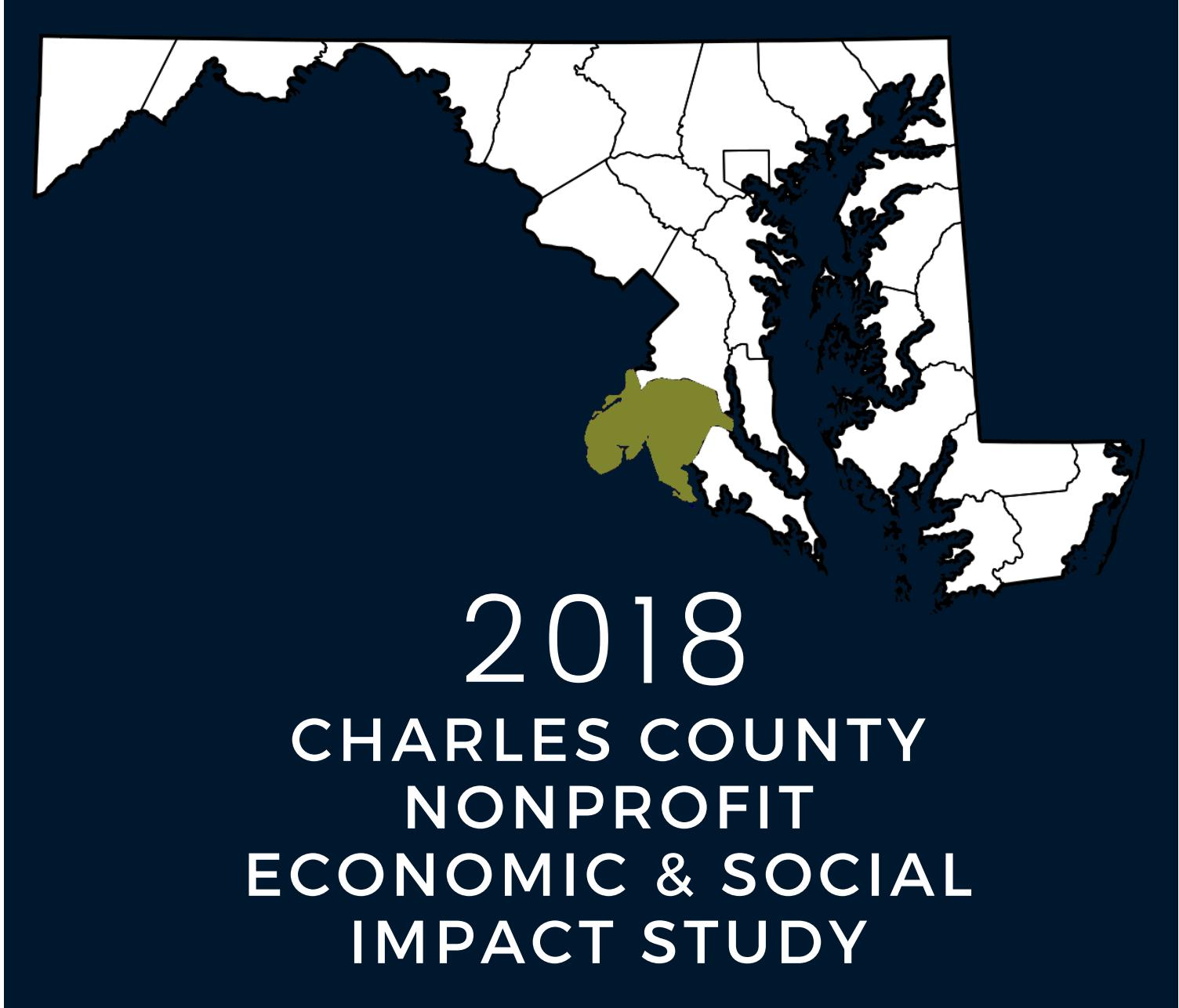


Charles County Charitable Trust



2018 CHARLES COUNTY NONPROFIT ECONOMIC & SOCIAL IMPACT STUDY

9375 Chesapeake Street, Suite 221, La Plata, MD 20646
(301) 934-3700, info@charlesnonprofits.org, www.charlesnonprofits.org

FOREWORD

The Charles County Nonprofit Economic & Social Impact Study was convened in 2017 by the Charles County Charitable Trust (the Trust) in partnership with Maryland Nonprofits. The purpose was to gain a contemporaneous picture of the county's nonprofit sector by exploring the economic and social impact made by nonprofit organizations in the county. The study provides an overview of the significant role they play and highlights their contributions to the county's economy and quality of life.

The study called on existing data from the Internal Revenue Service and the Maryland Department of Labor, Licensing and Regulation and also collected data via an online survey of Charles County nonprofits. It examined the programs, operations, and fiscal management of nonprofit organizations headquartered in and/or serving the residents of the county.

The findings also include information provided by the nonprofit survey respondents about their plans over the next twelve months with respect to program services and financial operations.

ACKNOWLEDGMENTS

The Trust is deeply indebted to Maryland Nonprofits for agreeing to carry out the 2017 study in collaboration with us. Its President and CEO, Heather Iliff, arranged the services of Sawida Kamara, MPH, who serves as a Project Manager and Research Consultant with Maryland Nonprofits. In her consultant role, Ms. Kamara led the study through its various phases, from the project's launch through to design of the survey, data analysis, and final report. Her knowledge of the nonprofit sector and expertise in research and project management assured the thoroughness that the project deserved. The Trust's staff appreciated her accessibility and unfailing cheerfulness.

Appreciation also goes to the Charles County Office of Economic Development, whose Director, Darrell Brown, readily saw the potential value of the study and contributed funds toward its implementation. Both he and his Deputy Director, Marcia Keeth, participated in the initial information-sharing and planning meeting.

The work of the volunteer Project Team, made up of local nonprofit leaders in volunteer and staff positions, was important to the project, starting with the planning phase and continuing with review and assessment of the survey findings. The core team members and their affiliations were Michael Bellis, United Way of Charles County; Claudia Bellony-Atanga, Office of Economic Development; Shannon Bland, Funding Information Network, Charles County Public Library; Judy Crawford, Charles County Arts Alliance; Cara Fogarty, Nonprofit Institute at the College of Southern Maryland; Julie Simpson, Port Tobacco River Conservancy; and M. Janice Wilson, NAACP of Charles County.

Credit is also due to the Trust's Board of Directors, which endorsed the concept of the study in 2016 and supported it throughout. Led by President Sandra McGraw, the Board members were Melanie Boston-Holland, Stephen M. Bunker, Ann J. Chab, Tanisha Sanders, Jessica Talley, and Kurt W. Wolfgang. Steven L. Davis and Courtney J. Edmonds joined the Board as the project was nearing completion.

It would be an oversight to omit mentioning Susan Petroff, the Trust's Program Director, whose input and coordination were invaluable.

*Vivian H. Mills
Executive Director*

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EXECUTIVE SUMMARY

The nonprofit sector occupies a vital position within Charles County's economic and social environment. Made up of over 600 organizations, it delivers an enormous range of services to its citizens in education, health and human services, arts and culture, environmental preservation, public safety, and myriad other areas of civic life. It provides over 2,300 jobs and directly adds more than \$23 million annually to the county's economy. It also enlists large numbers of volunteers whose investments of time and talent are often critical to organizational success. Nonprofits range widely in terms of budget size. Nevertheless, of the nonprofits that participated in the survey, almost one-third have no paid employees and over half reported that they employ only part-time staff.

In measuring the social impact of the nonprofit sector, it is worth considering what the effect would be if the work performed by nonprofit organizations in the community were to disappear. It would mean a loss of jobs and meaningful employment opportunities, cancel out an important source of dollars spent locally to support operations and provide services, and leave untold numbers of individuals and families without access to vital resources. It was beyond the scope of the study to explore any such contingencies, but the data reveal a robust commitment by nonprofits to meet community needs and in the process to improve and enhance the quality of life for the county's residents. The positive impact rendered by the nonprofit sector is woven throughout the fabric of community life.

The online survey was conducted in June and July 2017, using an existing contact list primarily comprising organizations classified by IRS as 501(c)(3), qualifying them to accept charitable gifts. Of those contacted, 121 accessed the survey form and 78 completed and returned it.

Top Five Community Needs

The respondents' views of the most critical community needs did not show a wide range in the percentages. Affordable housing came out on top at 59 percent, but access to health services was cited three separate times: health and dental care in general, substance abuse/addiction services, and mental health/behavior services.

- Affordable housing (59 percent)
- Access to health care, including dental care (51 percent)
- Access to substance abuse/addiction services (49 percent)
- Homeless services (48 percent)
- Job opportunities, availability of transportation, and access to mental health/behavioral health services (47 percent, respectively)

These needs as identified by respondents are reflected in separate studies conducted by United Way of Charles County and Maryland Nonprofits.

Demand for Nonprofit Services

The study indicates experiencing a rising demand for services and the strain this imposes on nonprofit capacity. Nonprofits reported being less able to meet the demand for their services in 2017 than in the preceding year. While 72 percent were able to do so in 2016, only 58 percent stated ability to meet demands in 2017. Another 17 percent reported uncertainty about their ability to satisfy demand for their programs and services in 2017.

Top Five Nonprofit Challenges

- Diversifying the funding base (75 percent)
- Recruiting board members based on identified needs (75 percent)
- Having insufficient staff or volunteers for the workload (70 percent)
- Raising funds that cover the full costs of delivering programs and services (64 percent)
- Managing the operations of an all-volunteer organization (61 percent)

Nonprofit Financial Health

Overall, nonprofits evidenced reasonably good financial health at the end of 2016, with 33 percent breaking even and 40 percent ending with a surplus. A considerable majority indicated confidence in being able to end 2017 with a surplus or at least break-even financials. The fact that a large number of nonprofits plan to increase their reserve funds may signal concern for the ability to manage unexpected contingencies.

Funding Uncertainty

The study points to a serious challenge faced by nonprofits in Charles County as a result of funding that either remains stagnant or fluctuates. The respondents reported that in the last three years a majority of their support from individual donors and state government agencies has stayed the same or decreased. Funding from the federal government and foundation and corporate sources has similarly stayed the same but, to a limited degree, has increased. Whatever income streams nonprofits rely on—fees for services, individual donations, or foundation and/or corporate support—they can sustain their efforts only through proactive fund-seeking. Grants and contracts typically require annual renewal or replacement and the ability to attract and build individual giving depends on constant attention to fundraising activities.

Fundraising

In spite of an environment of funding uncertainty, the data show limited use of staff time and resources dedicated to fundraising. A large number of respondents spent less than 10 percent of staff time engaged in fundraising or development in 2016. This relatively small investment may be attributable to the fact that small and moderately sized nonprofits lack the requisite human resources capability. Nonetheless, a positive outlook is evidenced in reported plans for bringing in outside help for fundraising and engaging in long-term financial planning.

Human Resources

With almost one-third of nonprofits operating on an all-volunteer basis, and with half of the respondents reporting use of only part-time staff, availability of sufficient human capital can be a challenge. However, over half reported plans to hire staff for new positions and to rely more on volunteers in the coming period. The survey was not designed to elicit the types of assignments these increases would involve.

Governance

The study did not set out to explore the workings of nonprofit governing boards in any detail but did include key questions. The responses show that long-range strategic planning ranks as a priority, with 67 percent of the nonprofits planning to conduct a formal planning process in the coming period. This effort demands board commitment to and participation in the process. In addition, over half the nonprofits indicated a plan to implement a training program for their board, while a smaller percentage say they will focus on leadership succession and on a closer engagement between board and staff.

Actions Taken and Planned: Finances & Operations

Despite increasing demands for services, concomitant financial and operational challenges, and limited staff size (or no staff at all), the study reveals that nonprofits on the whole are moving forward with plans for improvement. These are some of the more notable findings concerning recent and projected actions in this broad area:

- Most of the respondents (73 percent) engaged in advocacy to promote governmental action on behalf of their organization and a similar number expect to do so in the coming period.
- In the last twelve months, nearly half conducted long-range strategic and financial planning, and a greater number (67 percent) plan to be involved in it in the coming year.
- Increased attention to building reserve funds is reflected in the 67 percent that indicate this as a plan for the next year. This marks an increase from the 44 percent that added to reserve funds in the last twelve months.
- Nearly half reported upgrading computer capabilities to improve their efficiency.
- Forty-two percent indicated planning to seek outside help to improve their financial knowledge and capacity—up from 30 percent in 2017.

Actions Taken and Planned: Programs & Services

The heart of nonprofit work lies in the activities that organizations provide to enhance the lives of people and to promote the health of the community. These are some of the more notable findings in this area:

- Collaboration with other organizations to improve and increase services emerged as a significant goal, with 91 percent planning such action.

- A notably positive outlook was evidenced in connection with an increase in programs or services, with 88 percent indicating plans to add new ones or expand existing ones. The assumption is that this represents at least in part a response to increasing demand.
- Similarly, 88 percent expect to increase the number of people served.
- However, the prospect of increasing the number of services provided per client or customer is a different matter. Barely half of the respondents see this as a realistic prospect. At the same time, decreasing the amount per client or customer is not in the picture either. None reported planning a decrease.
- In response to the possibility of modifying target demographics, a large majority (70 percent) plan to do so in the next 12 months. Aiming to reach a more diverse population can be seen as a reflection of the need to accommodate changing service demands and challenges.

OVERVIEW OF THE NONPROFIT SECTOR

The size of the Charles County nonprofit sector has increased from 601 registered organizations in 2009 to 669 registered organizations in 2016 – an 11 percent growth. Eighty-one percent or 472 of the county's nonprofits are 501(c)(3) organizations (Figure 1).

Figure 1.
Snapshot of 501(c) Nonprofits in Charles County, 2014

Types of Tax-Exempt Organizations	Count	Percent
Total	582	100.0%
501(c)(3) Public Charities and Private Foundations¹	472	81.1%
Under Other IRC 501(c) Subsections²	110	18.9%
501(c)(4) social welfare	31	5.3%
501(c)(5) labor/agricultural	10	1.7%
501(c)(6) business leagues	12	2.1%
All other 501(c) organizations	57	9.8%

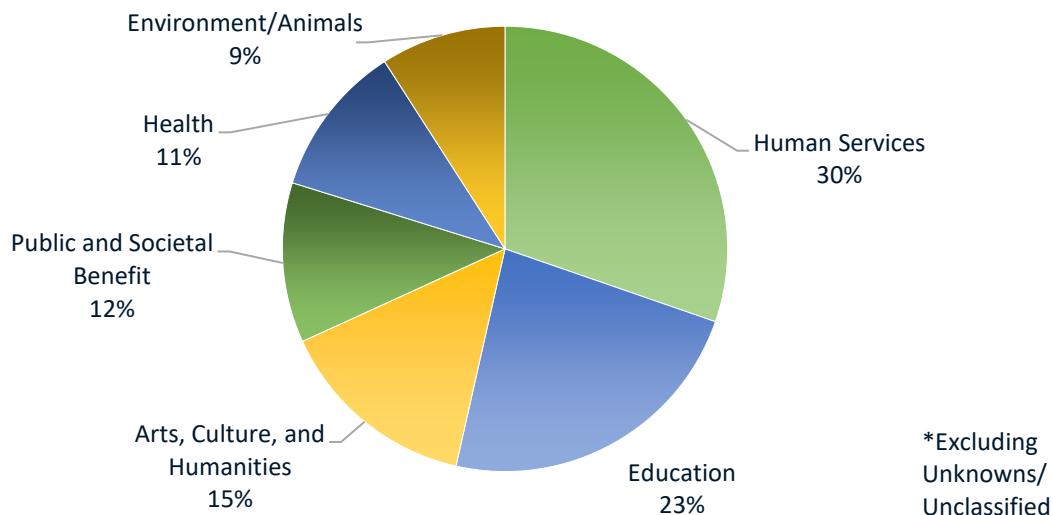
¹Organizations described in section 501(c)(3) of the Internal Revenue Code (IRC) are recognized as having Public Charity or Private Foundation tax-exempt status. Most 501(c)(3) organizations are eligible to receive tax-deductible contributions.

²501(c) tax-exempt organizations other than 501(c)(3) Public Charities and Private Foundations are commonly referred to as "Other 501(c)" or "Non-(c)(3)" organizations. These include social welfare organizations, business leagues and trade associations, social clubs, and veterans' organizations, among many others. Most are not eligible to receive tax-deductible contributions (a few exceptions include volunteer fire departments and similar groups collecting funds to be used for public purposes).

Source: Nonprofits by the Numbers Data Web, Maryland Nonprofits, <http://mdnonprofits.simplicitymetrics.com/>

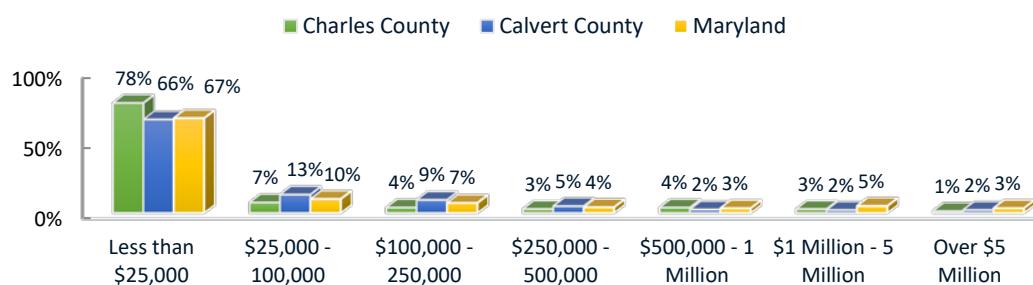
Nonprofit organizations classified by the IRS in 2014 work in a range of fields including human services; education; arts, culture and humanities; public and societal benefits; health; and environment/animals.

Figure 2.
501(c)(3) Nonprofits by Field/Service Delivery Area*, 2014



Almost 80 percent of 501(c)(3)s in the county operate with annual revenues of \$25,000 or less, exceeding the percentage of organizations in this income group both in neighboring Calvert County and in the state. Like Calvert County, only 4 percent of 501(c)(3)s in Charles County operate with revenues over \$1 million.

Figure 3.
501(c)(3) Nonprofits by Income Group, Charles County vs. Calvert County & State, 2014



Employment & Economic Impact

Nonprofits employ 5 percent of Charles County's total workforce. Nonprofit employment in the county increased by 28 percent from 1,853 workers in 2009 to 2,374 workers in 2016. In 2016, nonprofits in the county contributed over \$20 million dollars to the economy through wages paid. This contribution is equivalent to 5 percent of the county's total wages.

Figure 4.

Total Employees and Wages vs. Nonprofit Employees and Wages, 2009 / 2016

	Charles County		Calvert County		Maryland	
	2009	2016	2009	2016	2009	2016
Total Employees	40,384	43,362	20,952	24,132	2,404,552	2,641,866
Total Nonprofit Employees	1,853	2,374	1,898	2,019	255,408	281,763
% Nonprofit Employees	4.5%	5%	9%	8%	11%	11%
Total Wages	\$396,577,876	\$486,170,140	\$211,768,439	\$290,591,672	\$30,648,367,918	\$36,918,468,397
Total Nonprofit Wages	\$15,738,589	\$23,028,477	\$16,986,611	\$21,462,570	\$2,888,441,428	\$ 3,801,503,487
% Nonprofit Wages	4%	5%	8%	7%	9%	10%

Source: Maryland Department of Labor, Licensing and Regulation Office of Workforce Information and Performance. 2009: <http://dllr.maryland.gov/lmi/emppay/emplpay rpt2009qtr1.pdf>. 2016: <http://dllr.maryland.gov/lmi/emppay/tabc3md22016.shtml>.

ONLINE SURVEY FINDINGS OF CHARLES COUNTY NONPROFIT ORGANIZATIONS

An online survey was conducted to examine current conditions and expectations of nonprofit organizations serving the Charles County residents. The online survey was conducted from June to July 2017, and was accessed by 121 organizations. 78 organizations completed the survey.

Core research questions in the survey included:

- What is the current state of service demand?
- Are nonprofits financially and programmatically equipped to manage the demand for services?
- What are the current challenges faced by nonprofits?
- Are nonprofits accessing the capital they need?
- What programmatic and organizational actions are nonprofits taking and planning to improve, grow and sustain their services?

Using key components of the Nonprofit Finance Fund's 'State of the Nonprofit' Survey¹, the survey contained 58 questions focused on a range of topics, including:

- Demographic information (organization type/field, budget size and location)
- The state of organizational finances and revenues
- Financial and revenue streams expectations
- Financial and programmatic actions
- Characteristics and needs of communities served

¹ Nonprofit Finance Fund, 2015 State of the Nonprofit Sector: <http://www.nonprofitfinancefund.org/learn/survey>

PROFILE OF SURVEY RESPONDENTS

Fifty-eight percent of respondent organizations have been operating in Charles County for more than 20 years with most located in the following zip codes: 20646 (27%); 20601 (9%) and 20602 (9%). A few respondent organizations are not located in the County, but serve the County's residents. 53 percent of respondents provide services outside as well as inside Charles County, and 47 percent provide services only in the Charles County.

Areas of Service

Consistent with county-level IRS data, human services nonprofits were the most represented respondent organizations (33 percent), followed by nonprofits who provided services in more than one field or service area (16 percent), and then arts, culture and humanities and education nonprofits (13 percent, respectively).

Annual Gross Revenue

Most respondents had annual gross revenues of less than \$1 million in 2016, with 30 percent reporting revenues of less than \$25,000. Sixteen percent of respondent organizations had gross revenues of over \$1 million.

- Less than \$25,000 (30 percent)
- Less than \$1 million (81 percent)
- Over \$1 million (7 percent)
- Over \$5 million (9 percent)

Composition of Staff & Volunteers

Respondents provided information about the composition of their staff, as well as information about the volunteers serving in their organization. Of note, twenty-nine percent of organizations had no employees on staff in 2016 and over half the respondents reported that they employed only part-time staff.

Most respondents reported engaging volunteers within their organizations in 2016, ranging from up to 10 to 100 or more:

- Up to 10 volunteers (22 percent)
- 11-50 volunteers (35 percent)
- 51-99 volunteers (15 percent)
- 100 or more volunteers (26 percent)

SURVEY RESULTS BY TOPIC

Program and Service Demand

Nonprofits in the county are experiencing an increase in the demand for their services. Compared to 2015, demand for programs and services in 2016 increased for 78 percent of respondent organizations. While 72 percent reported they were able to meet the demand for their programs and services in 2016, only 58 percent could keep up with the increasing demand in 2017. Another 17 percent of organizations report being uncertain of their ability to meet the demand for their programs and services in 2017.

Top Critical Needs Facing Charles County

The top five most critical needs facing Charles County communities, as identified by nonprofits, include:

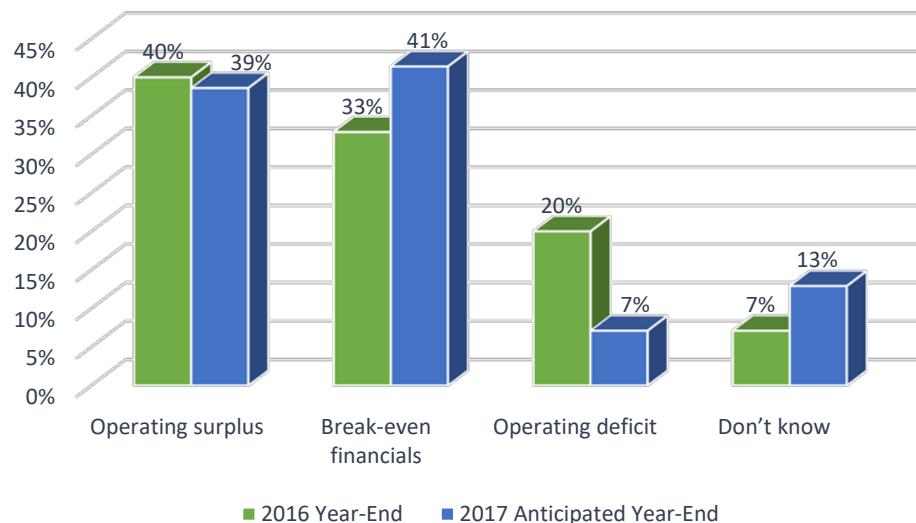
- Affordable housing (58 percent)
- Access to healthcare including dental care (51 percent)
- Substance abuse/addiction services (49 percent)
- Homeless services including food, shelter and clothing (48 percent)
- Job availability/opportunities, availability of transportation and mental/behavioral health services (47 percent, respectively)

These results are closely aligned with statewide quantitative data analysis conducted under the Maryland Nonprofits Quality of Life Initiative and the 2016 Charles County Needs Assessment conducted by the United Way of Charles County.

Nonprofit Financial Health

A nonprofits financial health can be measured by its end-of-year financials. Overall, Charles County organizations closed 2016 in good financial shape with 40 percent of organizations ending the year with a small operating surplus and 33 percent with break-even financials compared to their 2015 financials. Among the respondent organizations reporting a 2016 surplus, over 50 percent reported surpluses of less than 1-10 percent. Of those reporting a deficit, over 40 percent reported deficits of 1-10%, while 40 percent of respondents did not specify the deficit percentage for 2016.

Figure 5.
Year-End Financials, 2016 vs. 2017



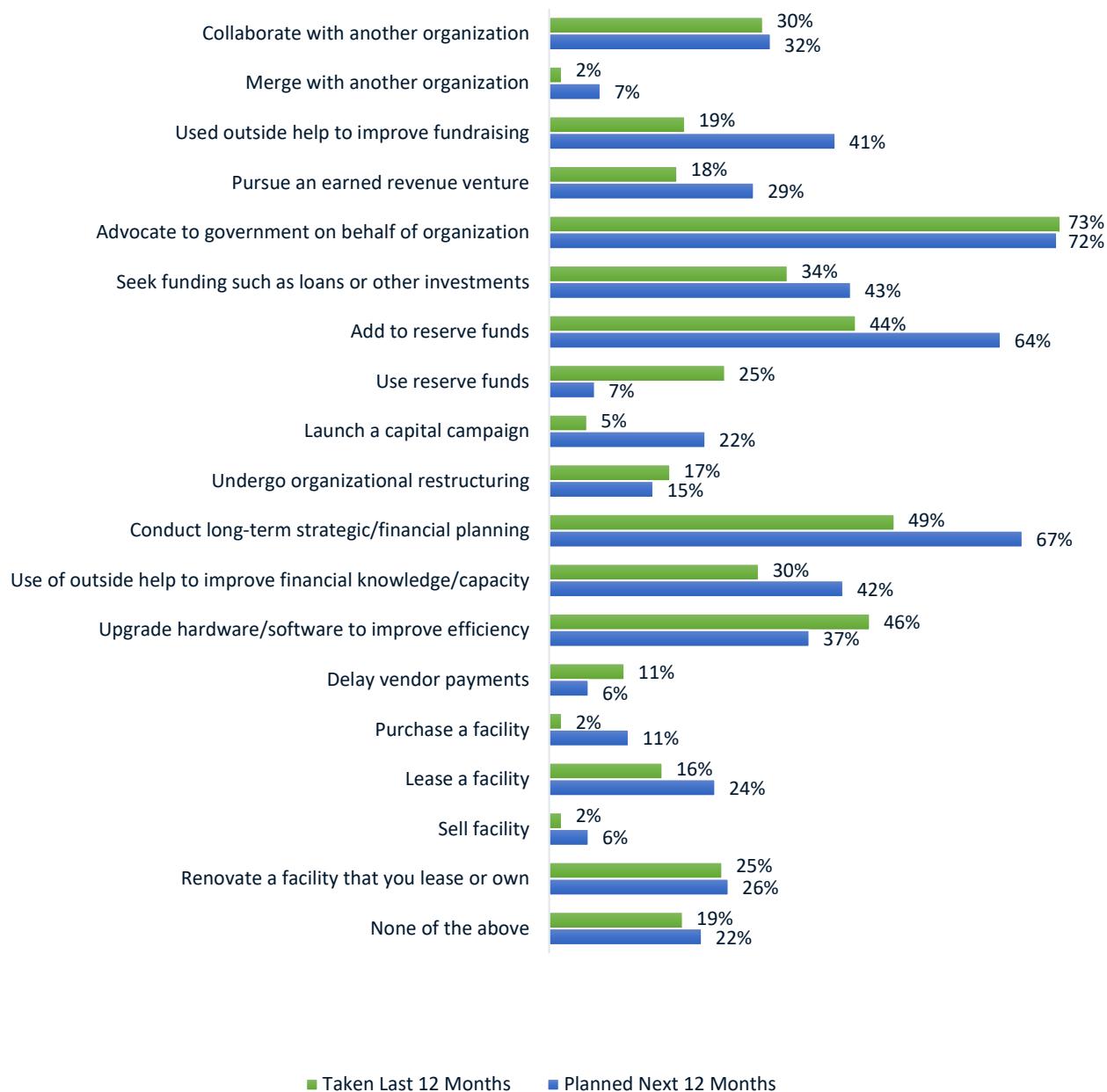
The financial outlook for 2017 is positive for a majority of Charles nonprofits (Figure 5). Forty-one percent anticipate they will end the year with break-even financials and 39 percent anticipate they will end the year operating at a surplus. However, seven percent of organizations anticipate they will end the year with a deficit and 13 percent of organizations noted they were currently unable to predict their 2017 year-end financials.

Finance and Operations: Actions Taken and Planned

Advocating to the government on behalf of their organization was the top action taken by nonprofits in the previous 12 months in response to their financial and operational challenges (Figure 6). Organizations also conducted long-term strategic or financial planning (49 percent), upgraded hardware/software to improve efficiency (46 percent), added to reserve funds (44 percent) and sought funding other than from grants and contracts, such as loans or other investments (34 percent).

Respondent organizations planned to continue these actions in the next 12 months. Several organizations are also planning to use outside help both to improve their financial knowledge or capacity (42 percent) and to improve fundraising (41 percent).

Figure 6.
Finance & Operations: Actions Taken and Planned

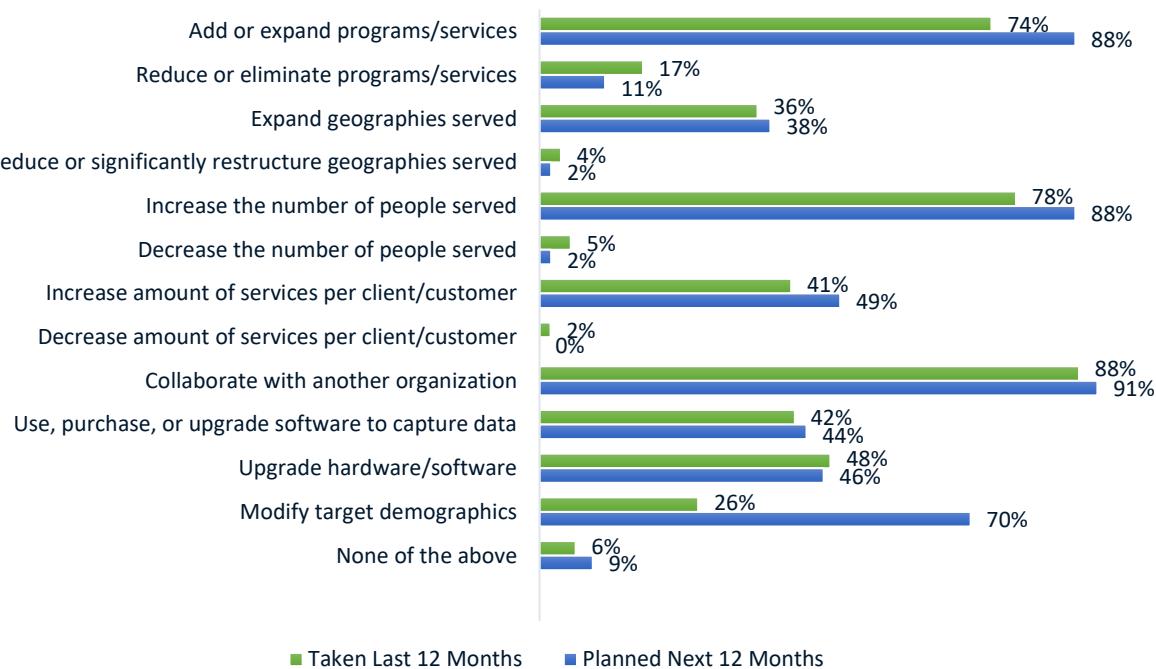


Programs and Services: Actions Taken and Planned

In response to their programmatic and service challenges, nonprofits in Charles County noted that in the previous 12 months, they collaborated with other organizations to improve/increase programs or services offered (88 percent); increased the number of people served (78 percent); added or expanded programs/services (74 percent); and increased amount of services per client (41 percent).

While most organizations planned to continue these same actions into the next 12 months, 70 percent of them reported that they plan to modify their target demographics in the next 12 months to respond to their programmatic and service challenges.

Figure 7.
Programs & Services: Actions Taken and Planned

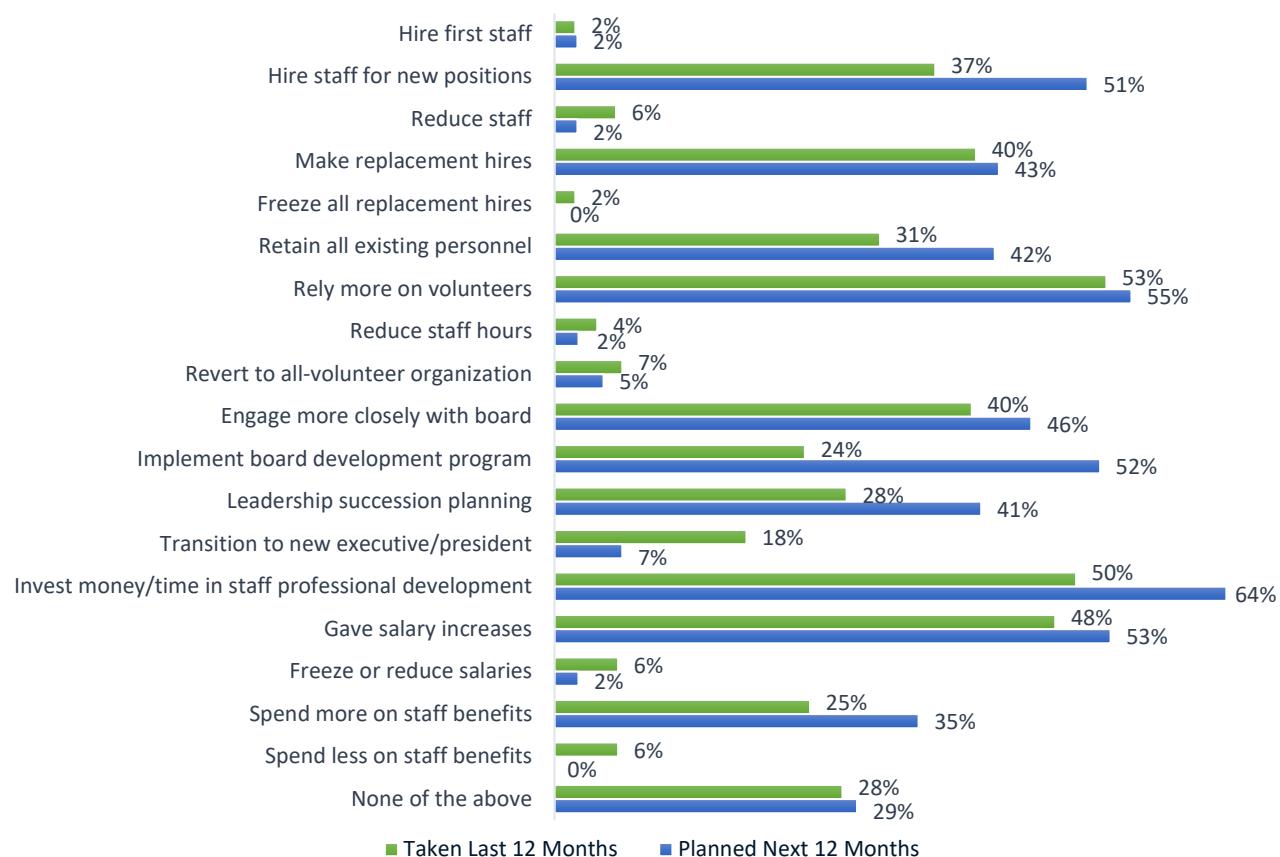


Human Capital: Actions Taken and Planned

Nonprofits in Charles County had a wide range of responses when it came to the actions they completed and/or were planning to take to address their human capital or staffing challenges (Figure 8). Fifty-three percent reported relying more on volunteers in the last 12 months; however, almost an equal number of respondents planned to hire staff for new positions and continue relying on volunteers in the subsequent 12 months to the survey.

Half of the respondents invested money or time in professional development for staff in the previous 12 months, and 64 percent planned to make this investment in the next 12 months. A little over half the respondents also planned to provide salary increases in the subsequent 12 months. Fifty-two percent planned to implement a training or development program for their board, as well as engage more closely with their board.

Figure 8.
Human Capital: Actions Taken and Planned

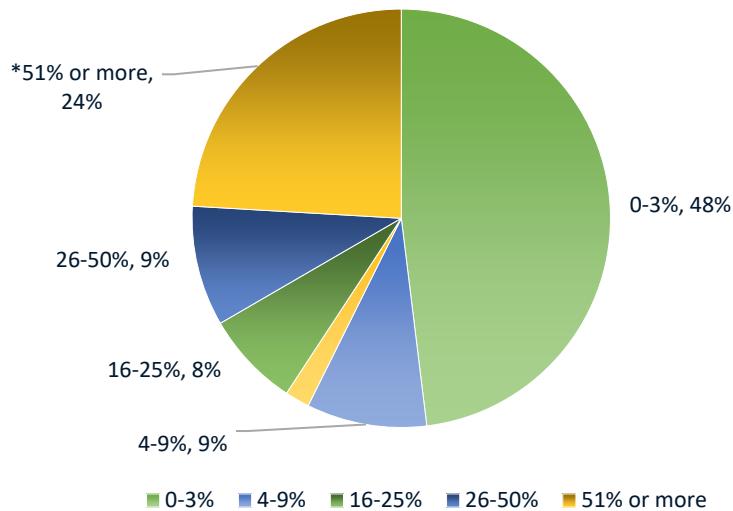


Fund Development

For many nonprofits, fees from goods and services, funding from government, foundations, corporations, and contributions from individual donors are critical to their wellbeing. However, a small amount of nonprofit staff time and resources are dedicated to fundraising. Seventy-four percent of respondents spent less than 10 percent of staff time engaging in fundraising or development in 2016.

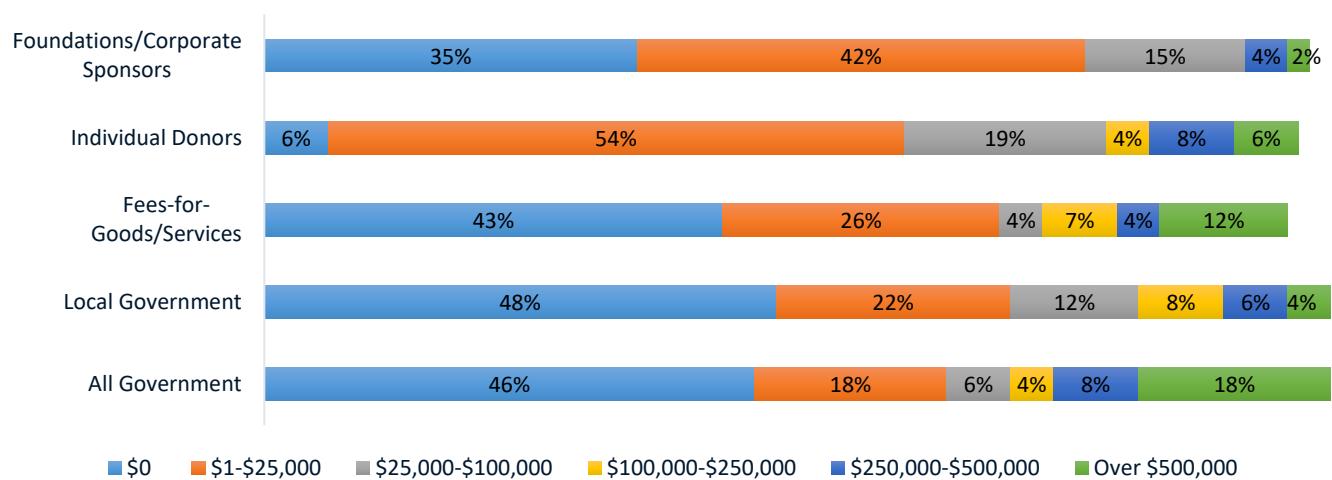
In 2016, 53 percent of nonprofits received state government funding in the form of grants or contracts and 51 percent reported receiving funding from local/county agencies. Only 26 percent of nonprofits reported receiving federal government funding. As shown in Figure 9, 48 percent of nonprofits receiving government funding reported that those funds comprised only 0-3 percent of their total revenue. Almost a quarter of nonprofits reported that government dollars made up over 50 percent of their total revenue in 2016.

Figure 9.
Percent of Total Revenue from All Government Funding in 2016



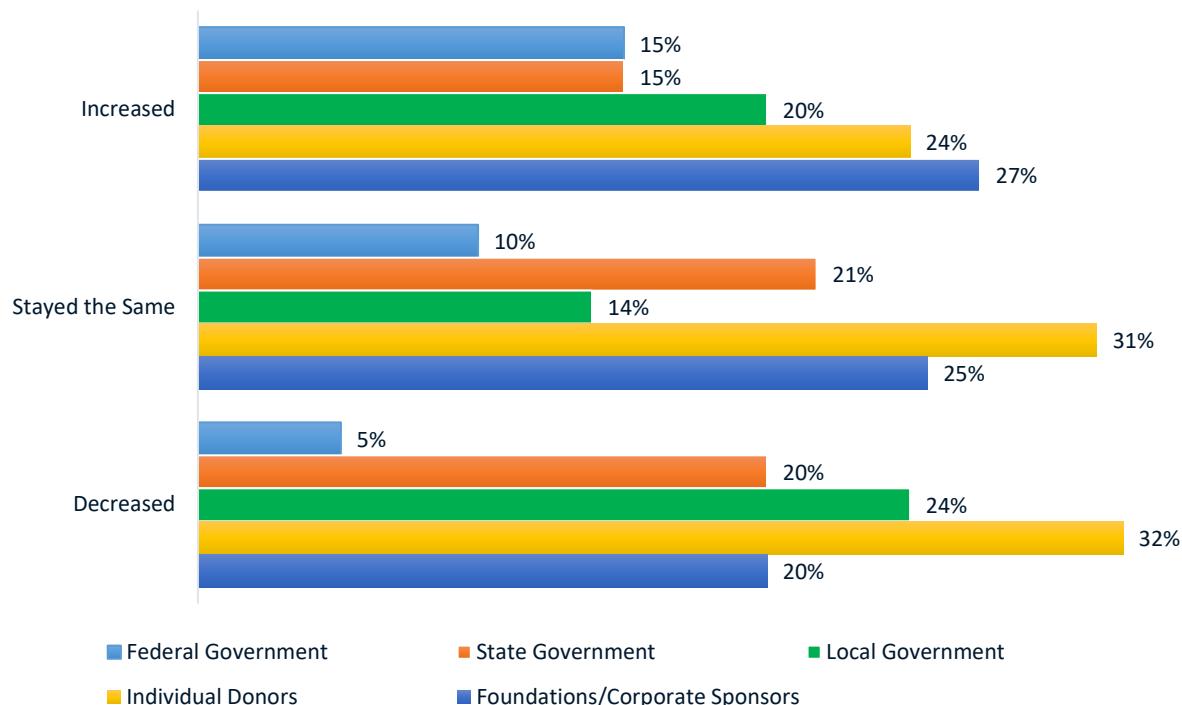
Except for two organizations, all survey respondents reported receiving contributions from individual donors in 2016. Forty-two percent have a small donor base of from 1 to 50 individuals, 14 percent have 51 to 100 donors, and 37 percent have 100 or more donors. Sixty-five percent of respondents reported having one or more foundation or corporate sponsors in 2016, and over a third reported having no foundation or corporate sponsors. Figure 10 provides a breakdown of amounts contributed.

Figure 10.
Total Amount of Funding Received in 2016 by Funding Source



Nonprofits in Charles County face a real challenge with stagnating and fluctuating funding. As shown in Figure 11, they reported that in the last three years a majority of their support from individual donors has either stayed the same or decreased. Only 20-27 percent of respondents reported some increases in local funding, federal funding, corporate funding and private foundation funding

Figure 11.
In Last 3 Years, External Funding, As % of Total Revenue, Has...



Top Challenges Facing Nonprofits in Charles County

As nonprofits in Charles County experience an increase in demand for their services, they are also faced with other challenges that impact their ability to meet the growing needs in their communities, including challenges in their finances, programs and services, human resources, management, board/governance and funding/fundraising (Figure 12). Nonprofits across the county cited the following as the greatest challenges facing their organization:

- Diversifying funding base (75 percent)
- Recruiting board members based on identified needs (75 percent)
- Insufficient staff or volunteers for workload (70 percent)
- Raising funding that covers full costs (64 percent)
- Managing the operations of an all-volunteer organization (61 percent)

Figure 12. , Top Challenges Facing Nonprofits in Charles County



Funding/Fundraising Challenges

- Diversifying funding base (75%)
- Researching and/or writing grant proposals (38%)
- Adding a staff position for fundraising/development (38%)



Board/Governance Challenges

- Recruiting board members based on identified needs (75%)
- Adopting or revising a long-range strategic plan (44%)
- Conducting board self-evaluation annually (13%)



Human Resource Challenges

- Insufficient staff or volunteers for workload (70%)
- Offering competitive pay (42%)
- Retaining staff/reducing turnover (27%)



Financial Challenges

- Raising funding that covers full costs (64%)
- Raising unrestricted revenue/general operating support (54%)
- Having regular, reliable cash flow / Cuts in government funding (35%)



Management Challenges

- Managing the operations of an all-volunteer organization (61%)
- Insufficient support from board for management efforts (26%)
- Planning for an executive transition (16%)



Programmatic Challenges

- Building partnerships for greater program capability (43%)
- Engaging and mobilizing volunteers (37%)
- Adapting to changes created by governmental action(s) (29%)

CONCLUSIONS

The Nonprofit Economic and Social Impact Study was the first such examination of the nonprofit sector in Charles County. It does not purport to offer a final or even definitive picture. Nevertheless, the study shows that nonprofit organizations recognize the importance of keeping pace with changes taking place in society in general and in the county itself. Their responses evidence thoughtful attention to the resultant challenges to their work.

The study supports the conclusion that the Charles County nonprofit sector represents a vital force in the life of the community. Some of its effects are measurable, as in number of jobs and its annual contribution to the jurisdiction's economy. Other effects concern the ways in which nonprofit work makes an impact on the lives of individuals and families. These effects are not described per se in the survey but can be readily extrapolated from the evidence it provides of the presence of a robust, multifaceted, achievement-focused assemblage of organizations dedicated to the community good.

While the demand for services continues to grow, nonprofits are up against uncertainty in public spending and private support. This poses a challenge to their ability to keep up in terms of maintaining financial and operational capability. Nevertheless, the study reveals strong determination to persevere. Mission-driven as they are, nonprofits recognize that resilience and optimism are essential qualities if they are to carry out the work to which they are committed. There is no apparent move to cut back on programs and services. However, raising enough funds to assure meeting program costs is clearly a foremost concern.

At the same time, the findings point to a realistic assessment by the respondents of their operational needs. Self-identified organizational weak spots can be found in numerous places within the study, in particular where the survey recipients were asked to describe their five top challenges. The five foremost challenges cited by the respondents all have to do with lack of resources, either in the funding area or with respect to human capital needs.

With respect to funding, the respondents identified two challenges. One was to diversify their funding base (75 percent) and the other to raise funds that cover the full costs of delivering programs and services (64 percent). The first challenge suggests widespread recognition of the danger of relying on a single or intermittent funding source. With a mix of funding streams, a nonprofit stands a better chance of achieving financial stability and improving long-term sustainability. Such diversification can be expected to help deal with the second challenge of insufficient funds for program uses but is not likely to eliminate that problem altogether. In both cases, the underlying challenge lies in the organization's ability to define and carry out a long-range development program.

The other three top challenges all speak to human capital concerns. Seventy-five percent of the respondents said that recruiting board members based on identified needs is a foremost challenge. While boards are not often thought of as human capital, the work board members perform is critical to organizational success. Citing this challenge indicates awareness of the connection between success and board composition. The second challenge—insufficient staff or volunteers for the workload (70 percent)—can have multiple sources, ranging from recruitment problems to budget deficiencies. The

third challenge, given by 61 percent of the respondents, involves managing the operations of an all-volunteer organization. In this setting, the question of board composition can have particular relevance.

One of the strongest assets found within the county's nonprofit sector is its close familiarity with adversities daily affecting sizable segments of the local population. Nonprofit perspectives regarding pressing community needs are not based on hypothesis but arise from actual experience and effort. The identification in the study of the five most critical community needs all attest to nonprofit savvy in this regard.

It should be noted that the most critical needs cited by the respondents were weighted toward the human services area, an outcome that relates both to the growing need for such services and to the fact that nonprofits working in this field outnumber those in other fields. This circumstance does not in any way discount the contributions to the community made by nonprofits dedicated to the arts, conservation, environmental protection, historic preservation, recreation, or education. While programs in these areas are commonly recognized for their social impact, it is hard to gain an adequate picture of their collective economic impact.

The Trust is confident that the study offers a useful tool by which to gauge and appreciate the nature of nonprofit work as it plays out in the community. For public officials, its findings can help inform decisions relevant to policy development as it affects the nonprofit sector. For the business sector, it is a reminder of the position nonprofits occupy in contributing to the county's economic health. For all the organizations within the nonprofit sector and the many citizens who take part in their work—as well as for the community as a whole—it should serve as a source of pride. Finally, the findings strongly suggest the importance of achieving a much higher level of philanthropic activity in the county, an achievement that could go a long way to close the gap between community need and nonprofit capacity.

NEXT STEPS

The first step will be for the Trust to disseminate the study's findings as widely as possible. In tandem with that, we will devote efforts to pinpoint areas of nonprofit activity that illustrate the greatest need and show strong potential for practical assistance. Some of the possible steps are outlined below.

Collaboration

A prominent area of concern involves collaborative effort within the sector. The nonprofits identified a strong interest in collaboration, but further inquiry will be advisable to determine how they define collaboration and how they envision collaborative arrangements. The Trust will plan and devise ways of facilitating meaningful collaboration.

Fundraising

Three of the top challenges faced by nonprofits concern fundraising either directly or indirectly:

- Diversifying the funding base
- Raising funds that cover the full costs of service delivery
- Having insufficient staff or volunteers for the workload

The Trust will undertake a careful assessment of the most effective approaches for responding to these related needs and follow up as appropriate

Board Composition

The challenge of attracting new board members to match with the board's identified needs warrants close attention. The fact that nonprofits are aware of this problem is a good sign, but the means for overcoming it can be elusive. The Trust's establishment of the Presidents' Council, made up of the chief volunteer officers of local nonprofits, can be expected to offer an avenue for helping with this problem. Council members, who function as leaders of their organization, are in a position to facilitate sound development of their boards.

All-Volunteer Organizations

Without staff to carry out the fiscal, programmatic, and development functions so basic to organizational viability, it is up to the board and especially its president to see to these functions. Given the large number of all-volunteer nonprofits in the county, it is understandable that this stands as a foremost challenge. The Trust will look into ways of helping such groups attain smoother and more dependable management. Here, too, the Presidents' Council can play a useful role.

Partnerships With Others

In the efforts shown above, as well as in others, the Trust is committed to working in partnership with other entities in the community. It serves as a means of gaining and sharing information about developments taking place in the nonprofit sector, and it also opens the way for collaborative efforts that benefit the sector and the community as a whole.

Follow-Up Studies

The Trust will explore two prospective initiatives. The first will include carrying out smaller-scale interim studies to flesh out information on specific topics of high interest not fully covered in the 2017 study. The second initiative will include conducting a comprehensive follow-up study within two or three years. This will provide the means to ascertain key developments in the status and plans of the nonprofit sector since the original study.

