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2024 State of the Nonprofit Sector Report

March 13, 2024

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Meet the Presenter



Dan Prater

Senior Managing Consultant

dan.prater@forvis.com

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2024 State of the Nonprofit Sector Report

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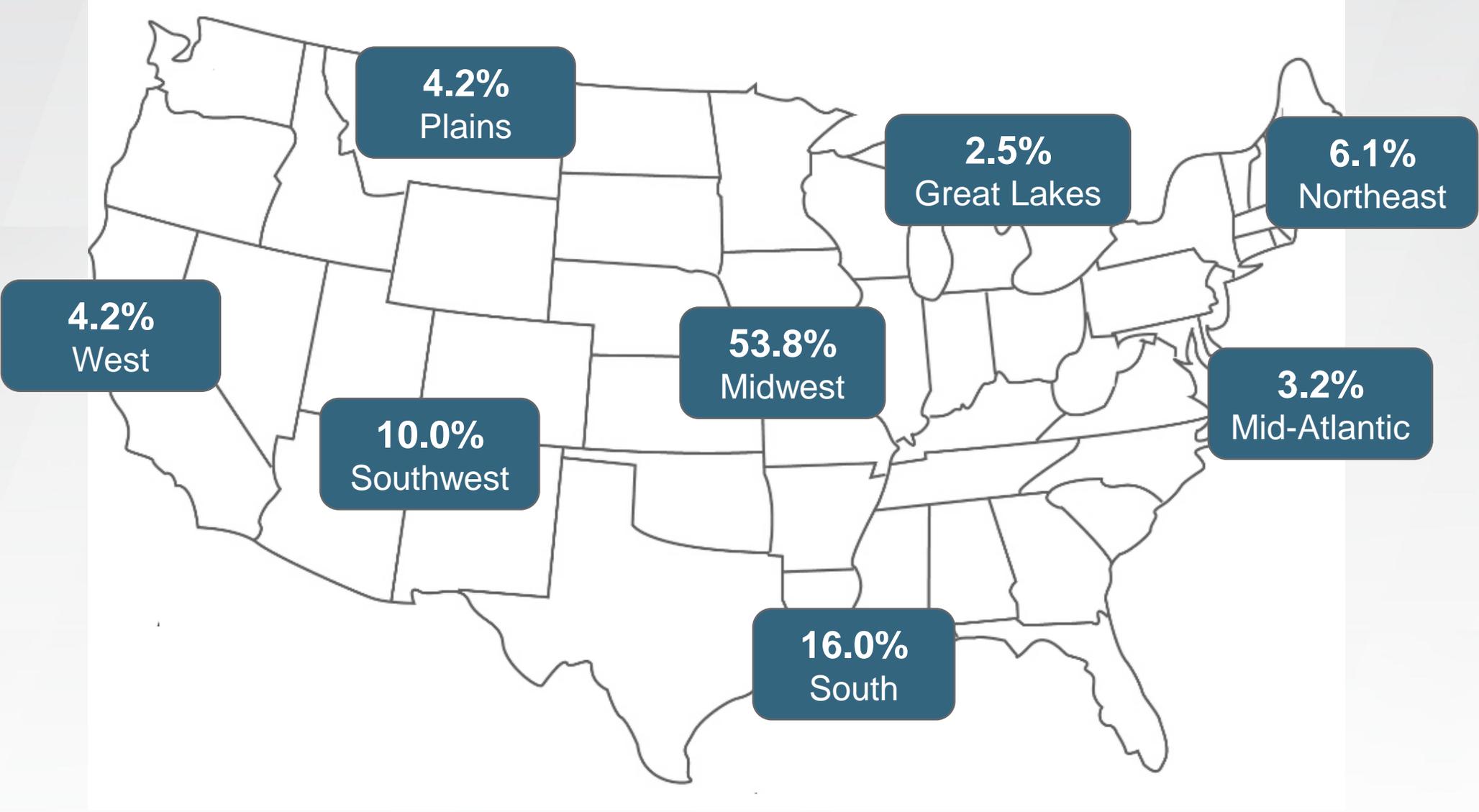
National Nonprofit Report

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WHAT?

- Organizations continue to play a crucial role in transforming & improving life for individuals & neighborhoods.
- In the past year, nonprofits have provided international humanitarian aid to victims of war & strengthened the very fabric of communities where they exist.
- The sector is coping with workforce shortages & skyrocketing operational expenses while keeping pace with rising demands for assistance.

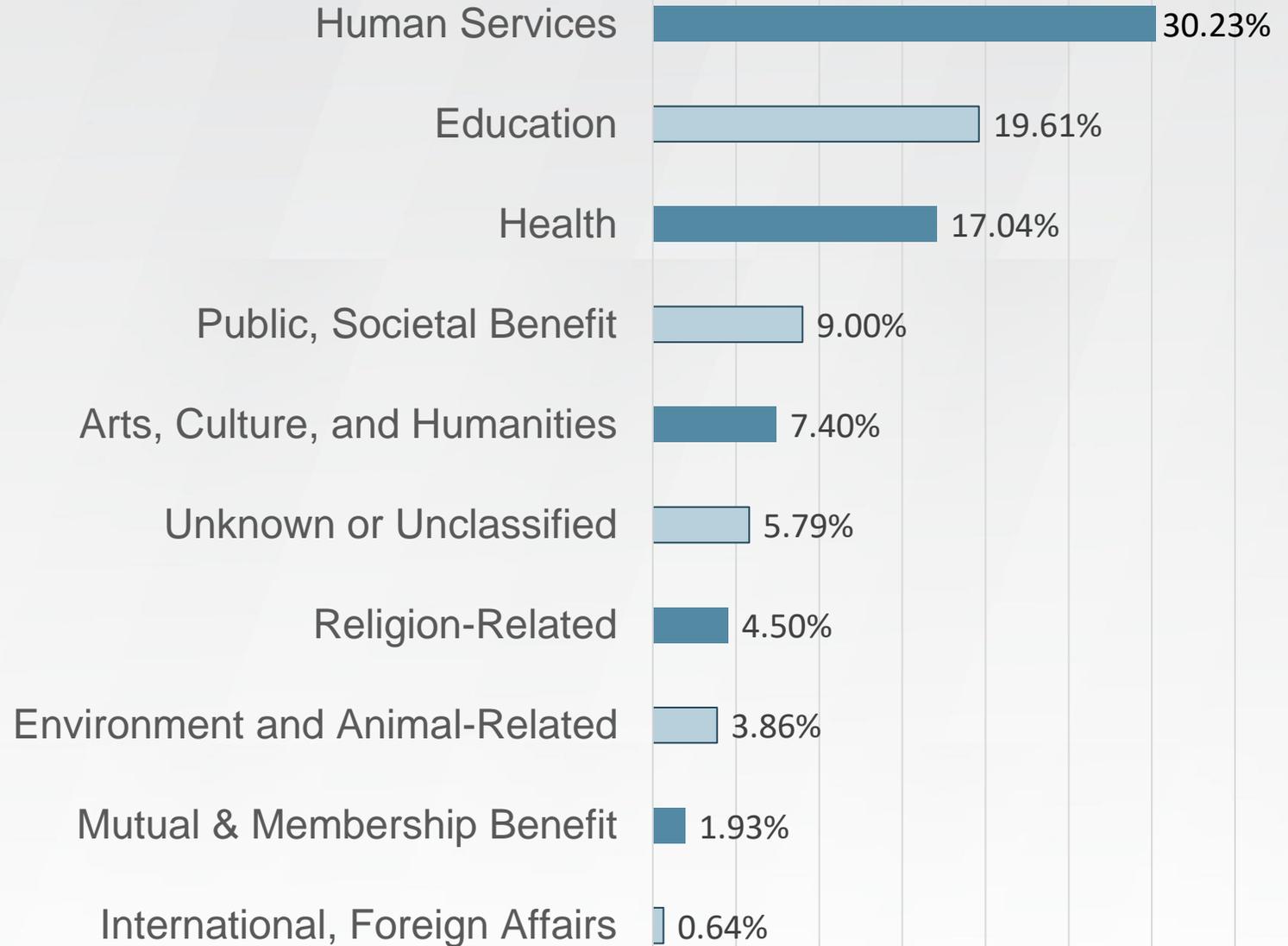
Response Locations



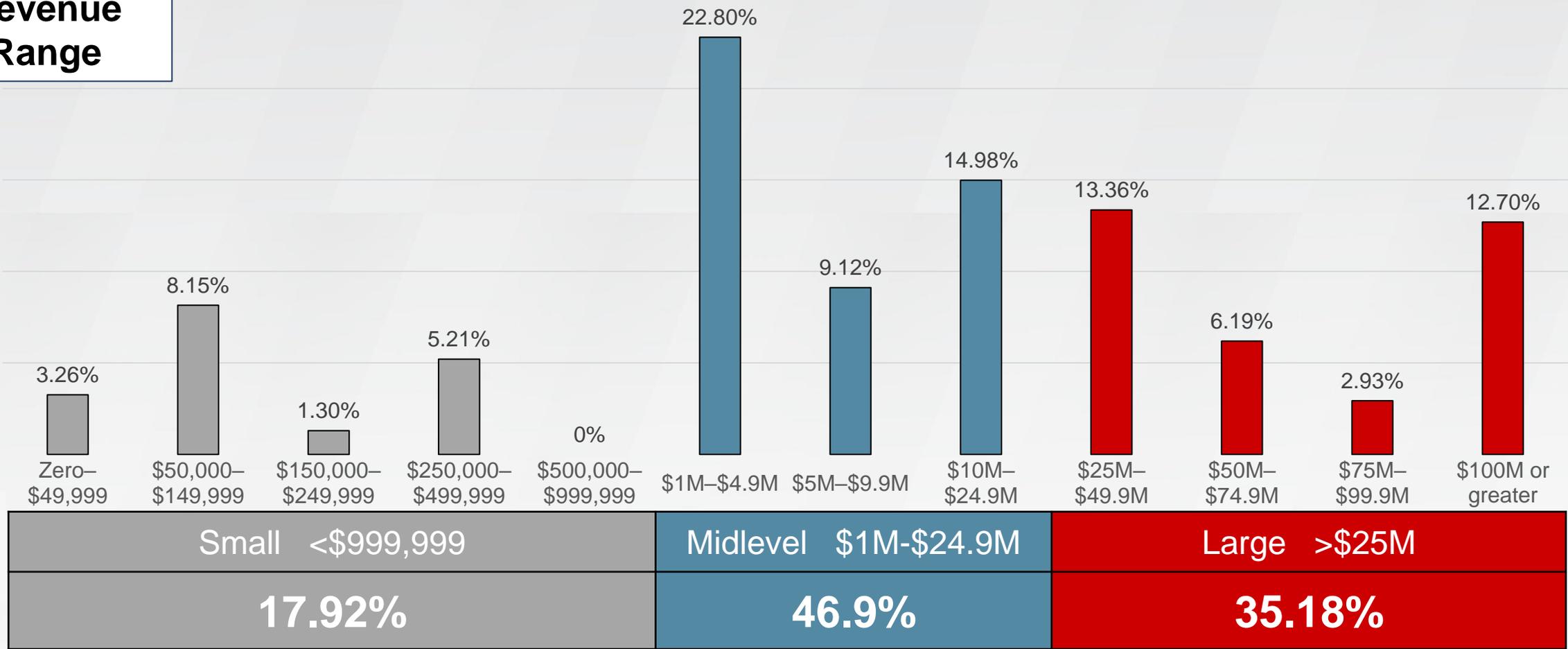
Subcategories

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501(c)1	1.64%
501(c)3	93.75%
501(c)4	0.66%
501(c)6	3.62%
501(c)7	0.33%

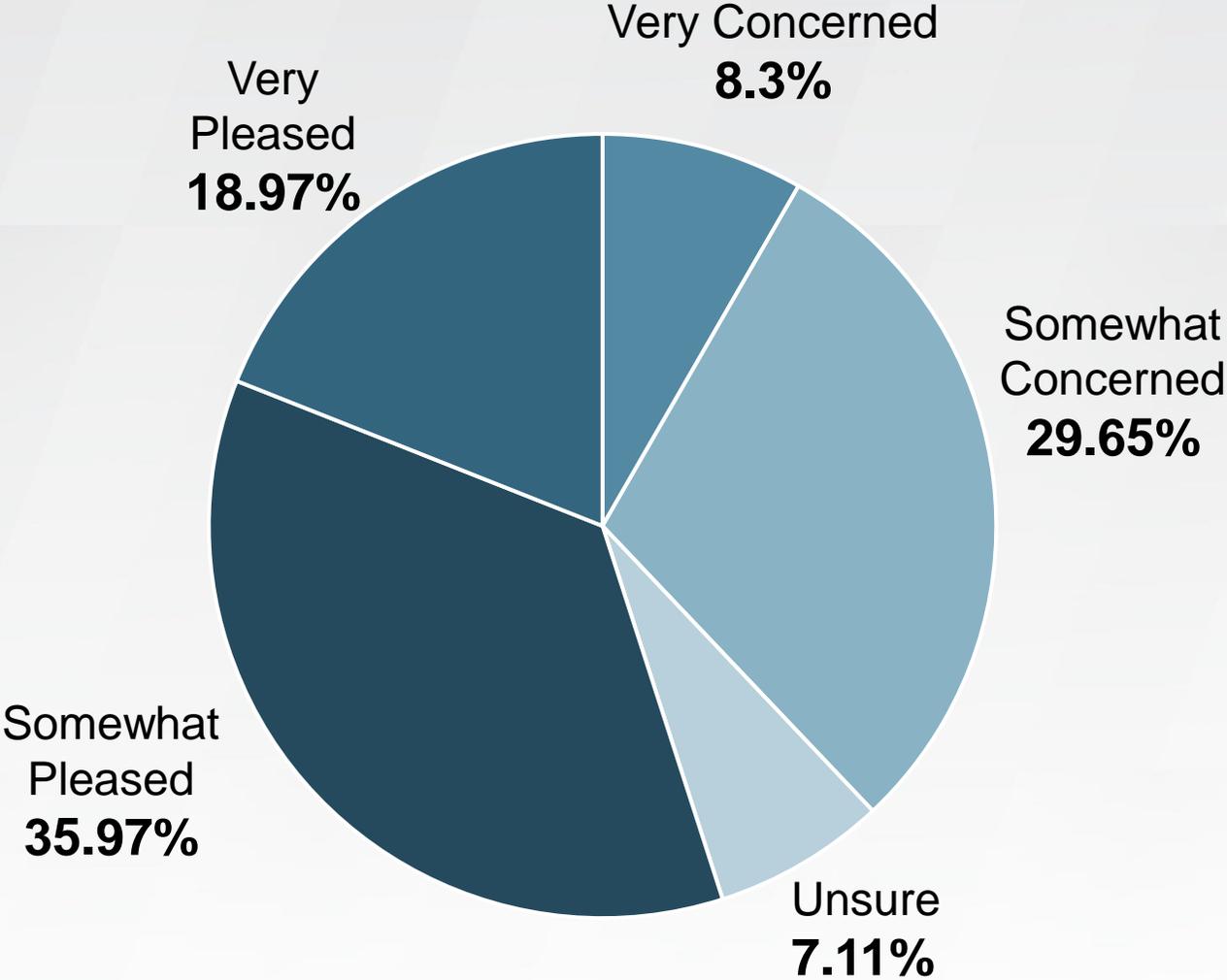


Annual Revenue Range



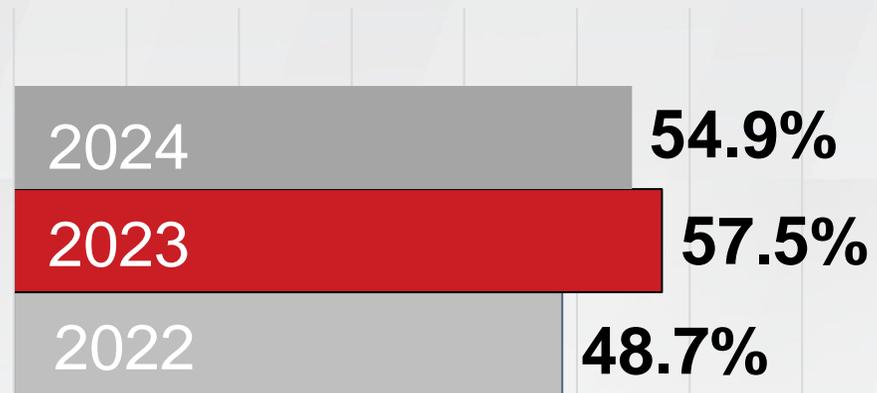
How do you feel about your organization's current financial position?

More than half are pleased, but many remain uneasy about the economy & what lies ahead.



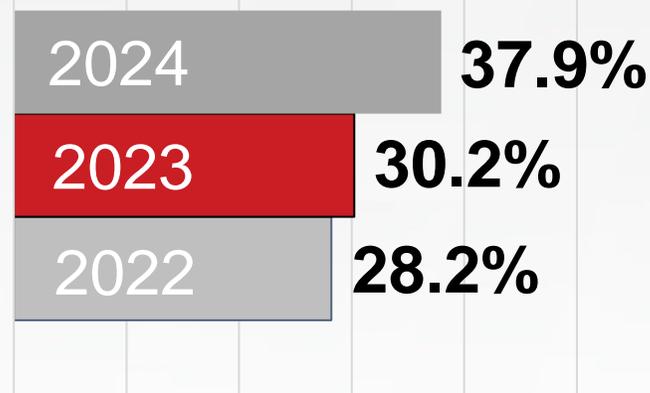
How do you feel about your organization's current financial position?

Somewhat or Very **PLEASED** with current financial position



4.5% decrease from 2023

Somewhat or Very **CONCERNED** with current financial position



25.5% increase from 2023

How does your financial position compare to one year ago?

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	2024	2023	Change
Increased significantly	5.98%	8.14%	-26.53%
Increased somewhat	44.62%	31.98%	+39.52%
No change	19.12%	17.44%	+9.63%
Decreased somewhat	26.30%	38.95%	-9.15%
Decreased significantly	3.98%	3.49%	+14.04%

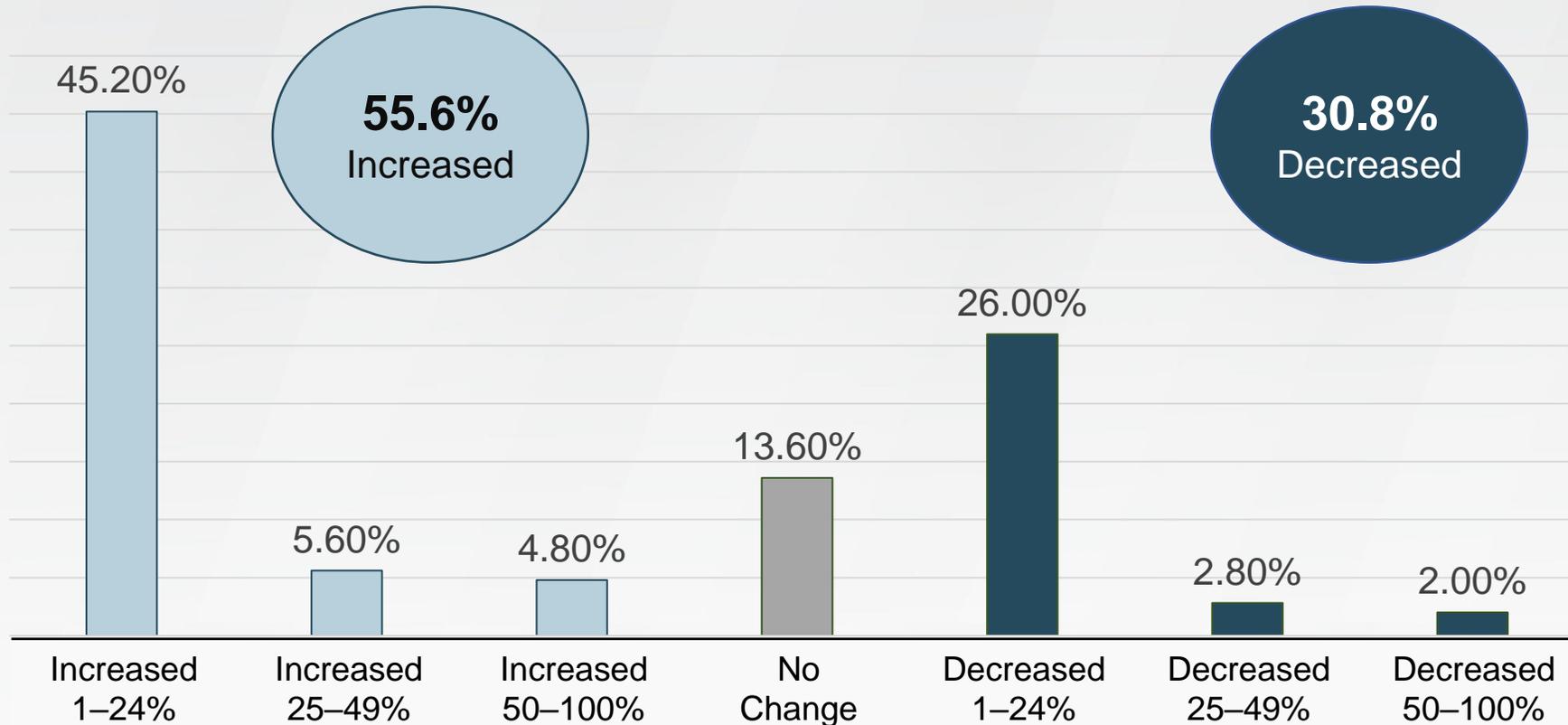
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Totals are rounded – may not equal 100%

Net Income Change in Past Year

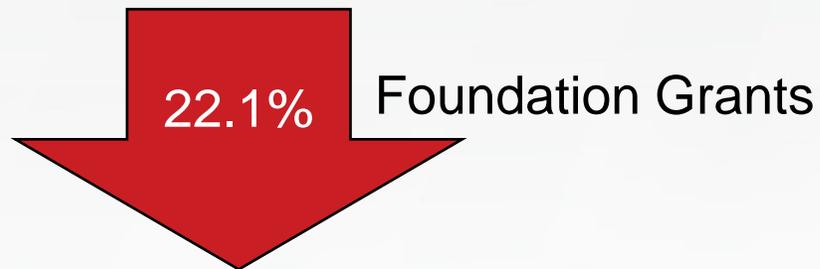
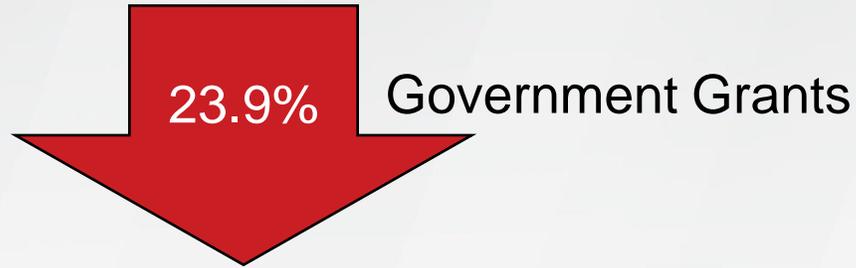
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More than half of the organizations experienced an increase, less than one-third had a decrease in net income.



Change in Revenue Sources

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Revenue Change by Focus Area

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31.9% decrease

Gifts from Individuals

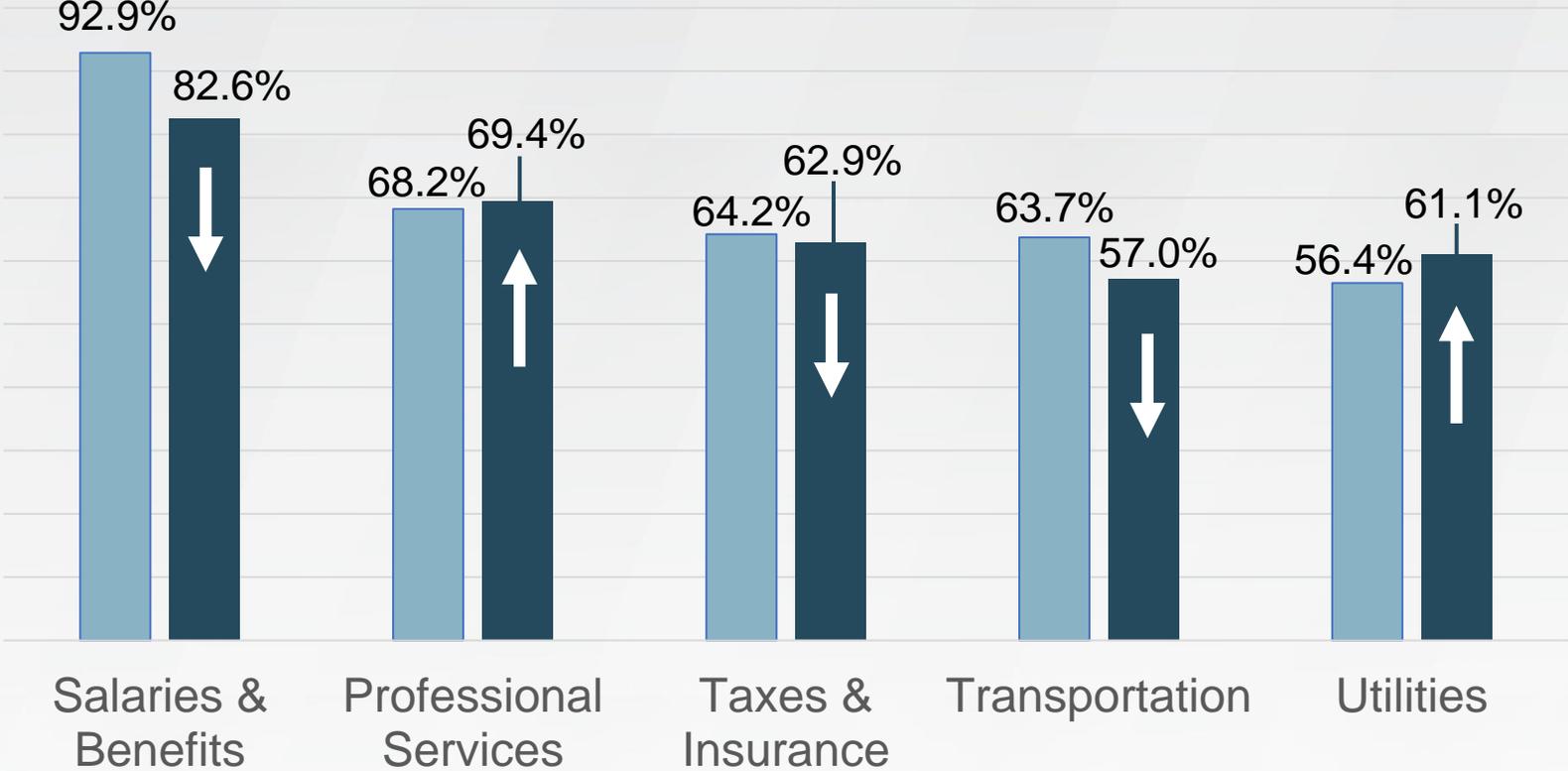


54.5% decrease

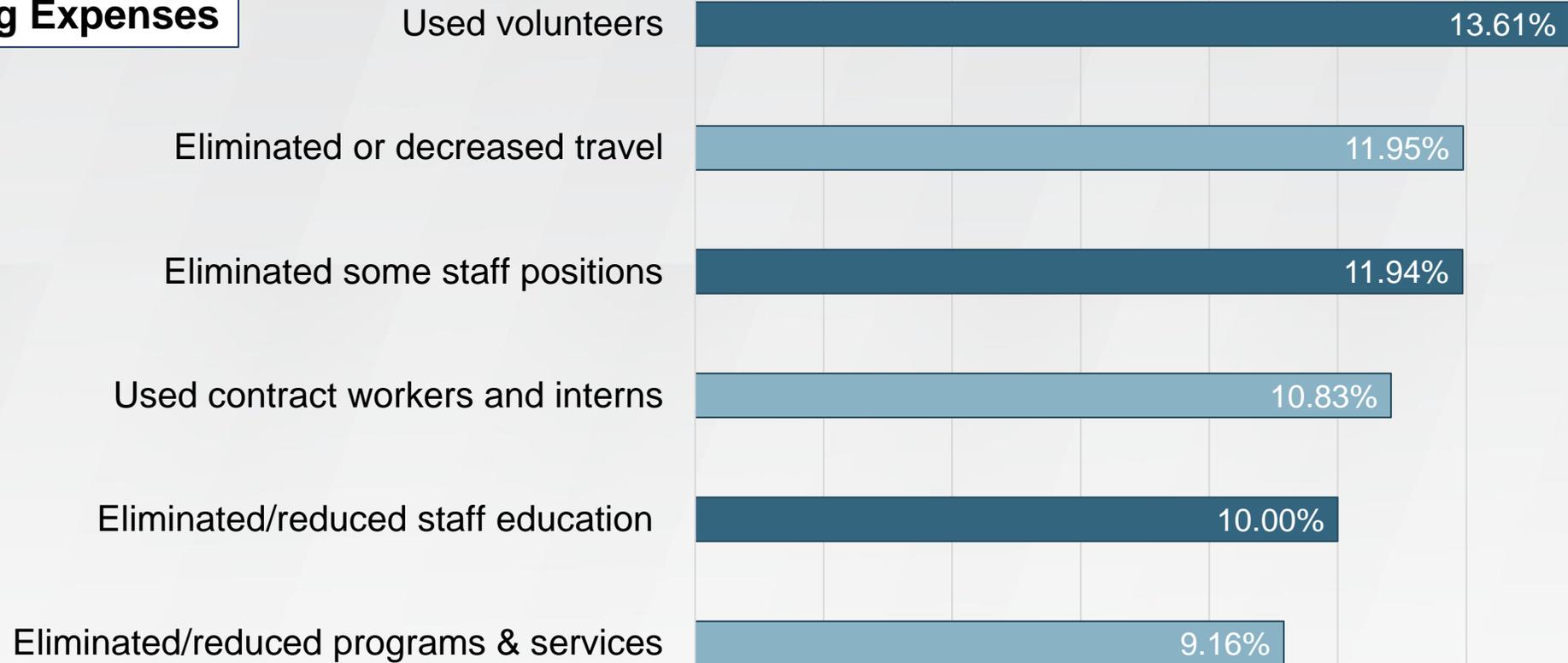
Religion-Related



Biggest Cost Increases



Steps to Reduce Operating Expenses

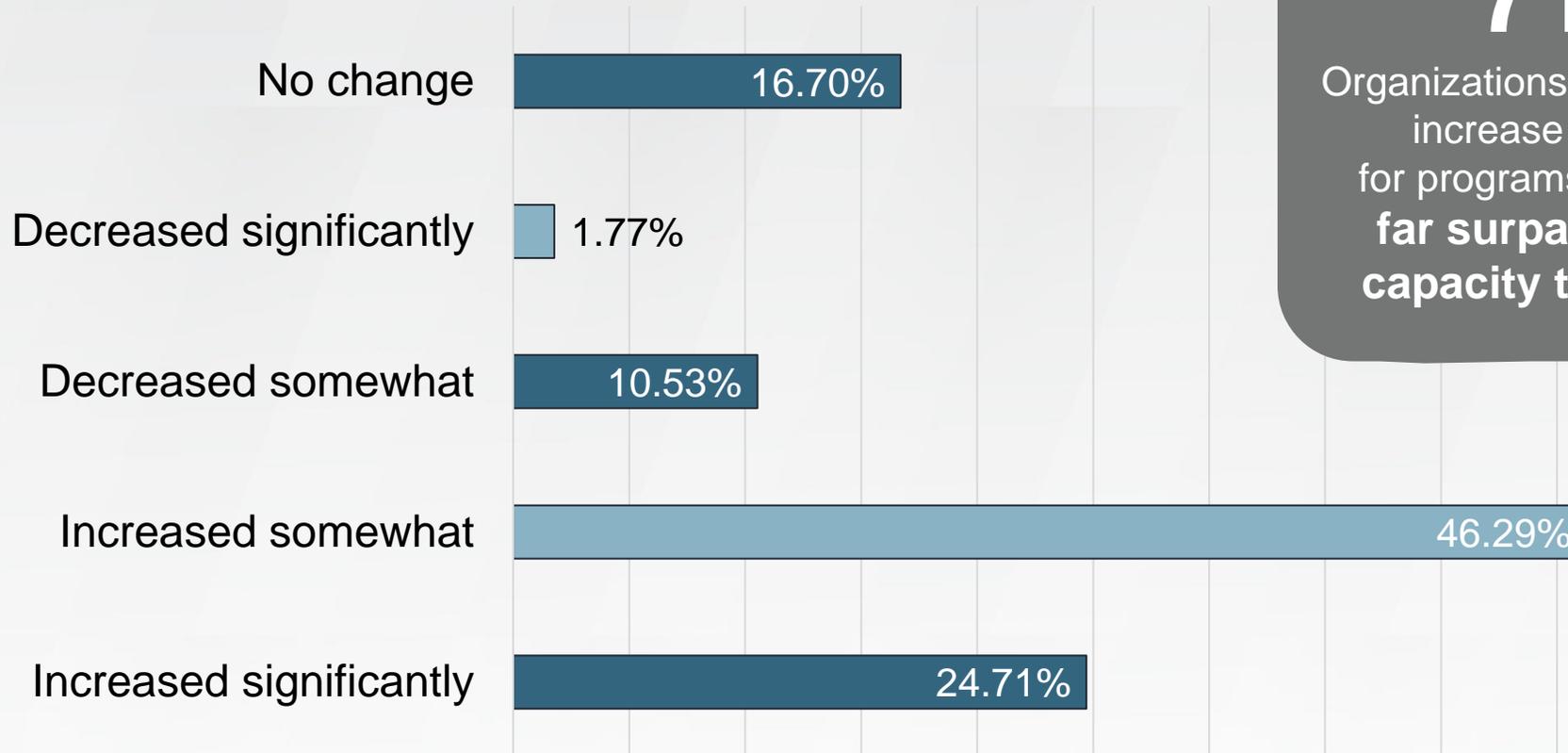


Other Actions Taken

- Downsize office/hours
- Eliminating staff positions or hours

Demand or need for your organization's services & programs throughout the past year

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71%

Organizations experienced an increase in demand for programs & services – **far surpassing their capacity to respond.**

**Responding to change:
Possible actions in next 12–24 months**

Likely

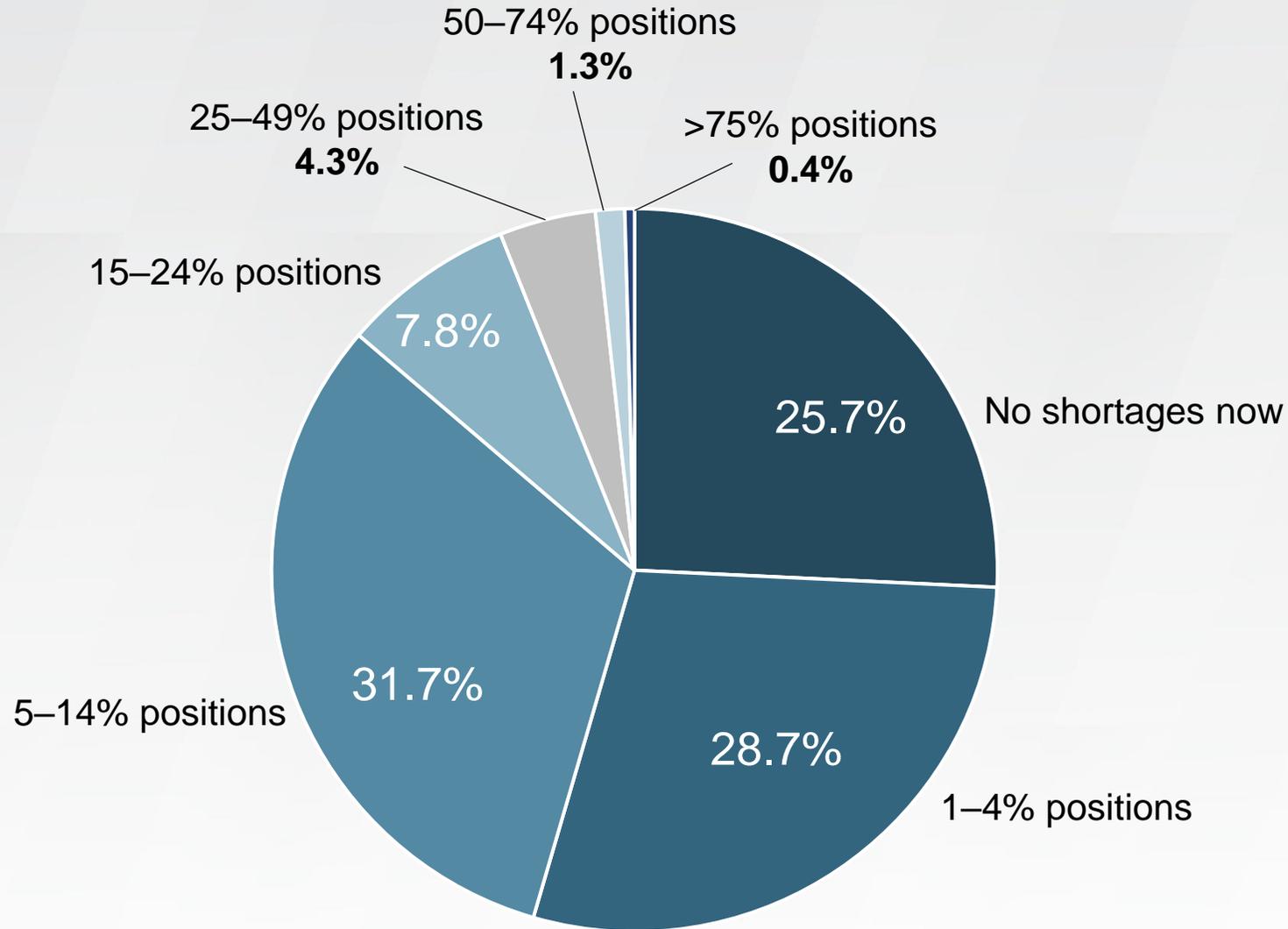
Eliminate some of your current programs/services but not add any new ones	68.0%
Eliminate some of your current programs/services & start some new ones	25.7%
Maintain your current programs/services & add some new ones	24.6%

2/3 are planning to eliminate some of their current programs & services over the next one to two years.

With the exception of Mutual & Membership Benefit organizations, every type of organization increased its fees for programs & services.

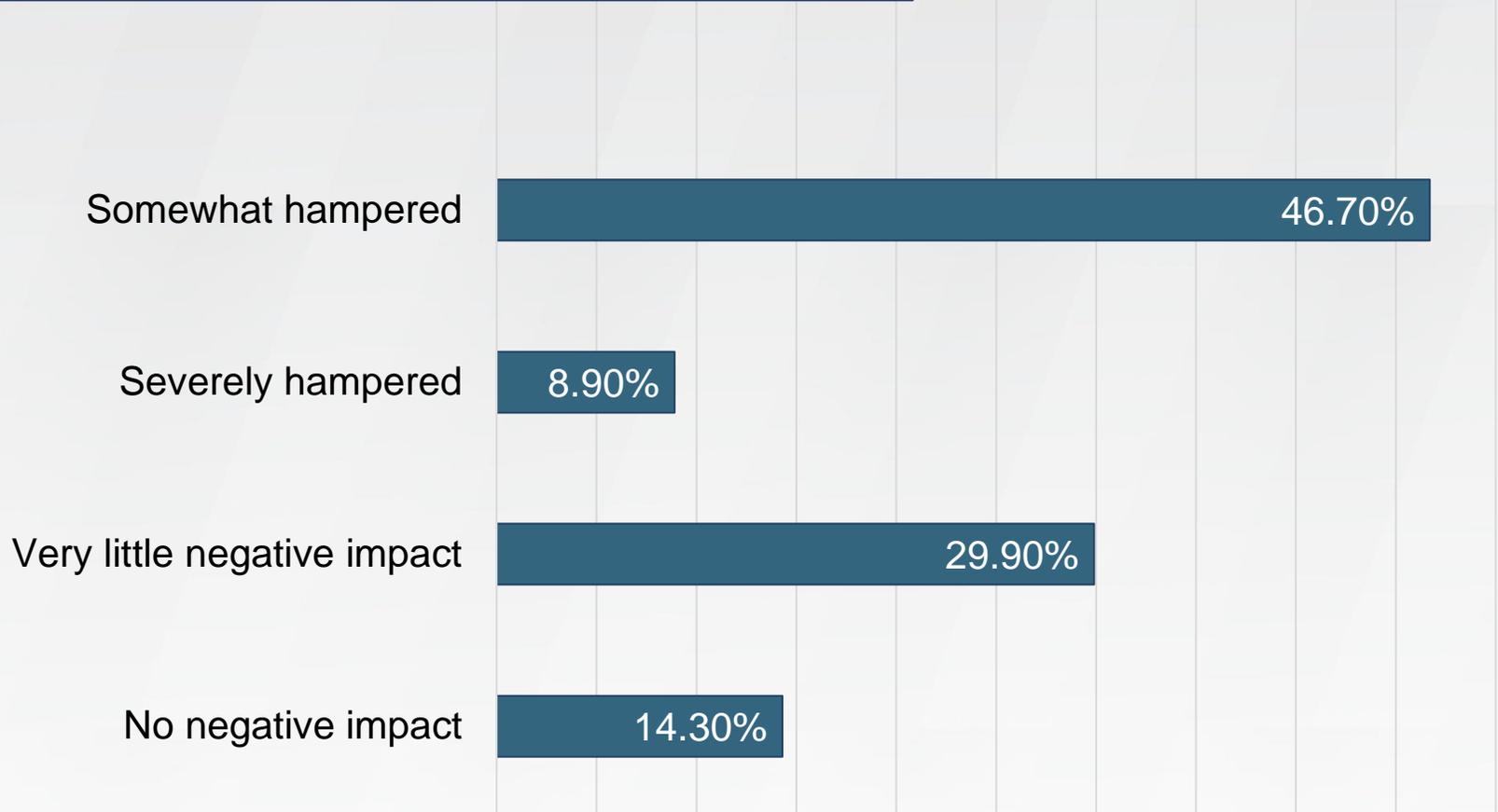
Staffing Shortages

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Health, Education, & Human Services have the highest levels of vacancies.

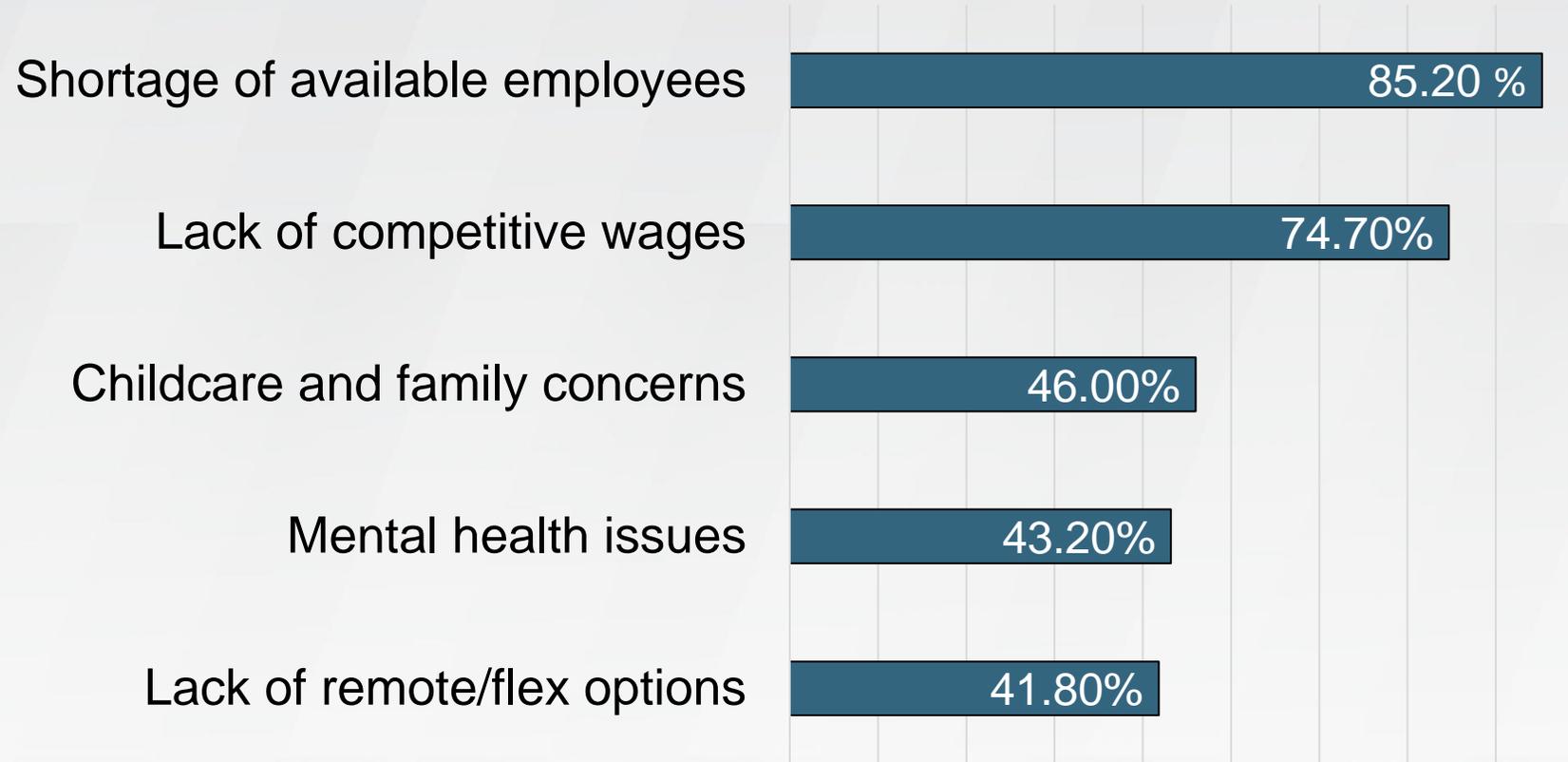
Has the staffing shortage affected your organization's ability to deliver programs & services?



55.6%
Staffing shortages have hampered their ability to deliver programs & services

This poses a risk to the people & communities where nonprofits serve.

Major Barriers to Recruiting

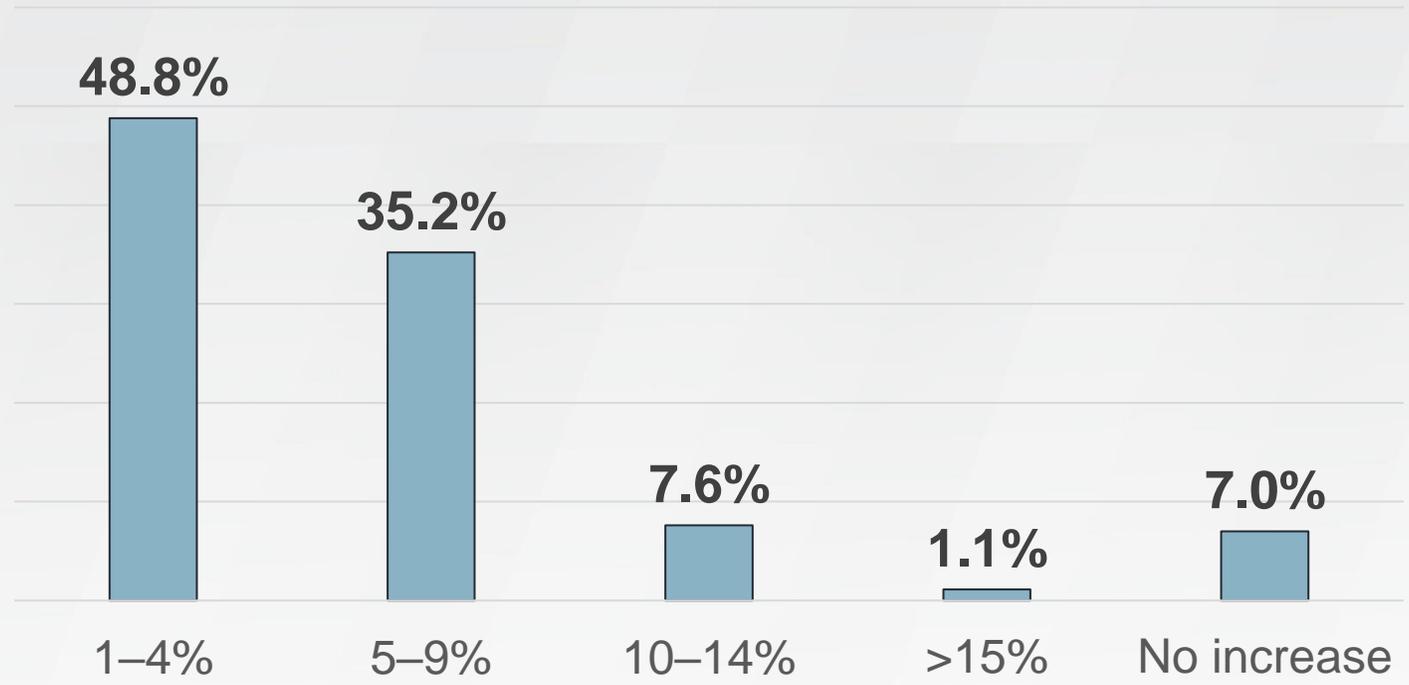


What steps has your organization taken (or is planning to take) to recruit employees?

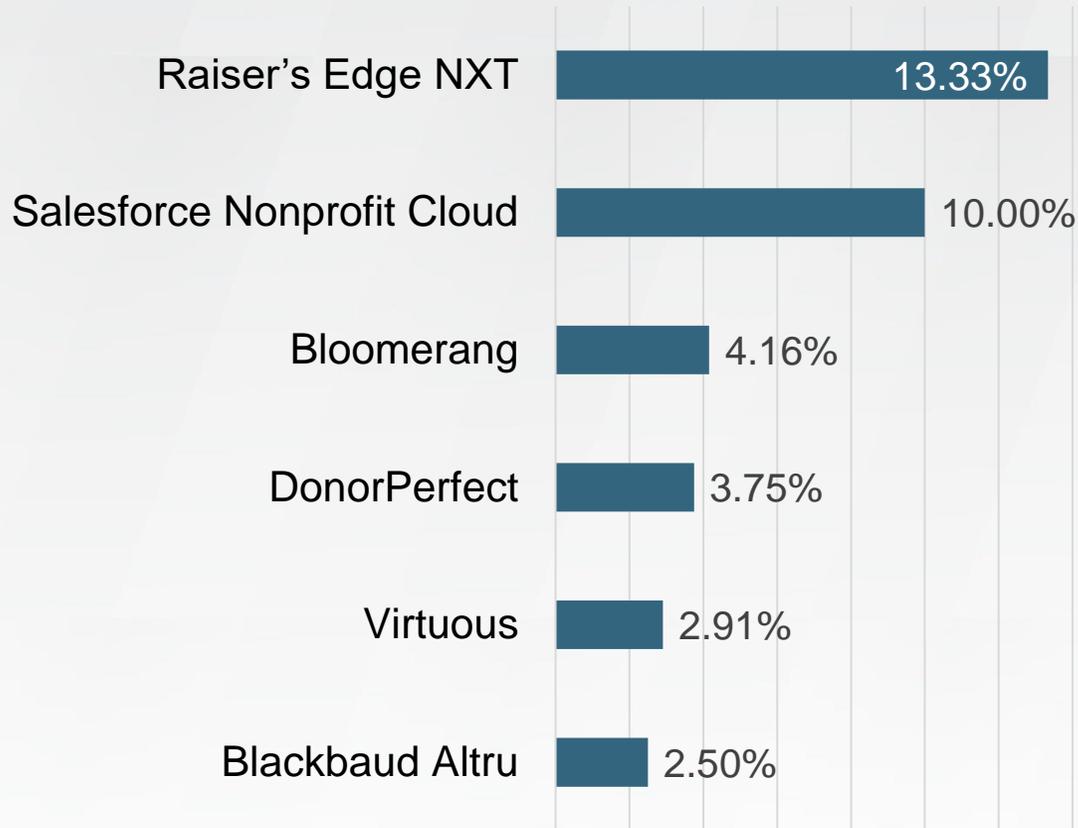
	Increase pay & benefits	Improve workplace DEI	Increase workplace flexibility	Improve internal advancement opportunities	Change dress code to less formal
2024	34.9%	12.3%	17.3%	8.9%	4.8%
2023	52.5%	7.5%	13.9%	3.1%	5.0%

How much of a salary increase has your organization provided?

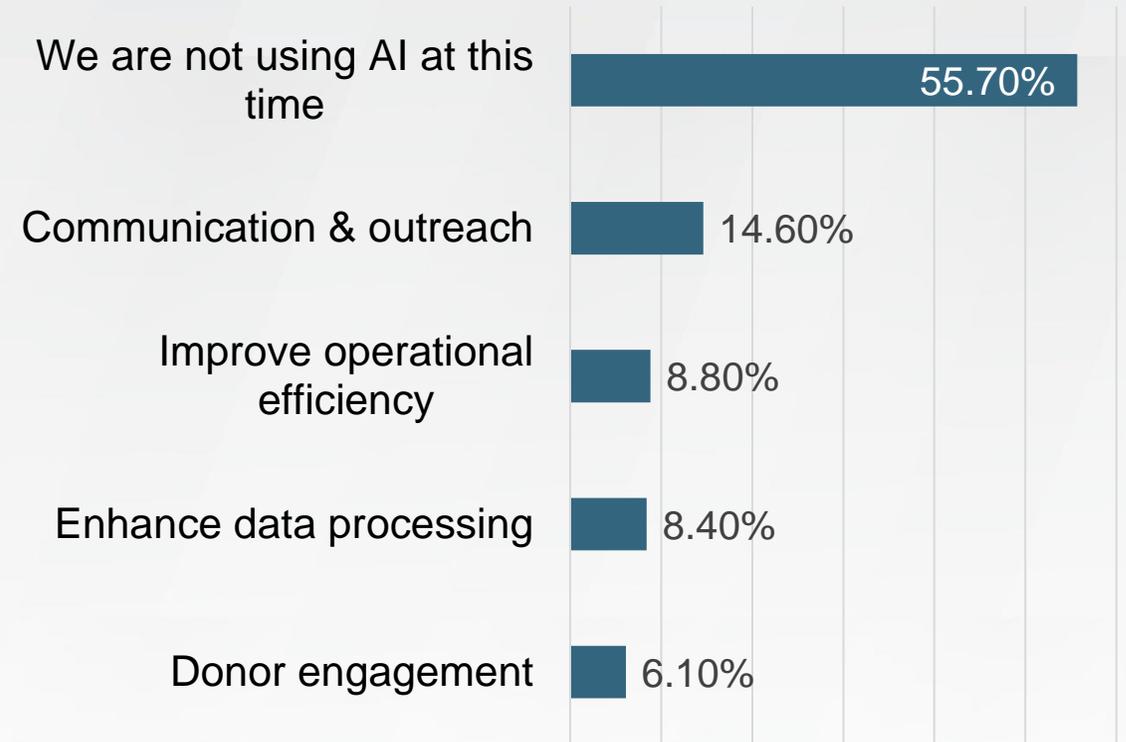
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Which CRM software do you currently use?



How are you currently using AI at this time?



Governance

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Board engagement

96.7%

They have clear understanding of our programs & services.

86.1%

They support our leadership team.

75.3%

They are engaged in community advocacy.

36.6%

Need more engagement in fundraising & public awareness

31.7%

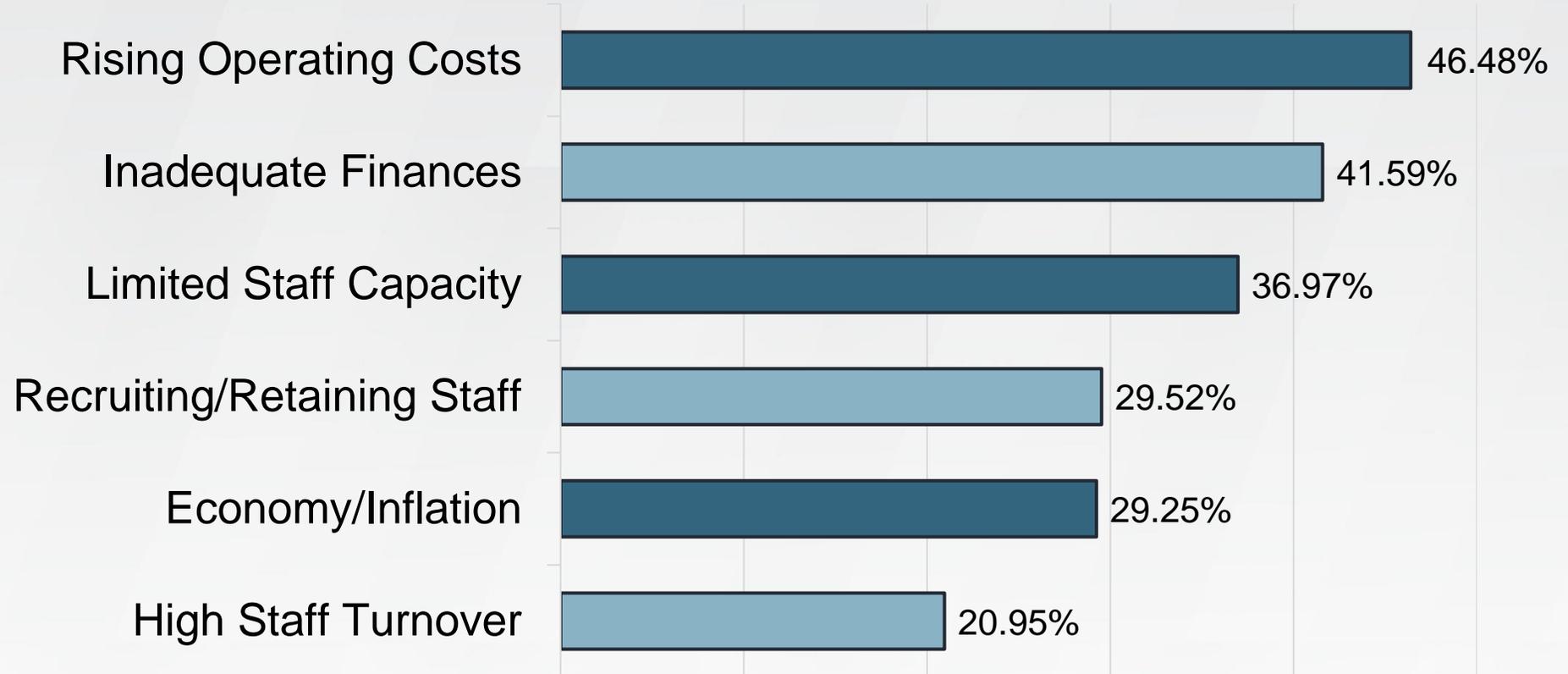
Need to develop indicators to track goal progress

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Totals are rounded – may not equal 100%

Significant challenges your organization is facing now?

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1. Personal touch vs. technology



2. Demonstrate true impact



3. Learn from those you serve



4. Invest into future leaders

Questions?

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