Nonprofit Challenges

WHAT FOUNDATIONS CAN DO

ONLY 52% of nonprofit leaders believe their foundation funders are aware of the challenges their organizations face.

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About the Center for Effective Philanthropy

**Mission**
To provide data and create insight so philanthropic funders can better define, assess, and improve their effectiveness—and, as a result, their intended impact.

**Vision**
We seek a world in which pressing social needs are more effectively addressed. We believe improved performance of philanthropic funders can have a profoundly positive impact on nonprofit organizations and the people and communities they serve.

CEP seeks to contribute to the achievement of this vision through the data—primarily comparative data—we develop and draw on in our research, assessment tools, and programming and communications. This data helps funders understand how they can improve their performance and provides insight on key elements of foundation effectiveness. We recognize that many other institutions and organizations dedicated to improved funder effectiveness must also play a role for the vision we seek to become a reality—and we seek partnerships with these organizations when they will help us to better achieve our shared goals.

Although our work is about measuring results, providing useful data, and improving performance, our ultimate goal is improving lives. We believe this can only be achieved through a powerful combination of dispassionate analysis and passionate commitment to creating a better society.

For more information on CEP, please visit www.effectivephilanthropy.org.

Authors
Ellie Buteau, Ph.D.
Andrea Brock
Mark Chaffin

For more information, contact:
Ellie Buteau, Ph.D.
Vice President–Research
617-492-0800 ext. 213
ellieb@effectivephilanthropy.org

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Less than one third of nonprofit leaders believe foundations take advantage of their myriad resources to help them address their challenges.

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**INTRODUCTION**

Nonprofit organizations face a long list of challenges that starts with fundraising and can include everything from meeting increasing demands for services to utilizing technology most effectively. Who do they turn to for assistance as they grapple with these issues? One source of assistance and support can be foundations, which have a vested interest in nonprofits’ success—and the resources to help.

To help foundations understand whether nonprofits feel their challenges are well-understood and to raise awareness of the areas in which more foundation assistance could be beneficial, we surveyed our panel of 296 nonprofit executive directors. (See Sidebar: Who Are The Grantee Voice Respondents to This Survey?) We asked these leaders to reflect on how challenging each of 25 issues is to their organizations. For issues not related to contributed revenue, they were asked to indicate whether or not they believe foundations are in a position to help, and whether they are looking for more help from foundations.

The data clearly show that nonprofits are not looking to foundations to solve all their problems. But in some crucial areas, they are looking for more help and do not believe foundations are doing all they could.

**Findings**

- Only half of nonprofit leaders believe foundations are aware of the various challenges their organizations face, and most do not think foundations are using their resources and knowledge to help them address their challenges.

- Nonprofits are looking for more foundation help in a) meeting the demand for their programs and services, b) using technology to improve their effectiveness, and c) developing their leadership skills.

- Among nonprofits that rely on earned revenue, the majority find that maintaining, or growing, earned revenue is challenging—and most would like more help from their foundation funders.
In 2012, about 300 nonprofit leaders from across the country agreed to serve on the Center for Effective Philanthropy’s (CEP) *The Grantee Voice* panel. (See “Appendix: Methodology” for more information about how the panel was created.) By joining the panel, these nonprofit leaders agreed to complete short surveys about topics relevant to their experiences working with foundation funders. Surveys of grantees conducted for *The Grantee Voice* panel are separate and distinct from the surveys of grantees that CEP administers for individual foundations as part of the Grantee Perception Report (GPR) process.

The goals for *The Grantee Voice* are to

- Collect timely data to inform foundation practices;
- Gather nonprofit perspectives on working with foundations broadly;
- Further contribute to foundations’ knowledge of how they can work most effectively with nonprofits.

Through brief publications based on surveys from this panel, we aim to contribute data, as well as new questions, to further important conversations that are happening—or need to be—for foundations and nonprofits to work most productively together. Findings from the first survey of *The Grantee Voice* panel were shared in the 2012 report, *Room for Improvement: Foundations’ Support of Nonprofit Performance Assessment*, and findings from the second were shared in the 2013 report, *Foundation Transparency: What Nonprofits Want*. These publications are available at [www.effectivephilanthropy.org](http://www.effectivephilanthropy.org).

**Who Are *The Grantee Voice* Respondents to This Survey?**

The organizations on *The Grantee Voice* panel are representative of the annual expenses and issues areas of organizations with between $100,000 and $100 million in expenses. All of these organizations receive some funding from foundations that give at least $5 million annually. (See “Appendix: Methodology” for more information on how this panel was formed.)

The response rate for this survey was 41 percent. The 121 nonprofit leaders (i.e., those people holding titles such as executive director, president, or CEO) who participated in this survey represent a mix of nonprofits. The nonprofits vary widely in size, age, and dependence on foundation money, as shown in the table below. In addition, these nonprofits are located across the country and represent a range of issue areas, including human services, the arts, health, community development, the environment, and education.

<table>
<thead>
<tr>
<th>Organizational Measure</th>
<th>Range</th>
<th>Median Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staff size (in full-time equivalents, FTEs)</strong></td>
<td>&lt; 1 FTE to 1,600 FTEs</td>
<td>11 FTEs</td>
</tr>
<tr>
<td><strong>Annual expenses</strong></td>
<td>About $100,000 to $45 million</td>
<td>$1.2 million</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>&lt; 5 years to &gt; 180 years</td>
<td>29 years</td>
</tr>
<tr>
<td><strong>Proportion of revenue coming from foundation grants</strong></td>
<td>&lt; 1 percent to 99 percent</td>
<td>20 percent</td>
</tr>
</tbody>
</table>
Finding 1

Only half of nonprofit leaders believe foundations are aware of the various challenges their organizations face, and most do not think foundations are using their resources and knowledge to help them address their challenges.

The data indicate that only 52 percent of nonprofit leaders believe their foundation funders are aware of the various challenges their organizations face. (See Figure 1.) This may be partly a result of the strength of relationships that grantees have with their funders and, in particular, their degree of comfort with being open and honest. The more likely nonprofit leaders are to feel that they can be open with their funders about their organizations’ challenges, the more likely they are to report that their funders are aware of their challenges. One nonprofit leader said foundations could “initiate conversations about [our] overall organizational health and ask about our challenges—not in grant applications, where we feel a need to gloss over problems, but during the course of our relationship.” Another commented that foundations should “take the time to learn more about what we are doing and what our challenges are.”

Less than one third of nonprofit leaders believe foundations take advantage of their myriad resources to help them address their challenges. As one said, “My foundation funder could offer technical assistance or identify a select pool of resources that we could use. Many resources are generally available, but identifying the right resource at the right price can be time consuming, expensive, and ultimately disappointing.” Another suggested that their funders “bring us together to meet other grantees doing similar work in other areas so we can all learn from each others’ experiences.”

Only 36 percent believe that foundations share their knowledge about what other nonprofits are doing to address challenges similar to those that their organization faces. One nonprofit leader said foundations should “provide knowledge of best practices and additional resources that are avail-

1 A statistically significant relationship was found between ratings on the items “I can be open with my foundation funders about the challenges my organization is facing” and “My foundation funders are aware of the challenges that my organization is facing.” This relationship was of a large effect size.
able to supplement the work they are funding.” Another said, “Foundation funders can serve as valuable resources in offering advice on how other similar non-profits have been successful in weathering challenging economic times.”

Although nonprofit leaders appear frustrated that foundations are not more aware of their challenges, they are not looking to foundations to solve all their problems. On a variety of frequently cited challenges—including productively engaging their boards of directors and developing and training their staff—most nonprofits are not looking for foundations’ help. (For a complete list of challenges asked about in the survey, and responses, see Tables 3 and 4 in “Appendix: Methodology.”)

![Figure 1: Nonprofit Leaders’ Views of What Their Funders Can Do](chart.png)

Note: The percentages in this chart reflect ratings of 5-7 on a 1-7 scale where 1 = “Strongly disagree,” 4 = “Neither agree nor disagree,” and 7 = “Strongly agree.”
Finding 2

Nonprofits are looking for more foundation help in a) meeting the demand for their programs and services, b) using technology to improve their effectiveness, and c) developing their leadership skills.

The areas in which nonprofits are seeking more help are ones that have been much discussed in the past. However, our survey responses show that these challenges persist and that nonprofits do not believe foundations are doing all they could to help.

Meeting demand

The inability of many nonprofits to keep up with increasing demand for their services in recent years has been well documented. The Nonprofit Finance Fund’s annual survey revealed that in 2012, 52 percent of nonprofits could not meet demand for their services, which is up from 44 percent in 2009.2 Stories about nonprofits’ difficulties in meeting rising demand have also appeared in the mainstream media and been discussed by prominent sector leaders.3

More than three-quarters find this challenging, and the majority would like more help with this issue from their foundation funders. (See Figure 2.) One leader shared an example of how a foundation did help her organization meet demand during a difficult time, saying, “A local foundation not only filled the gap of funding lost from a governmental funding source, but it extended such funding to a second year, allowing us to truly

assess programming and the time to regain the funding lost from the government. Without these funds, we would have had to displace 150 seniors from our services.”

**Technology**

In 2010, a report from the Johns Hopkins Listening Post Project indicated that one-third of nonprofit organizations did not have enough computers to meet their needs, one-fifth still relied on “basic” technologies, and one-third “described their use of information technologies for program/service delivery as ‘limited.’” The state of nonprofits’ technological capacity and resources has been well documented for years by the NTEN annual survey. Yet, despite the fact that the needs have been studied and discussed, only about five percent of nonprofits report receiving assistance beyond the grant from foundations to help with information technology.

Of the 77 percent of nonprofit leaders who find using technology to increase their effectiveness to be

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**Figure 2: Top Challenges for Which Nonprofits Want More Foundation Help**

- **Meeting the demand for my organization’s programs/services:**
  - Think this is challenging...
  - 55% and want more help from foundations
  - 14% but have enough help from foundations
  - 11% but do not think foundations are in a position to help
  - 11% Do not think this is challenging
  - 18% This is not relevant to their organization

- **Using technology to improve my organization’s effectiveness:**
  - 55% 22% 1% 2%

- **Having sufficient resources and opportunities to develop my leadership skills:**
  - 52% 13% 8% 2%
Leadership

There has been much talk of leadership challenges during the past decade: the difficulty of attracting talent to the sector, a potential “leadership deficit” as baby boomers retire, and the need to develop upcoming generations of leaders.  

Yet, many nonprofit leaders—73 percent—feel they lack sufficient resources and opportunities to develop their leadership skills. With more than 40 percent of respondents reporting that they have been in their position for ten years or longer, this is clearly not only an issue for leaders who are new to their roles. As Bridgespan cofounder Thomas J. Tierney writes in the Stanford Social Innovation Review, leadership capacity is crucial to the effectiveness of nonprofit organizations, and without it, the “deepest suffering will be visited upon the millions of people who rely, directly and indirectly, on the services that nonprofits provide and the social value they create.”  


As one leader who benefited from foundation assistance in this area said, “One of the foundations that supports my organization invited me to participate in a leadership and executive director skill-building course that met several times during the year. I gained much-needed information to develop my skills.”

Although there are certainly foundations that have invested in leadership development, it is clear that nonprofits are looking for more.⁹ One leader said, “I wish we had more opportunities for training other than what is offered locally. Unfortunately, even though local training may be good we normally interact with the same trainers and other nonprofit leaders over and over and don’t get new and fresh ideas. Most of us cannot afford the travel and registration expenses connected to larger out-of-region trainings.”

Finding 3

Among nonprofits that rely on earned revenue, the majority find that maintaining, or growing, earned revenue is challenging—and most would like more help from their foundation funders.

There has been increasing attention paid to earned revenue sources for nonprofits over the past decade, with many asserting that nonprofit “enterprise” initiatives are on the rise and accounting for a greater share of revenue. The facts belie the assertions, however: Earned revenue has not increased its share of total revenue. But the pressure to consider how to grow or develop earned revenue streams has only increased as government funding has been cut and the competition for contributed revenue increases. So, while earned revenue may not yet have grown as a proportion of total revenue, the effort to maintain or grow it is on the minds of nonprofit leaders.

According to our survey, of the 85 percent of nonprofit leaders for whom maintaining earned revenue is a relevant issue, an overwhelming proportion finds it challenging. (See Figure 4.) One nonprofit leader said, “Support bridge grants that allow organizations to transition to different business models so they can self-generate more income.” While 18 percent do not believe foundations are in a po-

Of the 85 percent of nonprofit leaders for whom maintaining earned revenue is a relevant issue, an overwhelming proportion finds it challenging.

The majority of nonprofits also find it challenging to increase their earned revenue, although 25 percent of them do not believe foundations are in a position to help them with this issue. One leader who did receive foundation help that led to growth in revenue explained, “One major foundation came through with a three-year commitment, now renewed twice, to support a programmatic expansion. This allowed a significant increase in programming and has helped increase revenue.”

Figure 4: The Difficulties of Earned Revenue for Nonprofits
Nonprofits’ challenges with fundraising have been well documented, and it has been widely noted that total charitable contributions have remained relatively constant as a proportion of GDP. The methods used for raising funds from individual donors have sometimes been the subject of significant debate as well as negative press attention.

So what is the toughest money to raise? The source that respondents most frequently cited as an extreme challenge from which to raise funding is foundations: 99 percent of respondents said this is challenging. Almost three-quarters—72 percent—reported that these efforts are extremely challenging.

Qualitative comments from nonprofit leaders indicate that one way foundations could help them attract new foundation funding is to connect them with other foundations. One leader whose funder did just this said, “The foundation’s president has taken me to several lunches and meetings as a speaker to make other [potential] funders aware of our work.”

But, comments from nonprofit leaders indicate that the difficulty of attracting new foundation funding is exacerbated by the parameters placed on potential funding. As one leader said, “Stop designing programming and opportunities for which capacity must be created. Start with what each of us has the capacity to do and help us grow... as opposed to ‘Don’t drop anything and add this if you want funding.’” Another said, “One of our biggest challenges is that funders often want to support something ‘new’ or a specific project. If the project is not fully funded, it actually ends up costing us money.”

### Table 1. The Challenge of Attracting Funding

<table>
<thead>
<tr>
<th>Attracting new foundation funders</th>
<th>Total percentage of leaders who find this challenging</th>
<th>Percentage who find this extremely challenging</th>
<th>Percentage who find this somewhat challenging</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attracting new individual donors</td>
<td>99%</td>
<td>72%</td>
<td>27%</td>
</tr>
<tr>
<td>Attracting new government funding</td>
<td>94%</td>
<td>59%</td>
<td>35%</td>
</tr>
<tr>
<td>Maintaining funding from current foundation funders</td>
<td>72%*</td>
<td>51%</td>
<td>21%</td>
</tr>
<tr>
<td>Maintaining funding from our current individual donors</td>
<td>89%</td>
<td>21%</td>
<td>68%</td>
</tr>
<tr>
<td>Maintaining current government funding</td>
<td>64%**</td>
<td>25%</td>
<td>39%</td>
</tr>
</tbody>
</table>

* 23 percent of nonprofit leaders do not find attracting new government funding relevant to their work. Of those who do find attracting new government funding relevant to their organization, 93 percent find it challenging.

** 23 percent of nonprofit leaders do not find maintaining current government funding relevant to their work. Of those who do find maintaining government funding relevant to their organization, 84 percent find it challenging.

The Toughest Money to Raise?

Securing multiyear support and securing general operating support continue to be serious challenges for the majority of leaders who responded to this survey. There has been little change in the frequency of provision of these types of grants over many years.13

Each of these issues is identified as a challenge by 95 percent of respondents. Specifically, 68 percent experience securing multiyear funding as extremely challenging, and 62 percent find securing general operating support to be extremely challenging.

One nonprofit leader expressed his frustration about short-term funding by saying, “Offer more multiyear funding. [Foundations] always ask the very dumb question of how we will maintain the programs after their funding has ended and, of course, the truth is that we will keep doing the grant-to-grant search, but we have to come up with some answer that really isn’t true. The time spent just to write renewals for our funding could be drastically cut and used better to find the real long-term funding solutions.” Another said, “[Foundations should] provide more stable (multiyear) commitments. [They should] care about the organization, the big picture, and the long term.”

When it comes to the desire for general operating support, one leader said, “The most helpful thing a foundation has done recently was to offer a grant specifically for general operating support. This allows us to continue to put out the fires and also look to the future to bring about transformative changes in a sustainable way.” Another said, “The biggest challenge is finding operating support. We often create projects with an eye toward helping our bottom line.”

**Table 2. The Challenge of Securing Certain Types of Foundation Funding**

<table>
<thead>
<tr>
<th></th>
<th>Total percentage of leaders who find this challenging</th>
<th>Percentage who find this extremely challenging</th>
<th>Percentage who find this somewhat challenging</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securing multi-year funding</td>
<td>95%</td>
<td>68%</td>
<td>27%</td>
</tr>
<tr>
<td>Securing general operating or unrestricted funds</td>
<td>95%</td>
<td>62%</td>
<td>33%</td>
</tr>
</tbody>
</table>

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CONCLUSION

These findings indicate how much opportunity still exists for foundations to help nonprofits with some of their most difficult and persistent challenges. Past CEP research has shown that, although foundation staff tend to be interested in providing assistance beyond the grant, they often do little to understand what their grantees truly need. This survey shows the consequences: nonprofit leaders who do not believe foundations understand their challenges and who are looking for foundations to do much more to help them in specific areas.

The findings also point to an issue that underlies much of CEP’s research about the work that foundations and nonprofits do together: the need for foundations and grantees to form strong relationships. It is difficult to imagine that nonprofit leaders would be comfortable being open about the various challenges their organizations face if their relationships with their foundation funders do not feel strong enough to withstand that honesty.

Clearly, foundations cannot do everything, and it is likely the case that nonprofits will always be looking for more help from funders than can be provided, given limits on staff time and resources. But the data also show that nonprofits are not looking for their foundation funders to help them with everything they find challenging. They are looking for more help to deal with some of their most pressing challenges.

If foundations depend on their nonprofit grantees for the work they do to achieve their shared goals, then they will benefit from working to better understand nonprofits’ challenges and from doing more to help nonprofits address them. While there are examples of this happening, these findings indicate that they remain relatively few and far between. If foundations and nonprofits are to maximize their chances of success in pursuit of their shared goals, then these examples must become the rule and not the exception.


Nonprofit Challenges: What Foundations Can Do
Questions Foundation Staff Should Ask Themselves

> How confident are you and your colleagues that you understand the challenges grantees are facing? How do you develop that understanding?

> What are staff members doing to build relationships with grantees in which grantees feel they can be open with you about their challenges?

> Have you and your colleagues reflected on the resources, knowledge, or connections that the foundation could be, but isn’t yet, using to help grantees?
APPENDIX: METHODOLOGY

Data for this report were collected through The Grantee Voice: Feedback for Foundations, CEP’s panel of nonprofit leaders.

PANEL

The Grantee Voice panel was established in the initial months of 2012. Several steps were taken in order to create this survey panel. First, a database from the National Center for Charitable Statistics (NCCS), which consisted of information from more than 365,000 registered 501(c)(3) organizations with a Form 990 filed between 2007 and 2010, was used to randomly select nonprofits with annual expenses between $100,000 and $100 million. To ensure that the randomly selected sample was representative of this full range of expenses, a stratified sample containing 25 percent of nonprofits from each quartile of this expense range was created. The Foundation Center’s Foundation Directory Online was used to determine whether or not each of the nonprofits in this random sample had received any funding since 2008 from independent, community, or health-conversion foundations giving at least $5 million annually in grants. Only leaders of nonprofits that had received such funding were invited to join the panel. The steps in this process were repeated until we reached a sample of approximately 1,000 nonprofits.

Ultimately, 1,049 nonprofit leaders were invited to join The Grantee Voice panel, and 300 accepted the invitation, resulting in an acceptance rate of 29 percent. We statistically tested for, and saw no differences between, the annual expenses and issue areas of the organizations that did and did not accept the invitation to join this panel. The geographical region of the organizations for these two groups differed only very slightly.

For this panel, we use the word “leader” to refer to the individual who is responsible for running the nonprofit organization, typically referred to as the executive director, president, or CEO. For more information on the panel, please visit CEP’s website www.effectivephilanthropy.org.

SURVEY SAMPLE

During the course of the 2012 surveying process, two nonprofit leaders were removed from the panel because they left their respective organizations after joining the panel, and one nonprofit leader was removed because he no longer wanted to participate. One additional panel member was added after a delayed response to our original invitation. As a result, a survey on nonprofit challenges was sent to the 298 nonprofit leaders who comprise The Grantee Voice panel in December 2012. Ultimately, two additional nonprofit leaders were removed from the panel because they had left their respective organizations after the previous surveying cycle. The result was a final panel of 296 nonprofit leaders for this survey. Completed surveys were received from 121 leaders, for a response rate of 41 percent.

Nonprofits represented by leaders who responded to the survey did not differ from nonrespondent organizations by staff size, program area, age of nonprofit, location, or annual expenses. They also did not differ by the proportion of revenues coming in the form of foundation funding. Statistics on staff size, age, and proportion of revenues coming from foundations are based on self-reported data.

METHOD

The survey was fielded online. Panel participants were sent a brief e-mail including a description of the survey, a statement of confidentiality, and a link to the survey. Four reminder e-mails were sent to panel participants who had not yet responded to the survey.

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16 A chi-square analysis of geographic region was conducted. A statistically significant difference of a less than small effect size was found between nonprofits in the south and northeast regions. Nonprofits located in the south were slightly less likely to accept the invitation, and nonprofits located in the northeast were slightly more likely to accept the invitation.
The survey consisted of six questions, many of which contained several items. These questions covered the degree to which various issues are a challenge to nonprofits, nonprofits’ perspectives on which challenges foundations can help with most, and nonprofits’ perspectives on foundations’ current role in addressing nonprofits’ challenges in general. (See Tables 3 and 4.) Nonprofit leaders each were asked to explain, in open-ended comments, an example of when a foundation was particularly helpful in addressing one of their challenges and one step that foundations could take, beyond additional funding, to help nonprofits with their greatest challenge.

**Table 3. Degree of Nonprofit Challenges**

<table>
<thead>
<tr>
<th>Respondents were asked: “Please indicate how challenging each of the following is for your organization:”</th>
<th>Percentage of respondents indicating “This issue is not relevant to my organization”</th>
<th>Percentage of respondents indicating “This issue is somewhat challenging for my organization”</th>
<th>Percentage of respondents indicating “This issue is challenging for my organization”</th>
<th>Percentage of respondents indicating “This issue is extremely challenging for my organization”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attracting new foundation funders</td>
<td>0%</td>
<td>1%</td>
<td>27%</td>
<td>72%</td>
</tr>
<tr>
<td>Securing multi-year funding</td>
<td>3%</td>
<td>2%</td>
<td>27%</td>
<td>68%</td>
</tr>
<tr>
<td>Attracting new individual donors</td>
<td>3%</td>
<td>3%</td>
<td>35%</td>
<td>59%</td>
</tr>
<tr>
<td>Securing general operating or unrestricted funds</td>
<td>2%</td>
<td>3%</td>
<td>33%</td>
<td>62%</td>
</tr>
<tr>
<td>Attracting new government funding</td>
<td>23%</td>
<td>5%</td>
<td>21%</td>
<td>51%</td>
</tr>
<tr>
<td>Maintaining funding from our current foundation funders</td>
<td>2%</td>
<td>9%</td>
<td>68%</td>
<td>21%</td>
</tr>
<tr>
<td>Growing our earned revenue</td>
<td>13%</td>
<td>10%</td>
<td>29%</td>
<td>48%</td>
</tr>
<tr>
<td>Being able to influence public policy</td>
<td>22%</td>
<td>12%</td>
<td>41%</td>
<td>25%</td>
</tr>
<tr>
<td>Maintaining our current government funding</td>
<td>23%</td>
<td>13%</td>
<td>39%</td>
<td>25%</td>
</tr>
<tr>
<td>Maintaining our earned revenue</td>
<td>15%</td>
<td>13%</td>
<td>52%</td>
<td>20%</td>
</tr>
<tr>
<td>Meeting the demand for our programs/services</td>
<td>2%</td>
<td>18%</td>
<td>53%</td>
<td>27%</td>
</tr>
<tr>
<td>Maintaining funding from our current individual donors</td>
<td>7%</td>
<td>18%</td>
<td>55%</td>
<td>20%</td>
</tr>
<tr>
<td>Using technology to improve our effectiveness</td>
<td>1%</td>
<td>22%</td>
<td>59%</td>
<td>18%</td>
</tr>
<tr>
<td>Developing effective external communications</td>
<td>1%</td>
<td>22%</td>
<td>62%</td>
<td>15%</td>
</tr>
<tr>
<td>Engaging my board of directors productively</td>
<td>1%</td>
<td>24%</td>
<td>54%</td>
<td>21%</td>
</tr>
<tr>
<td>Having sufficient resources and opportunities to develop my leadership skills</td>
<td>2%</td>
<td>25%</td>
<td>52%</td>
<td>21%</td>
</tr>
<tr>
<td>Being innovative in our work in order to improve our effectiveness</td>
<td>1%</td>
<td>29%</td>
<td>61%</td>
<td>9%</td>
</tr>
<tr>
<td>Demonstrating my organization’s impact to potential funders</td>
<td>1%</td>
<td>35%</td>
<td>42%</td>
<td>22%</td>
</tr>
<tr>
<td>Developing and training staff</td>
<td>2%</td>
<td>35%</td>
<td>51%</td>
<td>12%</td>
</tr>
</tbody>
</table>
### Table 3. Degree of Nonprofit Challenges

| Keeping up with best practices in the area(s) in which my organization works | 3% | 38% | 50% | 9% |
| Attracting and retaining qualified staff | 3% | 40% | 43% | 14% |
| Developing programmatic strategies for my organization | 2% | 40% | 50% | 8% |
| Distinguishing my organization’s work from the work of similar organizations | 3% | 41% | 44% | 12% |
| Pursuing collaborations or partnerships with other nonprofits | 1% | 52% | 40% | 7% |
| Building the general public’s trust in my organization | 1% | 57% | 40% | 2% |

### Table 4. Desired Help from Foundations with Challenges Not Related to Fundraising

Respondents were asked: “Compared to what your foundation funders are currently doing to help your organization address its challenges, please indicate how much help, either financial or non-monetary, you want from your foundation funders in addressing each of the challenges below:**

| **Using technology to improve our effectiveness** | 15% | 15% | 40% | 30% |
| **Being able to influence public policy** | 17% | 17% | 36% | 30% |
| **Meeting the demand for our programs/services** | 14% | 18% | 40% | 28% |
| **Growing our earned revenue** | 32% | 6% | 38% | 24% |
| **Having sufficient resources and opportunities to develop my leadership skills** | 11% | 18% | 51% | 20% |
| **Developing effective external communications** | 29% | 19% | 35% | 17% |
| **Engaging my board of directors productively** | 31% | 20% | 32% | 17% |
| **Maintaining our earned revenue** | 26% | 12% | 46% | 16% |
| **Being innovative in our work in order to improve our effectiveness** | 21% | 23% | 43% | 13% |
| **Building the general public’s trust in my organization** | 22% | 31% | 35% | 12% |
| **Keeping up with best practices in the area(s) in which my organization works** | 23% | 23% | 43% | 11% |
| **Pursuing collaborations or partnerships with other nonprofits** | 23% | 27% | 39% | 11% |
| **Developing and training staff** | 33% | 10% | 47% | 10% |
| **Attracting and retaining qualified staff** | 44% | 17% | 30% | 9% |
| **Developing programmatic strategies for my organization** | 29% | 27% | 36% | 8% |

*Only respondents who reported that a particular issue was challenging were allowed to rate that issue in this table.*
QUANTITATIVE ANALYSES

To analyze the quantitative survey data from nonprofit leaders, descriptive statistics were examined and a combination of correlations, independent samples t-tests, paired samples t-tests, chi-square analyses, and analysis of variance tests were conducted. An alpha level of 0.05 was used to determine statistical significance for all statistical testing conducted for this research. Effect sizes were examined for all analyses. Only findings reaching at least a medium effect size are discussed in this publication. 17

QUALITATIVE ANALYSIS

Two open-ended survey items were asked in the survey. The questions were as follows: “Please provide a brief example of a time when a foundation funder was particularly helpful to your organization in addressing a challenge you faced” and “Beyond providing more funding, what is one thing your foundation funders could do to help you confront your organization’s greatest challenges?” Selected quotations from these questions are included in this publication. These quotations were selected to be representative of the themes seen in the data.

CEP Funders

CEP’s foundation funders are crucial to our success, supporting research initiatives and the development of new assessment tools. Foundation funders (listed by level of annual support) and individual contributors include the following:

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- California HealthCare Foundation
- The Colorado Health Foundation
- The Commonwealth Fund
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