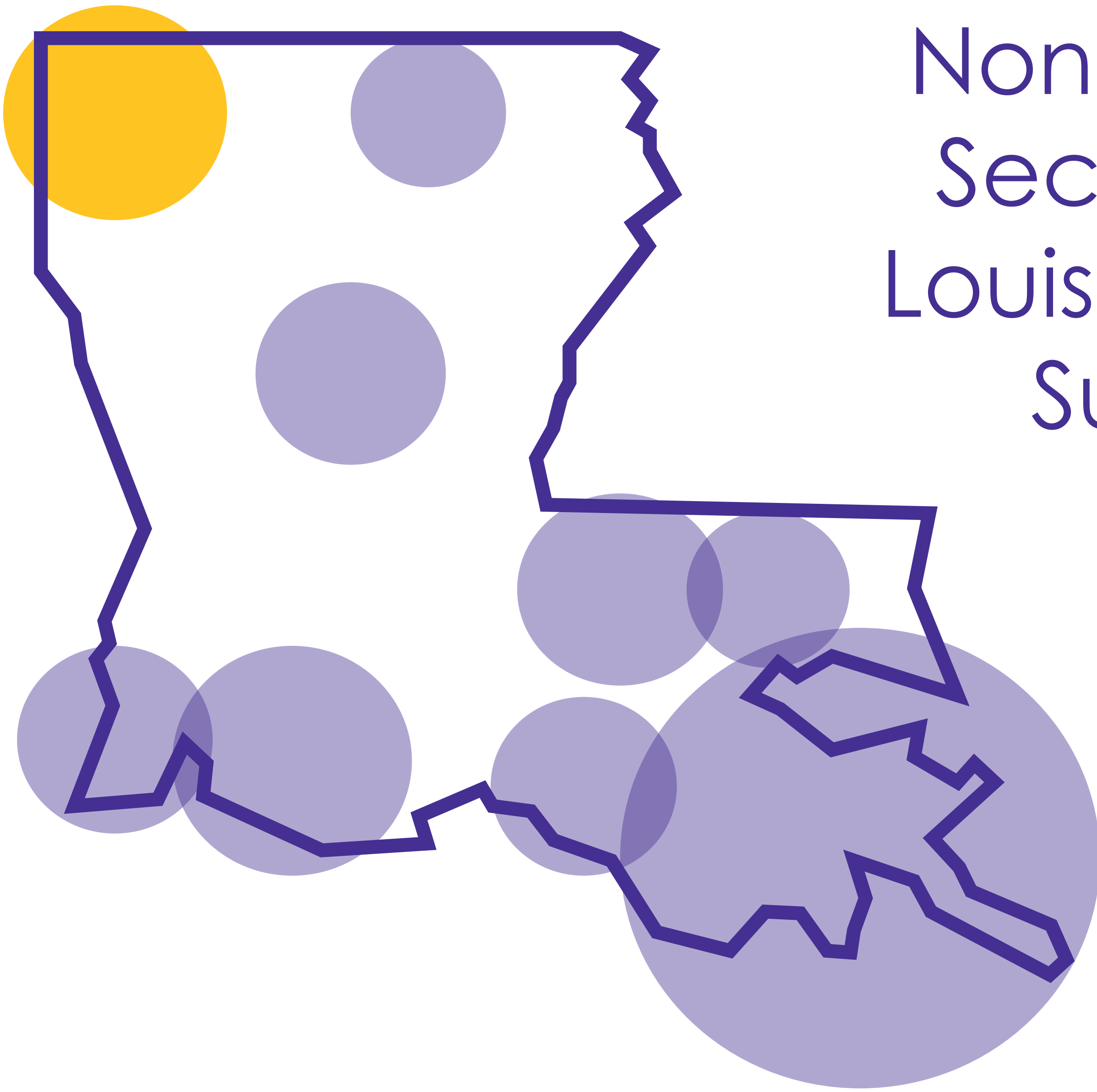
State of the Nonprofit Sector in Louisiana: Survey

June 2022



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The authors would like to acknowledge the following individuals and organizations in contributing to this report and analysis:

- Dr. Helen Wise
- Stacey Hargis
- Leigh Chambers

We would also like to thank the LSUS Foundation, Norman A. Dolch Super Professorship, Office of Continuing Education at LSUS, and the Louisiana Alliance for Nonprofits for their financial and pro-bono support of the report and State of the Nonprofit Sector in Louisiana event.

Introduction

There are over 21,000 registered nonprofits in the State of Louisiana. Like other businesses, nonprofits have been impacted by COVID-19 in a variety of ways including serving on the front lines and helping the most vulnerable populations across the state. Despite the increased challenges, nonprofits in Louisiana have shown resiliency and a promising recovery.

About the State of the Nonprofit Sector in Louisiana: Survey

The purpose of the survey was to gain a better understanding of the experiences and challenges nonprofits have encountered over the past 12 months and their future projections in the following five areas:

1. Service Delivery
2. Human Resource Management
3. Financial Management
4. Fundraising
5. Capacity Building

Information about survey creation, distribution and response rate can be found in the methodology appendix. The survey was sent by the Institute for Nonprofit Administration and Research using an email list obtained from GuideStar and internet searches. This survey was open from March to April of 2022 and distributed to 1,319 nonprofit leaders across the state of Louisiana with a total of 118 responses (8% response rate).

Key Findings

The following key findings emerged in the responses to this survey.

1. Survey respondents have seen an overall improvement in their service delivery, financial management and fundraising from the last 12 months and project continued improvement in the next 12 months.

2. Eighty-eight percent of respondents indicated that it was somewhat to extremely difficult to hire qualified staff.

3. Although survey respondents saw a reduction in volunteer hours in the last 12 months, they anticipate an increase in volunteer hours over the next 12 months.

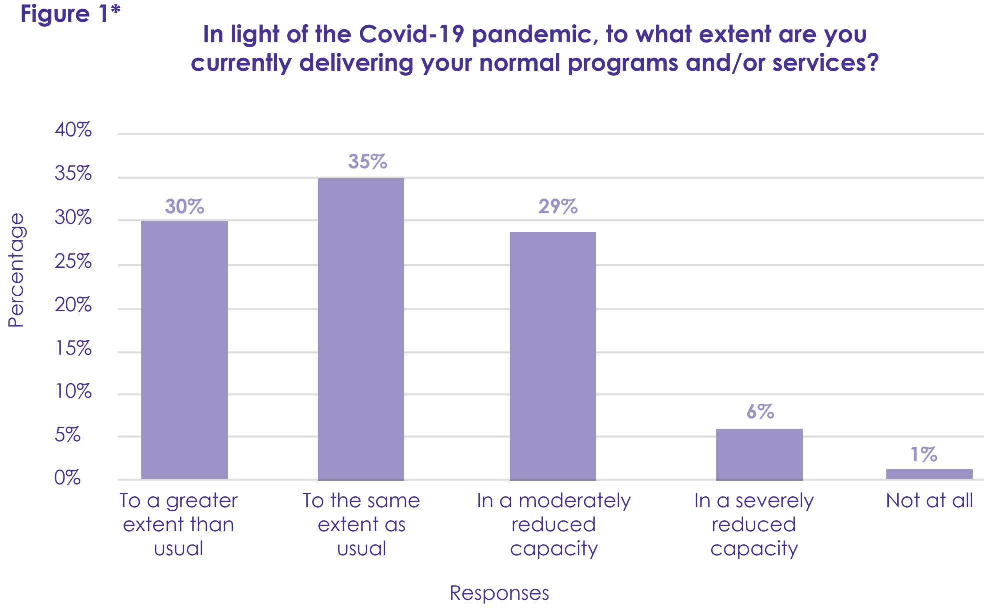
4. Nonprofits that participated in this survey requested capacity building support in the areas of fundraising and marketing/communications.

Service Delivery

Survey participants were asked about their organization's service delivery including changes in demand for services, COVID-19's impact on demand, and how their organizations were conducting their work.

Thirty percent of respondents indicated that they were delivering their normal programs to a greater extent than usual, 35% indicated they were delivering their programs to the same extent as usual, and 35% indicated that they are delivering their programs in an either moderately or severely reduced capacity. These findings are illustrated in Figure 1.

Figure 1*



Seventy four percent of survey respondents who indicated they had an increased demand for services in the last 12 months attributed their increase in demand for services to COVID-19 at least some degree or greater.

Four percent of survey respondents indicated they were unable to meet any of the increased demand for services in the last 12 months, 34% of respondents indicated they were able to meet some of the increased demand for services, 44% of respondents indicated they were able to meet most of the increased demand for services, and 17% indicated they were able to meet all the increased demand for services.

These findings demonstrate that there continues to be increased demand for nonprofit services even two years into the pandemic, and most survey respondents are able to meet either some or most of their increased demand for services.

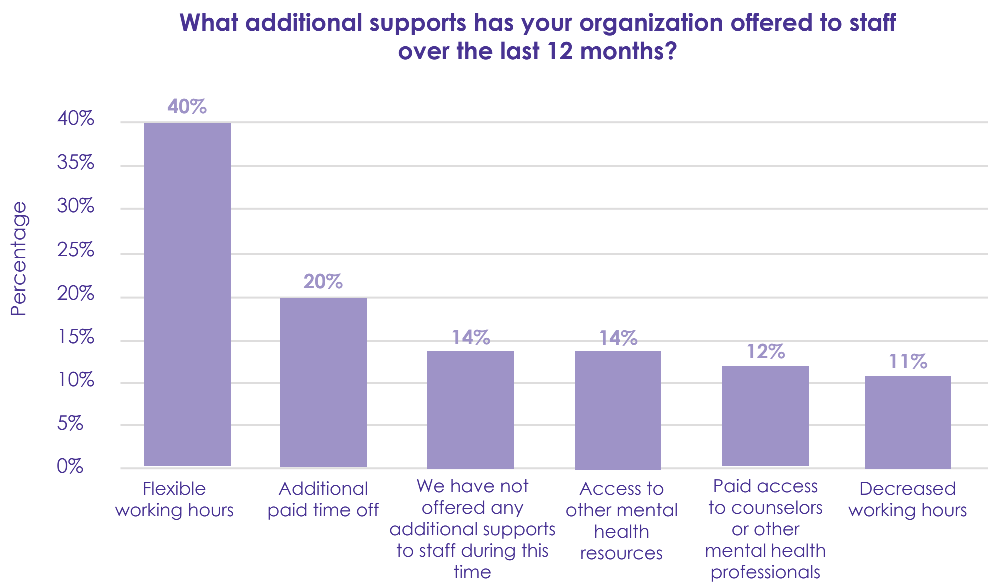
*Percentages may not equal 100% in each figure due to rounding errors.

Human Resource Management

Questions in this section centered around whether organizations had paid staff, types of additional supports they offered to their staff and staffing changes and volunteer changes during COVID-19.

Survey participants were asked about what additional supports were offered to employees in response to COVID-19. The top two supports offered by survey respondents were flexible working hours (40%) and additional paid time off (20%). Figure 2 illustrates the responses to this survey question.

Figure 2

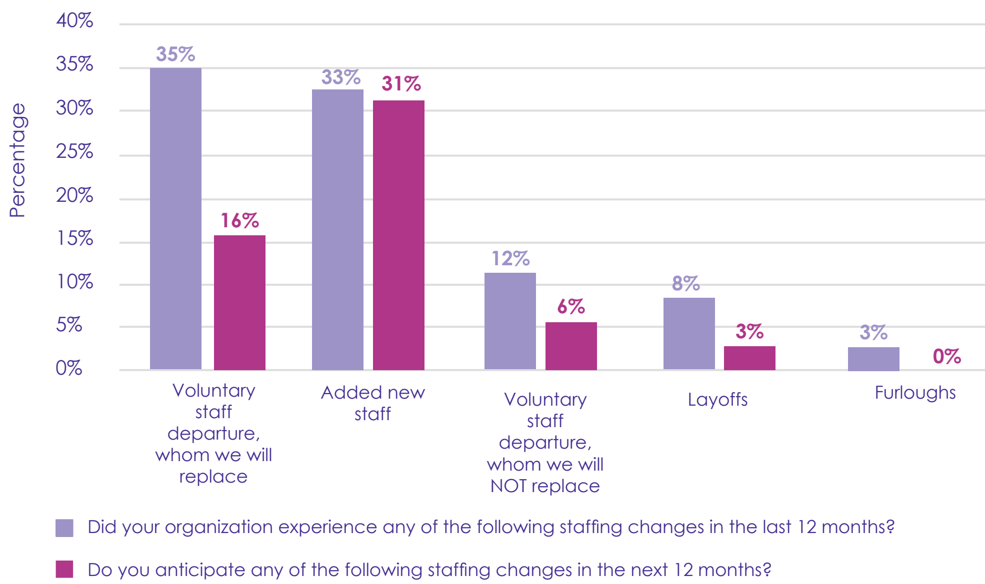


The majority of survey respondents (88%) reported that it is somewhat to extremely difficult to hire qualified employees. In addition, survey results indicated that the larger the organization was, the more difficult it was for them to hire qualified employees.

In addition, the majority of survey respondents (63%) indicated that volunteers are very important or absolutely essential, yet 80% of respondents reported having experienced a loss of volunteers and volunteer hours over the last 12 months. However, most respondents (86%) indicated they anticipate an increase in new volunteers and an increase in volunteer onboarding in the next 12 months.

Figure 3 illustrates the comparison between respondents' staffing experiences over the past 12 months and what changes they anticipate seeing in the next 12 months.

Figure 3



The findings demonstrate respondents are adapting to COVID-19 working conditions. Although respondents struggled in the last 12 months with voluntary staffing departures and hiring qualified staff, survey respondents are showing recovery with staff changes in the next 12 months.

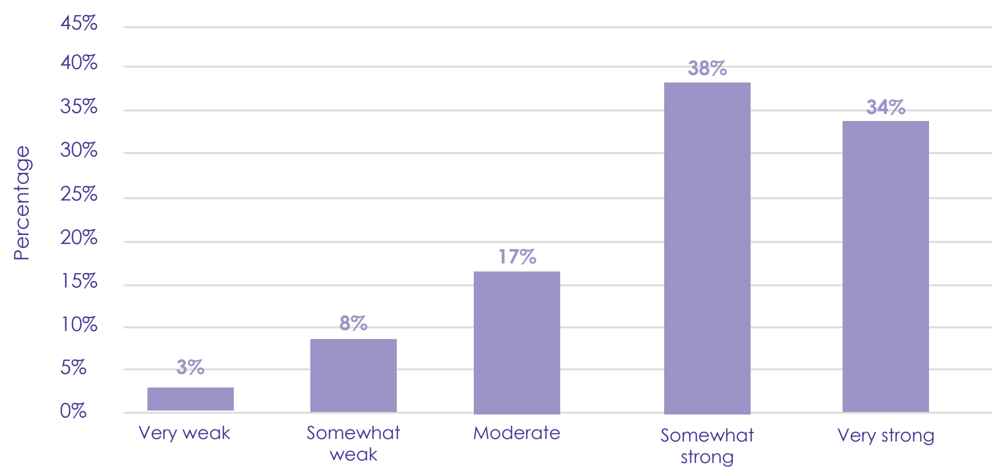
Financial Management

This section focused on survey respondents' perceptions of their organization's financial health and changes in revenue during COVID-19.

Seventy two percent of survey respondents describe their organization's financial health as strong, 17% of respondents describe their organization's financial health as moderate, and 11% of respondents describe their organization's financial health as weak, as shown in Figure 4.

Figure 4

From your perspective, how would you describe the general financial health of your organization today?



Fifty percent of survey respondents expect their organization's financial health to be better in the next 12 months, 41% of respondents expect their organization's financial health to be about the same in the next 12 months, and 8% of respondents expect their organization's financial health to be worse in the next 12 months as shown in Figure 5.

Figure 5

Compared to today, what do you expect the general financial health of your organization to be in the next 12 months?

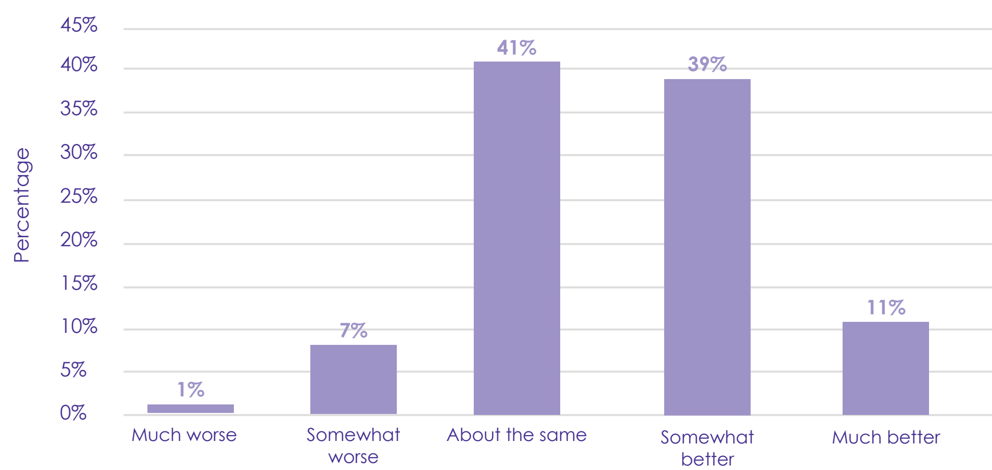


Figure 6 illustrates the changes in revenue sources that survey respondents have experienced over the past 12 months. The majority of respondents (59%) indicated a decrease in special event revenue.

Figure 6

How has your revenue changed over the past 12 months?

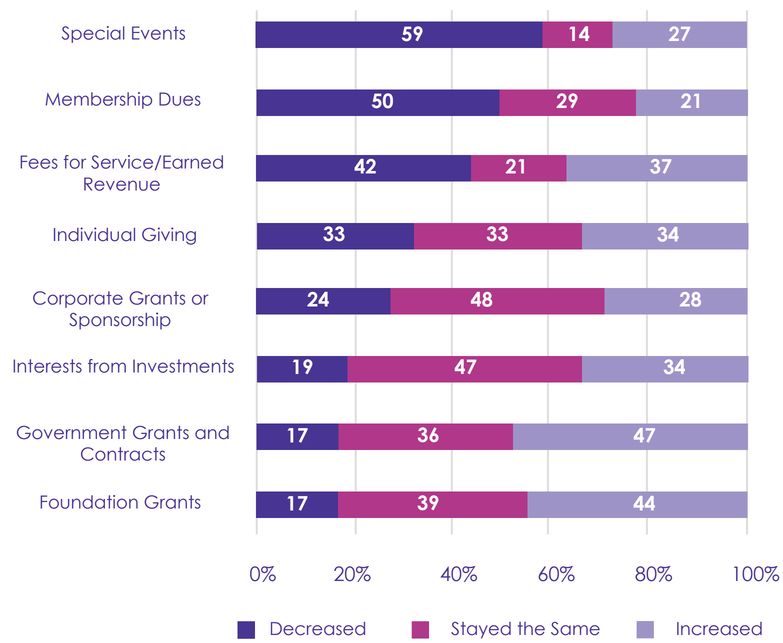
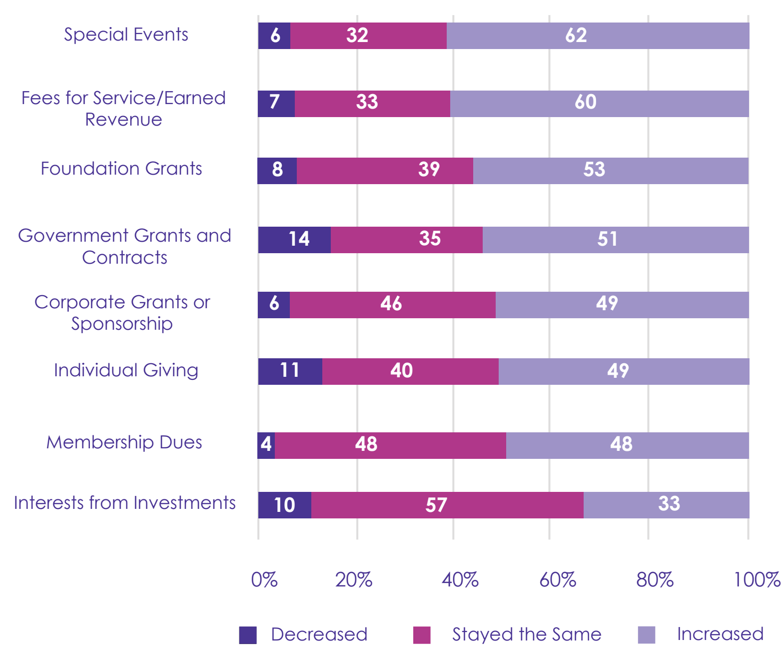


Figure 7 illustrates the changes in revenue sources that survey respondents anticipate over the next 12 months. A majority of respondents (61%) anticipate an increase in special event revenue and fee for service revenue.

Figure 7

What are your projections for the following revenue sources for the next 12 months?



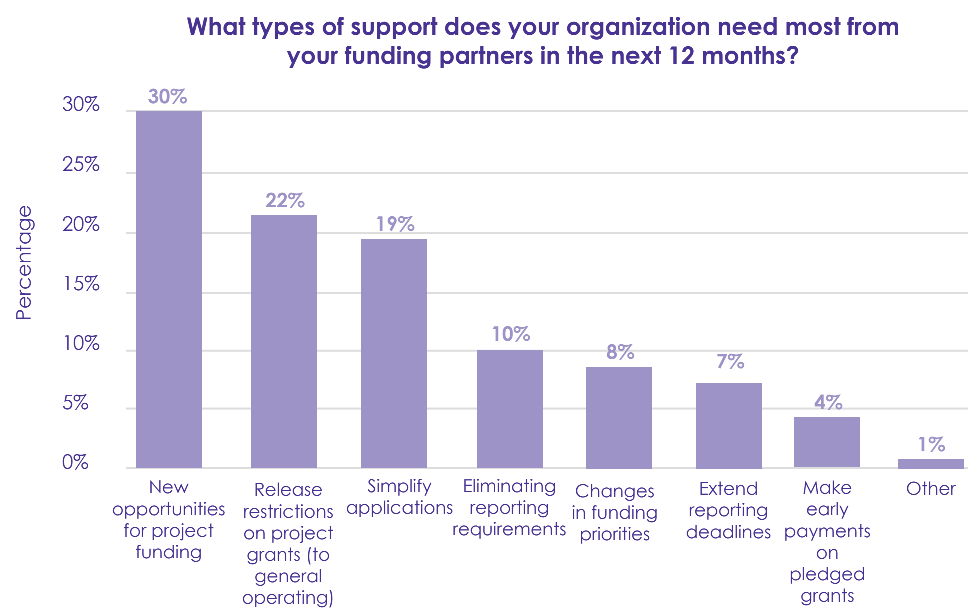
Survey findings indicated that the financial health of survey respondents is improving. Also, respondents who encountered losses in revenue sources, such as special event revenue, anticipate revenue sources to increase in the next 12 months.

Fundraising

This section asked participants questions about their fundraising outlook and what types of support survey participants most need.

> Forty one percent of survey respondents indicated their fundraising outlook is better for the next fiscal year, 42% of respondents indicated that their fundraising outlook is about the same, and 11% of respondents indicated that their fundraising outlook is worse.
>
> Respondents were asked to select a variety of supports they would like to receive from their funding partners, as shown in figure 8. Respondents indicated that their top three most-needed supports from their funding partners were new opportunities for project funding, released restrictions on project grants (to general operating), and simplified applications.

Figure 8



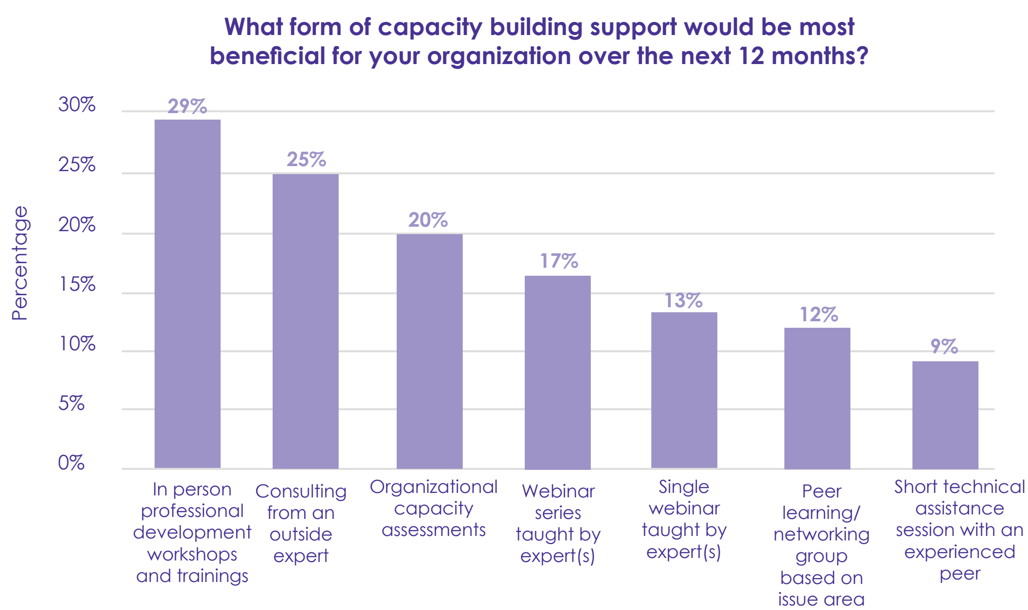
These survey findings indicate that fundraising within nonprofits is starting to improve and respondents would appreciate funding flexibility.

Capacity Building

This section asked participants about what capacity building support would be most beneficial to them.

> Survey respondents indicated that their top five requests for assistance from the Louisiana Alliance for Nonprofits are in the areas of (1) fundraising, (2) communications and public relations, (3) leadership development, (4) board governance, and (5) strategic planning.
>
> Figure 9 illustrates which capacity building supports would be most beneficial to the survey respondents.

Figure 9



Findings indicate that survey respondents are ready for in-person professional development.

Appendix A: Methodology and Demographics

Research Design and Methodology

Qualtrics, and internet survey platform, was used to design and administer the survey. The survey format follows a survey completed by Forefront (2021) in Illinois and the Annual Report: State of Nonprofits and Philanthropy in San Diego (Deitrick et al., 2021). The survey included 49 questions with a mix of Likert-scale items, open-ended comments, and demographic information. The survey was distributed to nonprofit leaders in 1,319 organizations across the state of Louisiana with a total of 118 responses (8% response rate). SPSS was then used to clean and analyze the data.

Demographics

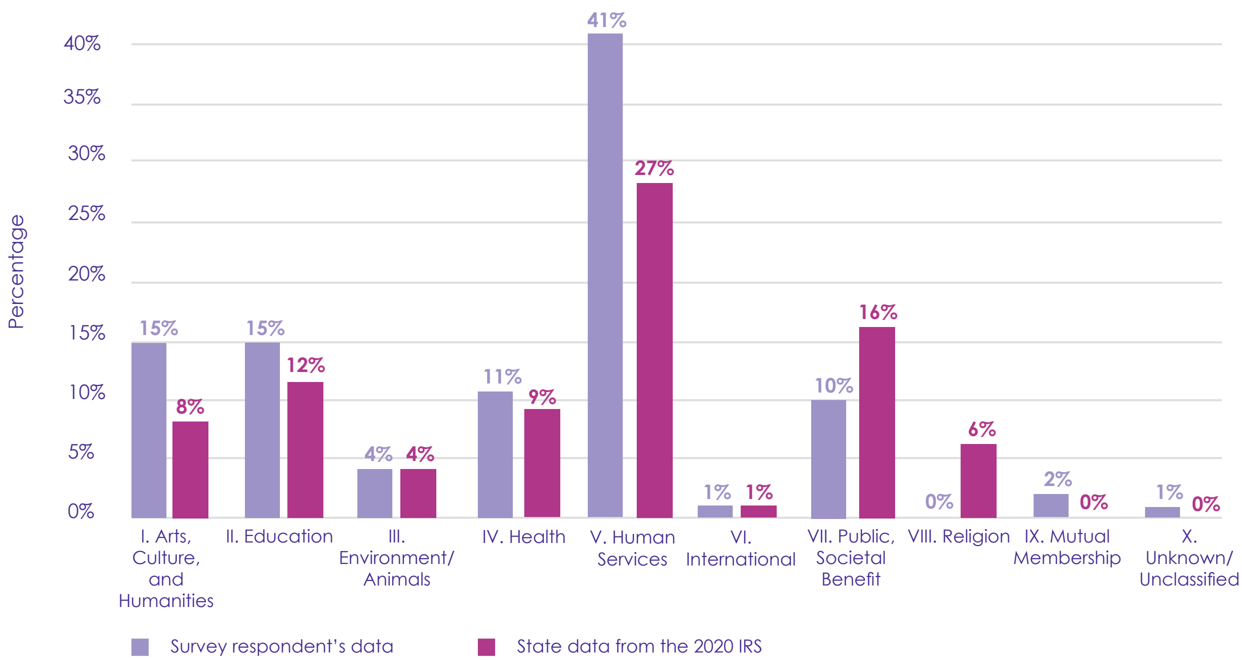
Survey participants were asked about their organization's primary area of work, budget size, and the demographic make-up of their executive director/CEO, board of directors, and service population.

> Thirteen percent of respondents indicated that their executive director/CEO identified as a Black Indigenous Person of Color (BIPOC), while 83% of respondents indicated that their executive director/CEO did not identify as a BIPOC.
>
> Sixty five percent of respondents indicated that their executive director/CEO identified as female, while 31% of respondents indicated that their executive director/CEO did not identify as female.
>
> Fifty three percent of respondents indicated that 0-25% of their board identifies as a BIPOC, 26% of respondents indicated that 26-50% of their board identifies as a BIPOC, 7% of respondents indicated that 51-75% of their board identifies as a BIPOC, and 7% of respondents indicated that 76-100% of their board identifies as a BIPOC.
>
> Sixteen percent of respondents indicated that 0-25% of their board identifies as female, 32% of respondents indicated that 26-50% of their board identifies as female, 30% of respondents indicated that 51-75% of their board identifies as female, and 17% of respondents indicated that 76-100% of their board identified as female.
>
> Fifty-five percent of survey respondents indicated that 50% or more of the families they serve identify as BIPOC, 20% of survey respondents indicated that 50% or more of the families they serve do not identify as BIPOC, and 19% of survey respondents indicated that they do not know whether 50% or more of the families they serve identify as BIPOC.

Survey respondent's area of service follows a similar trend to the State data represented by the 2020 IRS, as shown in figure 10. In both sets of data, Human Services is the largest category (41% for survey respondents and 27% for the 2020 IRS data).

Figure 10

What is your organization's primary area of work?



Survey respondents were asked about their organization's annual budget, which was compared to 2020 IRS data, as shown in figure 11.

Figure 11

What is your organization's annual budget?