



The Community Foundation *for* Greater New Haven

Imagine.

Inform.

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Inspire.

Working together to build a stronger community – now and forever.



STATE OF THE NONPROFIT SECTOR
in Greater New Haven
2013

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In our community, nonprofit organizations play an indispensable role, providing assistance to the neediest among us, preserving our cultural heritage and expanding our artistic horizons, enriching the quality of public education, nurturing our children, and supporting our elderly. In all these ways and others, our local nonprofit institutions embody our community's values and work every day to advance the causes that we as a community care most about.

America's Nonprofit Sector: a Primer
by Lester M. Salamon

“Modern societies, whatever their politics, have found it necessary to make special provisions to protect individuals against the vagaries of economic misfortune, old age, and disability; to secure basic human rights; and to preserve and promote cherished social and cultural values.

Because of growing social and economic complexity, what could be handled at an earlier time, however imperfectly, by a combination of self-reliance, spontaneous neighborliness, and family ties has required more structured responses in modern times.

The nature of these responses varies, however, from place to place. In some countries, governments have guaranteed their citizens a minimum income, and a minimum level of health care, housing, access to culture, and other necessities of life. In others, private corporations or private charitable institutions shoulder a far larger share of the responsibility for coping with human needs. And in still others, complex, mixed systems of aid are in force, combining elements of public and private provision, collective and individual responsibility.

In few countries is the system of aid more complicated and confusing, however, than in the United States. Reflecting a deep-seated tradition of individualism and an ingrained hostility to centralized institutions, Americans have resisted the worldwide movement toward predominantly governmental approaches to social welfare provision, adding new governmental protections only with great reluctance, and then structuring them in ways that preserve a substantial private role.

The result is an intricate "mixed economy" of welfare that blends public and private action in ways that few people truly understand. In fact, the resulting system is not a system at all, but an ad hoc collection of compromises between the realities of economic necessity and the pressures of political tradition and ideology.

One of the more important features of this American approach to social welfare provision is the important role it leaves to private, nonprofit organizations, to nongovernmental institutions that nevertheless serve essentially public, as opposed to private, economic goals. These organizations do not operate only in the social welfare field, moreover. Rather, they play many other roles as well serving as vehicles for cultural expression, as mechanisms for political action, as instruments for social cohesion, and more.”

I. Introduction

Greater New Haven is home to many nonprofit organizations that serve the needs and opportunities of the region¹. In examining the progress of the local nonprofit sector since the 2008 economic downturn, The Community Foundation *for* Greater New Haven concludes that the sector is at a turning point. With federal, state and corporate funding decreasing, the sector has started to think and act differently. The nonprofit sector in Greater New Haven has demonstrated its resilience and value in its actions and performance but there is still work to be done. Now is the time to invest in the sector.

This report is intended to share the knowledge The Community Foundation has gathered about the nonprofit sector in Greater New Haven and its challenges and opportunities, and to provoke a community-wide conversation as to the next steps.

This report represents the first time this type of information on the nonprofit sector in Greater New Haven has been compiled and presented to the community. Data and information gathered for this report comes from the following primary sources:

- The Nonprofit Finance Fund's Annual State of the Sector Survey Results. The Nonprofit Finance Fund administers an annual nationwide State of the Sector survey and provides data to The Community Foundation on the regional sample. They also work with The Foundation on analyzing the local data and making some conclusions based on the data.
- giveGreater.org®. giveGreater.org is The Community Foundation's comprehensive database of information on nonprofit organizations serving Greater New Haven. At the time of this report, more than 230 nonprofit organizations were profiled in the database with in depth information about their management, governance, program impact and finances. This database is intended to enable the public to find, learn about and give to local nonprofits. The Community Foundation continues to grow this rich resource of information to include data on more nonprofits and will be conducting additional analyses on program impact.
- The IRS Master Business file is the official listing of tax-exempt organizations. For the purposes of this report, data was filtered for organizations in Connecticut and in Greater New Haven as of June 2013.
- Community Foundation surveys of nonprofits and grantees as well as data and information gathered from our grantmaking processes.

¹ Greater New Haven refers to The Foundation's twenty town region of Ansonia, Bethany, Branford, Cheshire, Derby, East Haven, Guilford, Hamden, Madison, Milford, New Haven, North Branford, North Haven, Orange, Oxford, Seymour, Shelton, Wallingford, West Haven and Woodbridge.

II. The Economic Downturn and the Resilience of Greater New Haven's Nonprofits

In response to the economic downturn in late 2008, The Community Foundation published a report in April 2009 on the downturn and its impact on the nonprofit sector.² Since that publication The Community Foundation has worked to monitor the economic climate and its impact on the sector by collecting data and partnering with the Nonprofit Finance Fund (NFF) to observe the trends in Greater New Haven.³ Although the economic recovery has been slow, with Connecticut experiencing the slowest rate of economic growth in the country over the last two years⁴, the nonprofit sector in Greater New Haven has proven to be remarkably resilient during this period.

- Nonprofits are changing the way they do business by considering new funding models and adding and expanding programs.³
- The nonprofit sector in Greater New Haven has demonstrated its resilience through longevity. One in four nonprofits has been serving the region for more than 50 years while half of organizations are more than 30 years old.⁵
- Organizations are financially stronger than they were in 2009 relying less on cash reserves with many ending 2012 with surpluses.³
- The sector generates billions of dollars in revenue and employs hundreds of thousands of individuals across the state.^{6,5}
- Organizations are managed and governed well with many best practices in place.⁶

Although nonprofits in the region are much healthier than four years ago, they continue to struggle to keep pace with the ever increasing demand for services, especially in the face of shrinking resources from government. Eighty-six percent of nonprofits in Greater New Haven that depend on state funding report that their funding has decreased or stayed flat.³

Organizations in Greater New Haven are continuing to see a steady increase in demand for their services and they report challenges in their ability to meet the demand. This challenge is not unique to nonprofits in Greater New Haven. Although many organizations were able to generate surpluses in 2012 (46%), fewer expect to do so in 2013 (17%).³ Nonprofit organizations are seeking balance between meeting demands and achieving financial stability.

Most organizations in Greater New Haven report having between 2-6 months of cash reserves on hand. The Nonprofit Finance Fund recommends that 3-6 months is the ideal amount depending on the type of organization. Access to flexible funding for operations is critical in building reserve funds. For example, Arts organizations may have access to more flexible operating dollars to slowly build up their reserves while Human Service organizations that rely heavily on restricted government

² [The Impact of the Economic Downturn on Nonprofits and Giving in Greater New Haven](#), The Community Foundation for Greater New Haven, 2009

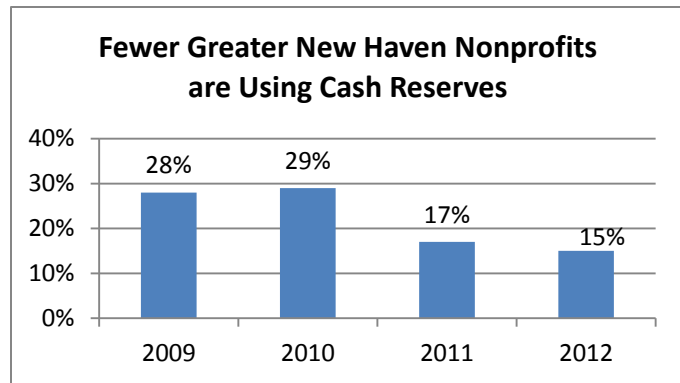
³ The Nonprofit Finance Fund State of the Sector Survey filtered for Greater New Haven

⁴ U.S. Dept. of Commerce Bureau of Economic Analysis

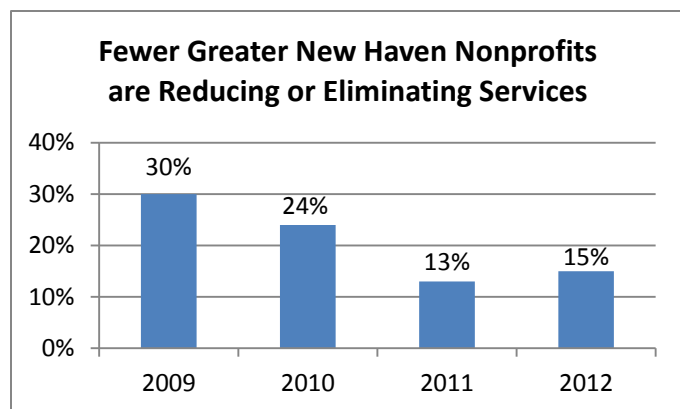
⁵ giveGreater.org®

⁶ IRS Master Business File June 2013

funding have less flexibility in building their reserves. Cash reserves proved to be critical in helping nonprofits survive the economic downturn. In 2012, 15% of organizations in Greater New Haven used their reserve funds which is down from 28% in 2009. In 2013 one out of four nonprofits plan on building up their cash reserves.³



In addition, in 2012 fewer organizations ended the year with an operating deficit when compared to 2009; nearly half of those surveyed in 2013 report ending 2012 with an operating *surplus*. More than half of the organizations surveyed in 2013 expect to end 2013 breaking even (42%) or with a surplus (17%). Fewer organizations are eliminating or reducing services when compared to 2009 and more than half report that they want to add or expand services and serve more people.³



While Greater New Haven nonprofits are resilient and have fared well since the 2008 downturn, The Nonprofit Finance Fund's annual survey has identified several areas that need to be addressed:

New funding sources and business models:

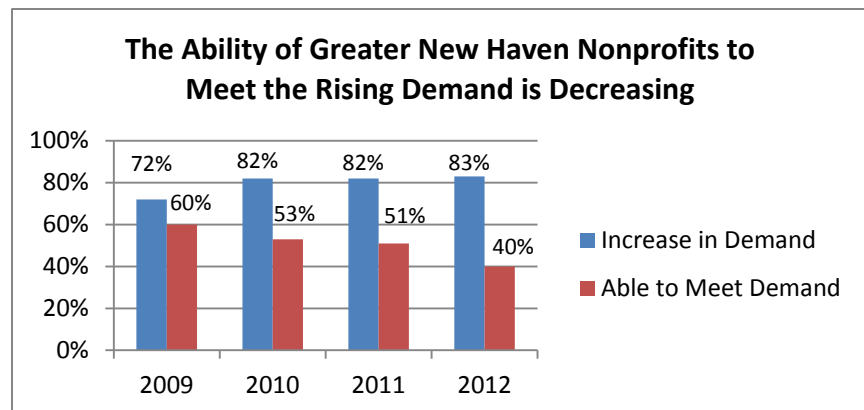
- Half of Greater New Haven nonprofits report that they do not have the right mix of financial resources to thrive in the next three years.
- One in four nonprofits has 30 days or less in cash-on-hand.
- 35% plan on making changes to the way they raise and spend money over the next year
- Nearly 20% will seek funding other than grants or contracts, such as loans or investments over the next year.

Public funding challenges:

- 43% of nonprofits report that their state funding has decreased since 2011 while another 43% reported that their state funding stayed the same.
- Only 30% of nonprofits receiving state funding are paid for the full cost of services; just 18% of federal fund recipients receive full reimbursement. Partial reimbursements require additional funding to cover the growing gap as the demand for nonprofits to serve more people continues to rise.
- In Greater New Haven nearly 80% of nonprofits report that delays in payment from state contracts causes them to use their reserve funds and 30% report that the delays cause them to use lines of credit.
- According to the Connecticut Institute for the 21st Century⁷, Connecticut spent over \$1billion on contracts with nonprofits in 2012 yet the splintered delivery of services by the State makes it very difficult for the people seeking service to find the right agency or program for help.

Growing demand for services:

- 83% of nonprofits in the region reported an increase in demand for services during 2012 while only 40% report that they could meet the demand; over half anticipate not being able to meet the demands in 2013.



- Jobs (69%), affordable housing (51%) and strong, well-performing schools (47%) continue to be top concerns for those organizations serving low-income communities.
- 95% of respondents say financial conditions are as hard or harder than last year for their clients; 88% report that the financial conditions for their organizations are as hard or harder than last year.

In light of the sector's decreasing ability since 2009 to meet the increasing demands, it is clear that innovation and efficiency must be priorities for local nonprofit organizations.

⁷ [Connecticut Institute for the 21st Century](#) Framework for Connecticut's Fiscal Future Part 5: A Survival Plan for our Splintered Human Service Delivery System, 2012

Nonprofits are changing the way they do business to adapt to the new reality:

- More than half want to expand or add programs or services; 15% reduced or eliminated programs or services.
- 41% plan on collaborating with another organization to improve or increase services. Although there is a perception that nonprofits need to merge to become more efficient, research suggests that mergers are not always the solution and are very costly. In many cases intentional or formal partnerships are a better option.⁸
- 46% have upgraded technology to improve organizational efficiency.
- 40% engaged more closely with their board.

Organizations in Greater New Haven appear to be in a holding pattern when it comes to taking actions around their own human capital. They are not making changes internally and not necessarily investing in new staff. They are also relying heavily on volunteers. (See pages 19 & 20 for discussion on staffing and volunteers).

“Nonprofits are changing the way they do business because they have to: government funding is not returning to pre-recession levels, philanthropic dollars are limited, and demand for critical services has climbed dramatically. At the same time, 56 percent of nonprofits (nationally) plan to increase the number of people served. That goal requires change and innovation– for nonprofits, for those who fund them, and for the broader systems we need to preserve and expand economic opportunity and social progress.”

Antony Bugg-Levine, CEO of Nonprofit Finance Fund (NFF).

⁸ [Blue Avocado: Too many Nonprofits? No there are not enough good nonprofits.](#) December 2008

III. About The Nonprofit Sector in Greater New Haven

How many nonprofits are there in Greater New Haven? We have analyzed the IRS tax files for the first time in order to answer that question. There are many different types of tax-exempt organizations in Greater New Haven. The focus of this report is on organizations with an IRS tax status of 501(c) (3), commonly referred to as nonprofits or public charities.^{9, 10}

In Connecticut there are 13,798 organizations with 501(c) (3) tax exempt status out of a total of 18,853 tax exempt organizations. In The Community Foundation's twenty town region there are 2,454 organizations with this tax status and the overwhelming majority of them are public charities.¹¹

Orgs with 501c3 status	Greater New Haven	Connecticut
Private Foundations	200 (8%)	1,795 (13%)
Churches	356 (15%)	1,867 (14%)
Public Charities with No Assets <i>and</i> No Income	882 (36%)	4,470 (32%)
Public Charities with Assets <i>or</i> Income	1,016 (41%)	5,666 (41%)
<i>Total</i>	<i>2,454</i> ¹²	<i>13,798</i>

There are a total of 1,898 registered public charities in Greater New Haven that are not churches or private foundations and 882 (46%) of them have zero assets and zero income concluding that they are inactive or very limited in their activity. Typical explanations of inactivity include organizations that are winding down their operations, closing, or newly designated 501 (c) (3) type organizations. However, the organizations that The Foundation supports are public charities with assets and income.

Greater New Haven has fewer private foundations (8%) when compared to Connecticut (13%). The 200 private foundations in Greater New Haven, report a total of \$604,231,249 in assets and generate \$281,115,281 in income according to their most recently filed 990 tax returns.¹³ There are also many private foundations located outside of the Greater New Haven region that provide funding to organizations in the region.

⁹ One of the most distinct provisions unique to 501(c)(3) organizations as compared with other tax exempt entities is the tax deductibility of donations. 26 U.S.C. § 170, provides a deduction, for federal income tax purposes, for some donors who make charitable contributions to most types of 501(c)(3) organizations.

¹⁰ For a complete guide to all types of tax exempt organizations please see <http://www.guidestar.org/rxg/help/irs-subsection-codes.aspx>

¹¹ IRS Master Business File of Exempt Organizations June 2013

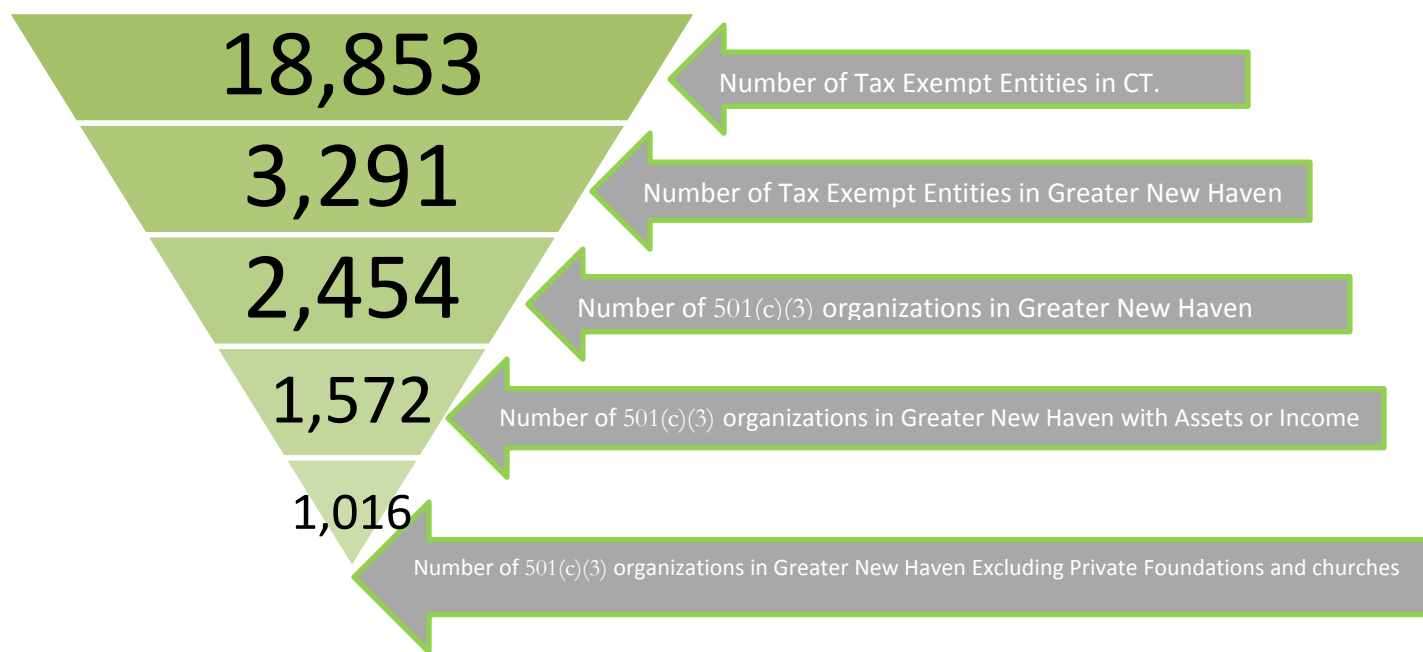
¹² A subset of tax exempt organizations classified as 501(c)(3) to whom The Community Foundation can grant and most often grants to.

¹³ IRS Master Business File June 2013

Understanding the Number of Nonprofit Organizations in Greater New Haven

The number of people per nonprofit organization in our region is no different from the number of people per nonprofit organization in the State of Connecticut. According to a recent publication by GuideStar, Connecticut has 259 people for every 501(c)(3)¹⁴ while in The Community Foundation's twenty town region there are 260 people for every 501(c)(3).¹⁵

Nationally, the number of people per 501(c)(3) ranges from 69 in Washington DC to 480 in Nevada. The median number of people per 501(c)(3) is 276; therefore Connecticut and Greater New Haven are below the median. Thirty states (60%) including Connecticut have between 200-300 people per 501(c)(3). We can conclude that there are an average number of nonprofits in the region when compared to the State and U.S.



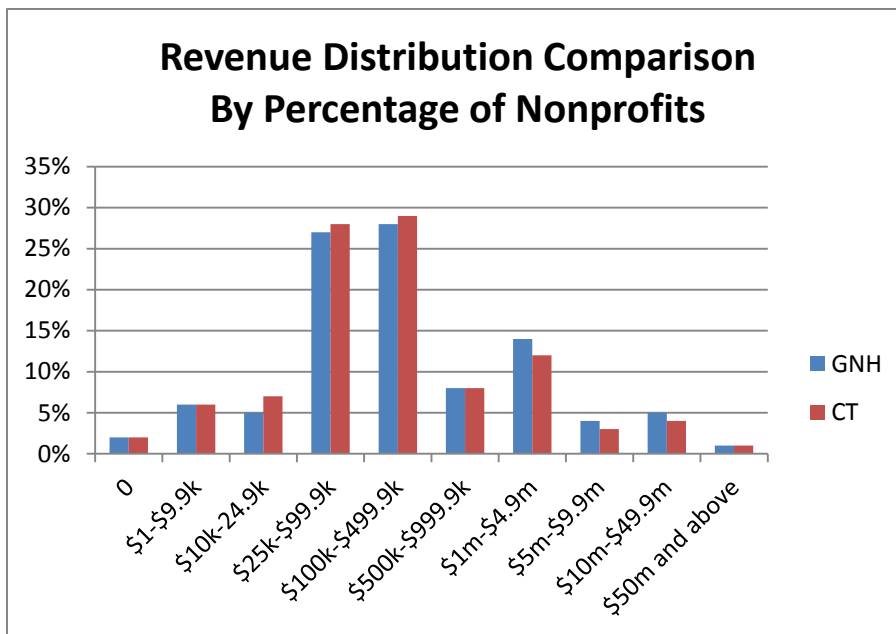
¹⁴ [GuideStar info graphic: Nonprofits per Capita](#) 2013

¹⁵ For both CT and Greater New Haven this includes private foundations, churches and organizations with no income or assets

Summary of Revenue and Assets¹⁶

In Greater New Haven the nonprofit sector generates more than \$3.6 billion in revenues which is about 17% of the revenues generated by the nonprofits across the state (\$20.8 billion). This does not include Yale New Haven Hospital and Yale University which are two of three largest nonprofits in the State.¹⁷ This is consistent with the region's population, as 17% of Connecticut's population resides in Greater New Haven.¹⁸

Over half of the nonprofits in Greater New Haven with some assets or income have revenue ranging from \$25,000 up to \$499,999 while one in four nonprofits have revenue over \$1million.^{19, 20} An identical trend can be observed when looking at the revenue of Connecticut's nonprofit sector as a whole.



¹⁶ This analysis excludes private foundations, churches and public charities with both zero income and zero assets.

¹⁷ IRS Master Business File June 2013 filtered for 501c3s excluding churches and private foundations. Also excludes Yale University and Yale New Haven Hospital which are two of three largest nonprofit organizations in the State of Connecticut generating a combined \$5 Billion in revenues.

¹⁸ United States Census 2010

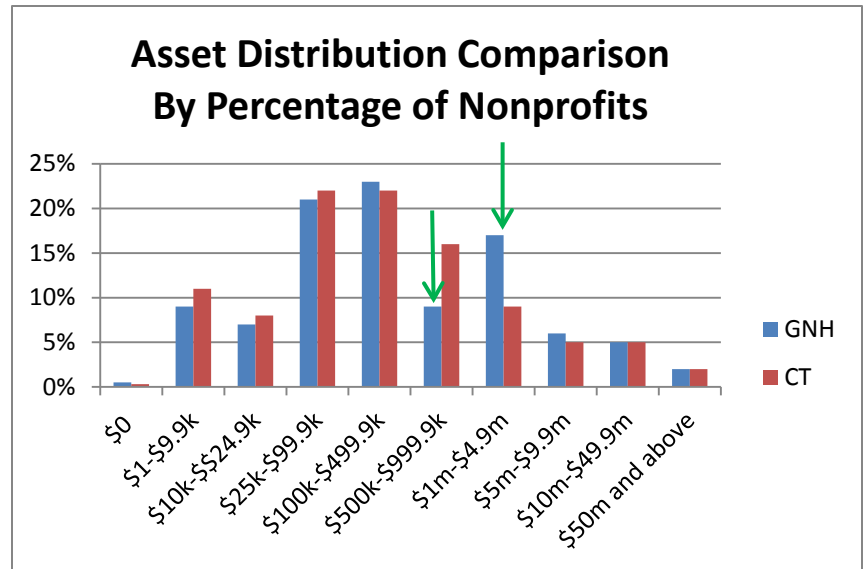
¹⁹ Total Revenue (Part I, Line 12 Form 990) – The total of contributions and grants, program service revenue, investment income, and other revenue

²⁰ Including Yale University and Yale New Haven Hospital

Many nonprofits in Greater New Haven and across Connecticut (43% and 44%) have assets²¹ ranging from \$25,000 up to \$499,999 while more than half (61%) of Greater New Haven nonprofits have assets below \$500,000 which is comparable to the nonprofits across Connecticut (63%).

Based on the revenue and asset distribution, Greater New Haven’s nonprofit sector is quite representative of the Connecticut nonprofit sector. A few exceptions related to the distribution of assets might be noted:

- Greater New Haven seems to have a significantly larger number of nonprofits (17%) with assets in the \$1 million to \$4.9 million range when compared to Connecticut (9%).
- Greater New Haven seems to have significantly fewer nonprofits (9%) with assets in the \$500,000 to \$999,999 when compared to Connecticut (16%).



²¹ Total Assets (Part X, Line 16 Form 990) – The total cash (non-interest bearing), savings and temporary cash investments, pledges and grants receivable (net), accounts receivable (net), loans, notes and other receivables, inventories for sale or use, prepaid expenses and deferred charges, land buildings and equipment (less accumulated depreciation), investments and other intangible assets.

Geography by Location and Area Served

City/Town	# of all Nonprofits in Greater New Haven by <u>Location</u>	# of giveGreater.org® Nonprofits by <u>Location</u>	# of giveGreater.org® Nonprofits by <u>Area Served</u>
New Haven	367 (36%)	123 (52%)	199 (85%)
Inner Ring	123 (12%)	15 (6%)	173 (74%)
Outer Ring	425 (42%)	35 (15%)	190 (81%)
Valley	101 (10%)	19 (8%)	160 (68%)
Outside GNH	0 (0%)	42 (18%)	N/A
Total	1,016 (100%)	234 (100%)	234 ²²

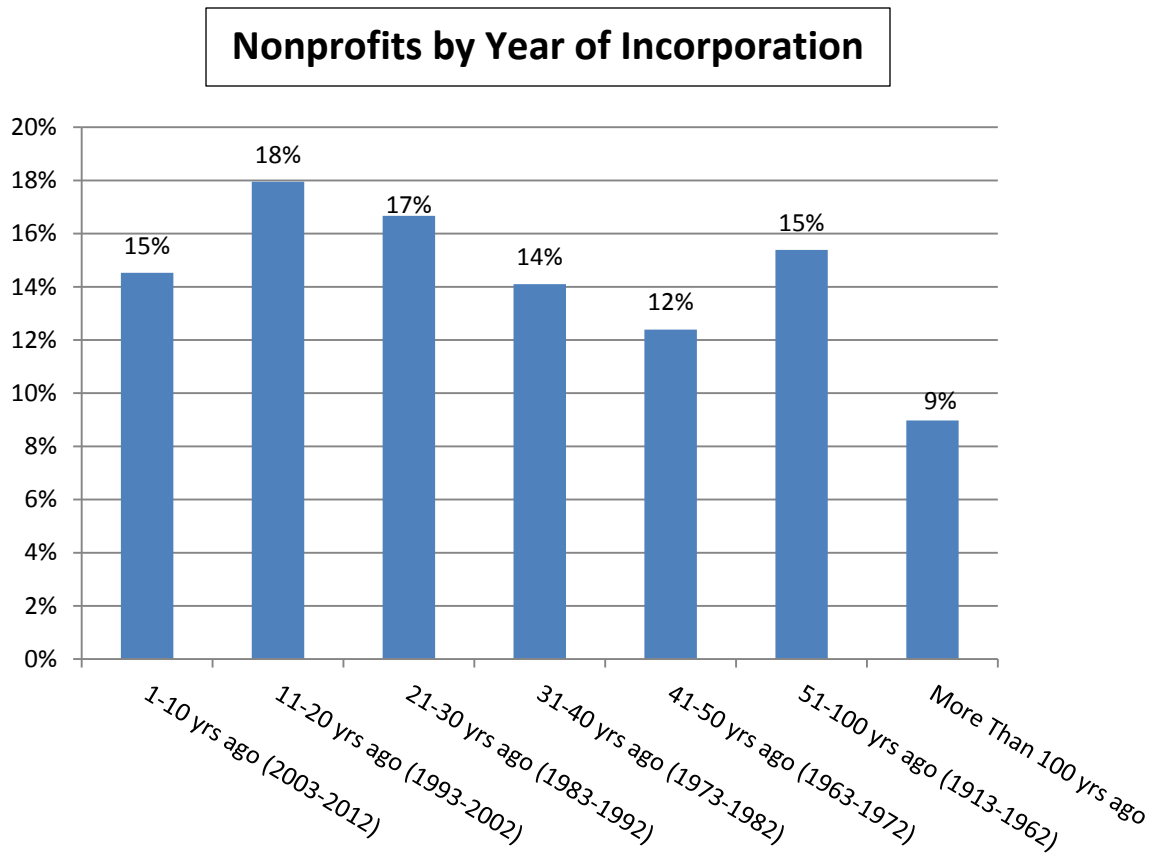
The location of an organization can provide ease of access to services for local residents. The number of organizations located in a certain area can also serve as a proxy for need in that area. Therefore it is not surprising that about half of the organizations are located in New Haven and the Inner Ring suburbs where there is the most need.²³ The other half are located in the Outer Ring suburbs and the Valley.²⁴ Of the 425 organizations located in the outer ring suburbs nearly 200 are youth athletic leagues, Parent Teacher Associations, Civic groups like Rotary Clubs, cultural organizations and international nonprofits with headquarters in the region. The majority of the service related organizations are located in New Haven and the Inner Ring. However, it is evident that organizations are serving the region more broadly, with the majority serving the entire twenty town region.

²² Since organizations serve multiple regions, nonprofits are counted more than once in this column

²³ Inner Ring suburbs include East Haven, Hamden and West Haven.

²⁴ Outer Ring suburbs include Branford, Cheshire, Guilford, Madison, Milford, North Branford, North Haven, Orange, Wallingford and Woodbridge. Valley includes Ansonia, Derby, Oxford, Seymour and Shelton.

Age of the Sector



The nonprofit sector in Greater New Haven has demonstrated its resilience through longevity. One in four nonprofits has been serving the region for more than 50 years while half of organizations are more than 30 years old. Although most of the sector is quite mature, one third of nonprofits were founded over the last 20 years.²⁵

²⁵ giveGreater.org

Eight Areas for a Stronger Community

The Community Foundation believes the strength of a community lies in its residents' commitment to one another. As our region's largest grantmaker, we are committed to supporting local nonprofits in meeting today's challenges and seizing opportunities to create the strongest community possible.

Our vision of a stronger community is one that not only provides for the basic needs of its members but also enriches their lives through support of such things as the arts and education. Through our work with local nonprofit organizations we are addressing our community's needs and opportunities.

The breakdown of organizations by the primary area of need or opportunity being addressed (see chart on page 15) aligns with The Community Foundation's grantmaking. In 2012 the top five areas of investment through all grantmaking were in the areas of Education, Health, Civic Vitality, Arts and Culture and Youth Development.²⁶

²⁶ For a full description of the eight interest areas visit <http://www.cfgh.org/Learn/LearnandShareOverview/tabid/522/Default.aspx>

Greater New Haven Nonprofits By Issue Area

Issue Area²⁷	# of All Nonprofits in Greater New Haven	# of giveGreater.org® Nonprofits
1. Provide Quality Education	189 (19%)	36 (15%)
2. Ensure Health & Wellness	187 (18%)	49 (21%)
3. Promote Civic Vitality	128 (12%)	45 (19%)
4. Support Arts & Culture	108 (11%)	34 (15%)
5. Meet Basic Needs	91 (9%)	41 (18%)
6. Nurture Children & Youth	74 (7%)	48 (21%)
7. Protect the Environment	26 (3%)	21 (9%)
8. Boost Economic Success	10 (1%)	15 (6%)
Human Services/Multi Purpose ²⁸	97 (10%)	0 (0%)
Other	43 (4%)	6 (3%)
Unknown/Blank	63 (6%)	0 (0%)
Total	1,016 (100%)²⁹	234 (100%)³⁰

²⁷ The Community Foundation categorizes nonprofits/grantees for the purposes of its grantmaking and record keeping into the eight numbered categories.

²⁸ [The Urban Institute's National Center for Charitable Statistics](#) established a classification system for exempt entities known as the NTEE Codes. Human Services is a common classification that includes organizations that serve multiple purposes and cannot identify one primary purpose. The Foundation does not use Human Services as one of its eight categories. The 97 organizations in this cell are not known well enough by The Foundation to be categorized into one of the eight issue areas.

²⁹ Number of 501(c)(3) organizations in Greater New Haven excluding Private Foundations and churches

³⁰This column will not add up to 100% because organizations listed on giveGreater.org are categorized into more than one issue area.

Governance of Greater New Haven’s Nonprofit Sector

Board Demographics & Best Practices

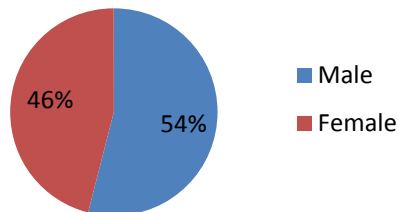
Based on what The Community Foundation is learning from its grantmaking, capacity building efforts for nonprofits and the data collected through giveGreater.org®, The Foundation concludes that organizations in Greater New Haven are generally well governed and meet or are striving to meet best practice models in the area of governance. However, the sector remains challenged in recruiting Board members that are racially and ethnically diverse and have specific skill sets needed by the organization. The Community Foundation continues to work with organizations and community members to help bridge this gap.

There are over 3,500 Board positions available within the 234 organizations profiled on giveGreater.org®. It is considered a best practice to have a Board of Directors that is representative of the community it serves in upholding the public interest served by the organization.³¹ In the past people of color have been underrepresented in the demographic composition of nonprofit Boards of Directors. While this trend is improving, there is still progress to be made, especially for representatives from the Latino community. Local nonprofit boards are almost equally divided between males and females.

Race and Ethnicity of Greater New Haven Nonprofit Board Members

Race and Ethnicity	Board of Director Positions
White Non-Hispanic	82%
Black Non-Hispanic	10%
Hispanic/Latino	5%
Asian or Other	3%

Gender of Greater New Haven Nonprofit Board Members



³¹ [CT. Association of Nonprofit: Principle 4 Governance](#)

Selected Best Practices in Governance³²

- 86% of organizations have a Board attendance rate of 65% or higher which is the recommended minimum for best practice while more than half have an attendance rate of 80% or better.³³
- More than half (63%) of organizations participate in an annual Board self assessment process
- 85% conduct Board orientation for new members
- 40% of organizations have written Board Selection Criteria while another third is in the process of creating written selection criteria.
- Over half (55%) of the organizations report that 100% of their Board members make monetary contributions to the organization while 90% report that some Board members make monetary contributions.
- 43% of organizations report that 100% of their Board members make in-kind contributions to the organizations while 90% report that some of their Board members make in-kind contributions.

Management of Greater New Haven's Nonprofit Sector

Leadership and Transition

Greater New Haven's nonprofit sector has been led by a long-serving group of community leaders (Executive Directors/ CEOs) for many years.³⁴ Although there has been a perception that there will be an exodus of nonprofit leaders that will leave the sector struggling, the fact is that this transition to new leaders is already happening. In recent years we have begun to see the departure of some of the sector's long standing leaders, including the founders of some of the sector's anchor institutions. Over the last four years alone, 32% of the organizations profiled on giveGreatger.org have hired new executive directors and over the last ten years 63% have hired new leaders. This represents a significant transition of leadership in the sector. Nonprofits have demonstrated that they understand the importance of succession planning. In

You're the board chair of a medium-sized non-profit organization, and your much-respected executive director of 15 years has just told you she or he plans to retire in 3 months.

Prepare yourself for a major transition that should include much, much more than a well-executed search for her or his replacement.

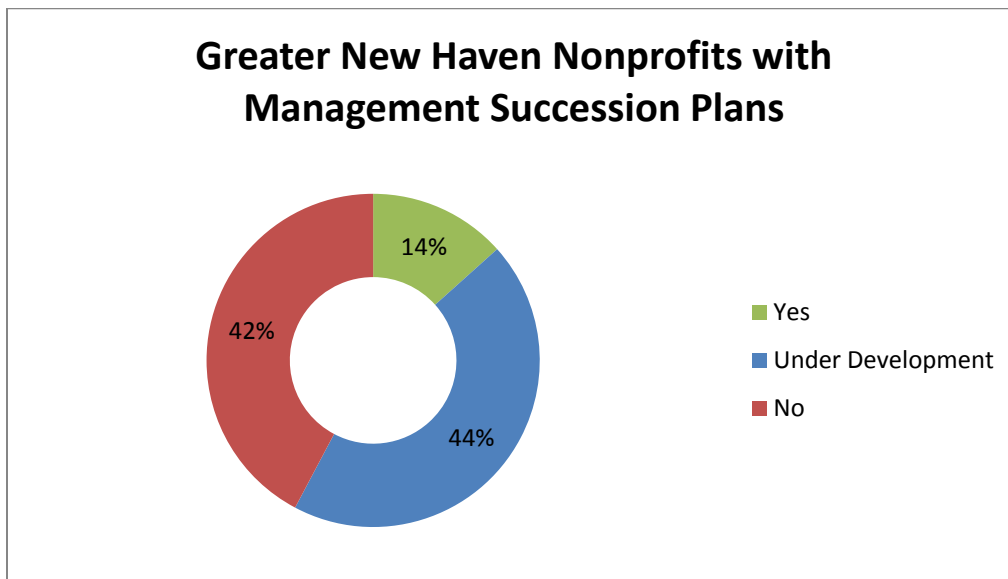
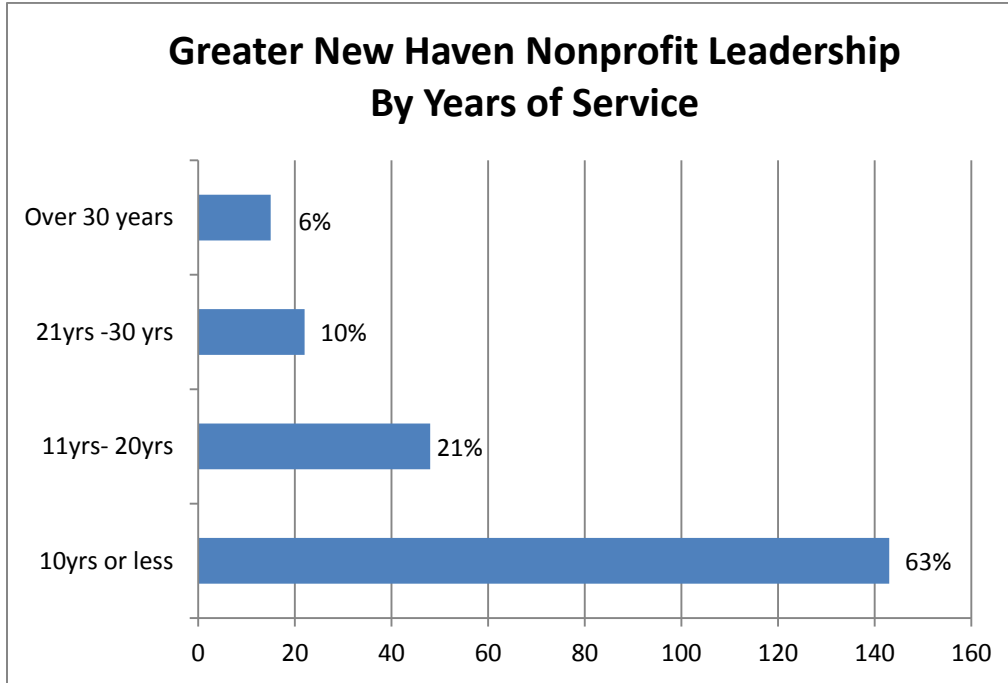
Source: Third Sector New England

³² Data is from giveGreater.org

³³ The Better Business Bureau Standards for Charitable Accountability

³⁴ The term "leaders" in this section refers to CEOs and Executive Directors and does not include Board leadership

anticipation of more transition, 58% of organizations report that they have a management succession plan or at least have one under development. Succession planning is an important best practice for organizations both large and small. This requires flexible resources and expertise to help plan and coach leadership transitions.

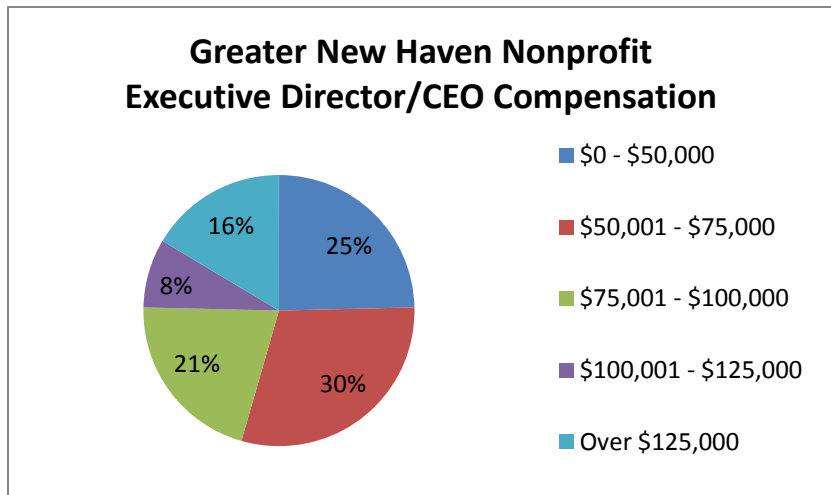


Compensation

giveGreater.org® has data on the compensation of 134 nonprofit executive directors from a diverse group of organizations. More than three-quarters of the nonprofit leaders are earning \$100,000 or less and over half are earning \$75,000 or less annually.

Compensation of executive directors is higher in organizations with larger numbers

of staff and larger budgets. The executive directors who are earning up to \$50,000 in annual compensation are leading organizations with an average of 2 full time employees and an annual operating budget of \$240,000 while the executive directors who are earning over \$200,000 in annual compensation are leading organizations with an average of 230 full time employees and an average budget size of \$36 million.³⁵

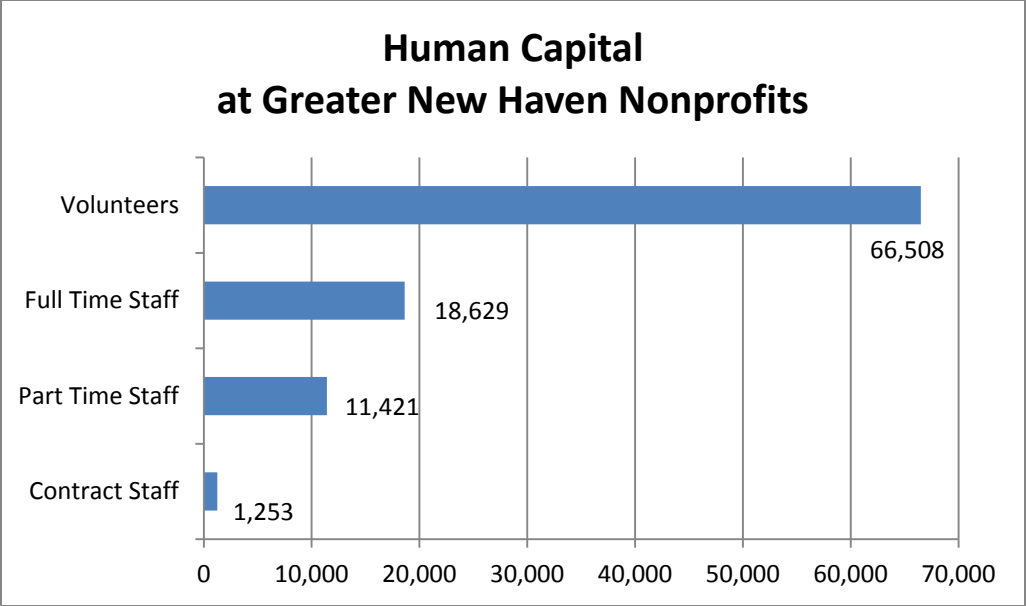


Staffing

The number of full time staff members at the 234 organizations profiled on giveGreater.org® ranges from 0 to 5,307 at one of the largest employers in the region.³⁶ Organizations have similar staffing patterns utilizing both full time and part time employees. There are a total of 30,050 full time and part time employees at the 234 organizations. The number of volunteers (not including the Board of Directors) at these organizations is more than the number of full and part time staff members combined. The sector is relying heavily on volunteers with nearly 20% of organizations reporting more than 200 volunteers and more than half (54%) of organizations report having more volunteers than full time or part time staff. In addition, 82% of nonprofits report a staff retention rate of 100% and 89% provide professional development opportunities for their staff.

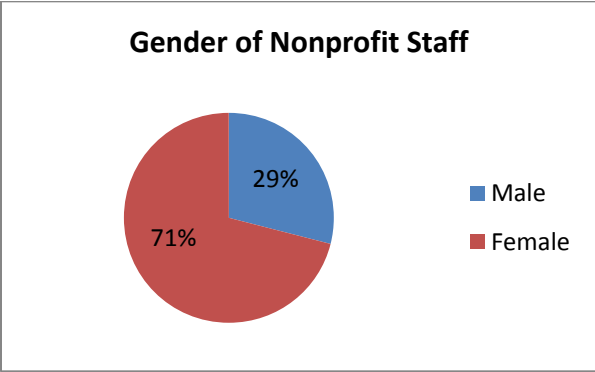
³⁵ The compensation data does not include Yale New Haven Hospital or Yale University which are two of the largest employers in New Haven.

³⁶ Yale New Haven Hospital reports 5,307 staff in their giveGreater.org profile and is one of the largest employers in the region.



Greater New Haven Nonprofit Staff Demographics

Race and Ethnicity	Staff Positions
White Non-Hispanic	52%
Black Non-Hispanic	20%
Hispanic/Latino	8%
Asian or Other	18%

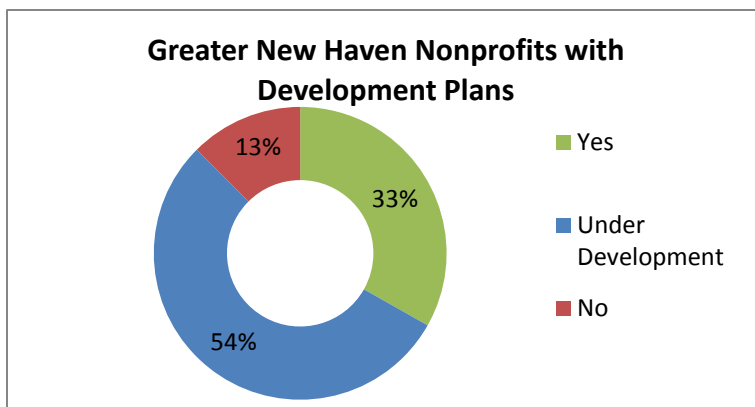
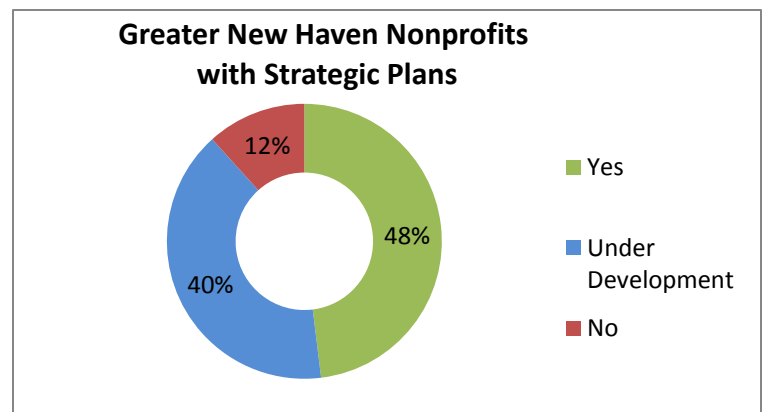


Selected Best Practices in Management

Organizations profiled on giveGreater.org® are already using or are developing best practices in management.

Having a strategic plan is important to the growth and resilience of an organization and nearly half of the organizations have strategic plans while 40% report they are working on developing a plan. Creating a strategic plan is often time consuming and expensive usually requiring expertise outside of the organization. Although organizations lack flexible funding, it appears they are prioritizing developing strategic plans.

Significantly fewer organizations have development plans in place although more than half have plans under development. A development plan creates a map of what the organization needs to do to ensure it has the resources to carry out its mission and programs, now and in the future. The plan should be developed by a process that builds ownership and accountability among Board and staff and include the following critical elements: strategic and financial goals, identification of target markets, cultivation strategies, solicitation strategies, roles and responsibilities of staff and volunteers, measurable benchmarks and a timetable, and the process for monitoring progress and evaluating performance.³⁷



³⁷ [Creating a Fund Development Plan that Produces Ownership and Results](#), Simone P. Joyaux.

IV. Impact of Greater New Haven's Nonprofit Sector

In light of the immense value provided to the community by the local nonprofit sector, nonprofits deserve to be measured by their results, governance, and leadership. The Community Foundation collects data and information on nonprofit impact through its grantmaking processes, surveys of nonprofits and through giveGreater.org. Examples of results achieved in 2012 for Community Foundation grantees:

- Served 307,917 meals in soup kitchens and to housebound clients;
- Gave 2.8 million diapers to families in need;
- Made accessible more than \$1million worth of fresh produce in neighborhood markets;
- Gave 2,295 rides to medical appointments to low-income elderly people;
- Inspired more than 850,000 people to attend free concerts, performances and exhibits;
- Helped 51% of participants in area job training programs obtain employment;³⁸
- Received nearly 1.5 million for college scholarships
- Sheltered and counseled 5,750 domestic violence victims; and
- Enriched more than 10,000 youth with after-school and other programs.

“Organizations that build robust infrastructure- which includes sturdy information technology systems, financial systems, skills training, fundraising processes, and other essential overhead-are more likely to succeed than those that do not.”³⁹ We know from the information gathered for this report that some of Greater New Haven's nonprofits are taking steps to ensure they are set up for success and long term impact but more needs to be done:

- 46% have upgraded their technology over the last year to improve efficiency;
- 53% plan to increase the number of people they serve;
- 88% have or are working on strategic plans;
- 24% plan to make replacement hires;
- 26% plan to hire staff for new positions;
- 56% plan to collaborate to improve services;
- 35% plan to change the way they raise and spend money; and
- 18% plan to seek funding other than grants and contacts.

“The percent of charity expenses that go to administrative and fundraising costs- commonly referred to as “overhead”- is a poor measure of a charity’s performance.”

Jacob Harold, President and CEO of GuideStar

³⁸ This data point comes from The Partnership for Economic Opportunity which includes the collective data from grantees of The Community Foundation, United Way for Greater New Haven and Annie E. Casey Foundation.

³⁹ [The Nonprofit Starvation Cycle](#), Stanford Social Innovation Review, Fall 2009

V. The Work Ahead:

The 2009 Economic Downturn report concluded that The Community Foundation needed to increase its focus and efforts on sustaining and strengthening the capacity of Greater New Haven nonprofits.⁴⁰ The Foundation has done this through many avenues: granting support for operations, increasing its technical support and capacity building programs and funding, and convening and connecting people and organizations. Through giveGreater.org®, the Foundation website (and its Learn section) and surveys, The Foundation has developed a deep and accessible resource of common knowledge. giveGreater.org® in particular has provided new ways to bring donors- especially new donors- together with local nonprofits.

This report confirms that we should continue on this path. It also shows the resilience and resourcefulness of Greater New Haven nonprofits, which have survived the economic downturn and continue to assist the needy, preserve our cultural heritage and expand our artistic horizons, assure the quality of public education, nurture our children, and care for our elderly.

With a tepid and slow economic recovery, reduction of federal and state monies, and the decrease of corporate funding, there is much work ahead to strengthen Greater New Haven's nonprofit sector in order to build a stronger community.

There are some strategies for the nonprofits to consider:

- Be innovative, introspective and creative even when time is short and crises loom — this may result “in breakthroughs in new ways of working, new models of organization and new ways to finance social change ...”⁴¹
- Build reserve funds, which have proven to be critically important in times of economic uncertainty.
- Understand how to adjust business models in light of the ever changing economic climate and the transition to outcomes based and/or pay for success funding models.
- Focus on leadership development and management succession planning for staff and volunteers. The first wave of successions has already occurred, but there are more to come.
- Identify new Board members with specific expertise and access to resources who have an understanding of the roles and responsibilities of Board service.

The Community Foundation will continue to look for innovative ways to promote the sector to new audiences and donors by adding to the public's understanding.

⁴⁰ [The Impact of the Economic Downturn on Nonprofits and Giving in Greater New Haven](#), The Community Foundation for Greater New Haven, April 2009

⁴¹ Understanding Boston, [Passion and Purpose Revisited: Massachusetts Nonprofit Organizations and the Last Decade's Financial Roller Coaster](#), The Boston Foundation, June 2012