

//2017



NONPROFIT TRENDS REPORT

The Nonprofit Industry is Changing
Find Out What You Need to Know to Stay Ahead

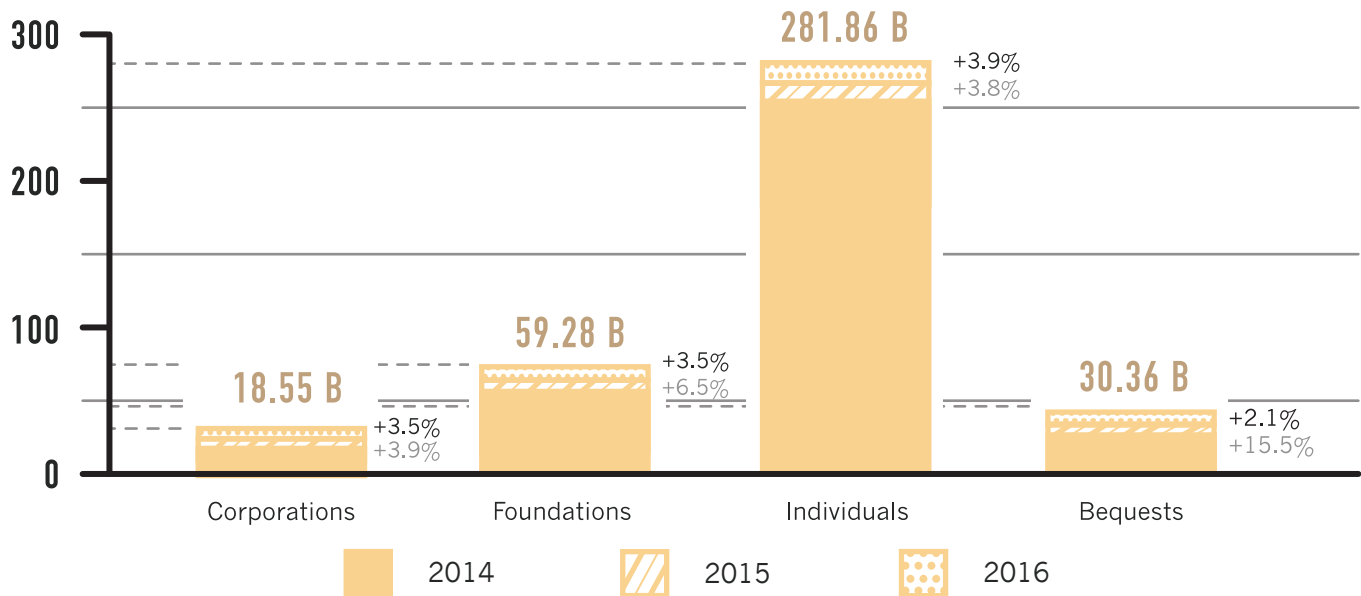


FUNDRAISING

TOTAL CHARITABLE DONATIONS:

\$ 390.05 Billion

Comparing Total Charitable Donations from 2014 - 2016



89%

At all income levels, women typically give more than their male peers. One study found that older women typically give 89% more than their male counterparts.

WHERE ARE ALL OF THE CHARITABLE \$ DOLLARS GOING?

(as a percentage of the total)

32% RELIGION ⬆ \$122.94 billion	8% PUBLIC-SOCIETY BENEFIT ⬆ \$29.89 billion
15% EDUCATION ⬆ \$59.77 billion	5% ARTS, CULTURE, & HUMANITIES ⬆ \$18.21 billion
12% HUMAN SERVICES ⬆ \$46.80 billion	6% INTERNATIONAL AFFAIRS ⬆ \$22.03 billion
10% TO FOUNDATIONS ⬆ \$40.56 billion	3% ENVIRONMENT/ANIMALS ⬆ \$11.05 billion
8% HEALTH ⬆ \$33.14 billion	2% TO INDIVIDUALS ⬇ \$7.12 billion



LEADERSHIP



More than 50%

are between the ages of 40-60 years old.



Less than 50%

have more than 20 years of experience.



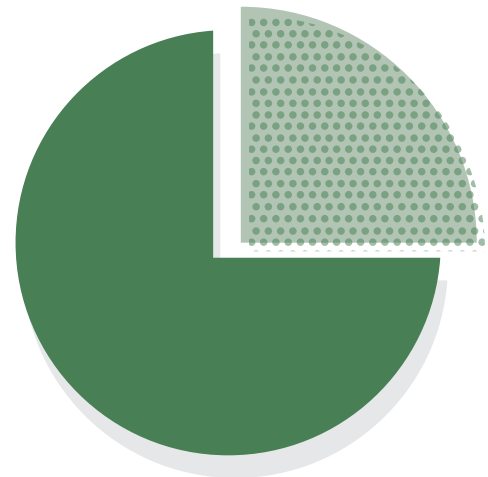
“...chronic underinvestment in leadership development within the U.S. social sector, accompanied by 25 percent growth in the number of nonprofit organizations in the past decade, has opened a gap between demands on leaders and their ability to meet those needs [of the social sector].”

1/3



Approximately 1/3 of respondents rated themselves as strong in balancing innovation and implementation.

CLIENT CAPACITY:



Organizations serving over 10,000 clients per year



Organizations serving over 1 Million clients per year

“LEADERSHIP SUPPORT AND DEVELOPMENT IS UNDERFUNDED IN COMPARISON TO BUSINESSES”



FOR-PROFIT SECTOR:

Spends \$120/employee on leadership support and development.



NONPROFIT SECTOR:

Spends \$29/employee on leadership support and development.



LEADERSHIP



Written Strategic Plan

Almost half of all respondents surveyed reported their organization does not have a written strategic plan.



ONE IN FIVE OF THE LARGEST NONPROFITS ARE RUNNING WITHOUT A WRITTEN PLAN."

1/2

Those with a written strategic plan are 50% more likely to have a formal process for measuring leadership effectiveness.



51%

of Board Chairs are not prepared for their given role.

19%

view obtaining the role as a "natural progression."

about 66%

don't plan to stay for more than 5 years.



OF NONPROFIT LEADERS REQUEST PARTNERSHIPS, COACHING, AND COMMUNICATION SKILL BUILDING



"Current nonprofit leaders identified critical attributes for leading successful nonprofits, but also acknowledged that themselves, as well as their peers, lacked these qualities."



LEADERSHIP

RACIAL LEADERSHIP GAP

People of Color are more interested in taking on leadership roles than their Caucasian counterparts.

50%



50% of People of Color had interest

40%



40% of Caucasians had interest



FOR OVER A DECADE NOW, SURVEY REPORTS CONSISTENTLY SHOW THAT **LESS THAN 20%** OF NONPROFIT EXECUTIVE LEADERS ARE PEOPLE OF COLOR.”



FEMALES IN NONPROFITS

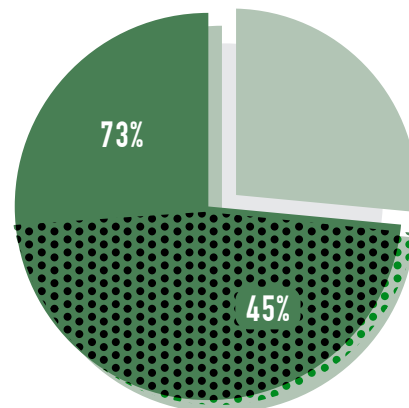
73% of all nonprofit employees are female, yet only 45% of them are in leadership positions.



73% Female Employees



45% Female CEO's



8%

One study found that male CEOs of nonprofits were paid 8% more than their female counterparts.

40%

of nonprofit professionals believe their organizations devote more time and energy into appealing to wealthy male donors, even though historically women typically tend to give in greater sums than men.





TECH. TRENDS

2.8 Billion
SOCIAL MEDIA USERS GLOBALLY



+21%

Active social media users have increased by 21% (to 482 million) since 2015.

+30%

In 2016, mobile social media users grew to 581 million (30% increase from the previous year).



90% of Nonprofits receive at least one online donation of \$1,000+ each year.



More than 50%

of the world's population are smartphone users.



More than 50%

of the world's web traffic comes from mobile phones.



\$46M



Donate by Text

The Red Cross launched a donate-by-text program in 2012 that raised \$46 million in relief funds to help those affected by the deadly earthquake in Haiti.



JAPAN CRISIS

40% of the donors that donated after the Haiti earthquake also donated by text after the Japan earthquake and tsunami.



U.S. GULF OIL SPILL

27% of the donors that donated after the Haiti earthquake also donated by text to help those affected by the BP oil spill in 2010.



MOBILE PHONE USERS

Almost three-quarters of mobile donors access the Internet from their phone versus the 44% of the general population.



VOLUNTEERING

28.8%
2008

26.8%
2011

24.9%
2015

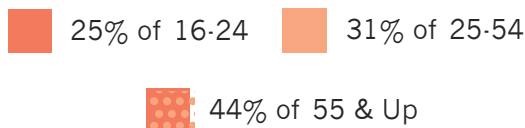
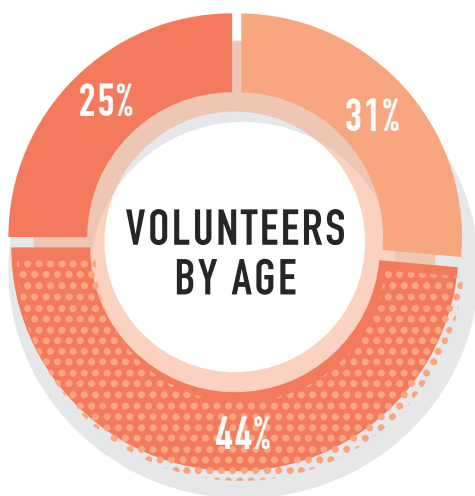


Volunteer Rates Dropping

In 2015, only 24.9% of the population over the age of 16 volunteered at least once. As opposed to 2011, when 26.8% had volunteered.



THE REAL REASON MORE AMERICANS DON'T VOLUNTEER IS BECAUSE WE DON'T HAVE ENOUGH LEADERS TO ASK THEM."



62.6 million

volunteers based on 2015 stats.

\$ 184 billion

of services contributed in 2015.



90%

of companies with employee volunteer programs, report an increase in employee engagement.



CHALLENGES

01

Succession Planning

As Baby Boomers plan for retirement, nonprofits lack the succession planning to ensure a smooth transition. As nonprofits look for successors, they have a smaller pool to choose from due to the lack of talent and desire.

02

Board Chairs

Many board chairs served for less than three years before assuming their leadership roles. There is a lack of desire among board members to take on leadership roles.

03

Turnover

High turnover rates within leadership positions continue to cost nonprofits in dollars, productivity, and effectiveness.

04

Board Leaders

Nonprofits have underdeveloped and underprepared board leaders due to an underinvestment in leadership training.

05

Volunteer Rates

Volunteer rates have been dropping steadily over the past several years. Nonprofit leaders lack the skills to engage volunteers.

06

Technology

As technology progresses, ways to give increases, but nonprofits have struggled to adapt. Nonprofit pages on Facebook have a “Donate Now” button, donating-by-text is now possible, and some apps now exist that simplify the process.

07

Strategic Planning

Many nonprofit organizations lack a written strategic plan. This leads to disorganization and confusion within the organization.

08

Lack of Diversity

There is a lack of diversity within top leadership in the nonprofit organizations.

09

Fewer but Larger Gifts

Nonprofits have been receiving fewer but larger gifts. This may increase competition among nonprofits for donor gifts.

10

Demographic Reach

Reaching out to one particular demographic for gifts may result in missed opportunities.



SOURCES

NOTICE: The 2017 Nonprofit Report -- The State of Nonprofits -- has been compiled using a combination of proprietary research methods and existing nonprofit data and statistical sources. The findings, summaries, and insights presented include data representing current (2016) Registered Nonprofit Organizations in the United States, defined as all tax-exempt organizations including public charities, private foundations, and other types of nonprofits (chambers of commerce, fraternal organizations, and civic leagues). For a complete listing of sources analyzed for this report, visit TomOkarma.com/nonprofit-trends-2017.



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