

## **SPECIAL MEMBER DISCUSSION**

# **The State of Nonprofit Sustainability in Mississippi (and what it means for you)**



# Board Engagement

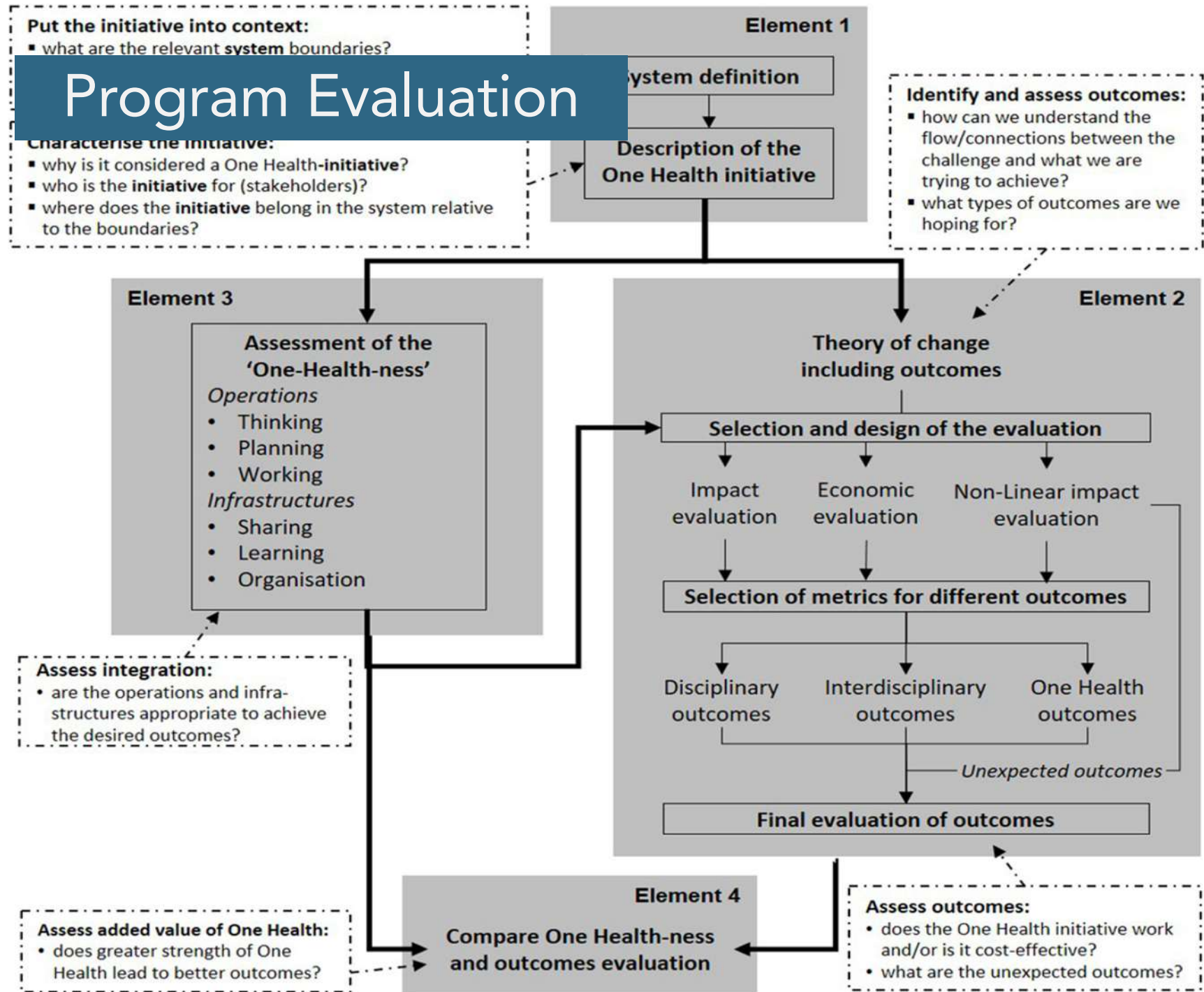




# “Board Engagement”



# Program Evaluation





## "Program Evaluation"

"Program Evaluation"									
NO			Plotting	Class/Financing	D.A.	O.G.P.	Suppl/Man & fab	Hospital & examples	
13	OCT	Plot and Resistance	Plotting: 1st meeting of the Order of the Phoenix. 1st meeting of the Order of the Phoenix. 1st meeting of the Order of the Phoenix.	Class in Hogsmeade - 1st meeting of the Order of the Phoenix.	Tonks & Lupin	recruiting	Suppl. lesson for the Order of the Phoenix.	Hospital & 1st meeting of the Order of the Phoenix.	
14	NOV	The Order of the Phoenix	1st meeting of the Order of the Phoenix.	Class in Hogsmeade - 1st meeting of the Order of the Phoenix.	Tonks & Lupin	1st meeting of the Order of the Phoenix.	Suppl. lesson for the Order of the Phoenix.	Hospital & 1st meeting of the Order of the Phoenix.	
15	NOV	The Dementor Tackle	1st meeting of the Order of the Phoenix.	Class in Hogsmeade - 1st meeting of the Order of the Phoenix.	Tonks & Lupin	1st meeting of the Order of the Phoenix.	Suppl. lesson for the Order of the Phoenix.	Hospital & 1st meeting of the Order of the Phoenix.	
16	NOV	Black Marks	1st meeting of the Order of the Phoenix.	Class in Hogsmeade - 1st meeting of the Order of the Phoenix.	Tonks & Lupin	1st meeting of the Order of the Phoenix.	Suppl. lesson for the Order of the Phoenix.	Hospital & 1st meeting of the Order of the Phoenix.	
17	DEC	Rita Returns	1st meeting of the Order of the Phoenix.	Class in Hogsmeade - 1st meeting of the Order of the Phoenix.	Tonks & Lupin	1st meeting of the Order of the Phoenix.	Suppl. lesson for the Order of the Phoenix.	Hospital & 1st meeting of the Order of the Phoenix.	
18	DEC	St. Mungo's Hospital for Magical Maladies and Injuries	1st meeting of the Order of the Phoenix.	Class in Hogsmeade - 1st meeting of the Order of the Phoenix.	Tonks & Lupin	1st meeting of the Order of the Phoenix.	Suppl. lesson for the Order of the Phoenix.	Hospital & 1st meeting of the Order of the Phoenix.	
19	DEC	(Name)	1st meeting of the Order of the Phoenix.	Class in Hogsmeade - 1st meeting of the Order of the Phoenix.	Tonks & Lupin	1st meeting of the Order of the Phoenix.	Suppl. lesson for the Order of the Phoenix.	Hospital & 1st meeting of the Order of the Phoenix.	
20	JAN	Extended Powers of the Unsubscribed	1st meeting of the Order of the Phoenix.	Class in Hogsmeade - 1st meeting of the Order of the Phoenix.	Tonks & Lupin	1st meeting of the Order of the Phoenix.	Suppl. lesson for the Order of the Phoenix.	Hospital & 1st meeting of the Order of the Phoenix.	
21	FEB	(Valentine's day)	1st meeting of the Order of the Phoenix.	Class in Hogsmeade - 1st meeting of the Order of the Phoenix.	Tonks & Lupin	1st meeting of the Order of the Phoenix.	Suppl. lesson for the Order of the Phoenix.	Hospital & 1st meeting of the Order of the Phoenix.	
22	FEB	Cornia Ground	1st meeting of the Order of the Phoenix.	Class in Hogsmeade - 1st meeting of the Order of the Phoenix.	Tonks & Lupin	1st meeting of the Order of the Phoenix.	Suppl. lesson for the Order of the Phoenix.	Hospital & 1st meeting of the Order of the Phoenix.	
MARCH		(Treasure)	1st meeting of the Order of the Phoenix.	Class in Hogsmeade - 1st meeting of the Order of the Phoenix.	Tonks & Lupin	1st meeting of the Order of the Phoenix.	Suppl. lesson for the Order of the Phoenix.	Hospital & 1st meeting of the Order of the Phoenix.	
APRIL		(Guidance)	1st meeting of the Order of the Phoenix.	Class in Hogsmeade - 1st meeting of the Order of the Phoenix.	Tonks & Lupin	1st meeting of the Order of the Phoenix.	Suppl. lesson for the Order of the Phoenix.	Hospital & 1st meeting of the Order of the Phoenix.	



# Cash Management





# "Cash Management"



# Talent Retention





# "Talent Retention"



**Sometimes, it feels like  
grantmakers and nonprofits  
speak two different  
languages.**



# Today's objectives:

- (1) An open dialogue between grantmakers and nonprofits;
- (2) Collaboration for more financially sustainable programs;
- (3) More funding for organizational development/capacity building.

*See Two Sides of the Same Coin Report*

# Part 1

**How do we cross  
the chasm that often,  
exists between funders  
and nonprofit operators,  
to create sustainable impact?**



# Jane Alexander



# Martha Allen



# Jane Alexander



- What role does sustainability play within your grantmaking process?
- Is it a factor in your (board's) funding decisions?
- The Community Foundation raises money, too – how has this affected your perspective, if at all?



# Martha Allen



- How do you fund your mission?
- Is program sustainability a topic that's addressed in a strategic plan, or with your board?
- What does a typical month in fundraising look like for you, and Extra Table?



Jane Alexander

Martha Allen

What keeps you up at night  
when you think about your  
(grantees') fundraising?





# Identifying common challenges.



Donors want to see their giving create lasting change.

Endowed/agency funds won't grow without nonprofit capacity.

Limited discretionary funds must be leveraged wisely.



Fighting hunger across the state requires significant funding.

Limited time to cultivate donors and build campaign plans.

Inheriting messy, incomplete data and limited infrastructure.

# Identifying shared strategies.



Build strong nonprofit partners with capacity to sustain grants and build an endowment.



Consistently embrace fundraising as a central leadership priority to increase impact & fight hunger.



Jane Alexander

Martha Allen

What have you tried  
in the past to build  
fundraising capacity?



Jane Alexander

Martha Allen

Did it work? What was  
successful? What was  
frustrating you?





# One year ago...





Capacity-Building Grant



- Paired with a Personal Fundraising Coach
- Began analyzing donor data;
- Developed a new donor cultivation strategy;
- Implemented over 12 months.

**(outputs)**



- Tripled Martha's campaign goal in a first-ever year-end campaign;
- Raised \$60,000 in net new revenue from the 'Amazing Rai\$e';
- Identified new major gift prospects and began managing relationships with data & technology.

**(outcomes)**



Jane Alexander

Martha Allen

What do you feel prevents  
candid discussion between  
grantor and grantee?



Jane Alexander

Martha Allen

What do you need from your  
counterpart that's often  
misunderstood or left  
unaddressed?



# Part 2

**Do we have data to quantify these needs on a state-wide level? What should we all do as a result?**



# Today's objectives:

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*See Two Sides of the Same Coin Report*

The challenges we all seek to address are far **too big and complex** for any one of us to solve.

We must shift from a **responsive** to a **responsible** approach to change-making.

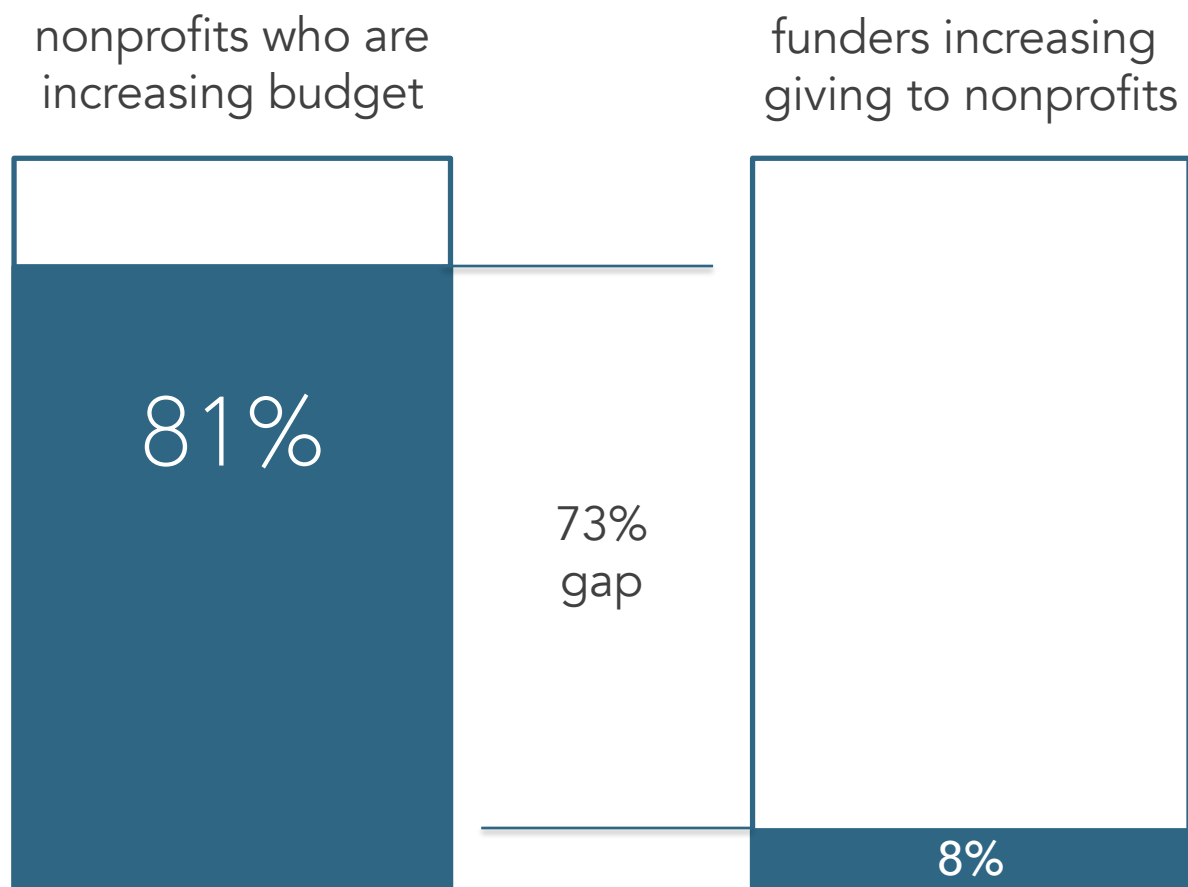


It's (y)our job to create a strong,  
resilient nonprofit organization.



Capacity building is turning best intentions into reality, so our nonprofits create more and more long-term outcomes.

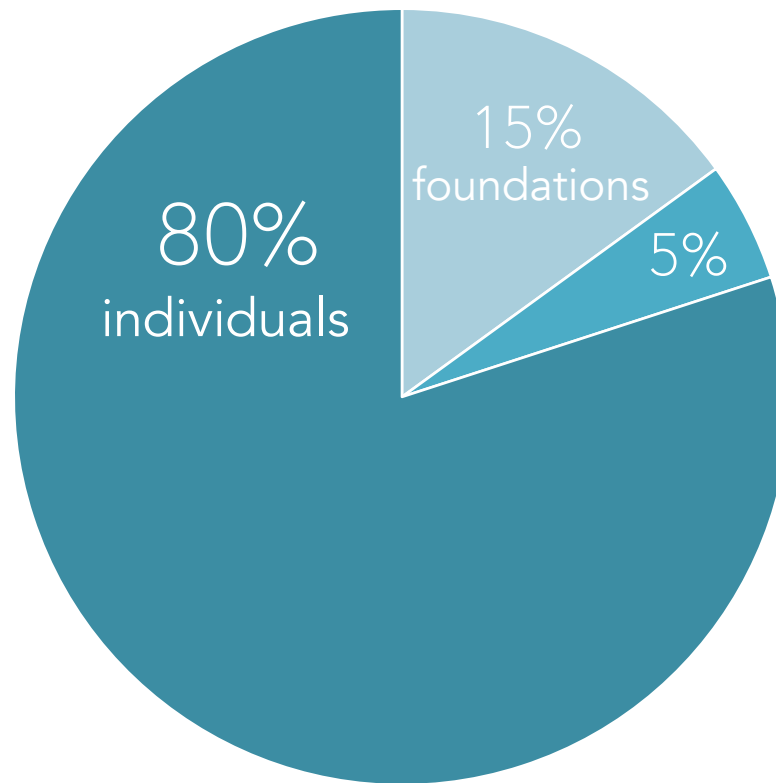
## Nationally, funders aren't keeping pace with needs...





**...and individuals in our communities want to help...**

annual giving to nonprofits by:



...but nonprofits aren't building donor relationships.



### SUSTAINABILITY

89% nonprofits over-rely on single-source, granted, public funding



### BUDGET

93% nonprofits don't budget for unforeseen fundraising expenses



### GROWTH

77% of emerging nonprofits will struggle to raise last year's total

7%



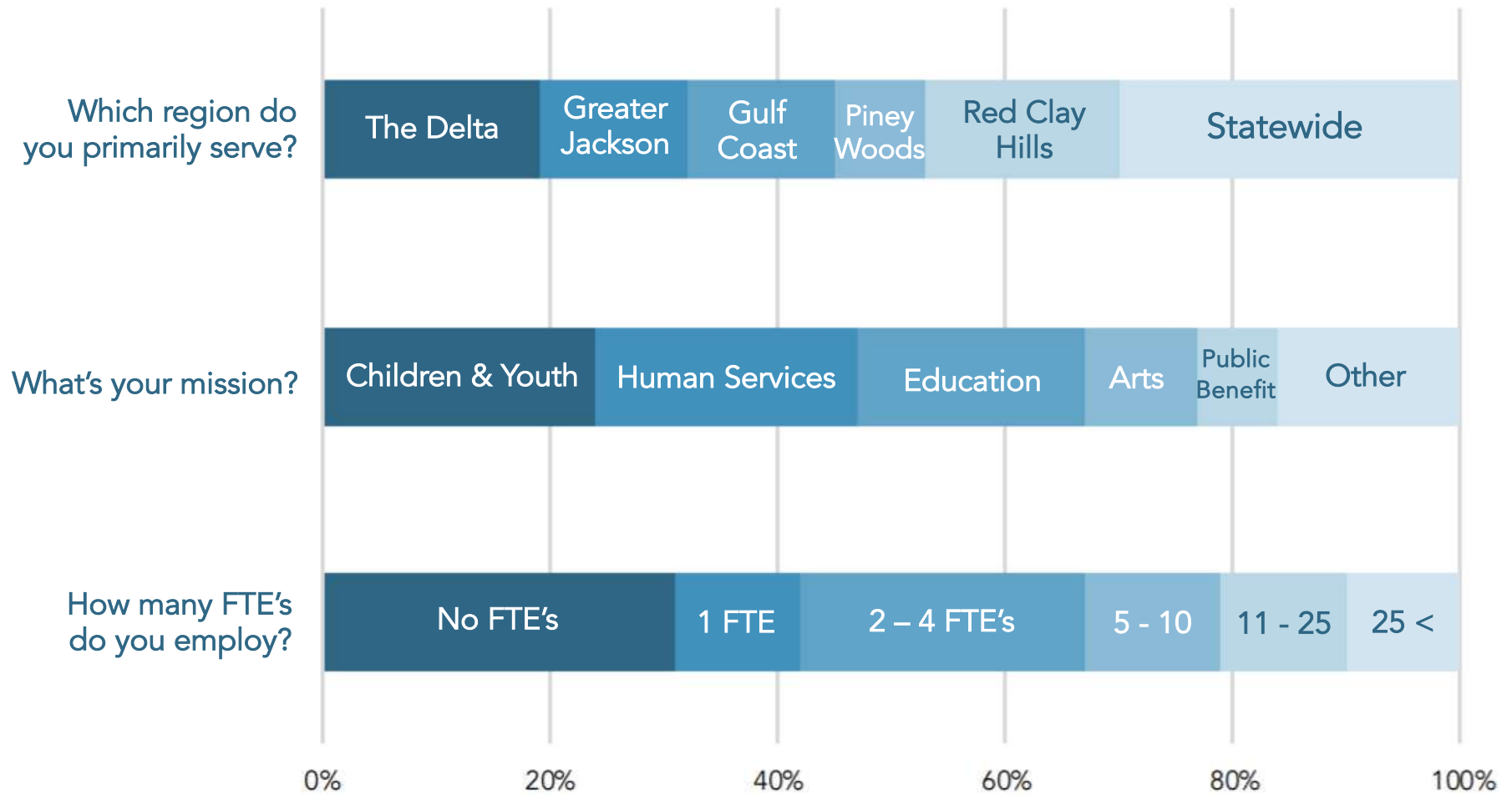
# Assessing the State of Nonprofit Sustainability in Mississippi

A special report quantifying both the bright spots and potential threats to nonprofit impact across the state of Mississippi.

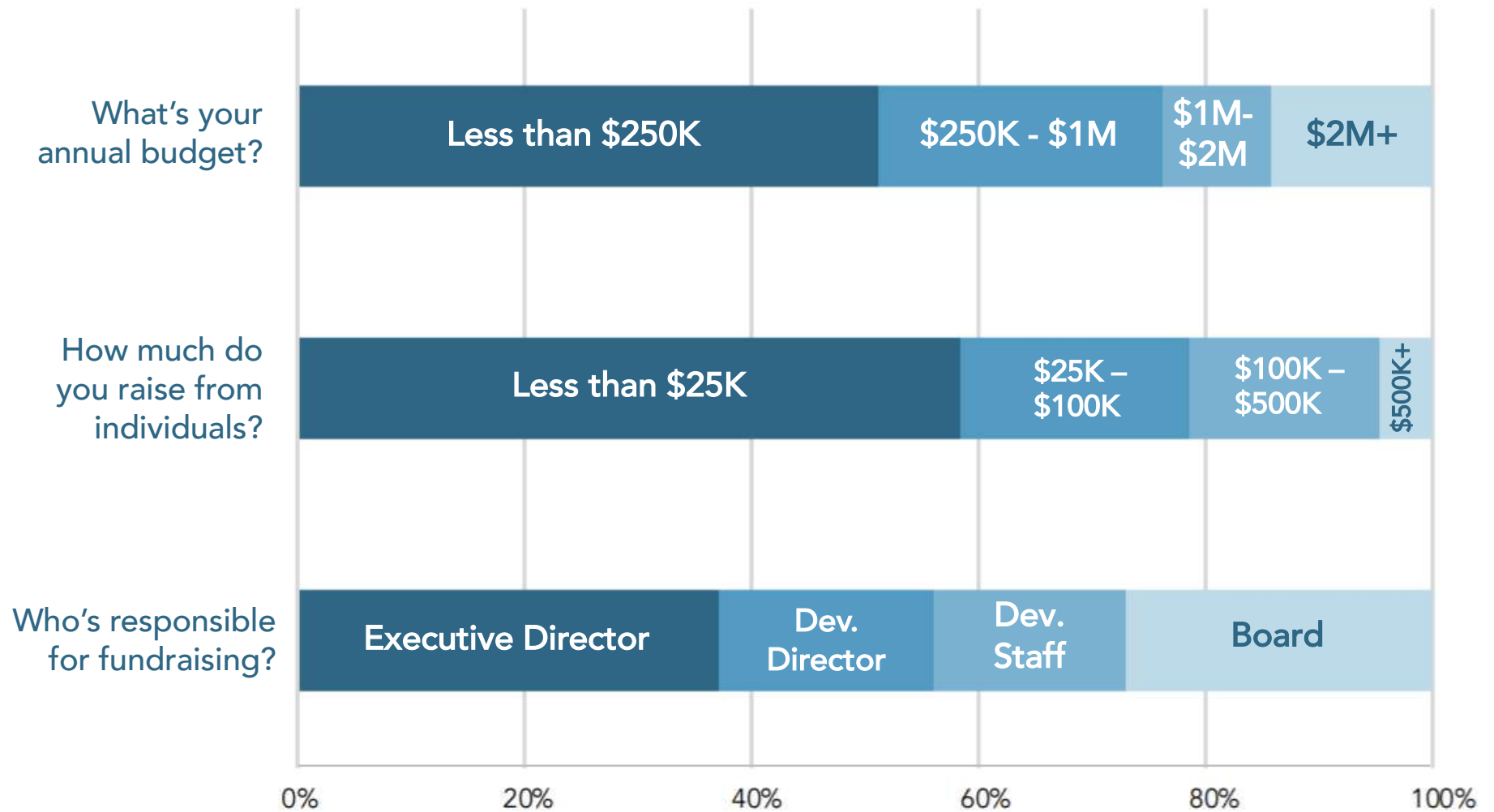
Prepared for members of:



# Who did we talk with?



# Who did we talk with?



# Where is the most help needed?

What's your nonprofit's greatest challenge?	
Raising Money, Fund Development	83%
Financial Management, Accounting	27%
Program Evaluation	20%
Strategic Planning	18%
Human Resources	18%
Technology & Infrastructure	7%



the "middle class" of  
organization capacities

highest average gift,  
smallest donor base

smallest budgets, more  
volunteer-run orgs

over-reliance & more  
access to grant funds

largest individual  
donor bases



# Is raising money really that hard?

All Participants	
Individual Giving Last 12 Months	
Individuals as % Annual Budget	7% (median) 18% (mean)
Annual Operating Budget	\$400,000 (median) \$1,565,000 (mean)
Revenue Raised From Individuals	\$32,500 (median) \$133,000 (mean)
Number of Individual Donors	74 (median) 564 (mean)
Number of \$1,000+ Donors	10 (median) 46 (mean)
Average Gift Size	\$237 (median) \$460 (mean)

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Healthy = 70%

Healthy = \$280K

Average = \$310

# Does capacity vary by region?

Individual Giving By Region	Donors as % Budget	Annual Budget	Revenue Raised	Number of Donors	\$1,000+ Donors	Average Gift Size	Major Gifts % of Base
Capital/Jackson	4%	\$380,000	\$10,000	235	8	\$297	3%
The Gulf Coast	10%	\$369,000	\$32,000	253	7	\$214	3%
The Delta	21%	\$143,000	\$33,000	26	1	\$303	4%
Piney Woods	22%	\$55,000	\$11,000	60	2	\$183	3%
Red Clay Hills	12%	\$201,000	\$10,000	57	4	\$206	7%
Statewide / All Others	6%	\$598,000	\$40,000	168	17	\$238	10%



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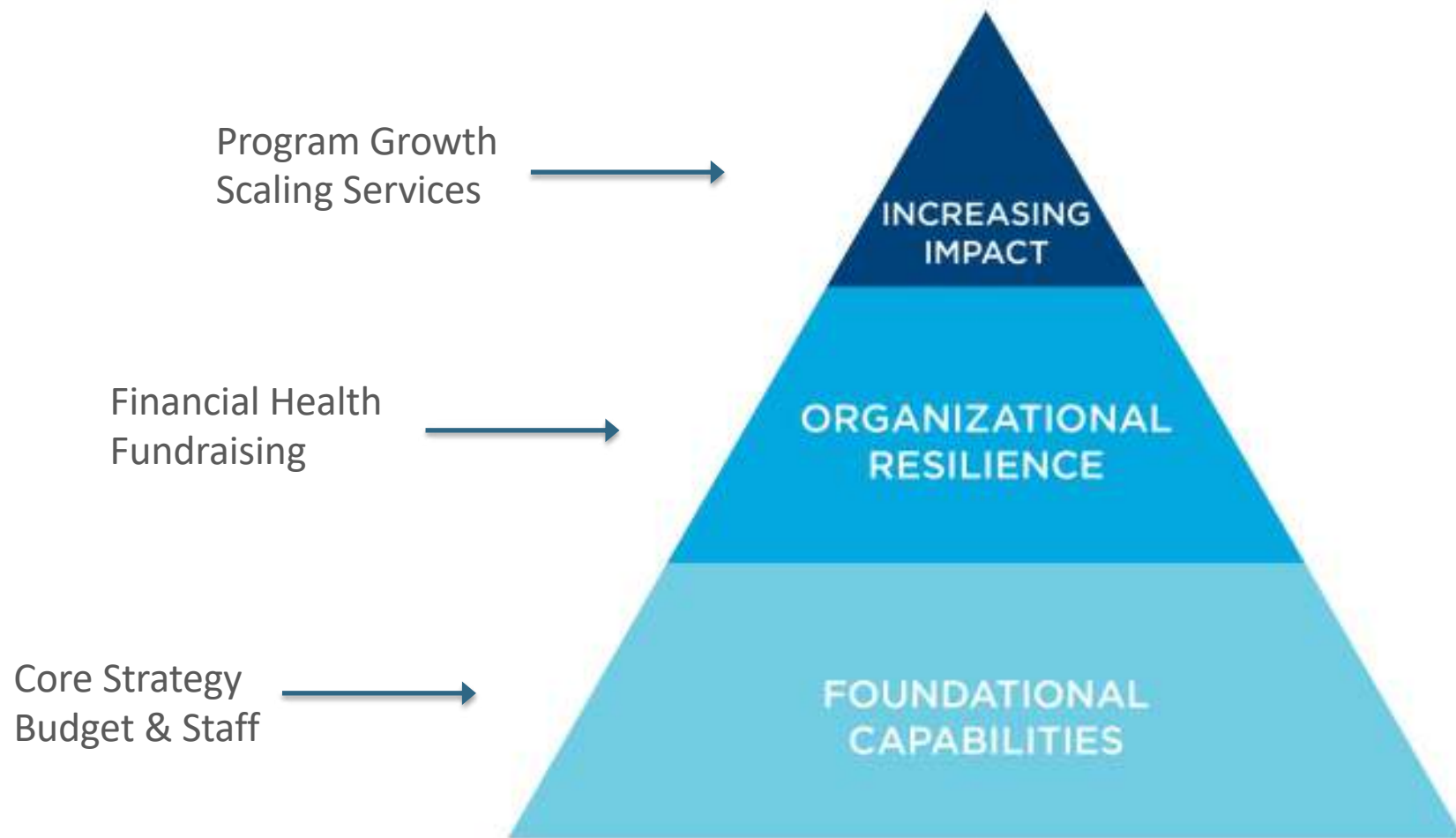
# Does capacity vary with staffing?

Giving by Staffing	Donors as % Budget	Annual Budget	Revenue Raised	Number of Donors	\$1,000+ Donors	Average Gift Size	Major Gifts % of Base
Board	15%	\$50,000	\$3,500	32	1	\$109	3%
Executive Director	3%	\$194,000	\$5,000	20	3	\$250	15%
ED + Dev. Director	4%	\$1,456,000	\$42,000	239	30	\$294	12%
Dev. Staff	9%	\$1,800,000	\$96,000	425	50	\$225	9%

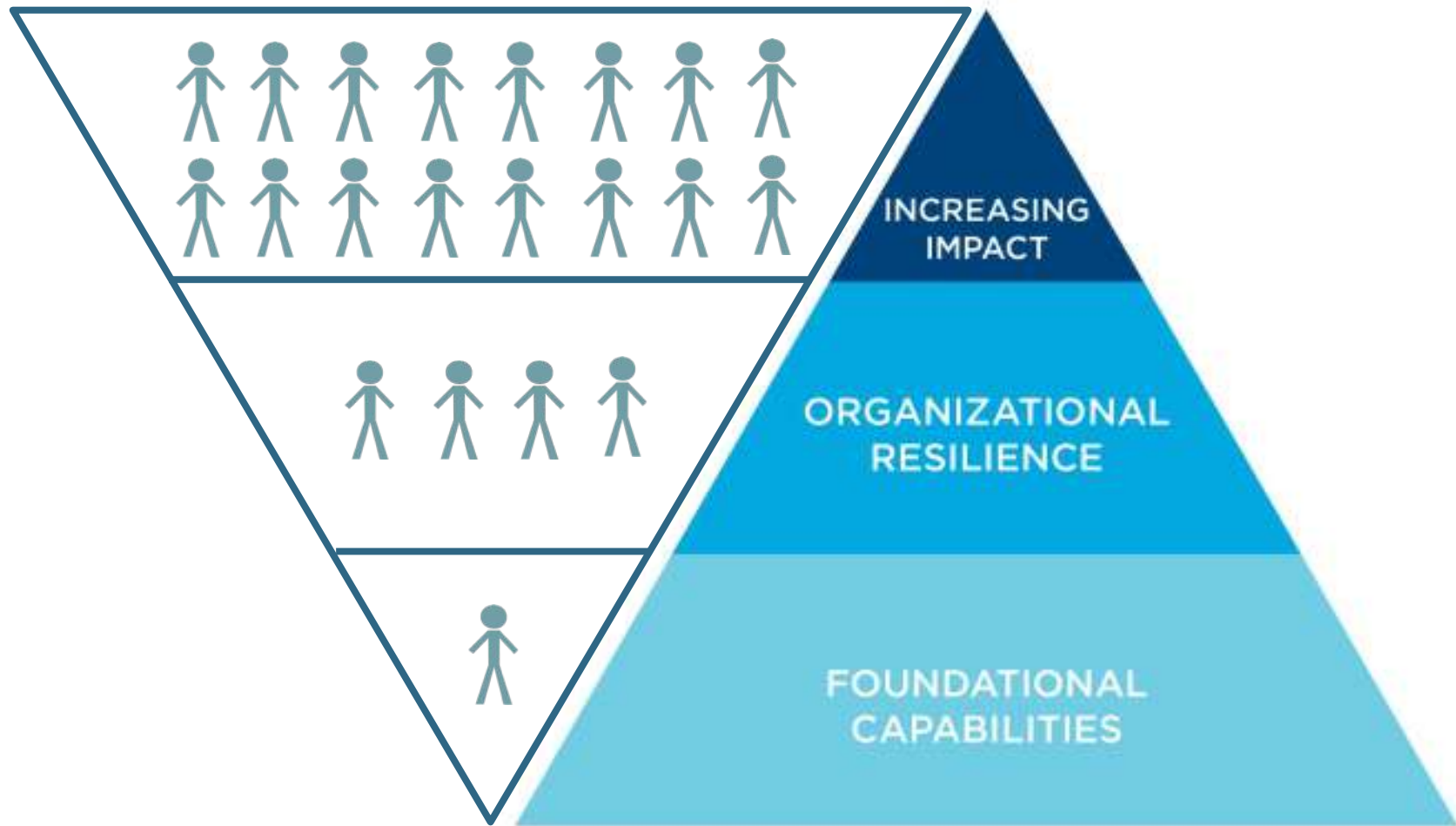
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# The Grantmaking Pyramid

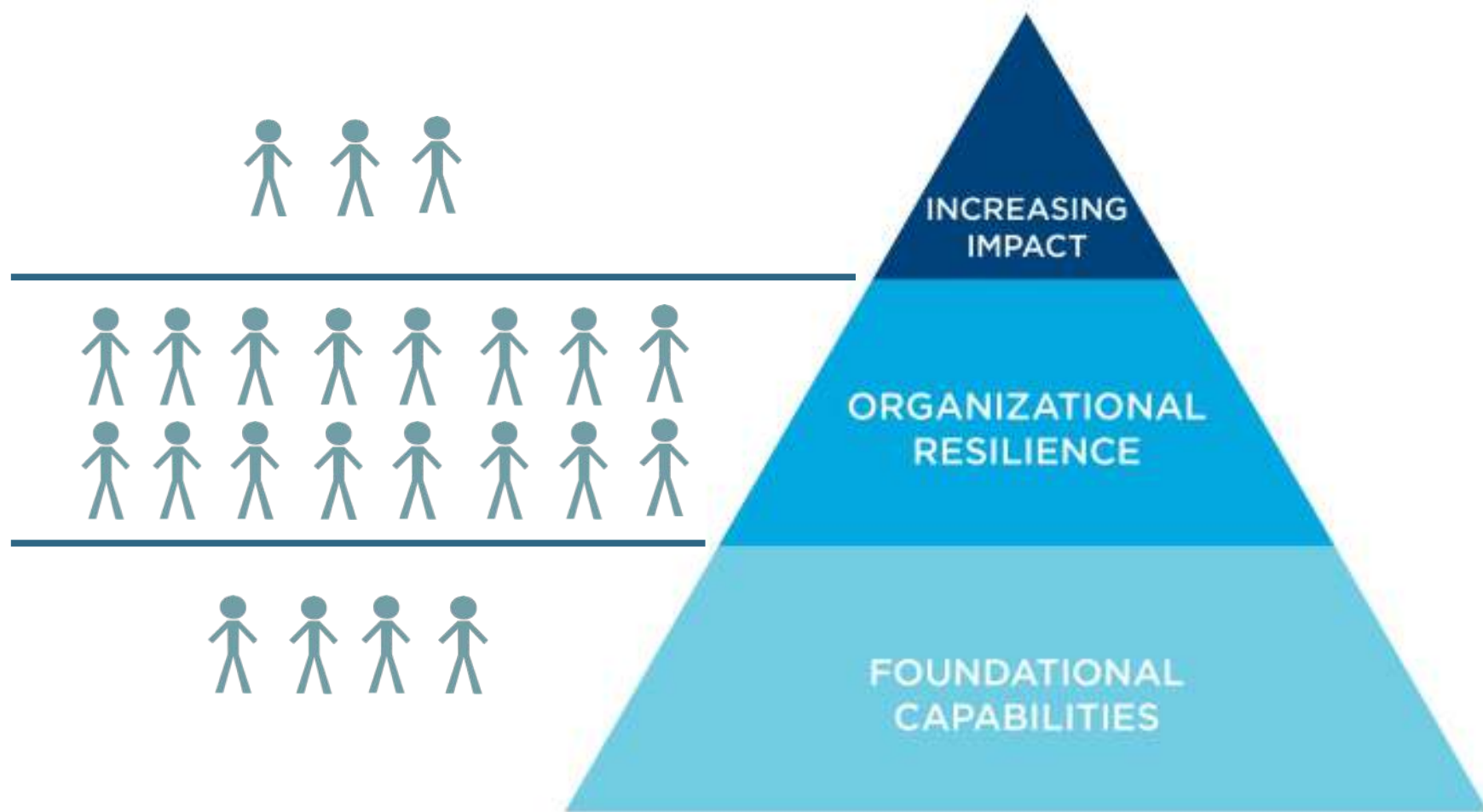


Number of Funders



Funding Focus





7%

# Jumpstart



## **COACHING + DIRECT SERVICES**

Providing monthly, one-on-one coaching by a consultant providing services as if a member of grantee's team



## **FUNDRAISING OPERATING SYSTEM**

Integrating tech to enable grantees to easily track and engage donors, create and launch campaigns, & monitor progress



## **TEMPLATES + TOOLS**

Enabling access to a library of best-practice fundraising materials so no grantee ever has to start from scratch



## **BOARD-STAFF ALIGNMENT**

Creating a shared understanding of fundraising needs, budget, planning & the interdependencies for success

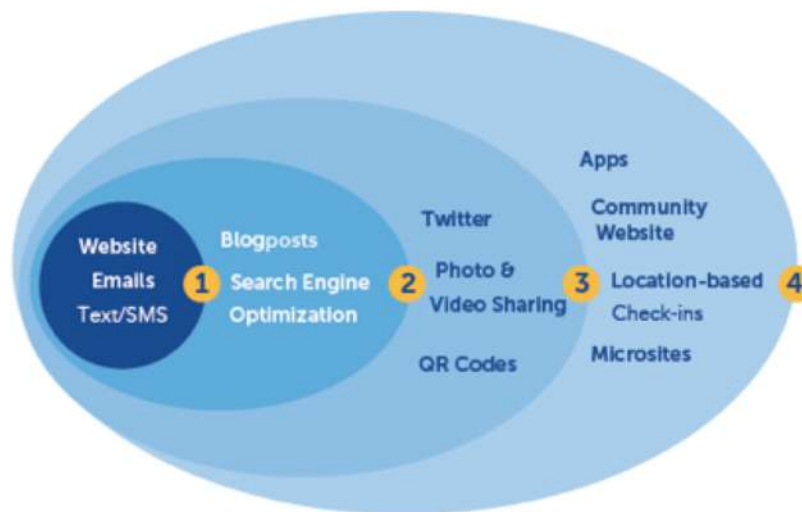
It can be difficult to embrace and actively implement best-practices and research.

## HOW PEOPLE GIVE & WHAT CHANNELS MAKE IT EASY



**94%**

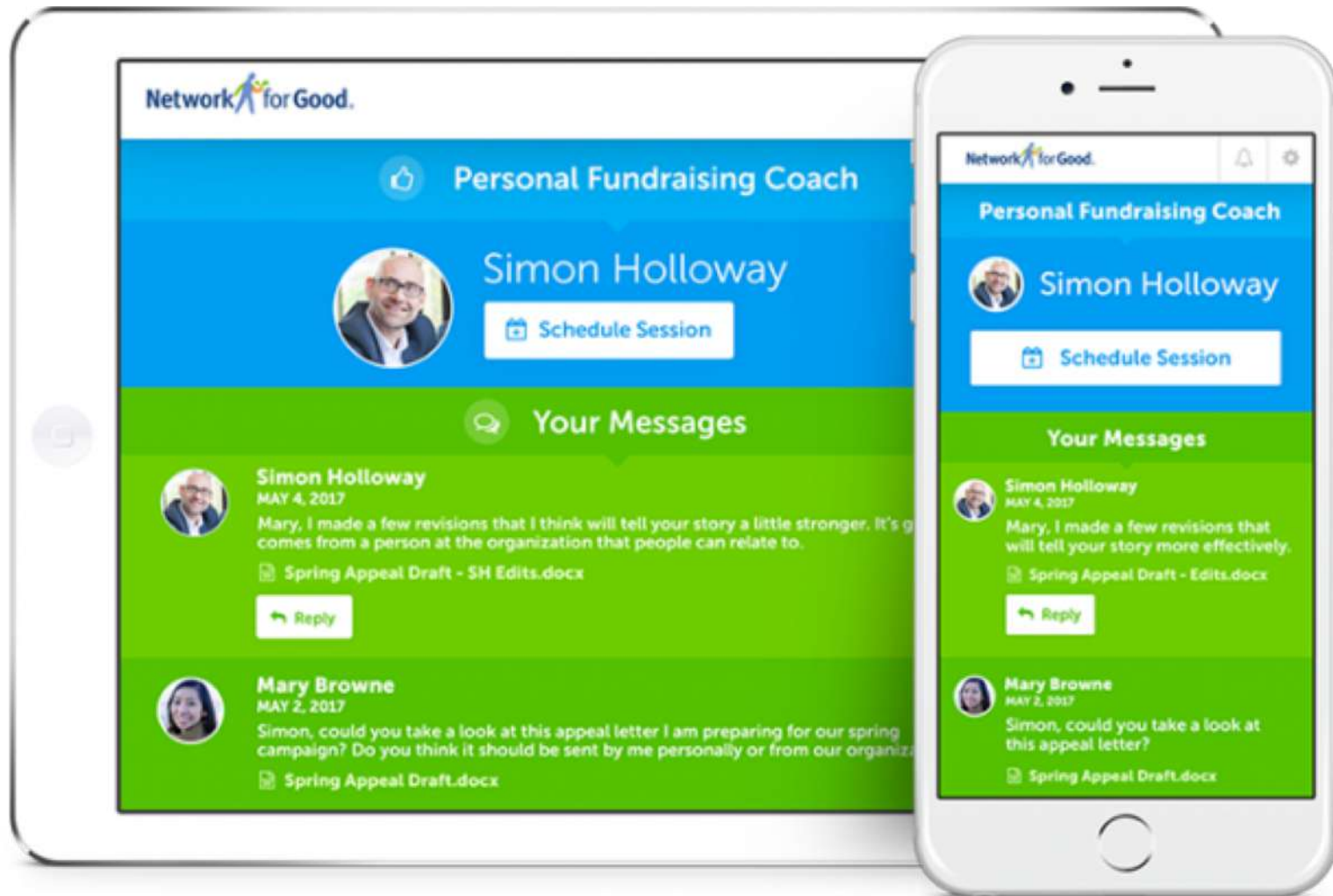
of all individual gifts are fulfilled, after direct mail, through the integration of the Group 1 Channels



### WHAT DO YOU NEED TO KNOW?

You have to do a little bit of everything to reach everyone, but start with channels that can reach the most for the lowest cost – and the ones you can easily evaluate & measure.

It can be difficult to embrace and actively implement best-practices and research.





# Measuring the outcomes of capacity building to find an ROI is (really) hard.

## CREATE A FUNDRAISING TIMELINE, RIGHT-SIZED FOR YOUR NONPROFIT BASED UPON DATA THAT WILL:

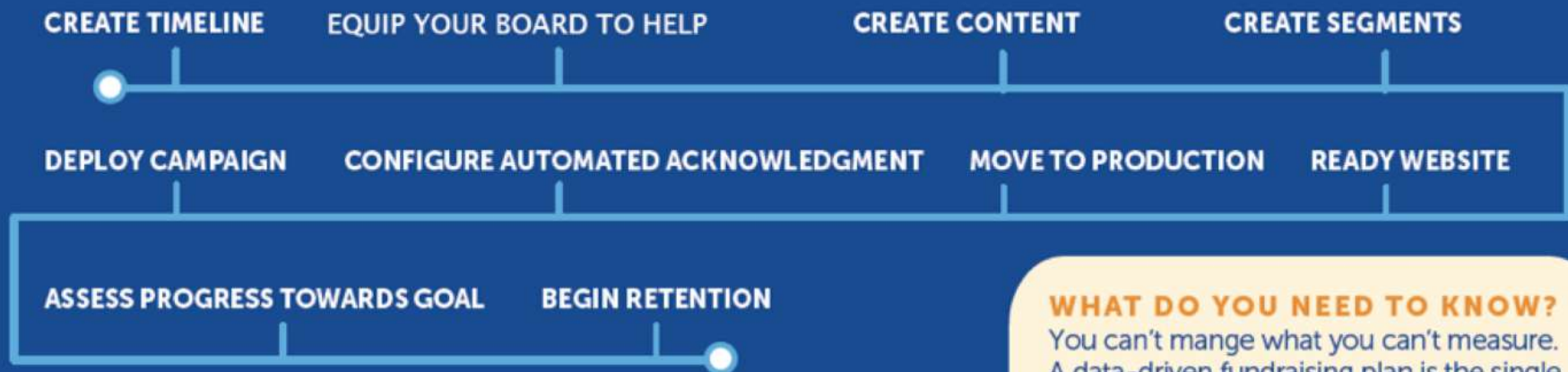
Align resources around what works and is possible

Require you to think beyond good ideas

Establish transparency of need/results to board

Help you more easily allocate resources, including time

Provide rigor and framework to ongoing ideation

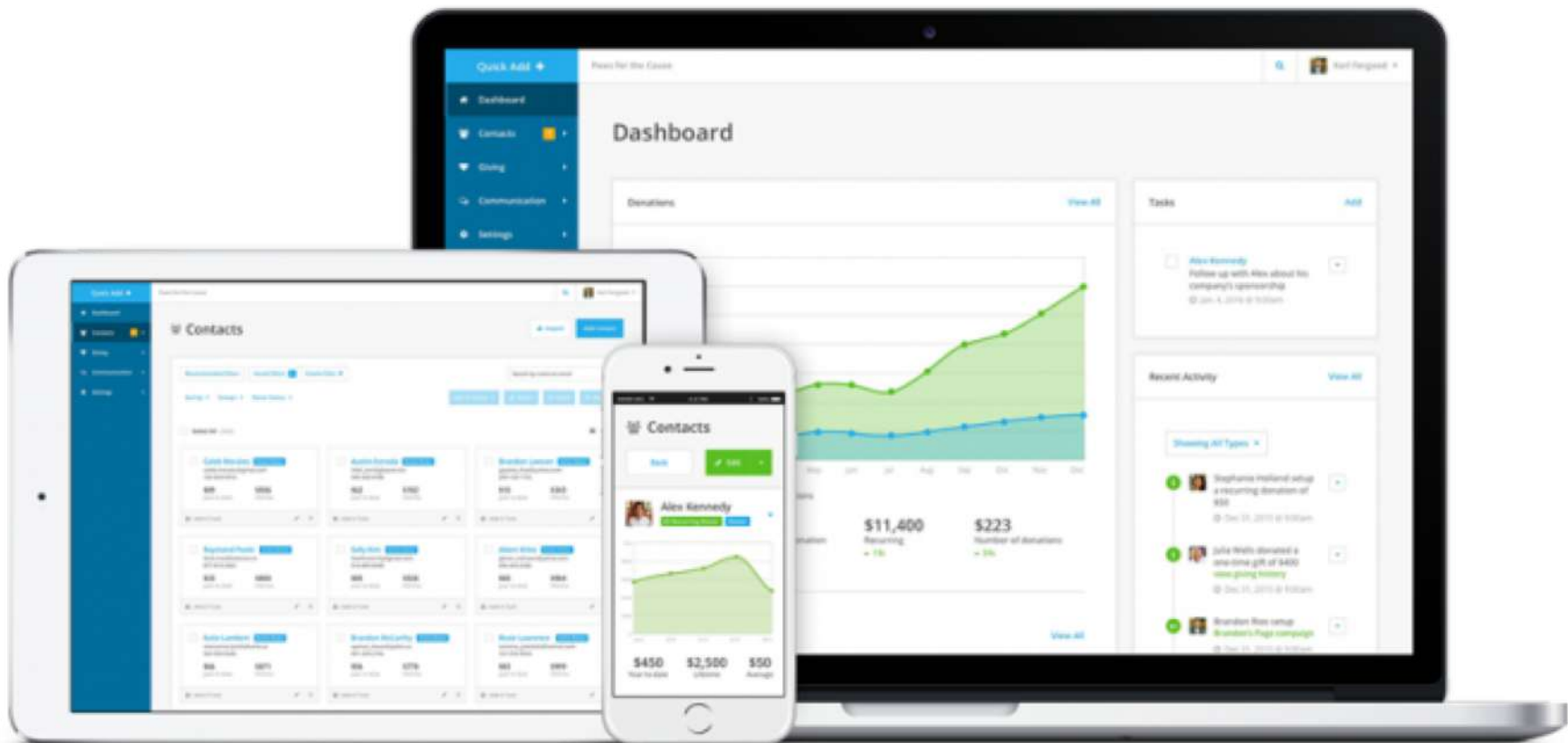


**Your timeline is more than strategies and goals, it is a calendar, sequencing all of the steps to deploy & measure.**

### WHAT DO YOU NEED TO KNOW?

You can't manage what you can't measure. A data-driven fundraising plan is the single tool you use to align resources to reach goals. It's function and purpose to essential for success, evaluation, and sanity

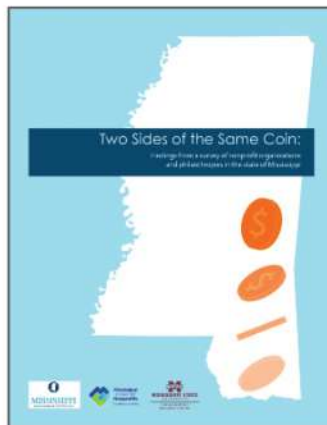
Measuring the outcomes of capacity building to find an ROI is (really) hard.



7%

## ACKNOWLEDGEMENTS

Network for Good engaged in an extensive literature review of studies previously conducted by a number of Mississippi's philanthropic leaders. While there were many informative publications, two proved most helpful. We would like to thank their authors, and direct readers to reference them alongside this report.



An assessment of the perceived strengths and challenges facing Mississippi nonprofits, and a description of the relationships between nonprofits and philanthropic players within the state. This report calls for three consistent and related next steps:

- (1) **Fostering an open dialogue between grantmakers and nonprofits;**
- (2) **Collaboration to create more financially-sustainable nonprofit programs;**
- (3) **More funding given for organizational development and capacity building.**



A unique "Opportunity Profile" to help Mississippi stakeholders better understand specific opportunities for increasing philanthropy in support of sustainable community betterment. This report calls for a number of consistent and related next steps, including:

- (1) **Beginning conversations with local foundations about tapping into new opportunity;**
- (2) **Imagining the possibilities of increased impact in historically under-resourced areas;**
- (3) **Building the capacity of local nonprofits to capture their share of transferred wealth.**