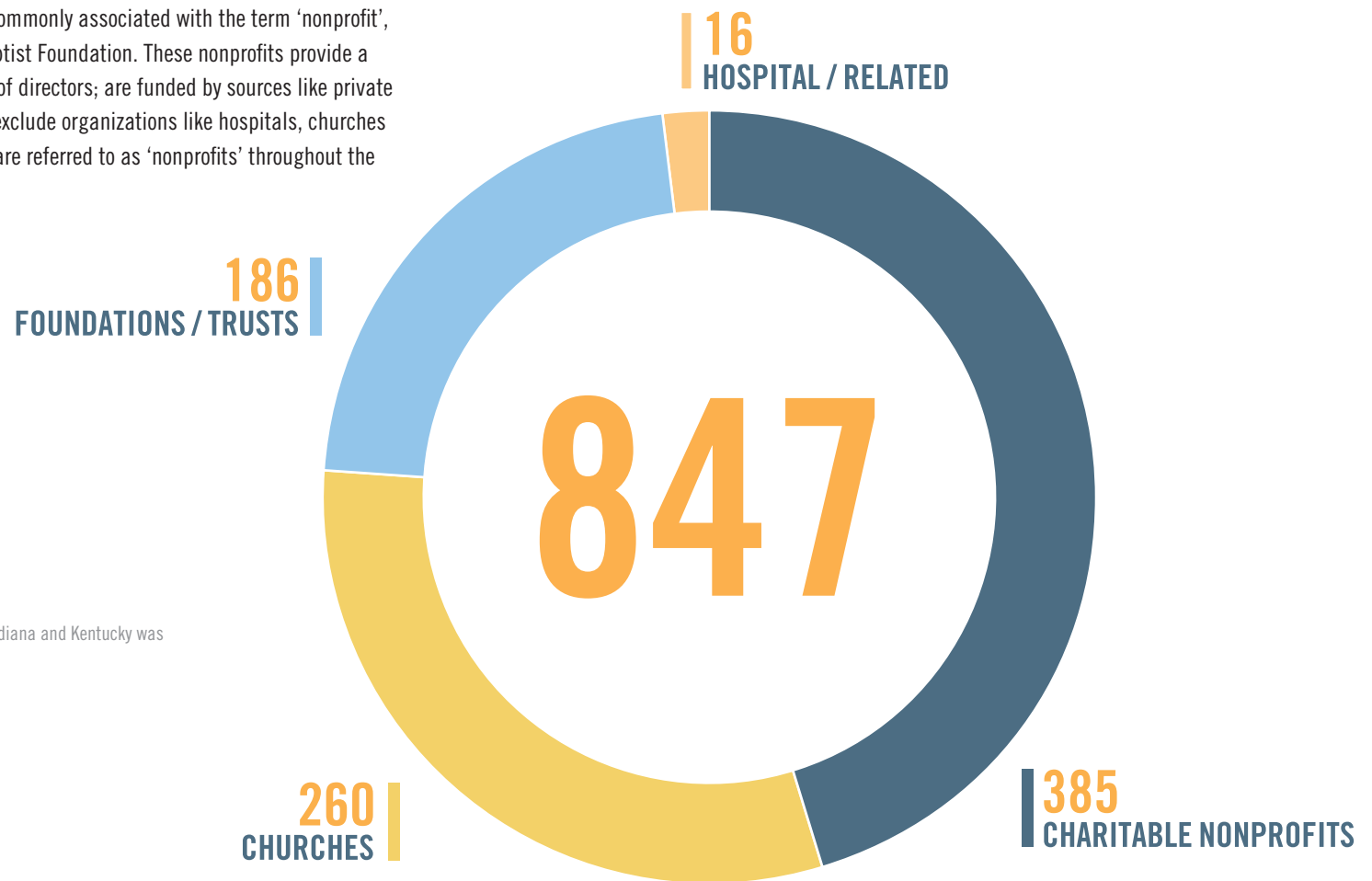
51% of nonprofits whose board members have an agreed upon a plan of involvement say their board is 'very engaged' (see page 32).

NONPROFIT SECTOR SNAPSHOT

NEARLY HALF (45%) OF ALL REGISTERED NONPROFITS IN THE GREATER EVANSVILLE AREA ARE CHARITABLE NONPROFITS.

In the five-county survey region of Gibson, Posey, Vanderburgh, Warrick, IN and Henderson, KY there are a total of 847 organizations that have a nonprofit IRS classification of 501(c)(3)¹. Not unlike other communities, the largest portion of all nonprofits (45%) are considered 'charitable nonprofits'.

'Charitable nonprofits' are organizations most commonly associated with the term 'nonprofit', and are of particular interest to the Welborn Baptist Foundation. These nonprofits provide a social benefit; typically have a governing board of directors; are funded by sources like private donations, grants and fundraising events; and exclude organizations like hospitals, churches and foundations. These 'charitable nonprofits' are referred to as 'nonprofits' throughout the remainder of the report.



¹ IRS Exempt Organizations Business Master File data for Indiana and Kentucky was extracted from the public IRS website. See Methods section.



CHARITABLE NONPROFITS



CHARITABLE NONPROFITS

THE REGION'S NONPROFITS ARE A VITAL PART OF THE LOCAL ECONOMY.

The 45% of all nonprofits who are considered 'charitable nonprofits' hold over \$1 billion in assets and generate close to half a billion dollars in revenue each year.

\$496 MILLION
REVENUE²

\$1.1 BILLION
ASSETS³

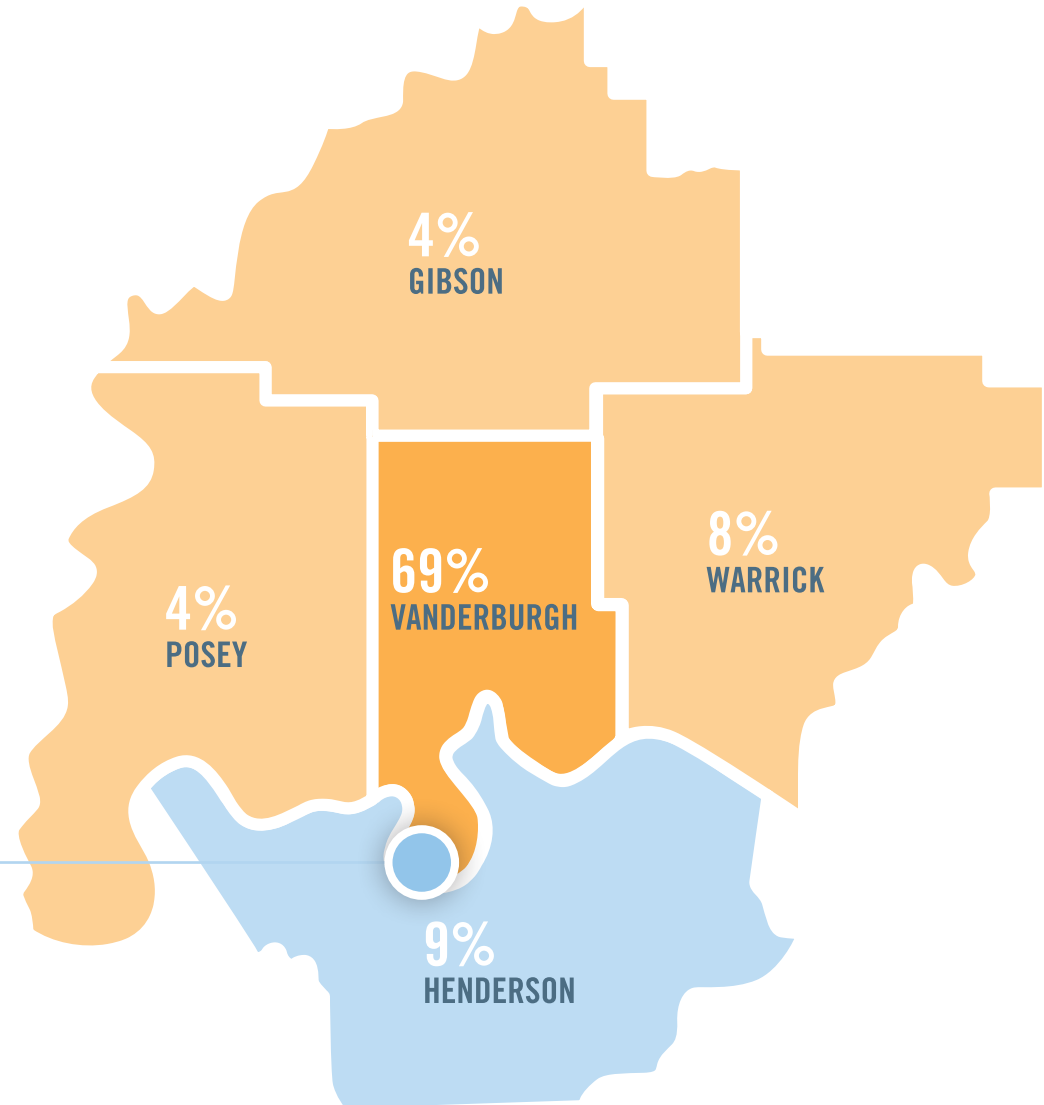
²The IRS defines revenue as the amount listed on Form 990, Part 1, Line 12. This figure includes but is not limited to revenues from investment income, contributions, and fundraising events.

³The IRS defines asset as the amount listed on Form 990, Part X, Line 16, Column B (i.e., the Book Value Total Assets End of Year). This figure includes but is not limited to the value of land, buildings/facilities, and investments.

Q: In what county is your organization located?

EVANSVILLE IS THE NONPROFIT HUB OF THE REGION

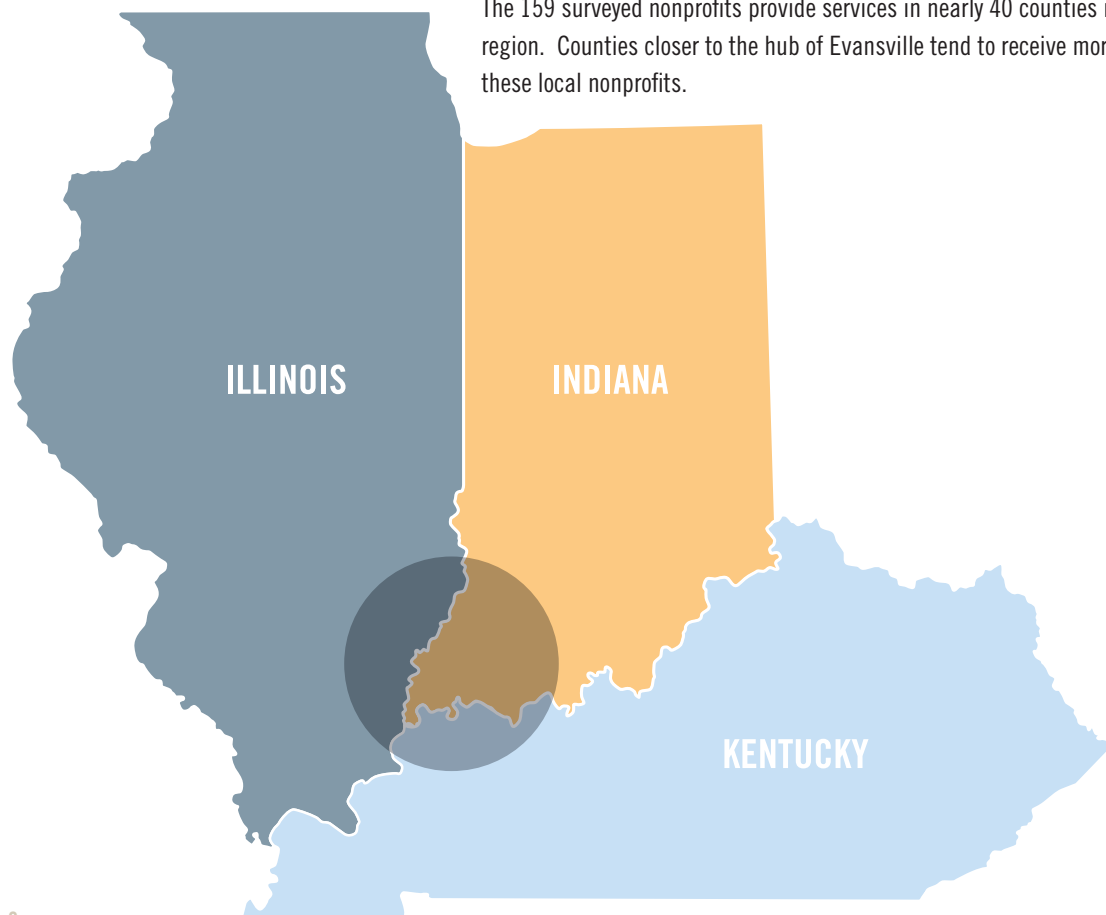
Roughly two-thirds (64%) of all nonprofits targeted for this survey are headquartered in Vanderburgh County, making the Evansville area the nonprofit hub of the region. The mix of survey respondents is consistent with these demographics. Over two-thirds of the 159 nonprofits who responded to the survey are also based in Vanderburgh County (69%). The remaining respondents included nonprofits based in Gibson, Posey, Warrick, Henderson or more than one of these counties.



CHARITABLE NONPROFITS

LOCAL NONPROFITS PROVIDE THEIR SERVICES IN A WIDE RANGE OF TRI-STATE COUNTIES.

The 159 surveyed nonprofits provide services in nearly 40 counties in the Tri-State region. Counties closer to the hub of Evansville tend to receive more services from these local nonprofits.



Q: In which counties does your organization provide services?

INDIANA

Crawford (16)
Daviess (32)
Dubois (39)
Gibson (64)
Knox (32)
Martin (20)
Orange (17)
Perry (32)
Pike (39)
Posey (73)
Spencer (48)
Vanderburgh (123)
Warrick (88)

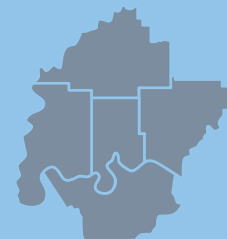
ILLINOIS

Clay (9)
Edwards (16)
Gallatin (11)
Hamilton (10)
Hardin (9)
Lawrence (10)
Richland (11)
Saline (9)
Wabash (15)
Wayne (14)
White (16)

KENTUCKY

Breckinridge (7)
Crittenden (7)
Daviess (24)
Grayson (4)
Hancock (9)
Henderson (46)
Hopkins (21)
McLean (13)
Muhlenberg (9)
Ohio (11)
Union (23)
Webster (18)

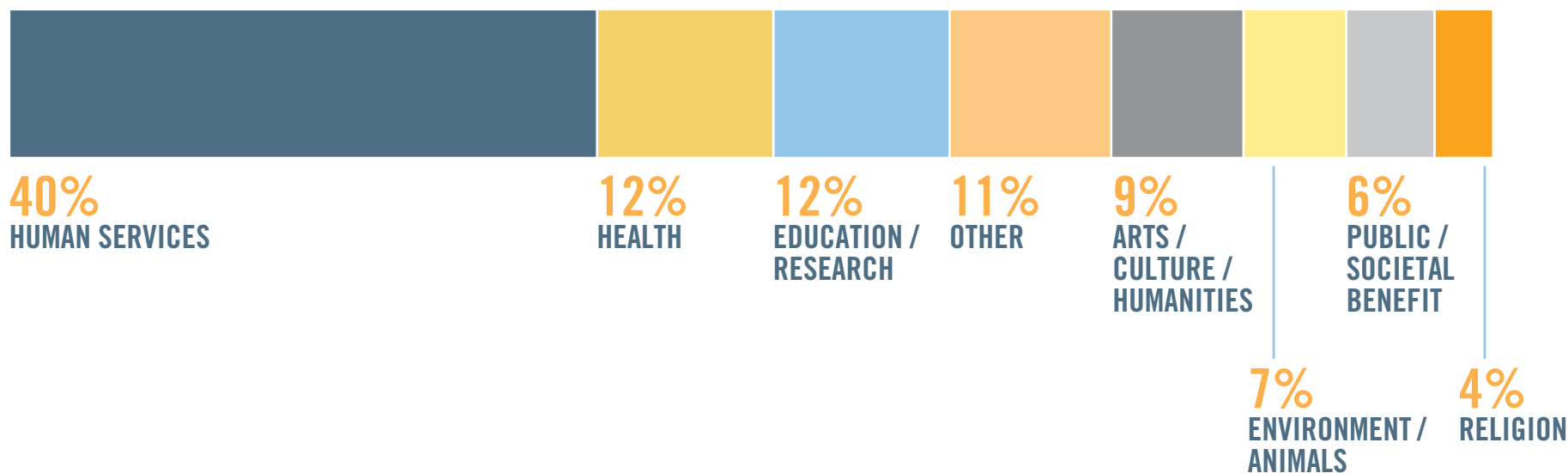
() number of nonprofits serving in each county
with some serving in multiple counties



Q: Which subsector best describes the biggest activity of your nonprofit?

THREE OUT OF FIVE NONPROFITS PROVIDE HUMAN, HEALTH OR EDUCATION RELATED SERVICES.

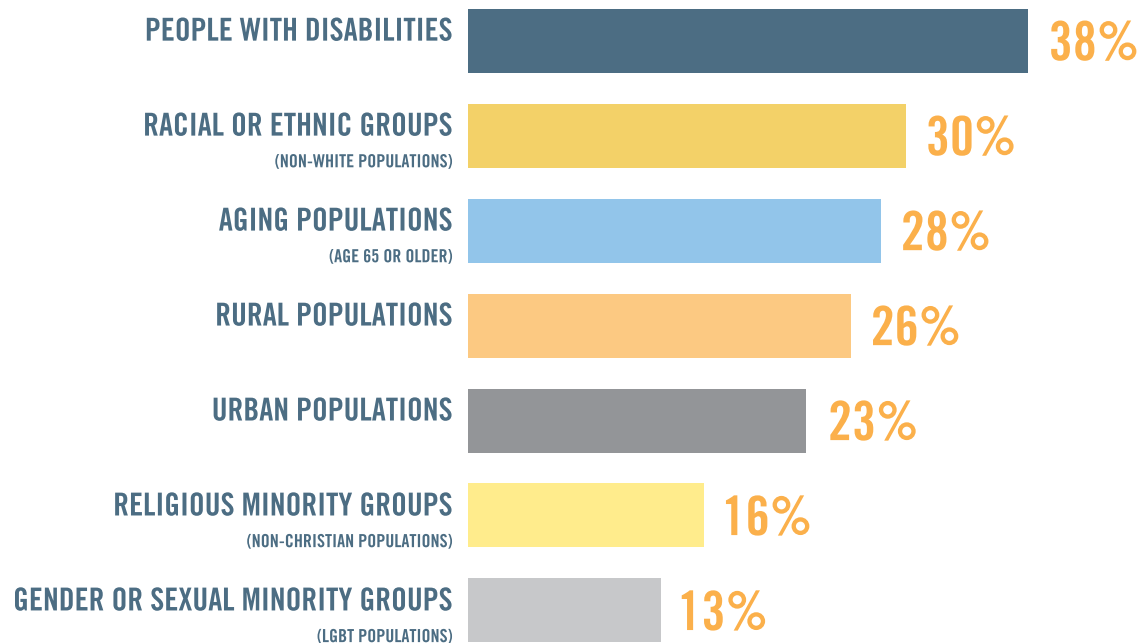
Across the five-county region, 156 organizations indicated a category that best describes their work (adapted from GuideStar). Most nonprofits provide a human, health or education service, with the largest portion (40%) concentrating on such human services as youth development, community restoration, and meeting basic needs.



CHARITABLE NONPROFITS

MANY NONPROFITS OFFER SPECIALIZED SERVICES TO MEET SPECIFIC NEEDS AND REACH DISTINCT POPULATIONS.

People with disabilities, racial/ethnic groups, aging populations and rural/urban sectors top the list of audiences targeted by area nonprofits.



Q: Does your organization provide intentional service to any of the following groups?

A photograph of three women sitting around a table in a meeting. The woman in the center, with short dark curly hair and wearing a blue blazer, is looking towards the woman on the right. The woman on the left has curly blonde hair and is looking towards the center. The woman on the right has dark hair pulled back, wears glasses and a red top, and is looking towards the center. The background shows a white wall and a wooden cabinet. A dark blue horizontal bar is overlaid across the middle of the image, containing the word 'COLLABORATION' in white capital letters.

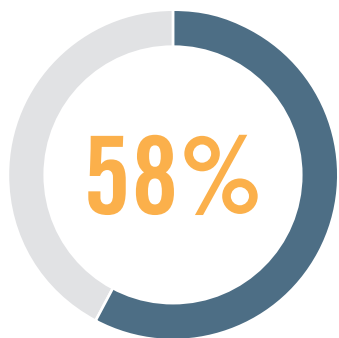
COLLABORATION

COLLABORATION

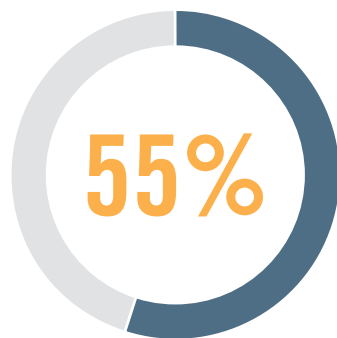
NONPROFITS ARE COLLABORATING, BUT OPPORTUNITIES EXIST FOR MORE.

Just over half of nonprofits in the five-county region reported collaborating to obtain funding for programs (58%) and to increase program efficiency or effectiveness (55%). Though some collaboration is already taking place, there is room for much more, especially to reduce financial burdens and increase efficiency. Opportunities exist to reduce expenses and share staff and facilities through collaborative partnerships.

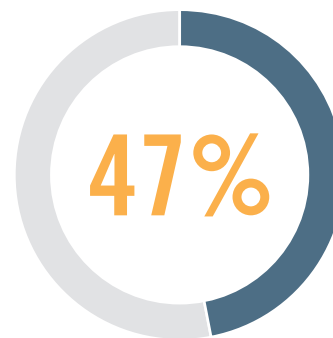
Q: Over the past year, has your organization been involved in collaborative efforts for any of the following activities? (check all that apply)



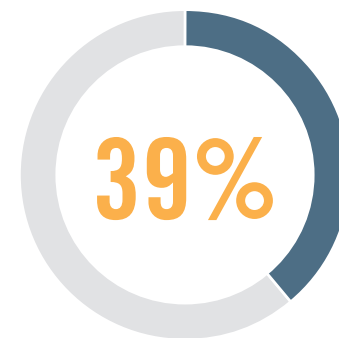
TO OBTAIN FUNDING
FOR PROGRAMS



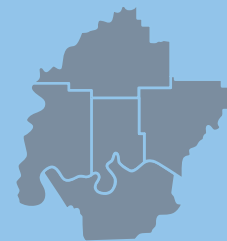
TO INCREASE PROGRAM
EFFICIENCY OR
EFFECTIVENESS



TO ADVOCATE ON
BEHALF OF CLIENTS



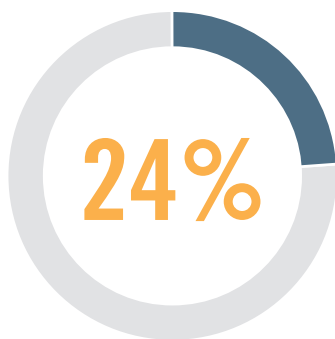
TO REDUCE
PROGRAM EXPENSES



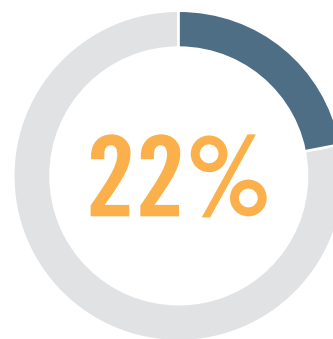
COLLABORATION: a longer-term interaction based on shared mission and goals, decision-makers, and resources.



IN SHARING SPACE



IN SHARING STAFF



**TO REDUCE
ADMINISTRATIVE
EXPENSES**



STAFFING & VOLUNTEERS

STAFFING & VOLUNTEERS

Q: Please indicate how many employees/volunteers of each type you had on average during the most recent fiscal year:

MOST NONPROFIT SERVICES RELY ON SMALL NUMBERS OF STAFF AND LARGER VOLUNTEER NETWORKS.

While staff sizes range from none to as many as 3,000 full-time, the median nonprofit has three permanent full-time employees and two permanent part-time employees. The median nonprofit also has 50 volunteers, though this number also varies considerably across nonprofits.

PERMANENT FULL-TIME EMPLOYEES



3

PERMANENT PART-TIME EMPLOYEES



2

VOLUNTEERS



50

STAFFING & VOLUNTEERS

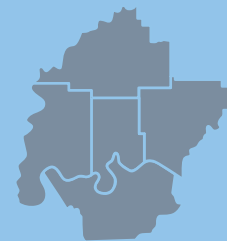
THE COMPOSITION OF NONPROFIT STAFF MIRRORS THE OVERALL POPULATION OF THE REGION.

Nonprofit staff in the region are predominantly White or Anglo (86%). The next most prominent race is African American (8%). For comparison, the overall racial distribution according to recent census data is 88% White or Anglo and 7% African American.

Q: Please indicate how many of your staff members identify as:

(African American, Asian/Pacific Islander, Latino/a or Hispanic, Middle Eastern, Native American, White/Anglo, Multiracial, other)

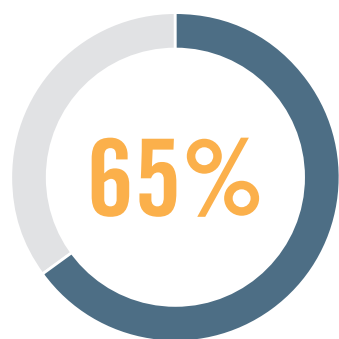




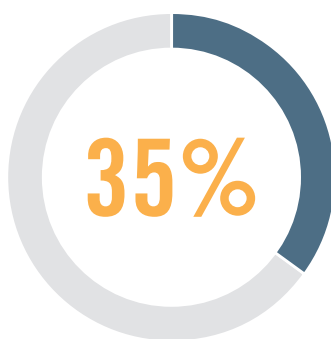
Q: Which of these employee benefits do you currently offer?

NONPROFIT EMPLOYMENT OFTEN COMES WITH MINIMAL PAID BENEFITS.

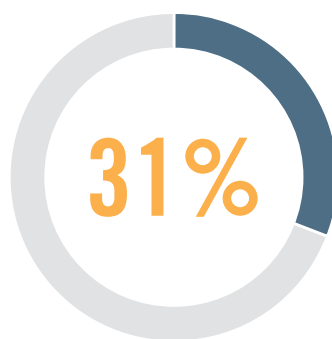
Nonprofits provide crucial services to our communities but unfortunately, many workers have limited access to employment benefits. Though not shown, two-thirds (65%) of nonprofits offer professional development to their staff, but 71% would offer it if funding became available. Lack of funding and lack of time are the primary reasons for not supporting professional development, followed by uncertainty about where to go for training.



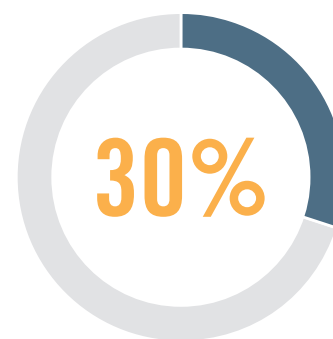
PAID TIME OFF



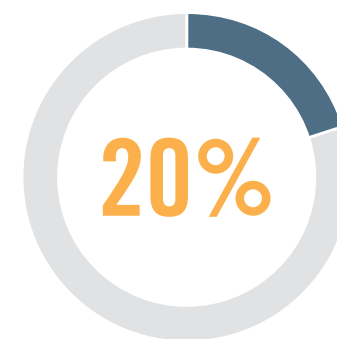
403(B) OR OTHER
RETIREMENT PLAN



GROUP
HEALTHCARE PLAN



DENTAL PLAN



PAID FAMILY LEAVE

STAFFING & VOLUNTEERS

OTHER THAN FUNDING — RECRUITING AND MAINTAINING STAFF AND VOLUNTEERS ARE THE LARGEST CHALLENGES FOR NONPROFITS.

Other than securing funding — recruiting and maintaining staff and volunteers are the most prevalent nonprofit challenges, collectively accounting for half (48%) of all responses.

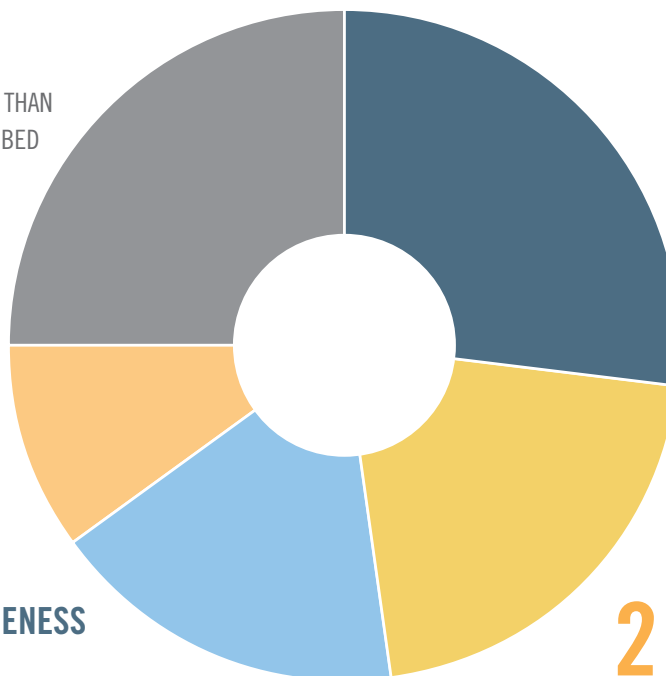
Q: Aside from funding, what is your organization's biggest challenge?

(open-ended responses)

25% **OTHER CHALLENGES**
NO OTHER THEME REPRESENTED MORE THAN 6% OF THE TOTAL CHALLENGES DESCRIBED

10% **PARTICIPANTS**
"FINDING QUALIFIED FAMILIES FOR OUR PROGRAM"

17% **MARKETING / AWARENESS**
"GETTING THE WORD OUT ABOUT US AND WHAT WE DO"



27% **STAFFING**
"ATTRACTING AND RETAINING LICENSED PERSONNEL"

21% **VOLUNTEERS**
"VOLUNTEERS ARE AGING; RECRUITING YOUNGER VOLUNTEERS"



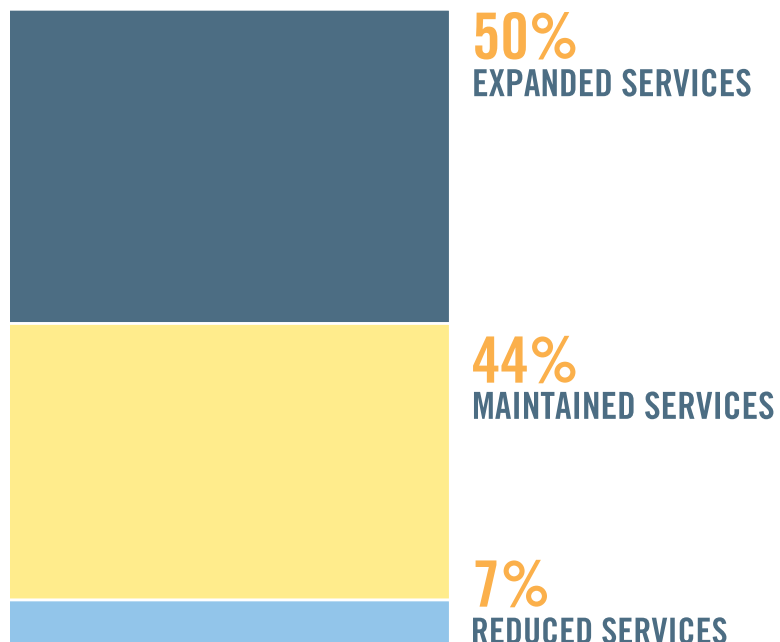
CAPACITY & FUNDING

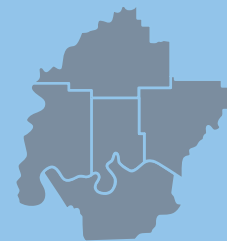
CAPACITY & FUNDING

NEARLY ALL (94%) NONPROFITS MAINTAINED OR EXPANDED SERVICES IN THEIR PREVIOUS FISCAL YEAR.

Half of nonprofits expanded their services. Expansions often include an increase in facilities, geographic footprint, or number of people served. A small percentage (7%) reduced services.

Q: In the previous fiscal year, did your organization expand services, reduce services, or stay the same?

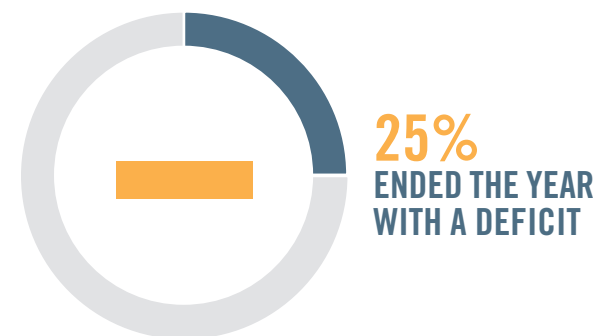
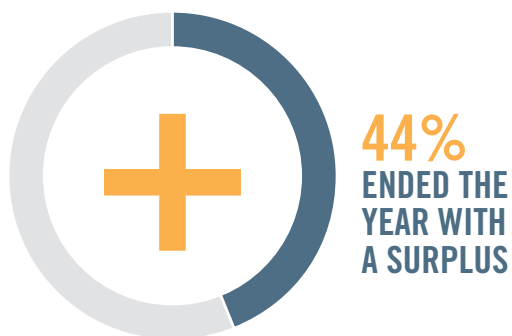




Q: In your most recent fiscal year, did your organization end with a budget surplus, deficit, or did you break even?

THREE OUT OF FOUR NONPROFITS (75%) ENDED THEIR MOST RECENT FISCAL YEAR WITH A BUDGET THAT AT LEAST BROKE EVEN.

In fact, 44% of nonprofits ended with a budget surplus and 31% ended with a budget that broke even. While this is good news, still a quarter (25%) ended their most recent budget year with a deficit. Organizations with budgets over \$500K were less likely to have a budget deficit (23%) compared to smaller organizations (28%).



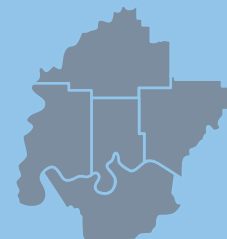
CAPACITY & FUNDING

HALF OF NONPROFITS HOLD MINIMAL RESERVES TO ADDRESS A FINANCIAL CRISIS.

While it's good news that most nonprofits (75%) ended their budget year breaking even or with a surplus, one out of two nonprofits (50%) have less than six months of operating revenue in reserve. This makes them vulnerable to a financial crisis in the event of dramatic changes in the economy, loss of donors or grants, or unanticipated expenses. Only two out of ten nonprofits have a year or more of cash in reserve.

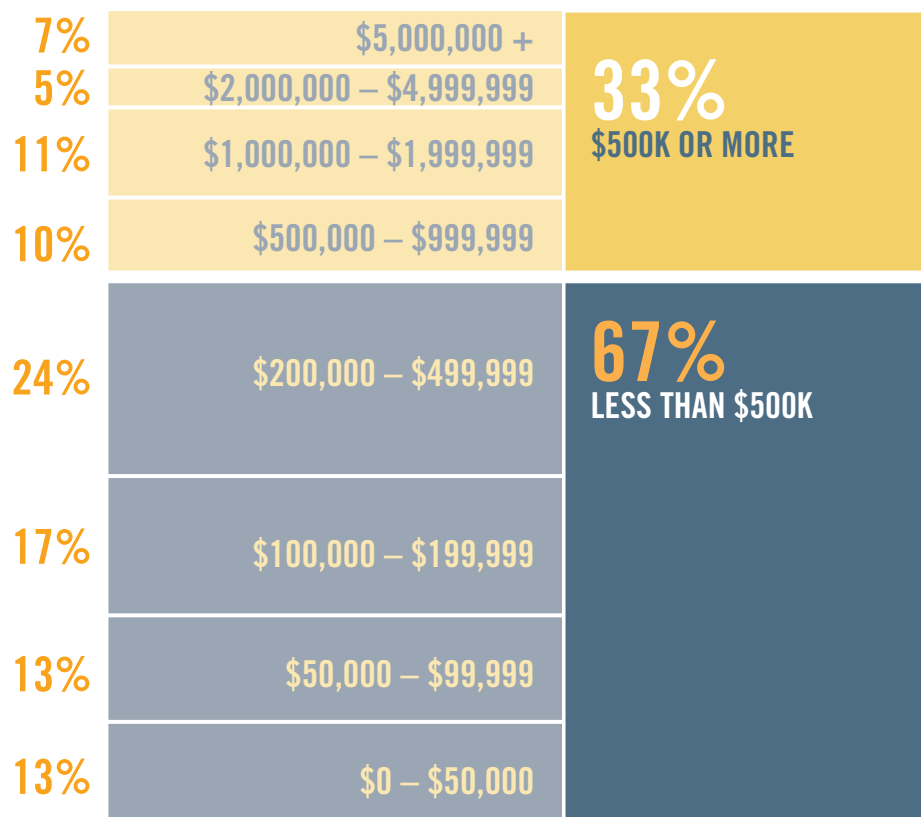
Q: Currently, how many months of operating revenue does your organization have in reserve?





Q: What was your approximate annual operating budget for the most recent fiscal year?

TWO OUT OF THREE NONPROFITS OPERATE WITH AN ANNUAL BUDGET LESS THAN \$500,000.



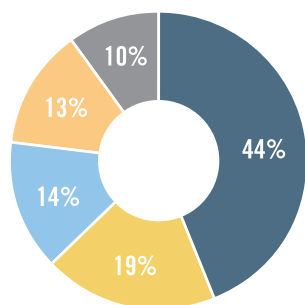
CAPACITY & FUNDING

PRIVATE DONORS MAKE UP LARGEST SEGMENT OF FUNDING MIX, BUT STILL SMALLER THAN AVERAGE.

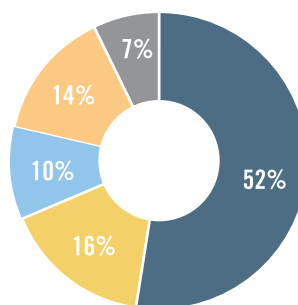
A diverse funding mix, especially one with a healthy base of individual donors at all levels helps organizations weather financial changes like the loss of grants or market fluctuations. Funding models will vary slightly by organization, but in general, nonprofits should aim for a funding mixture that consists largely of private donors and smaller percentages of grants. Just under half (44%) of the region's nonprofit revenue comes from private donors as compared to upwards of 70% nationally ⁴.

Q: Approximately what percent of your total revenue is derived from the following sources?

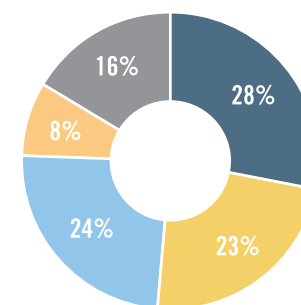
ALL RESPONDING ORGANIZATIONS



ORGANIZATIONS WITH ANNUAL BUDGETS LESS THAN \$500K

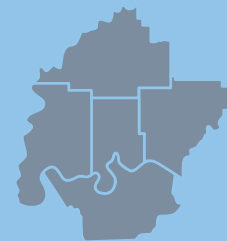


ORGANIZATIONS WITH ANNUAL BUDGETS AT LEAST \$500K



■ PRIVATE DONORS ■ PROGRAMS OR FEES ■ GOVERNMENT ■ PRIVATE GRANT-MAKING INSTITUTIONS ■ OTHER

⁴ National comparison data from Association of Fundraising Professionals report on Giving USA 2018, The Giving Institute, Indiana University Lilly Family School of Philanthropy at IUPUI. <http://afpglobal.org/reports>. Accessed October 31, 2018.



Q: Please rank the priority of the following funding needs for your organization from most important (1) to least important (8).

THE AVERAGE NONPROFIT IDENTIFIES SUPPORT FOR PROGRAMMING AS THEIR NUMBER ONE FUNDING NEED.

Nonprofits ranked funding needs from 1 to 8 (1 = highest priority and 8 = lowest priority). Averaging the rankings informed the rank order presented. With minor exceptions, the funding needs in the top half of the rankings largely indicate a focus on 'short-term' or immediate needs and those in the bottom half of the rankings largely indicate a 'longer-term' focus.

The top two funding needs, support for programs and overhead/operations are the same for both small and large budget nonprofits. However, some variance in needs appears to be associated with budget size. For example, facilities are a much higher priority among organizations with budgets of at least \$500K and supplies are a much higher priority among organizations with budgets of less than \$500K.

- | | |
|---|---|
| 1 SUPPORT FOR SPECIFIC PROGRAMS | 5 DEVELOPING RESERVES FOR LONG TERM |
| 2 OVERHEAD AND OPERATIONS
(SALARIES, BENEFITS) | 6 LEADERSHIP / STAFF PROFESSIONAL DEVELOPMENT |
| 3 FACILITIES
(MAINTENANCE, UPGRADE) | 7 SUPPLIES |
| 4 FLEXIBLE CAPITAL FOR ORGANIZATIONAL CHANGE / GROWTH
(INCLUDING IMPACT INVESTING) | 8 PLANNING AND GOVERNANCE |



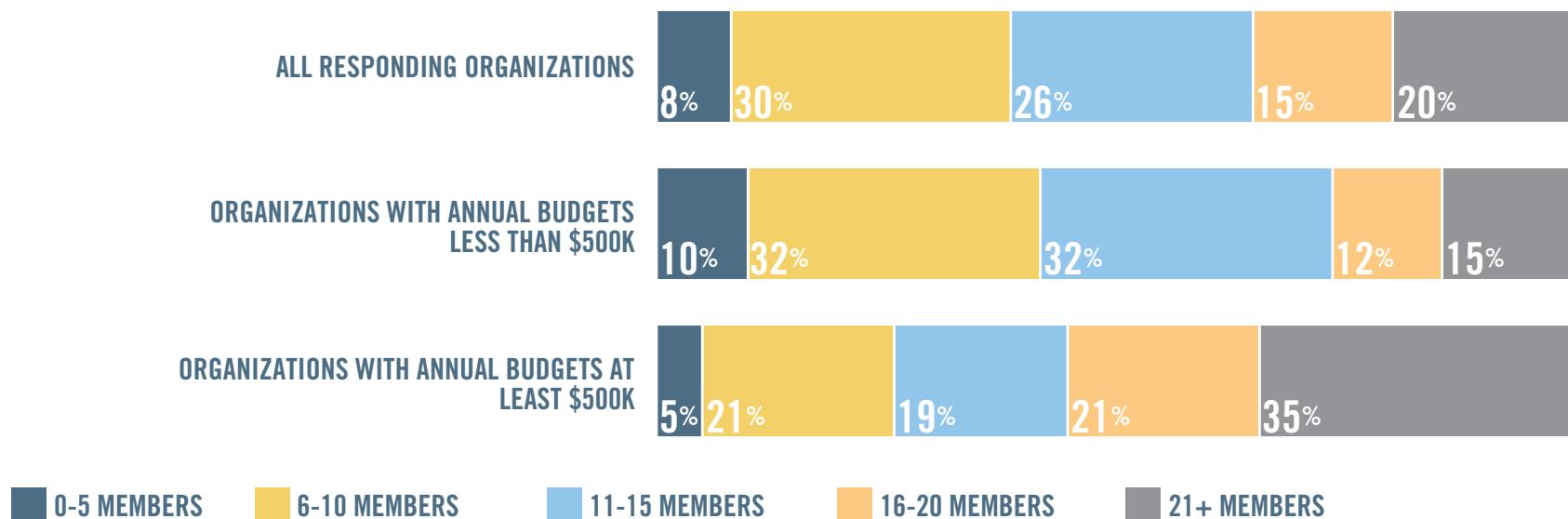
BOARD OF DIRECTORS

BOARD OF DIRECTORS

Q: How many people currently serve on your board?

ORGANIZATIONS WITH LARGER OPERATING BUDGETS TEND TO HAVE LARGER GOVERNING BOARDS.

The board of a nonprofit organization is a body of volunteers designed to lead an organization in serving the public good. Though nonprofits have a range of board sizes, larger organizations tend to have larger boards. For example, the majority (56%) of organizations with an operating budget of at least \$500K have at least 16 board members, while only 27% of organizations with smaller budgets have this many. Slightly less than half of all responding organizations are seeking to fill at least one board vacancy, a consistent finding regardless of the nonprofit's budget size.



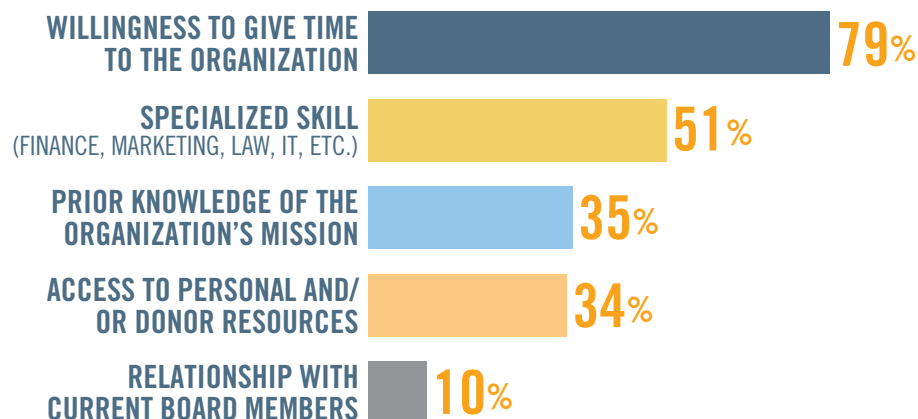
BOARD OF DIRECTORS

FOUR OUT OF FIVE NONPROFITS SAY A POTENTIAL BOARD MEMBER'S "WILLINGNESS TO GIVE TIME TO THE ORGANIZATION" IS A VERY IMPORTANT CONSIDERATION.

The majority (79%) of surveyed nonprofits find it very important to consider a candidate's willingness to give time to their organization before adding them to the board. In addition to time commitment, opportunities exist to consider factors like specialized skills and access to personal or donor resources candidates can bring to the organization. Overall, half (51%) of all nonprofits consider specialized skill sets, while only a third (34%) consider access to personal or donor resources very important.

There are big differences by size of nonprofit. For example, 64% of nonprofits with budgets of \$500K or more say specialized skill sets are very important, compared to only 43% of nonprofits with budgets less than \$500K.

Q: How important are the following criteria for recruiting board members?
(not important, somewhat important, very important)



OUR LOCAL BOARDS SHARE SIMILAR CHARACTERISTICS WITH NATIONAL BOARDS.

Compared to the nation, surveyed nonprofits have a similar mix of male and female members but with much less racial/ethnic diversity than the nation. Further, local boards tend to have more members under the age of 50 compared to the nation.

Nonprofits with smaller budgets are more likely to have boards comprised of females (51%) than those at organizations with larger budgets (40%).

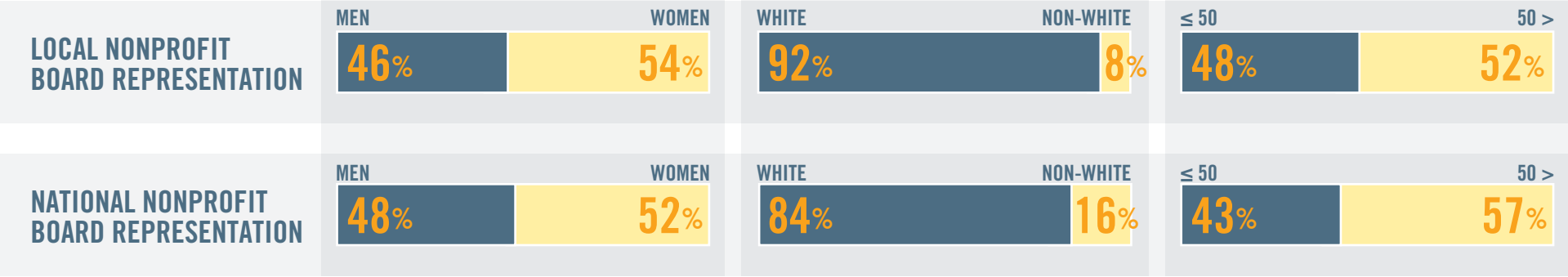
Q: Please describe the composition of your board: (men, women, other)

Q: Please indicate how many of your board members identify as:

(African American, Asian/Pacific Islander, Latino/a or Hispanic, Middle Eastern, Native American, White/Anglo, Multiracial, other)

Q: Please indicate the number of board members at your organization who fall in each of the following age ranges:

(18-30, 21-40, 41-50, 51-60, 60+)



³National nonprofit board demographics available through the 2017 BoardSource Nonprofit Governance Index.

BOARD OF DIRECTORS

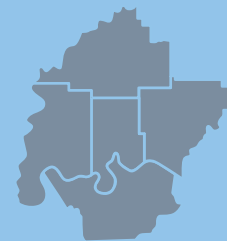
NONPROFITS HAVE VARYING LEVELS OF BOARD ENGAGEMENT — ESPECIALLY BY BUDGET SIZE.

Regular attendance, participation, monetary giving and organizational oversight are different ways members can be engaged with a board of directors. Data suggests that the level of board engagement varies by budget size, with larger nonprofits reporting higher levels of board engagement. Implementing a formalized process called a 'personal plan of involvement' may help nonprofits of all sizes increase board engagement.

○ OVERALL AVERAGE ○ LESS THAN AVERAGE ○ MORE THAN AVERAGE

Q: How would you rate your board's level of engagement in attendance, participation, giving and oversight: (4 point scale)
(Not engaged, somewhat engaged, engaged, very engaged)

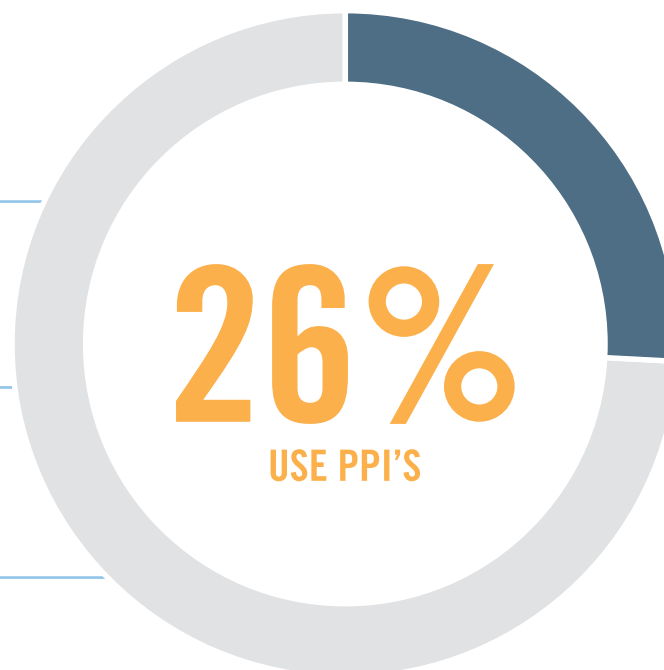
	ATTENDANCE	PARTICIPATION	GIVING	OVERSIGHT
ALL RESPONDING ORGANIZATIONS	3.21	3.06	2.94	2.99
ORGANIZATIONS WITH ANNUAL BUDGETS LESS THAN \$500K	3.15	2.98	2.89	2.88
ORGANIZATIONS WITH ANNUAL BUDGETS AT LEAST \$500K	3.23	3.17	3.03	3.26



Q: Does your organization's leadership ask board members to develop a personal plan of involvement?

ON AVERAGE, ONE-QUARTER OF NONPROFITS UTILIZE PERSONAL PLANS OF INVOLVEMENT TO INCREASE MEMBER ENGAGEMENT.

A personal plan of involvement (PPI) is an individual plan of expectations to be fulfilled by each board member. This individual plan for maintaining board productivity and engagement is often used for self-assessment and individual growth. Regardless of budget size on average only 26% of nonprofits currently utilize PPI's with their members.



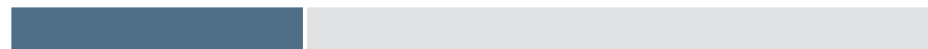
BOARD OF DIRECTORS

OPPORTUNITY EXISTS TO CULTIVATE BOARD RELATIONSHIPS BY USING PERSONAL PLANS OF INVOLVEMENT

No matter the size of the nonprofit, when board members have personal plans of involvement in place, engagement scores are higher overall.

32%

of local nonprofits say their board is 'very engaged'. So, regardless if boards use PPI's, on average, 1 out of 3 in the Tri-State is 'very engaged' in their role.



51%

of nonprofits whose board members have an agreed upon PPI say their board is 'very engaged'. So, the use of PPI's appears to positively relate to higher levels of engagement. Just over half of these boards are 'very engaged' in their role.

Across all four important indicators of member engagement – attendance, participation, giving and oversight – engagement scores are much higher than average when boards use PPI's with their members. (4 point scale)

ATTENDANCE

3.46

PARTICIPATION

3.43

GIVING

3.35

OVERSIGHT

3.32

 MORE THAN AVERAGE



NONPROFIT BEST PRACTICES

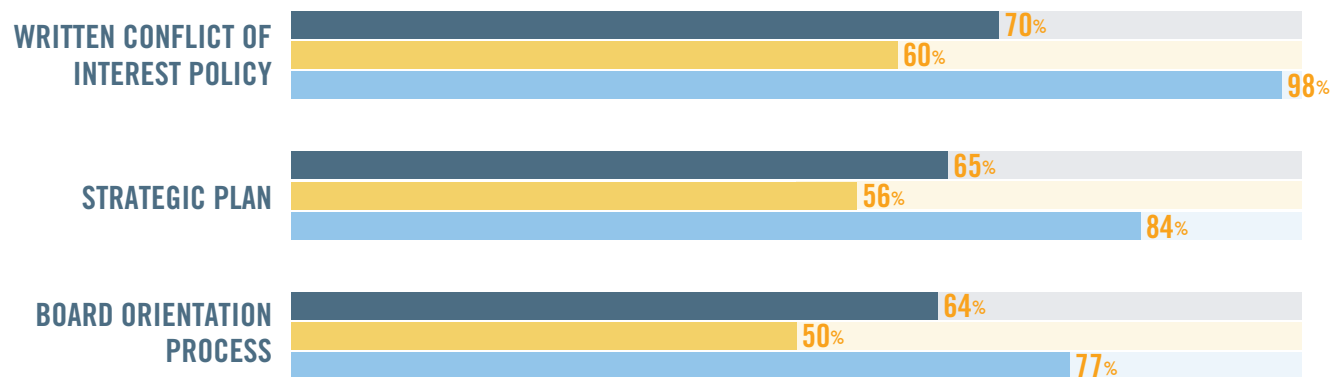
NONPROFIT BEST PRACTICES

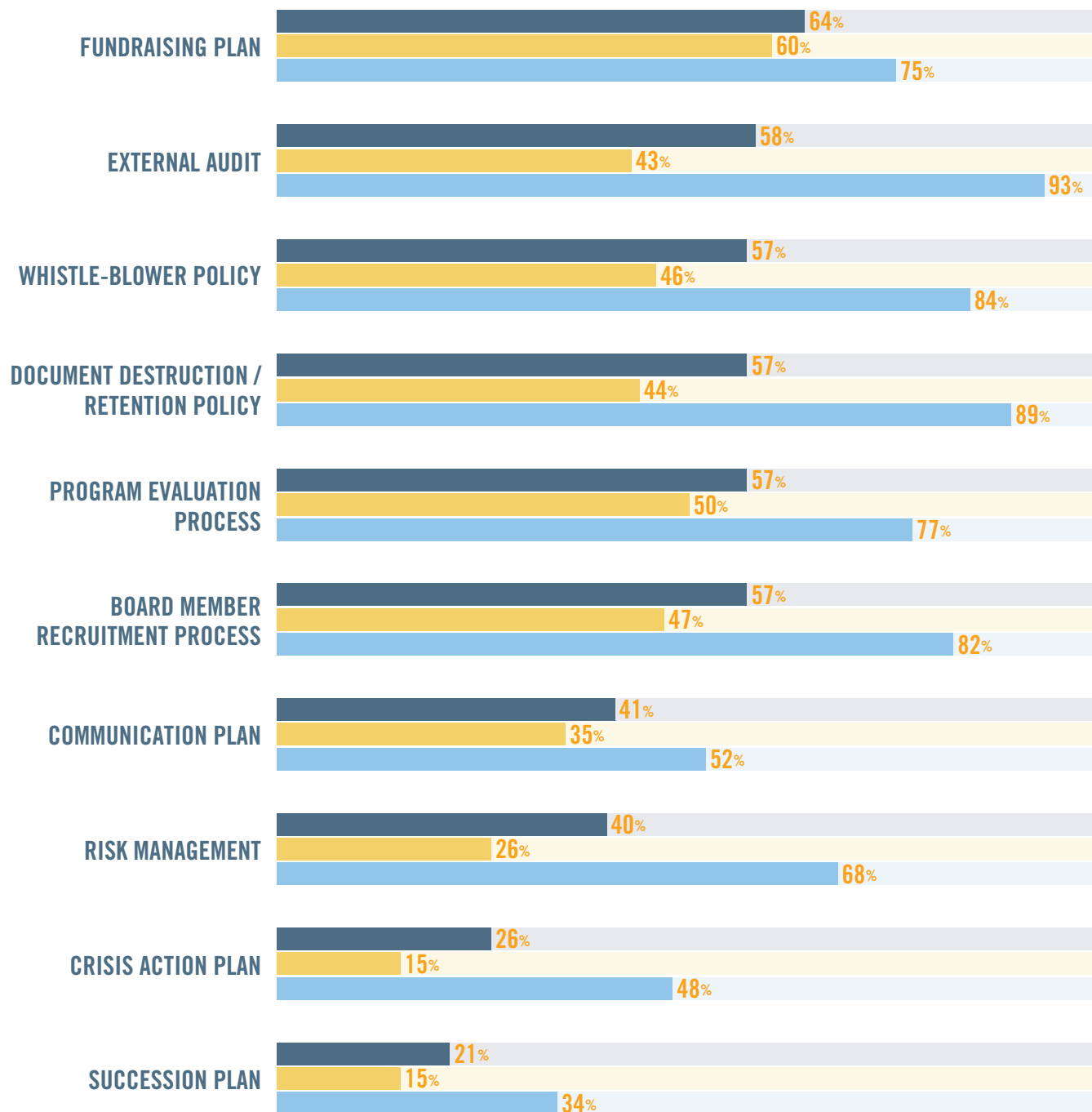
RELATIVELY FEW NONPROFITS HAVE A SUCCESSION OR CRISIS ACTION PLAN IN PLACE, AND FEWER THAN HALF PRACTICE RISK MANAGEMENT.

Conversely, nonprofits are most likely to have a written conflict of interest policy, strategic plan, and board orientation process in place. In all cases, best practices are more prevalent among organizations with larger operating budgets.

Q: Does your organization engage in any of the following practices?

(check all that apply)





ALL RESPONDING ORGANIZATIONS

ORGANIZATIONS WITH ANNUAL BUDGETS LESS THAN \$500K

ORGANIZATIONS WITH ANNUAL BUDGETS AT LEAST \$500K



ADVOCACY



ADVOCACY

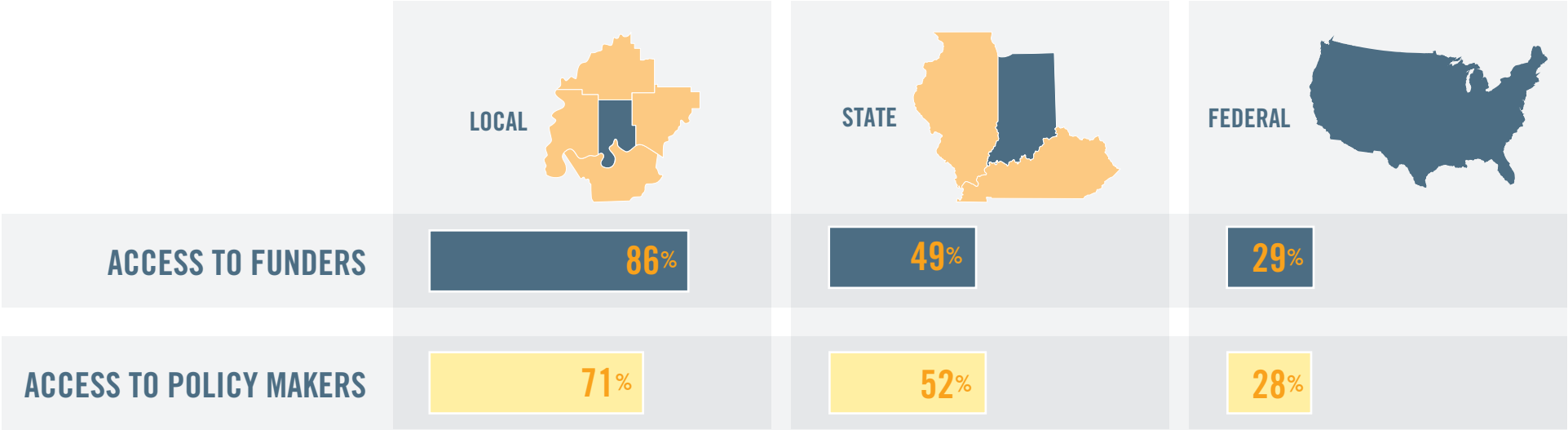
Q: Does your organization have access to any of the following groups? (local, state, federal funders and policy makers)

NONPROFITS ARE MORE LIKELY TO LEAN ON LOCAL FUNDING AND POLICY RESOURCES.

Access to both funding sources and policymakers at the local, state and federal level is important for nonprofit sustainability and for lasting changes in the social conditions they care about.

Across surveyed nonprofits, access to funders and policymakers is greatest at the local level.

Additionally, Half of all nonprofits report that they intentionally contact and/or communicate with funders and policymakers at the local, state, and/or federal levels, though this outreach is slightly more common and more successful for nonprofits with larger budgets.



An aerial photograph of a city skyline, featuring a prominent tall building with "FIFTH THIRD BANK" signage at the top. The image is overlaid with a dark blue tint. The text "LOOKING AHEAD" is written in large, bold, yellow capital letters across the middle of the image.

LOOKING AHEAD

An aerial photograph of a city at dusk, showing a mix of urban buildings and green spaces under a dark, overcast sky. The city lights are visible, and the overall tone is blue and moody.

The Welborn Baptist Foundation will commission this survey again in 5 years. What would progress in the nonprofit sector look like in 2023?

1. More nonprofits with at least six months or more cash in reserves.
2. More nonprofits with diversified funding streams, especially among organizations with smaller budgets.
3. More nonprofits with over half of revenue from individual donors.
4. More nonprofits collaborating, especially to reduce staff and administrative expenses.
5. More nonprofits with access to state and federal funders and policy makers.
6. More nonprofits using outcomes/impact measurement plans for their programs and services.
7. More racial/ethnic diversity among nonprofit staff and board members.
8. More boards using personal plans of involvement and formal board recruitment and orientation processes.
9. More nonprofits looking at things like skill sets and connections to resources as crucial for board membership.

Though not measured in this survey, the Foundation also believes that the sector would be strengthened by more collaborations of nonprofit, for-profit, and faith-community organizations working on complex social issues of shared interest and by having more community leaders assisting nonprofits with things like professional development, specialized skill set exchange and mentoring.

Strong and long-standing nonprofits are important for communities to flourish. The Welborn Baptist Foundation has an ongoing commitment to help strengthen the nonprofit community.

METHODS

In February of 2018, DCG exported the IRS Exempt Organizations Business Master File Extract (EOBMF) for Indiana and Kentucky from the public IRS website. Next, the list was filtered to exclude all organizations whose listed billing address fell outside of the targeted five-county region (i.e., Gibson, Posey, Vanderburgh, and Warrick Counties in Indiana and Henderson County, Kentucky). Finally, any organizations with a subsection code other than 3 (i.e., 501(c)(3) organizations) were removed from the dataset. The resulting list served as the population of nonprofits in the five-county region on which the snapshot of the nonprofit sector is based.

The 2018 Welborn Baptist Foundation Nonprofit Survey was modeled after a similar survey conducted by the Center for Nonprofit Excellence in Louisville, KY (CNPE) in 2016, though individual items were added, removed, and/or reworded in some cases. The survey changes were jointly designed by Welborn Baptist Foundation (WBF) and Diehl Consulting Group (DCG), and a draft of the survey was shared with a small group of stakeholders (i.e., other providers of nonprofit resources, funders, and nonprofit leaders) for review and feedback. Ultimately, the survey consisted of 34 items and required approximately 15 minutes to complete. Using the EOBMF (described above) as the population of nonprofits in the five-county region, a targeted sample was drawn for participation in the survey. First, any churches, family foundations, trusts, scholarship funds, school groups (i.e., PTOs, booster clubs), and recreational sports leagues were removed from the list to better isolate the types of nonprofits of particular interest to WBF. Next, any organizations with a reported income and

revenue amount of 0 were deemed inactive and removed from the list.

The resulting sample included 368 unduplicated organizations across the five counties. Efforts to obtain contact information (i.e., email addresses) for these organizations included searches of publicly available sources such as websites and contact lists shared by WBF and other funders. Ultimately, valid email addresses were identified for 267 (73%) of the organizations. The survey was launched on March 13, 2018. An electronic survey link was delivered to each organization (with available contact information) via email, and subsequent reminder emails were delivered periodically over the following 8 weeks. A total of 159 survey responses were received, representing 43% of the targeted sample and achieving a 6% margin of error at a 95% confidence level. The cited margin of error and confidence level refer to the overall sample of survey respondents. Any data disaggregation results in less precision and should be interpreted accordingly. Percentages are rounded to the nearest whole number and, in some cases, data charts may not equal 100% exactly.

Most (73%) survey respondents identified as Executive Director or CEO, though other directors, board members, and administrative assistants were also represented.

Data Tables can be found in the Survey Appendix at welbornfdn.org.



Welborn Baptist
Foundation

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