

Two Sides of the Same Coin:

Findings from a survey of nonprofit organizations
and philanthropies in the state of Mississippi

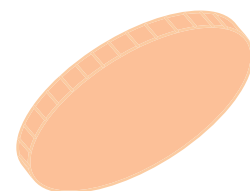
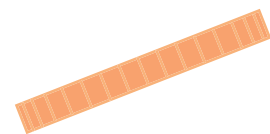
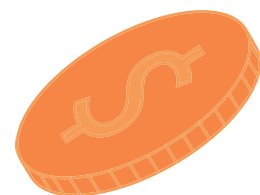
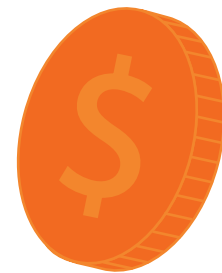


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Executive Summary

In the fall of 2016, the Mississippi Association of Grantmakers (MAG) and the Mississippi Center for Nonprofits (the Center) commissioned Mississippi State University's Social Science Research Center (SSRC) to conduct a survey of nonprofit organizations and philanthropies in the state of Mississippi. The aim of the research was to:

- assess the perceived strengths and challenges facing these organizations; and
- determine the relationships between nonprofits and philanthropies within the state.

A survey, developed in concert with the leadership of the Mississippi Center for Nonprofits and the Mississippi Association of Grantmakers and SSRC's research team, was conducted of grantmakers and nonprofit organizations in Mississippi to assess the strengths of each sector and the relationship between them.

Perceptions

Overall, wide perception gaps exist between nonprofits and grantmakers in Mississippi. While nonprofits felt very positive about their organizational well-being, philanthropies saw room for improvement across multiple dimensions. Similarly, while philanthropies reported strong organizational practices among their own organizations, nonprofits identified areas for improvement for philanthropies. Nonprofits and philanthropies each reported needing more transparency, better communication, and a higher degree of stability from the other.

Relationships

In assessing the relationship between nonprofits and grantmakers, both types of organizations agreed overall that improvement was needed.

The research also included a qualitative component where respondents were presented with one of two open-ended questions appropriate to their organization type. The questions read: "As a nonprofit organization, what would you like philanthropic organizations to know and understand about working with nonprofits?" or "As a philanthropic organization, what would you like nonprofit organizations to know and understand about working with philanthropies?" An inductive analysis approach was used to analyze the open-ended data from these items.

Among responses from nonprofits, three themes emerged—

Nonprofits would like philanthropies to:

- 1) provide more funding for organizational development and capacity building;
- 2) know that nonprofits need additional training or information in order to meet specific grant stipulations; and
- 3) foster an open dialogue between nonprofits and grantmakers.

Similarly, there were three themes that emerged from the philanthropic community. Philanthropies would like nonprofits to:

- 1) foster an open dialogue between grantmakers and nonprofits;
- 2) work collaboratively with other organizations to create more sustainable efforts; and
- 3) understand that grantmakers often have specific directions from their donors shaping how funds may be used

In sum, findings from the study suggest that increased communication during and after the grantmaking process may be helpful to nonprofits. Findings also suggest that philanthropies may benefit from more focused and more collaborative efforts from the nonprofit sector.

Acknowledgements

The Mississippi Center for Nonprofits and the Mississippi Association of Grantmakers are pleased to present this report – Two Sides of the Same Coin: Findings from a Survey of Nonprofit Organizations and Philanthropies in the State of Mississippi – to be used to better understand the strengths, opportunities and challenges, both real and perceived, of nonprofit and philanthropic organizations in Mississippi. Developing such a report requires not only financial resources, but also special knowledge, skills and capacity to design, conduct, analyze and report on information gathered through phone and email surveying techniques.

We want to acknowledge the W.K. Kellogg Foundation for providing the financial resources to conduct a well-designed survey process. WKKF's understanding of the need to invest in the collection of reliable data to inform decision-making is so important and very much appreciated.

We are also most grateful to the Social Science Research Center at Mississippi State University for providing the staff capacity and expertise needed to conduct a timely and methodologically responsible survey, and user-friendly report. Specific thanks go to Dr. Arthur Cosby, Director; Dr. Linda Southward, Project Director; Dr. John Edwards, Coordinator of SSRC Laboratories; and Ms. Izzy Pellegrine, Graduate Research Assistant.

In our attempt to “not reinvent wheels,” we thank the Southeastern Council of Foundations for connecting us to other grantmaker and nonprofit associations that have done similar survey work. By reviewing the survey instruments developed by others, we were able to tap into best practices which made our work much more effective and efficient.

We would be remiss if we did not to give special recognition to the following individuals and organizations that were willing to work with us to coordinate regional meetings across the state to discuss the survey findings with nonprofit and philanthropic leaders: Tom Pittman – Community Foundation of Northwest Mississippi; Anna Dickerson – Volunteer Northwest Mississippi; Mike Clayborne – CREATE Foundation; Jan Eastman – MindShare of Northeast Mississippi; Aisha Nyandoro – Springboard to Opportunities; Sallye Killebrew – Lynn Meadows Discovery Center; Jane Alexander – Community Foundation of Greater Jackson; and Rodger Wilder – Gulf Coast Community Foundation. We appreciate the engaging conversations and participation from those who attended these meetings.

Finally, and perhaps most importantly, we offer a special thank you to those who took time from very busy schedules to thoughtfully and thoroughly respond to the survey questions. Without a statistically significant number of responses, we would have been unable to make maximum use of the data collected. Your involvement made this report possible.



Sherry Rainey
Executive Director
Mississippi Center for Nonprofits



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Project Overview

Methods

The Mississippi Center for Nonprofits, the Mississippi Association of Grantmakers, and a team of researchers at MSU's Social Science Research Center collaboratively developed the survey instrument used in the study. Data collection was conducted by the SSRC's Survey Research Lab and data analysis was conducted by the Family and Children Research Unit.

MAG and the Center provided the sampling frame for the study, which consisted of the full population of MAG and Center member organizations and a database of nonprofit organizations maintained by the Center, totaling 3,057 contacts. The final sample size for the study was 201, including 28 completed surveys from MAG members, 113 completed surveys from The Center members, and 60 completed surveys from non-member nonprofit organizations. The response rate among both MAG and The Center members was 48%. The overall response rate – including the non-member organizations – was 7%.

A multi-modal data collection approach was employed and completed in two phases. In the first phase, participation was solicited from MAG and the Center member organizations via phone. Following the phone phase of the study, the survey was launched for online data collection. Participation for this phase was solicited from the full frame of organizations, including The Center's "non-member" nonprofit groups, and any MAG and Center organizations that did not participate in phase one.

Tables in this report include measures of statistical significance, which are indicated throughout by asterisks. The research team has a 95% or higher degree of confidence that the associations indicated as statistically significant cannot be attributed solely to chance; put differently, when a difference between groups is statistically significant, it is very likely that this difference reflects the full population of organizations - not merely those that participated in the survey. Unless indicated otherwise, percentages reported in tables throughout the report reflect valid responses only. Respondents who skipped questions, indicated "don't know," or "refused" were removed before these percentages were calculated.

Characteristics of Mississippi's Organizations

Participants were asked to categorize the work of their organizations from a pre-determined list of options. Table 1 illustrates the frequency of each work category among nonprofits and philanthropies. Note that each organization was allowed to select multiple categories to best describe its work. Significant differences in distribution by organization type existed in Arts and Culture, Education, Environment and Animal Welfare, Social Justice, and Science and Technology.

Table 1: Work Category Distribution

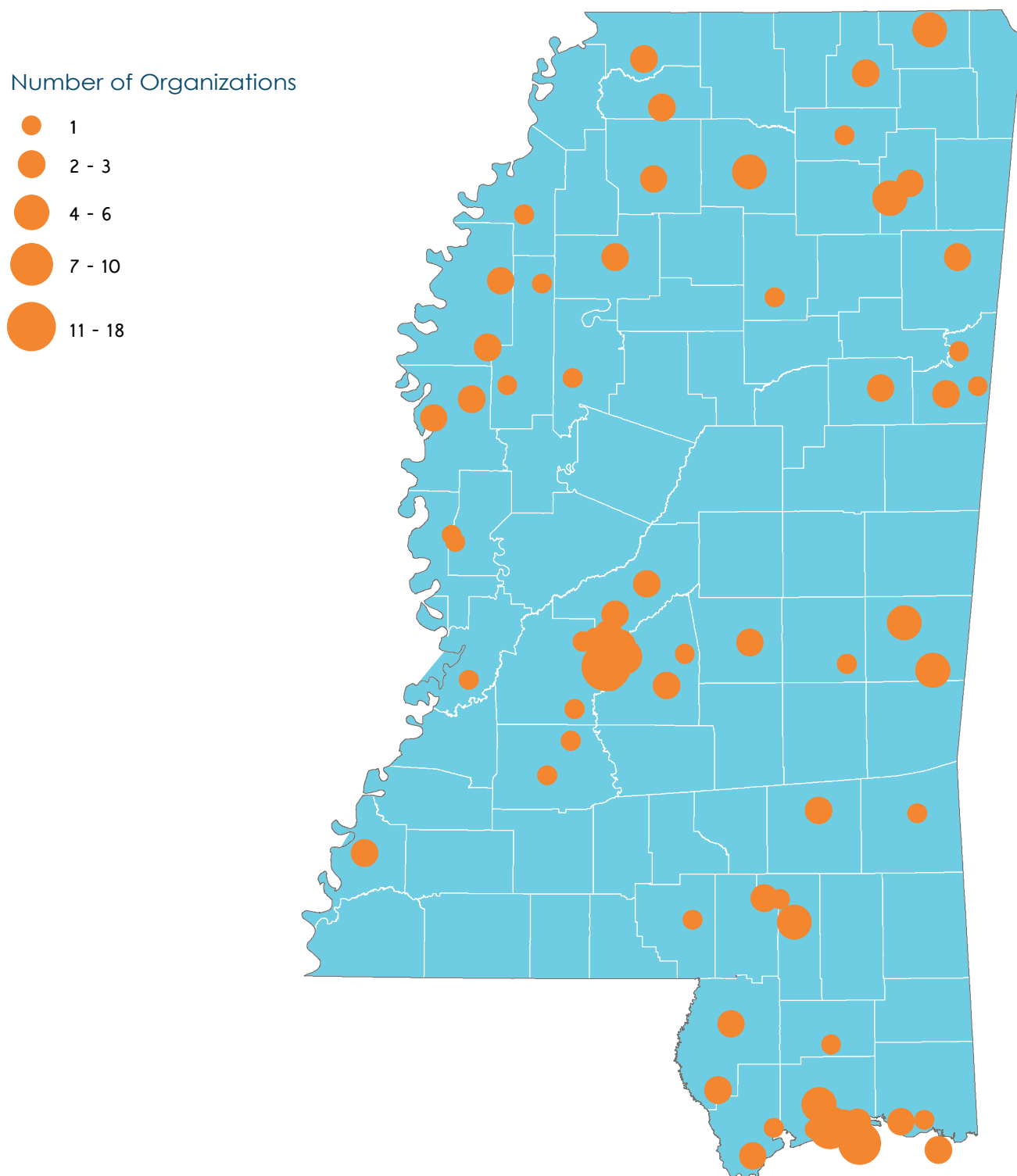
Category	Percent of Nonprofits working in this area	Percent of Philanthropies working in this area
Arts and Culture**	26.6%	57.1%
Economic Development	26.0%	32.1%
Education**	58.4%	85.7%
Environment and Animal Welfare**	9.8%	28.6%
Equity and Inclusion	23.1%	32.1%
Health	48.0%	50.0%
Human Services	39.3%	46.4%
Social Justice*	19.7%	35.7%
Public Affairs / Society Benefit	20.2%	28.6%
Science and Technology**	9.8%	28.6%
Social Sciences	11.6%	17.9%
Religion	14.5%	25.0%
Other Areas	24.3%	10.7%
* p < 0.05, ** p < 0.01, *** p < 0.001		
Note: Analysis includes valid responses only		

On average, 35% of grant proposals submitted by participating organizations were submitted to foundations within Mississippi. Organizations reported more success in securing funding from in-state funders as compared to out-of-state funders; on average, 50% of grant applications submitted to in-state philanthropies were funded while only 35% of applications for out-of-state grants were funded. Philanthropies participating in the study reported making 80 grants, on average, in their previous fiscal year. Among participating philanthropies, the total grants awarded from the previous fiscal year ranged from \$1 to \$7,600,000. Only 2% of these organizations' grantmaking dollars on average were distributed to organizations outside of Mississippi.

Geographic Distribution of Respondents

The map below illustrates the geographic distribution of organizations (both nonprofits and philanthropies) that participated in the survey. Organizations are primarily clustered in the Jackson Metropolitan area and along the Gulf Coast, with additional organizations distributed more sparsely across the state.

Figure 1: Geographic Distribution of Respondents



The State of Nonprofits

Self-rated and Cross-sector Assessment

Nonprofit organizations' respondents were presented a list of positive organizational characteristics and asked to indicate how true each characteristic was of their organization (self-rated strengths). Philanthropies were also asked to rate how well each characteristic described Mississippi nonprofits overall (cross-sector strengths). Across all measures, chi-square analysis indicates that the distribution of responses was significantly related to organizational type.

Positive reputation in the community (95.9%) and transparency in decision making (92.8%) were the two most frequently self-reported strengths of nonprofit organizations. Having a record of working on public policy (46.0%) and having a good system for measuring impact (59.4%) were the least frequently self-reported strengths among nonprofits.

Philanthropies largely agreed that having a positive reputation in the community was a common strength of nonprofits. At 85.7%, this was the most frequently reported strength in the cross-sector analysis. Philanthropies and nonprofits disagreed, however, on transparency in decision making, with only 24.0% of philanthropies reporting that this was a strength of Mississippi nonprofits. Among philanthropies, the two least frequently reported strengths of nonprofits were having a record of working on public policy and having a good system for measuring impact.

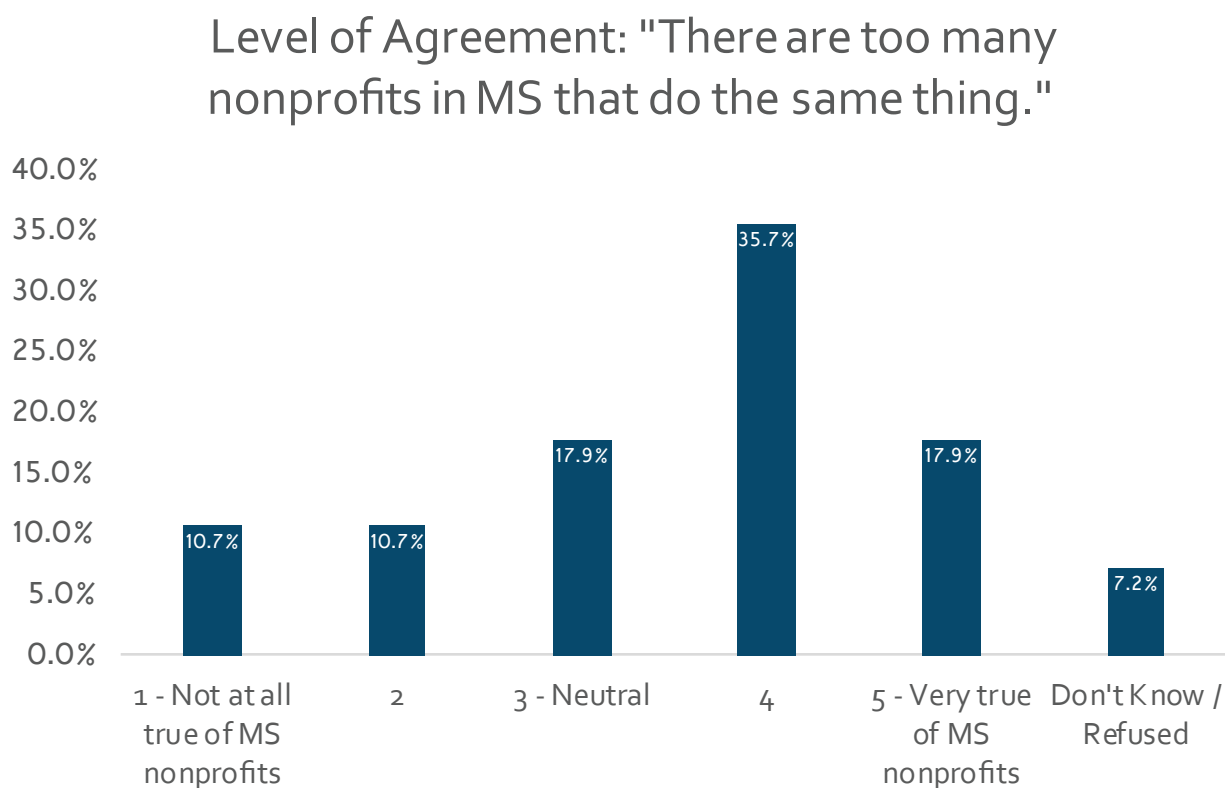
Table 2: Self-rated and cross-sector strengths of nonprofits

Characteristic	Percent of Nonprofits considering this a strength of their organization	Percent of philanthropies considering this a strength of MS nonprofits
Positive Reputation in the Community**	95.9%	85.7%
Transparent in Decision Making***	92.8%	24.0%
Strong Commitment to Diversity and Inclusion***	87.9%	60.7%
Strong Executive Leadership**	87.5%	60.7%
Clear Goals and Objectives***	87.1%	53.9%
Strong Internal Financial Controls***	86.4%	44.0%
Clear Organizational Priorities***	85.8%	50.0%
Evidence of Organizational Stability***	83.5%	37.0%
Innovative Approaches to Problem Solving**	75.8%	39.2%
Financially Stable**	71.9%	35.7%
Strong Commitment to Training and Professional Development***	71.0%	29.2%
Strong Board Leadership**	67.3%	51.8%
Strategies to Achieve Measurable Outcomes*	67.2%	44.0%
Good System for Measuring Impact**	59.4%	24.0%
Record of Working on Public Policy***	46.0%	20.8%
* p < 0.05, ** p < 0.01, *** p < 0.001		
Note: Analysis includes valid responses only		

Perceived Mission Overlap among Nonprofits

Philanthropic respondents were asked to rate their agreement with the statement "There are too many non-profits in Mississippi that do the same thing." Responses indicate that the majority of philanthropies (53.6%) believe there is some degree of mission overlap among Mississippi nonprofits.

Figure 2: Perceived Nonprofit Mission Overlap



The State of Philanthropies

Self-rated and Cross-sector Assessment

Respondents of philanthropic organizations were read a list of positive organizational characteristics and asked to indicate how true each characteristic was of their organization (self-rated strengths). Nonprofits were also asked to rate how well each characteristic described Mississippi philanthropies overall (cross-sector strengths). Chi-square analysis indicated that the distribution of responses varied significantly by organization type for eight measures, indicated below in Table 3.

Strong internal financial controls (96.5%) and evidence of organizational stability (96.5%) were the two most frequently self-reported strengths of philanthropies. Having a good system for measuring impact (59.2%) and having a record of working on public policy (42.3%) were the least frequently self-reported strengths among philanthropies.

Nonprofit respondents most frequently reported that having a positive reputation in the community was a common strength of philanthropies (76.4%). Among nonprofits, the two least frequently reported strengths of philanthropies were a strong commitment to training and professional development (53.5%) and transparency in decision making (49.5%).

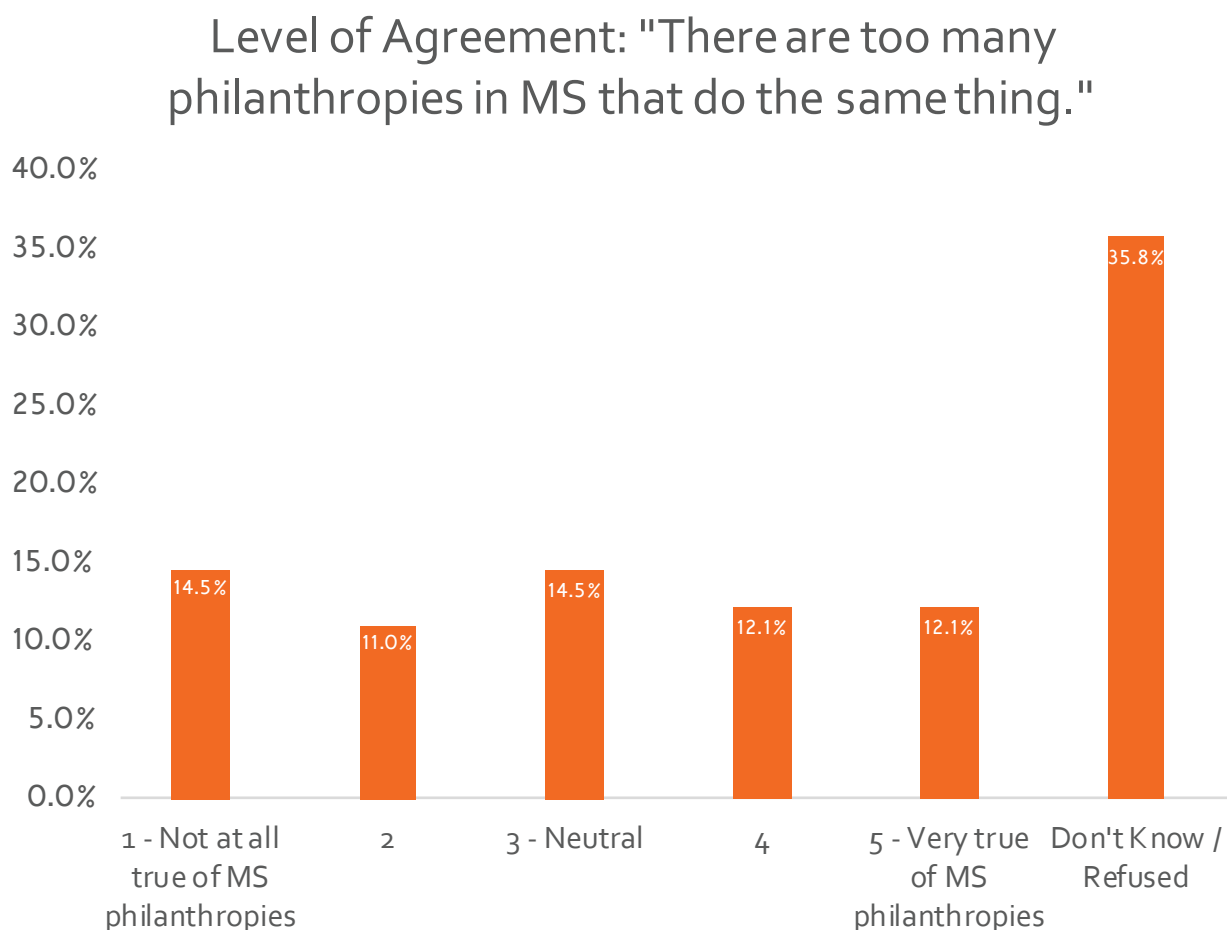
Table 3: Self-rated and cross-sector strengths of philanthropies

Characteristic	Percent of philanthropies considering this a strength of their organization	Percent of nonprofits considering this a strength of MS philanthropies
Strong Internal Financial Controls***	96.5%	64.3%
Evidence of Organizational Stability*	96.5%	66.9%
Financially Stable*	92.9%	68.6%
Positive Reputation in the Community	89.3%	76.4%
Clear Goals and Objectives	85.7%	60.8%
Clear Organizational Priorities	85.7%	61.3%
Strong Commitment to Diversity and Inclusion**	85.7%	58.5%
Strong Executive Leadership***	82.2%	69.6%
Strong Board Leadership**	78.5%	60.2%
Transparent in Decision Making**	75.0%	49.5%
Innovative Approaches to Problem Solving	67.9%	56.1%
Strong Commitment to Training and Professional Development	64.3%	53.5%
Strategies to Achieve Measurable Outcomes	59.2%	57.6%
Record of Working on Public Policy*	42.3%	54.7%
Good System for Measuring Impact	35.7%	57.8%
* p < 0.05, ** p < 0.01, *** p < 0.001		
Note: Analysis includes valid responses only		

Perceived Mission Overlap among Philanthropies

Nonprofit respondents were asked to rate their agreement with the statement “There are too many philanthropies in Mississippi that do the same thing.” Responses indicate no distinct pattern of agreement among nonprofits regarding mission overlap of philanthropies. More than a third of respondents (35.8%) reported not knowing the answer or electing to skip the question. The lack of overall agreement and the high proportion of skipped responses may indicate a lack of familiarity with Mississippi philanthropies.

Figure 3: Perceived Philanthropy Mission Overlap



The Relationship between Nonprofits and Philanthropies

Funding Relationships

As Figure 4 illustrates, some disparity exists between nonprofits’ perceptions of their submitted grant proposals and philanthropies’ perceptions of those proposals. The majority of nonprofit respondents reported a very high level of agreement with the statement “The grant proposals we submit are of high quality.” In assessing the strength of proposals from these organizations, the majority of philanthropic respondents reported a neutral position. Overall, nonprofits reported a high level of agreement with the statement “The grant opportunities available through Mississippi philanthropies are of high quality” (See Figure 5).

Philanthropic and nonprofit respondents provided feedback about the grant application process. Results indicate that a wide perception gap exists between funders’ opinions of the feedback they provide and nonprofits’ perceptions of funders’ feedback. This gap is statistically significant for six of seven measures. The widest perception gap regarded expanding programs. While 96.5% of funders agreed that nonprofits could have an open dialogue with their organization about expanding programs, only 49.3% of nonprofits agreed with this statement. Nonprofits’ lowest frequency of agreement regarded funding denial. Only a quarter of nonprofits (25.2%) reported agreement that funders provide useful feedback to applicants who are declined funding.

Figure 4: Assessment of Grant Proposal Quality

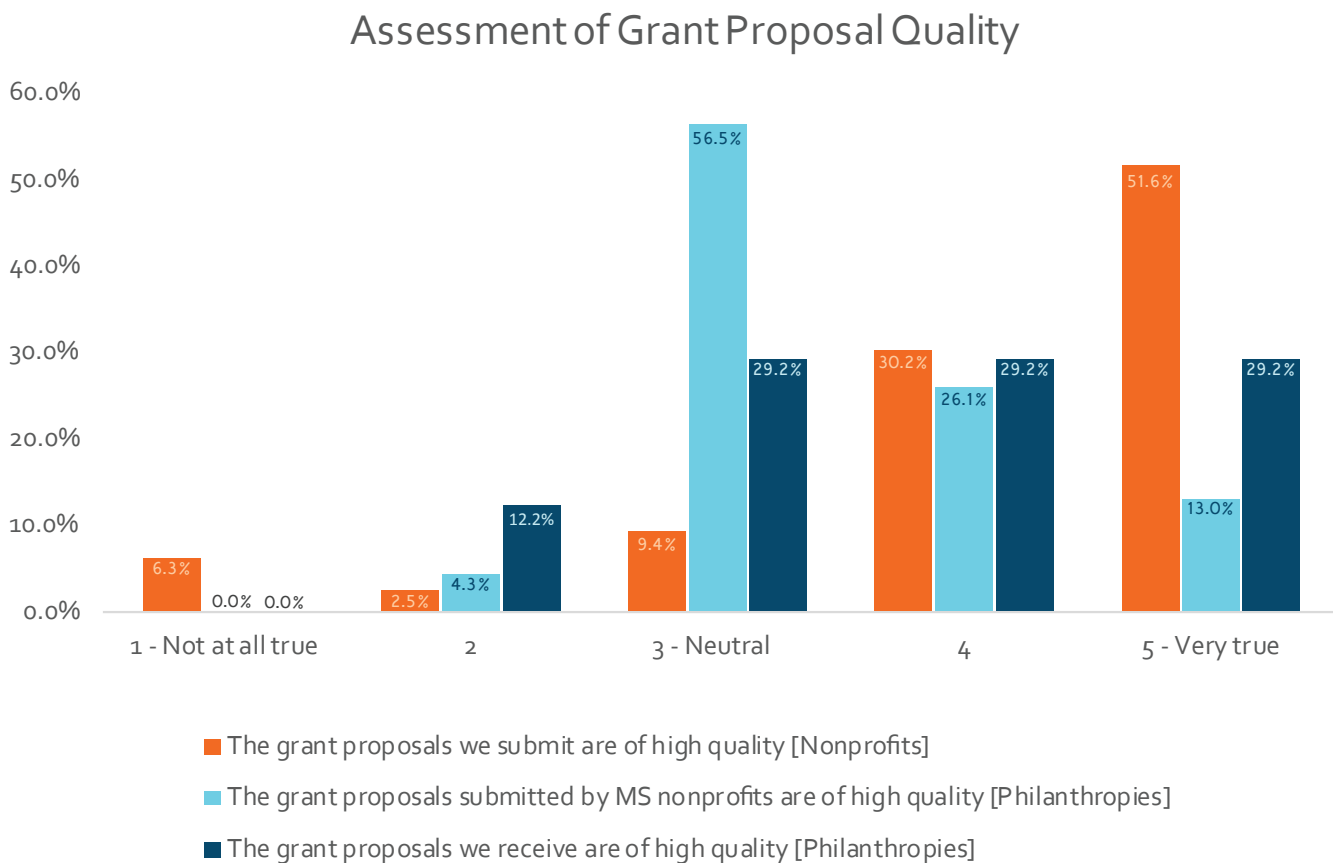


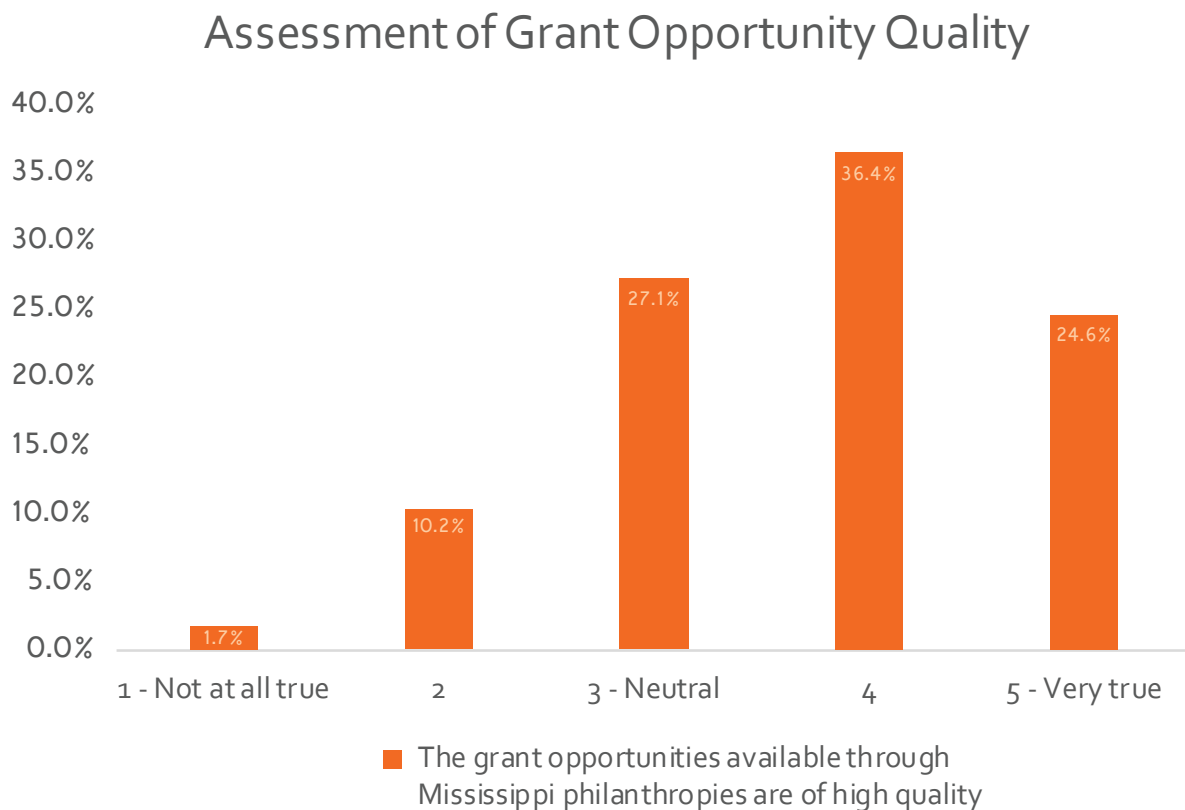
Table 4: Grant Application Assessment

Characteristic	Percent of Philanthropies considering this to be true of their organization	Percent of Nonprofits considering this to be true of MS philanthropies
We provide helpful feedback to applicants throughout the application process**	77.0%	36.7%
We provide useful feedback to applicants who are declined funding***	59.2%	25.2%
Nonprofits are able to have an open dialogue with my organization about expanding programs***	96.5%	49.3%
Nonprofits are able to have an open dialogue with my organization about organizational change or adaptation**	77.8%	44.2%
Nonprofits are able to have an open dialogue with my organization about general operating support***	82.1%	41.4%
Nonprofits are able to have an open dialogue with my organization about multi-year funding*	62.9%	38.5%

* p < 0.05, ** p < 0.01, *** p < 0.001

Note: Analysis includes valid responses only

Figure 5: Assessment of Grant Opportunity Quality



Organizational Relationships

A series of measures was used to assess the strength of organizational relationships for both nonprofits and philanthropies. There was a greater perception gap for philanthropies than for nonprofits (with 2 out of 4 measures statistically significant for nonprofits and 4 out of 4 measures statistically significant for philanthropies). Organizations in each sector frequently reported that their own within-sector and between-sector collaborative efforts were strong. Conversely, organizations less frequently reported that the efforts made by groups in the opposite sector were as strong.

Table 5: Relationship Assessments (Nonprofits)

Characteristic	Percent of Nonprofits considering this to be true of their organization	Percent of philanthropies considering this to be true of MS nonprofits
We have a broad base of financial support	48.2%	39.3%
We have a strong record of working collaboratively with other nonprofit organizations ***	75.9%	35.7%
We have a strong record of working collaboratively with funding organizations	62.7%	48.1%
We have an established relationship with our funders ***	78.7%	48.1%

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Note: Analysis includes valid responses only

Table 6: Relationship Assessments (Philanthropies)

Characteristic	Percent of Philanthropies considering this to be true of their organization	Percent of nonprofits considering this to be true of MS philanthropies
We have a strong record of working collaboratively with other funding organizations ***	82.2%	44.2%
We have a strong record of working collaboratively with nonprofit organizations ***	96.4%	57.4%
We have an established relationship with our grantees ***	78.7%	69.8%

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Note: Analysis includes valid responses only

Participants were also asked to rate their level of agreement with two statements regarding the strength of the relationship between philanthropies and nonprofits. There was no statistically significant difference between the distribution of responses by organization type. Figures 6 and 7 display levels of agreement for both measures.

Figure 6 : Level of Agreement by Organization Type

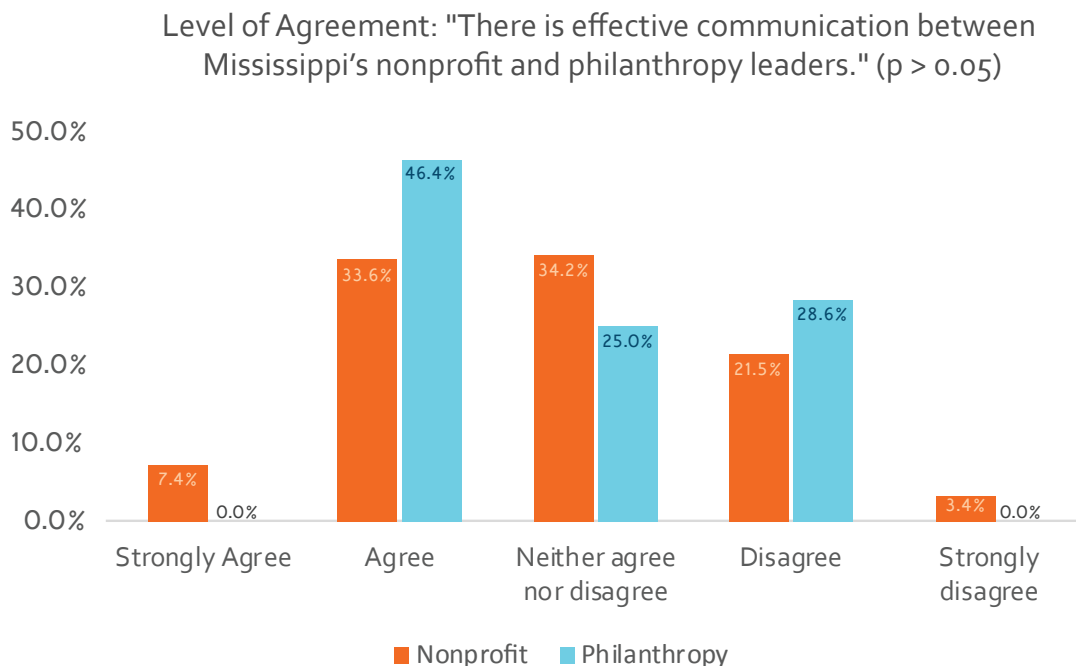
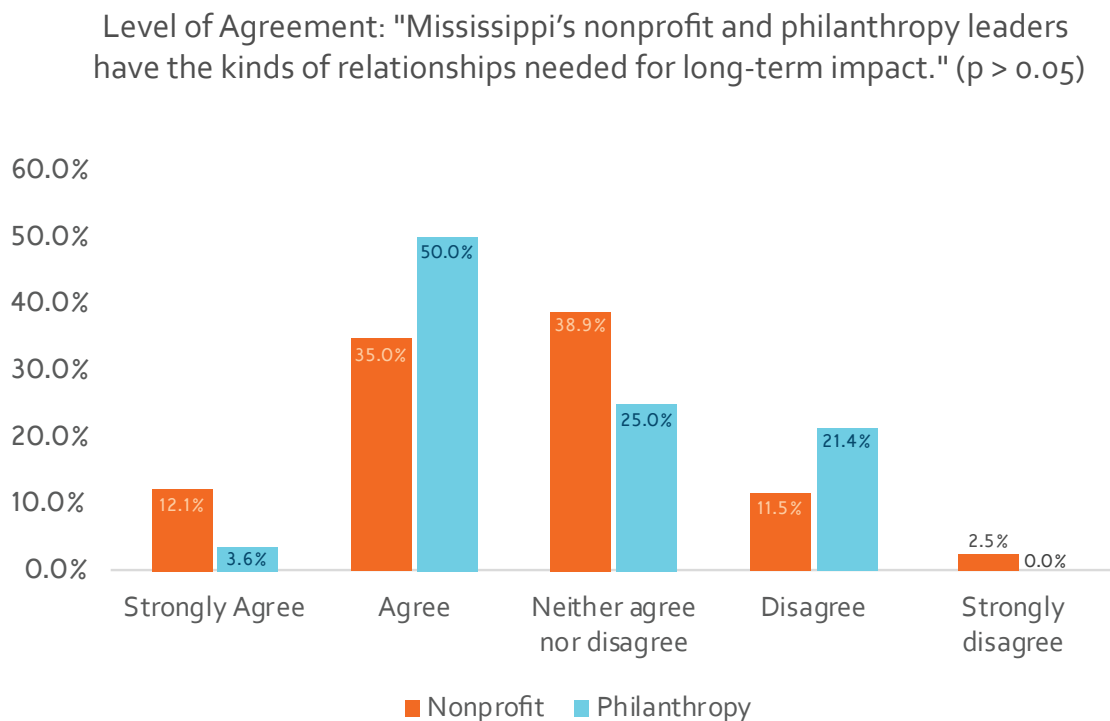


Figure 7: Level of Agreement by Organization Type



Respondents were presented with one of two open-ended questions appropriate to their organization type. The questions read: “As a nonprofit organization, what would you like philanthropic organizations to know and understand about working with nonprofits?” or “As a philanthropic organization, what would you like nonprofit organizations to know and understand about working with philanthropies?” An inductive analysis approach was used to analyze the open-ended data from these questions.

Among responses from philanthropies, three themes emerged. Philanthropies would like nonprofits to:

1: **Foster an open dialogue between grantmakers and nonprofits.** Within this theme, grantmakers sought more communication from nonprofits. Respondents reported both wanting more communication with the agencies they fund as well as for nonprofits to have a better understanding of the grantmaking process.

Examples of responses within this theme include:

“To begin conversations earlier than they tend to do about their needs and to understand philanthropies have cycles and to plan ahead.”

“There has to be a dialogue in communication and understanding in what your needs are.”

2: **Work collaboratively with other organizations to create more sustainable efforts.** Within this theme, respondents reported that the structure of nonprofit work could be altered to make funding more efficient or programs more sustainable.

Examples of responses within this theme include:

“That collaboration matters, that staying focused on an overall goal is important and that education and communication should be the top priority.”

“They need to understand that philanthropy is generally looking for sustainable efforts. When the money goes away the program goes away and sustainability and accountability are important.”

3: **Understand that grantmakers often have specific directions from their donors shaping how funds may be used.** Respondents highlighted in this theme that grant funding is often specifically directed and that grantmakers do not have unlimited jurisdiction in deciding how to award it.

Examples of responses within this theme include:

“We have limited funding and it’s generally for specific purposes.”

“First, there is not enough money to fund everything they would like to. Funding parameters are fairly concrete.”

Among responses from nonprofits, three themes emerged. Nonprofits would like philanthropies to:

1: **Provide more funding for organizational development and capacity building.** Responses within this theme consistently note that organizations need support for salaries, day-to-day operations, and other organizational costs beyond the costs of specific programs. By far, this was the most frequently occurring theme in the dataset.

Examples of responses within this theme include:

"We need general operating support to keep programs going. Funders who are not [as] limiting to where their money goes for the program. Less specific use of grant funding and more general use."

"Nonprofits need unrestricted dollars to ensure sustainability. Programs cannot be implemented if nonprofits do not have the dollars to build and sustain capacity for doing the work. Grantmakers place too much emphasis on program support. Nonprofits need general operating support as well."

2: **Know that nonprofits need additional training or information in order to meet specific grant stipulations.** Within this theme, respondents highlighted the difficulty in meeting the conditions for some grants due to lack of training or information, lack of technology, or miscommunication between applicants and funders.

Examples of responses within this theme include:

"We don't know how to create logic models or how to measure impacts. Also, [we] probably need more board training."

"A lot of times the process of writing a grant and information needed it is difficult to prepare and get across to the people supplying the grant money. If it can be streamlined."

3: **Foster an open dialogue between nonprofits and grantmakers.** Within this theme, respondents reported wanting more contact with grantmakers. Some organizations argued that grantmakers should be more accessible or should make efforts to include a broader array of nonprofits within their grantmaking. Others reported not understanding how information about grants was disseminated.

Examples of responses within this theme include:

"They need to consider working with all nonprofits and needs to be more communication with smaller nonprofits from the grant-makers. I feel we are getting left out of the loop."

"They need to actually come to the sites and see the programs in action. I don't feel like they are as invested time wise, we've been turned down by investors before we were even given a chance. I think they need to be more active in the community."

Conclusions

Taken together, the quantitative and qualitative results of this study indicate a wide perception gap between philanthropies and nonprofit organizations. Results of the qualitative analyses suggest that nonprofits need more resources in the form of training, collaboration, and capacity building to meet the requests of grantmakers. Grantmakers, meanwhile, need stronger communication and more long term, strategic planning from the nonprofits with which they work. Both sectors report needing a more constant, and more open, dialogue about issues impacting their shared communities. The qualitative data from both sectors suggest that focusing on diversity is a tangible step forward in fostering this dialogue. Philanthropies and nonprofits may improve their communication best by actively partnering with other organizations across an array of sizes, ages, program areas, and board compositions.

Results of the quantitative analyses indicate that, largely, nonprofit and philanthropic respondents disagreed about the strengths and challenges of grantmaking and nonprofit work within Mississippi. The distribution of organizations, areas identified as in need of improvement, and self-identified strengths differed widely by organizational sector. Philanthropies and nonprofits agreed, however, that the relationship between the two sectors is in need of improvement and that increased communication between the two sectors is imperative moving forward. The collaborative efforts currently being coordinated by Mississippi organizations represent landmark work in strengthening the relationship between nonprofits and philanthropies and working to address this perception gap.

The data further suggest that the need for improved communication is most evident in the grantmaking cycle – the primary point of contact between nonprofits and grantmakers. The findings indicate that grantmakers and nonprofits have shared interests in creating sustainable programs, working toward tangible outcomes, and efficiently managing the resources of their organizations. While the overall goals reported by organizations and grantmakers appear to be concordant, the means of communicating and documenting this work fails to align. Efforts to address this misalignment may include expanding training on the grant cycle, streamlining the grantwriting process, and developing more frequent opportunities for meaningful interaction between philanthropy and nonprofit personnel.

