NONPROFIT VOICE PROJECT

State of Nonprofits 2024
What Funders Need to Know

CEP

THE CENTER FOR
EFFECTIVE PHILANTHROPY

STATE OF NONPROFITS 2024:
What Funders Need To Know

AUTHORS

Christina Im; Seara Grundhoefer; and Elisha Smith Arrillaga, Ph.D.

PROJECT TEAM

Elisha Smith Arrillaga, Ph.D.; Ellie Buteau, Ph.D.; Seara Grundhoefer; Christina Im; and Emily Yang

FOR MORE INFORMATION, CONTACT

Elisha Smith Arrillaga, Ph.D.
Vice President, Research
(628) 333-2871
elishas@cep.org

ABOUT THE CENTER FOR EFFECTIVE PHILANTHROPY

CEP provides data, feedback, programs, and insights to help individual and institutional donors improve their effectiveness. We do this work because we believe effective donors, working collaboratively and thoughtfully, can profoundly contribute to creating a better and more just world.

This report is based on CEP's independent data analyses. CEP is solely responsible for its content, which does not necessarily reflect the individual views of the funders or others named in this report.

For more information on CEP, please visit www.cep.org.

TABLE OF CONTENTS

INTRODUCTION

In the four years since the COVID-19 pandemic began and movements for racial justice gained widespread public attention, nonprofits across the United States have demonstrated their pivotal role in meeting their communities' needs and advocating for those they serve. Individual and institutional funders, too, have responded to calls for change. There is real evidence that many of the adaptations to funder practices have taken root and are better supporting grantees in their work.[1]

This was borne out in CEP's first *State of Nonprofits* report, released in 2023. Nonprofit leaders indicated that they were experiencing "increased trust from their funders."[2]

Despite these significant and encouraging changes, many organizations were still facing lingering effects of the pandemic and ongoing economic uncertainty — as well as the toll that these challenges had taken on their staff. Almost every leader surveyed in *State of Nonprofits 2023: What Funders Need To Know* indicated some degree of concern about burnout, and three-quarters reported some level of difficulty filling staff vacancies.[3]

In *State of Nonprofits 2024*, we take the pulse of nonprofit leaders again, to understand their perspectives and examine change over time.

This yearly survey is based on CEP's Nonprofit Voice Project, a panel of U.S. nonprofits that is representative of the national landscape of nonprofits receiving at least some foundation funding. A primary objective of the panel is to help funders, both individual and institutional, better understand the nonprofit experience so they can more effectively support the organizations they fund.

In early 2024, we reached out to nonprofit leaders on our panel — the same group of leaders we surveyed in 2023 — to learn how their experiences have evolved over the past year. We surveyed 463 nonprofit leaders participating in CEP's Nonprofit Voice Project and received responses from 239 organizations, representing a 52 percent response rate. (See Methodology for more information.)

---

[1] Ellie Buteau, Naomi Orensten, and Satia Marotta, *Foundations Respond to Crisis: Lasting Change?* (Cambridge, MA: Center for Effective Philanthropy, 2021), https://cep.org/wp-content/uploads/2021/11/CEP_Foundations-Respond-to-Crisis_Lasting_Change.pdf; Katarina Malmgren, *Before and After 2020: How the COVID-19 Pandemic Changed Nonprofit Experiences With Funders* (Cambridge, MA: Center for Effective Philanthropy, 2023), https://cep.org/wp-content/uploads/2023/07/Before_and_After_2020.pdf.

[2] Phil Buchanan, Lauren Broder, and Christina Im, *State of Nonprofits 2023: What Funders Need To Know* (Cambridge, MA: Center for Effective Philanthropy, 2023), https://cep.org/wp-content/uploads/2023/06/NVP_State-of-Nonprofits_2023.pdf.

[3] Buchanan, Broder, and Im, *State of Nonprofits 2023*.

KEY FINDINGS

FINDING 1

Burnout — for both nonprofit staff and leadership — remains a top concern for most nonprofit leaders, with half of nonprofit leaders feeling more concerned about their own burnout than this time last year.

FINDING 2

As in 2023, most nonprofits experienced either a balanced budget or a surplus in the most recently completed fiscal year, and the majority anticipate breaking even or having a surplus this fiscal year.

FINDING 3

The majority of nonprofit leaders report that funders are maintaining or making new commitments to change their grantmaking practices, including reducing funding restrictions or streamlining processes.

Ongoing Concern About Burnout

Burnout — for both nonprofit staff and leadership — remains a top concern for most nonprofit leaders, with half of nonprofit leaders feeling more concerned about their own burnout than this time last year.

Nonprofit leaders' level of concern about their staff's burnout remains largely unchanged since last year (see Figure 1).[4] Nearly all leaders surveyed — 95 percent — express some level of concern about burnout, and more than a third report that staff burnout has been "very much" a concern to them in the last year.[5]

FIGURE 1. Nonprofit Leaders' Levels of Concern About Staff Burnout in 2023 and 2024 (N_2023=284, N_2024=239)[6]
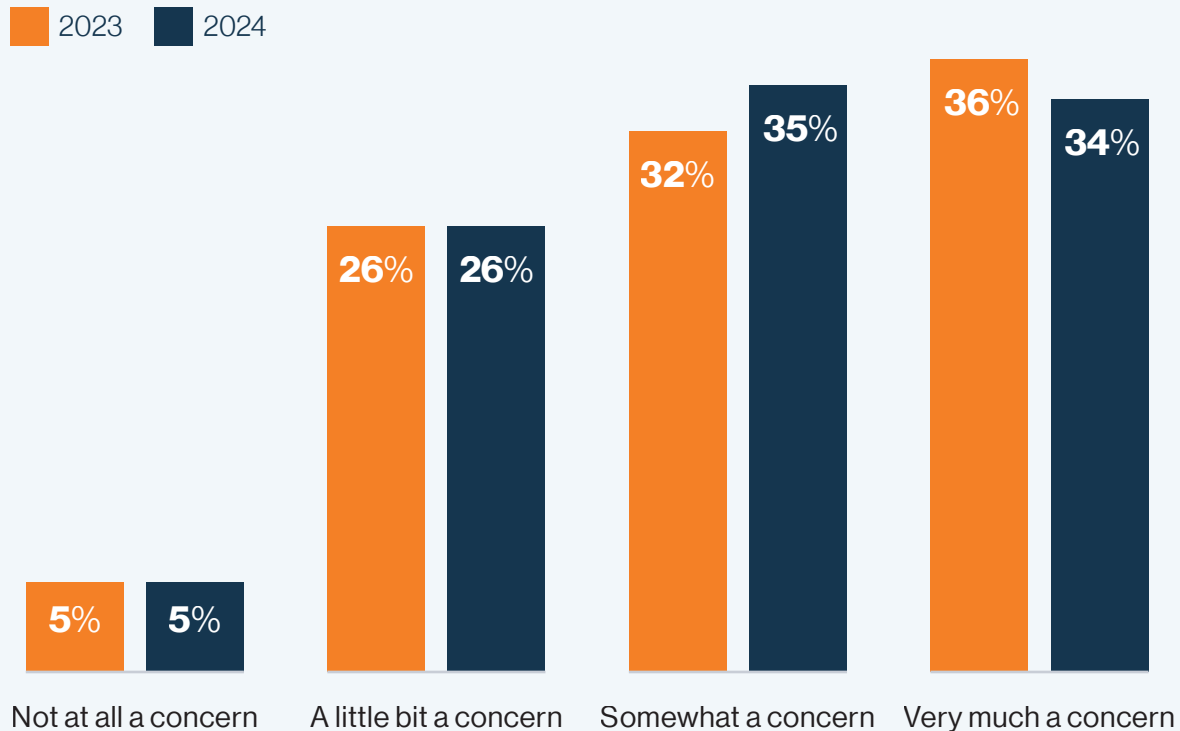
Some leaders point to staffing difficulties at their organization as a contributor to burnout. "We aren't able to pay our staff a livable wage, [which is] the exact goal we are aiming to reach for the clients we serve," says one leader. "With that, we see higher turnover in our case management team, in addition to each member being responsible for a larger caseload than is sustainable."

---

[4] Among repeat respondents to the survey (N=176), there is no evidence of a statistically significant difference between the average level of concern about staff burnout in 2023 and the average level of concern about staff burnout in 2024.

[5] Nonprofit leaders who identify only as male report lower levels of concern about staff burnout than those who do not. This relationship is of a small effect size.

[6] Phil Buchanan, Lauren Broder, and Christina Im, *State of Nonprofits 2023: What Funders Need To Know* (Cambridge, MA: Center for Effective Philanthropy, 2023), https://cep.org/wp-content/uploads/2023/06/NVP_State-of-Nonprofits_2023.pdf.

About three-quarters of surveyed leaders indicate that burnout among their staff is at least slightly impacting their organization's ability to achieve its mission, with a quarter reporting that burnout is moderately or significantly impacting their ability to achieve their mission (see Figure 2).

FIGURE 2. Extent to Which Staff Burnout Is Impacting Nonprofit Organizations' Ability To Achieve Their Mission (N=237)[7]

25%	51%	22%	3%

- Not at all impacting
- Slightly impacting
- Moderately impacting
- Significantly impacting
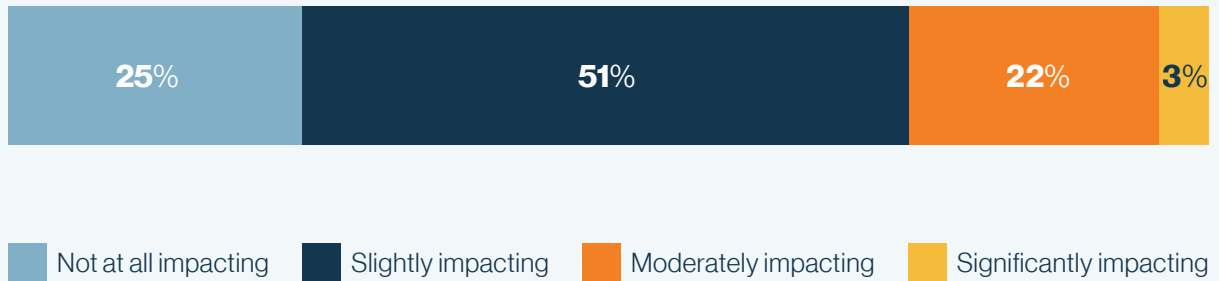
"[We have] limited access to professional fundraising, marketing, tech, and financial management personnel," says one leader. "Our administrative team is stretched too thinly to be able to function at a high level in any one domain." Leaders who self-identify as people of color report that burnout is having a slightly greater impact on their organization's ability to achieve its mission than leaders who do not identify as people of color.[8]

BURNOUT AMONG NONPROFIT LEADERS

Leaders of nonprofit organizations also indicate significant concerns about their own burnout.[9] A third of nonprofit leaders surveyed say that they are "very much" concerned about their own burnout, and half report that they are more concerned about their burnout now than last year (see Figure 3).

---

[7] Total slightly exceeds 100 percent because percentages are rounded up.

[8] This relationship is of a small effect size.

[9] Reported levels of CEO burnout are higher in leaders of organizations with budgets below the median and in leaders whose organizations do not have at least six months' operating expenses available in the form of reserves, endowments, and other funding sources. These relationships are of a small effect size.

FIGURE 3. Nonprofit Leaders' Levels of Concern About Their Own Burnout (N=239)

| Not at all a concern | A little bit a concern | Somewhat a concern | Very much a concern |
| 13% | 25% | 28% | 33% |
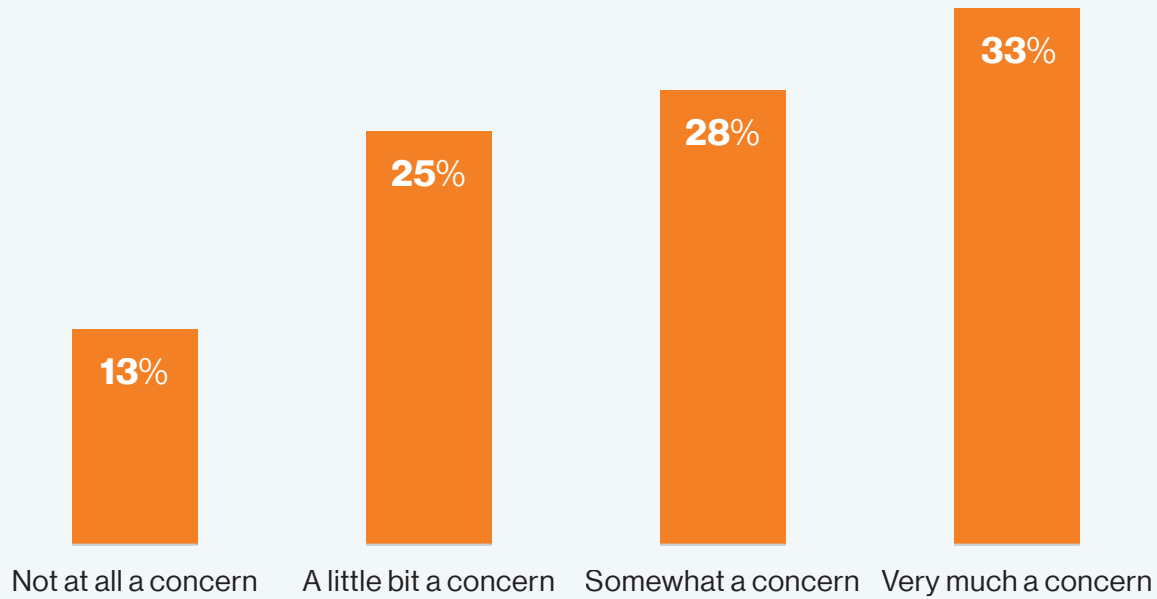
Leaders describe pivoting among many aspects of their organization's work and being overextended as a result. "As the executive director [ED], I am the only C-level executive within the organization," says one leader. "Maintaining the budgetary discipline we need for an organization our size can be demanding when added to all of my other duties — human resources, IT infrastructure, programmatic work, etc." Another says, "As an ED for a smaller [nonprofit], I struggle to be the expert in all of the relevant areas. I struggle with working too many hours and not having enough staff or time to do all I want and need to do for my organization."

Some of the issues nonprofit leaders face are perennial, but leaders say that the context in which they are occurring is unprecedented. "I have been a nonprofit leader for 20 years and I've not experienced a reality like the one I am in currently," one leader said. "It seems everything changed after COVID. There are no trailblazers that have faced this path before us, to guide and advise, [for] wisdom. It is a wild world right now."

Leaders' levels of concern about their own burnout also differ across the lines of gender and sexuality. On average, LGBTQ+-identifying leaders report moderately higher levels of concern about their own burnout than their non-LGBTQ+-identifying counterparts, and women and non-binary/gender non-conforming leaders report slightly higher levels of concern about their own burnout in the last year than leaders identifying only as male.[10]

---

[10] This relationship is of a medium effect size for LGBTQ+-identifying leaders, and of a small effect size for women and nonbinary/gender non-conforming leaders.

CONTINUED DIFFICULTIES WITH STAFFING

Consistent with the findings from last year's *State of Nonprofits* report, staffing continues to be a pressing issue on the minds of nonprofit leaders. Almost 60 percent of nonprofit leaders identify staff-related concerns — including but not limited to losing staff to organizations with more competitive compensation and benefits, general lack of staff capacity and burnout, and internal/cultural issues — as one of their organization's biggest challenges.

Less than half of leaders report that a typical or lower than typical number of staff members left their organization in the last year. For the leaders who do say that more staff left than typical, the most common reasons for these departures include organizational inability to provide competitive pay or lost funding; organizational inability to provide competitive benefits, such as remote work or flexible hours; and staff stress and burnout (see Figure 4).

FIGURE 4. Reasons for Departures at Nonprofits Where More Staff Left Than Typical (N=56)

Inability to provide **competitive pay** or **lost funding**

Inability to provide **competitive benefits**, such as remote work or flexible hours

Staff stress and **burnout**

FILLING NONPROFIT STAFF VACANCIES

About half of surveyed nonprofit leaders report having had some to a lot of difficulty filling staff vacancies in the last year (see Figure 5).[11]

FIGURE 5. Nonprofit Leaders' Levels of Difficulty Filling Staff Vacancies (N=239)

No difficulty	A little difficulty	Some difficulty	A lot of difficulty
32%	20%	28%	21%
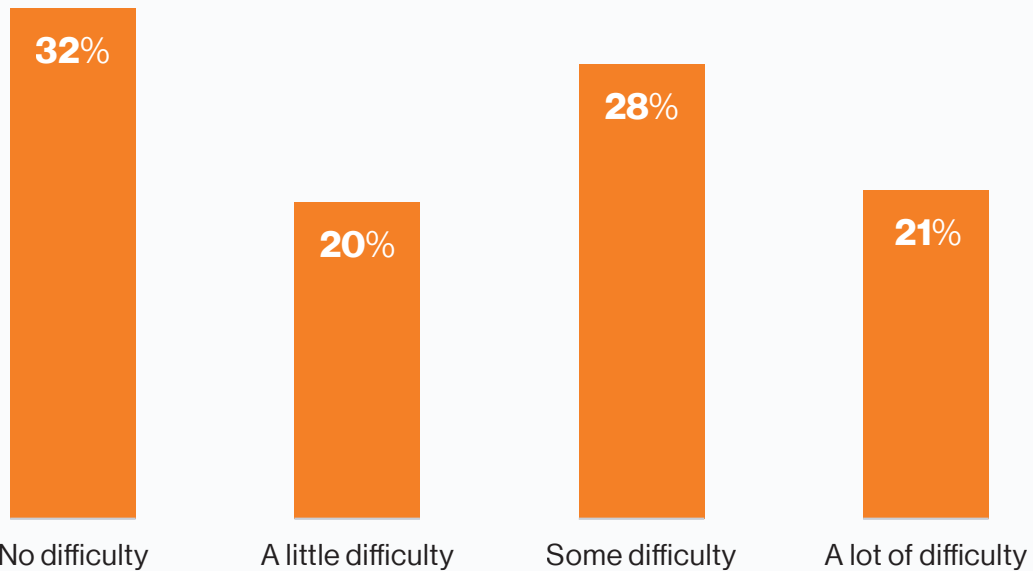
Leaders of organizations whose work includes a direct service component report greater difficulty filling vacancies, on average, than those whose organizations do not engage in direct service.[12] "We need staff to help staff, but the staff that need help also need time to train the new staff to help them, which they don't have because they need staff," one leader says. "Transitioning in new staff is a slow process, causes problems, and then finally it's better … until the next transition."

---

[11] Among repeat respondents to the survey (N=176), there is no evidence of a statistically significant difference between the average level of difficulty filling vacancies in 2023 and the average level of difficulty filling vacancies in 2024.

[12] This relationship is of a medium effect size.

USE OF ARTIFICIAL INTELLIGENCE IN NONPROFITS

Given widespread concerns about staffing and staff capacity, some nonprofits are exploring the use of artificial intelligence (AI) to supplement the work of their staff. More than half of leaders surveyed indicate that their organization uses AI in some aspect of their work (see Figure 6).

FIGURE 6. Common Applications of AI in Nonprofit Organizations (N=236)

Internal productivity	**Marketing and communications**	**Development and fundraising**
(35%)	(31%)	(24%)

More than 90 percent of nonprofit leaders say that their organization does not have any official policies about the use of AI in its work.

FINDING

2

Consistent Finances at Most Nonprofits

As in 2023, most nonprofits experienced either a balanced budget or a surplus in the most recently completed fiscal year, and the majority anticipate breaking even or having a surplus this fiscal year.

Most nonprofits responding to our survey report strong financial results. Two-thirds of nonprofit leaders report that their organization has the equivalent of at least six months' operating expenses available for emergencies and opportunities in the form of reserves and other funding sources.[13]

Just under a third of leaders recorded a budget deficit in the last fiscal year, and a similar percentage anticipate a budget deficit in the current fiscal year (see Table 1). The overlap between these groups — that is, leaders who both experienced a deficit in the last year and are projecting a deficit for the current year — is just 15 percent of nonprofit leaders.

Table 1. Financial Outlook for Nonprofit Respondents, 2022-2024

	Fiscal year 2022 actual (N=284)	Fiscal year 2023 actual (N=239)	Fiscal year 2024 projected (N=236)
Budget deficit	22%	32%	28%
Balanced budget	22%	24%	45%
Budget surplus	55%	44%	21%
Don't know/unsure	1%	0%*	6%

Note: One organization responded "don't know/unsure," which rounds to zero percent.

TRACKING CHANGES IN FINANCES OVER TIME

Among the 239 respondents to our 2024 survey, 176 leaders also responded to our survey in 2023, making it possible to follow the financial situations of the same organizations over time. In 2023, 19 percent of repeat respondents indicated a prior-year budget deficit. In this year's survey, 28 percent of this group reports a budget deficit in the last fiscal year. The difference between the percentage of organizations reporting a budget deficit in the last year in 2023 and 2024 was statistically significant, but only to a slight degree.[14] It remains to be seen whether this change represents a longer-term trend.

---

[13] CEP's Nonprofit Voice Project sample is composed of leaders of U.S. nonprofits that received foundation funding from a foundation giving at least $5 million annually in 2019, a group that may not be representative of all nonprofits in the U.S. According to the Nonprofit Finance Fund's 2022 State of the Nonprofit Sector survey, about 45 percent of U.S. nonprofits have at least six months of cash on hand, not including reserves, and 7 percent of nonprofits have reserves equivalent to at least 50 percent of their 2021 operating expenses. Nonprofit Finance Fund, *2022 State of the Nonprofit Sector Survey: National Results* (New York: Nonprofit Finance Fund), https://nff.org/file/1837/download?token=bdvDkQpl.

[14] This relationship is of a small effect size.

TAKING STOCK: THE LAST FISCAL YEAR

More than 40 percent of leaders recorded a surplus in the last fiscal year, and about one-quarter recorded a balanced budget.

For leaders who experienced a surplus, higher than expected foundation revenue is the most frequently cited contributing factor (see Figure 7). Other leaders point to lower than expected costs and higher than expected individual giving as contributors to last fiscal year's surplus.

For those who experienced a deficit in the last fiscal year, lower than expected individual giving is the most frequently named contributor. Leaders also cite higher than expected costs and lower than expected foundation revenue as contributing factors to prior-year deficits.

Although low individual giving was a primary contributing factor to deficits, about 60 percent of leaders overall report that the number of individual donors giving to their organization has not changed significantly in the last year.[15] Of those who recorded a deficit in the last fiscal year, about 30 percent of leaders report a significant decrease in the number of individual donors.

FIGURE 7. Top Contributors to Last Year's Financial Situation

Organizations With a Deficit (N=75)	Organizations With a Surplus (N=105)
Lower than expected **INDIVIDUAL GIVING** — 57%	**Higher** than expected **FOUNDATION REVENUE** — 45%
Higher than expected **COSTS** — 55%	**Lower** than expected **COSTS** — 34%
Lower than expected **FOUNDATION REVENUE** — 48%	**Higher** than expected **INDIVIDUAL GIVING** — 32%
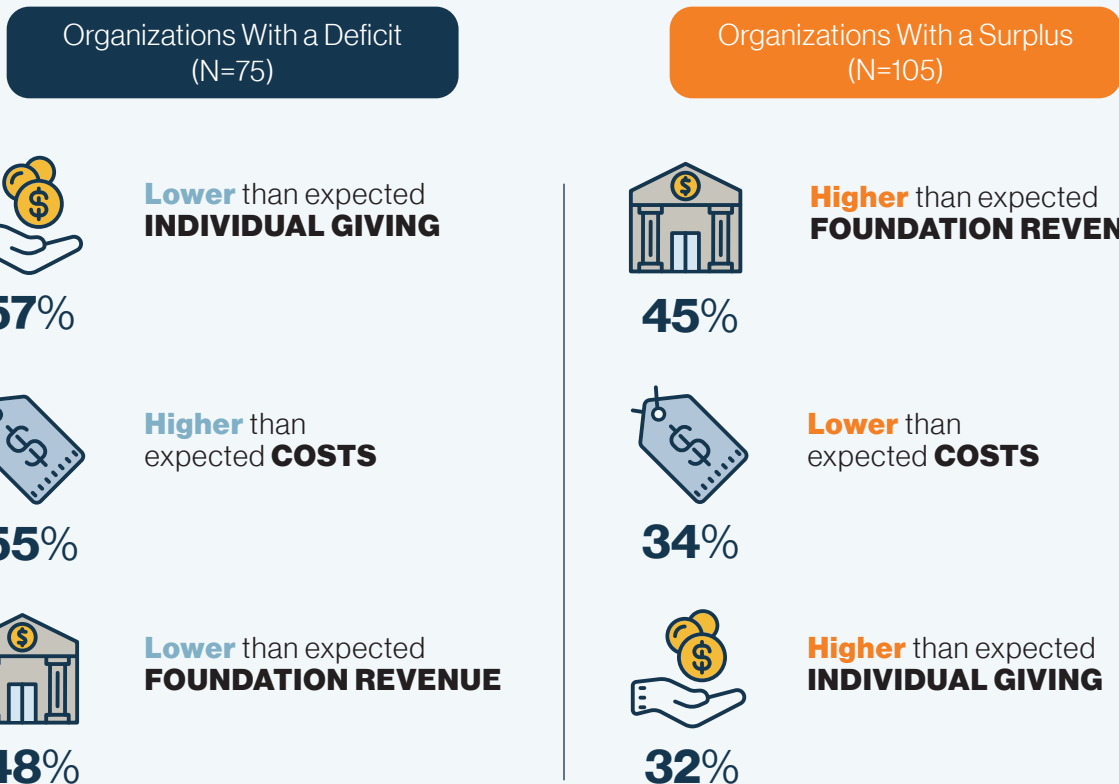
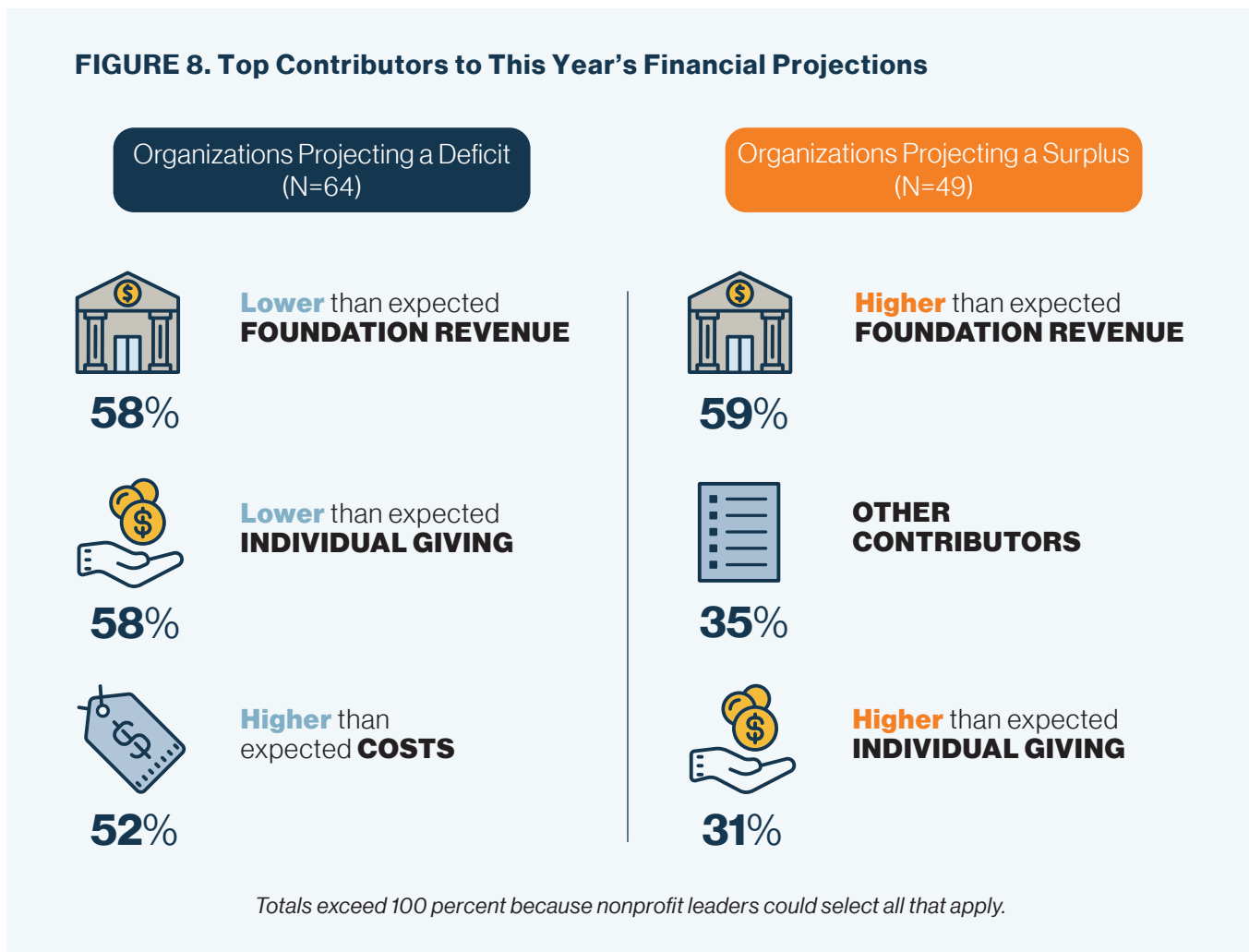*Totals exceed 100 percent because nonprofit leaders could select all that apply.*

---

[15] Leaders not identifying only as male are slightly more likely to report that their number of individual donors has decreased significantly in the last year. This relationship is of a small effect size.

LOOKING AHEAD: THE CURRENT FISCAL YEAR

Almost half of leaders anticipate a balanced budget in the current fiscal year, and more than 20 percent anticipate a surplus.[16] Higher than expected foundation revenue is the top contributor to projected surpluses (see Figure 8).

For leaders anticipating a deficit in the current fiscal year, lower than expected foundation revenue, lower than expected individual giving, and higher than expected costs are all often cited as primary contributing factors.

FIGURE 8. Top Contributors to This Year's Financial Projections

Organizations Projecting a Deficit
(N=64)

Organizations Projecting a Surplus
(N=49)

Lower than expected
FOUNDATION REVENUE
58%

Higher than expected
FOUNDATION REVENUE
59%

Lower than expected
INDIVIDUAL GIVING
58%

**OTHER
CONTRIBUTORS**
35%

Higher than
expected **COSTS**
52%

Higher than expected
INDIVIDUAL GIVING
31%

Totals exceed 100 percent because nonprofit leaders could select all that apply.

ADDRESSING BUDGET CHALLENGES

For nonprofit leaders who either experienced a budget deficit in the last fiscal year or anticipate a deficit in the current fiscal year, fundraising is the most common method by which they are planning to address the deficit. Other measures that leaders are intending to take include limiting costs related to staffing and implementing general cost-reduction measures (see Figure 9). Just over 10 percent of leaders report that they intend to use reserves or other funds on hand, such as the previous year's surplus, to address deficits.

---

[16] Leaders identifying only as male were slightly more likely to report that they anticipate a budget surplus in the current fiscal year. This relationship was of a small effect size.

At a time when burnout in nonprofit organizations continues to be a widespread concern, leaders facing budget deficits are contemplating difficult trade-offs. "We won't replace unfunded/reimbursed positions that become vacant; we will continue to keep caseloads too high," one leader says. Another leader simply explains, "We have cut staffing, which has addressed budget issues but not burnout."

FIGURE 9. Nonprofit Leaders' Plans for Addressing Recent or Projected Deficits (N=90)

Fundraising

Limiting costs related to **staff** (e.g., reducing staffing, delaying hiring, limiting wage increases)
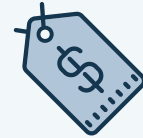
Limiting **overall** costs (i.e., costs not related to staff or programs)

Funders Staying the Course

The majority of nonprofit leaders report that funders are maintaining or making new commitments to change their grantmaking practices, including reducing funding restrictions or streamlining processes.

In early 2023, more than half of nonprofit leaders reported an increase in trust from their funders, and most reported that at least some of their funders had made application processes easier or reduced reporting requirements in the preceding year.[17] A year later, most nonprofit leaders observe that their funders have either continued these changes or made new commitments to enact them.

FUNDING PRACTICES AND PROCESSES

More than eighty percent of nonprofit leaders report that their foundation funders continued or made new commitments in at least one area of their funding practices in the last year. Most notably, nearly half of nonprofit leaders indicate that their funders have continued their existing commitments in each of the following areas: streamlining or revising reporting requirements, reducing or eliminating funding restrictions, and streamlining application and proposal processes. For some leaders, funders are making new commitments (see Figure 10).[18] Meanwhile, in each of these three areas, between 5 percent and 14 percent of leaders note that their funders had reduced or ended their commitments.

FIGURE 10. Percent of Nonprofit Leaders Reporting Funders Have Made New Commitments or Continued Existing Commitments (Ns=226-232)

	Made new commitments	Continued existing commitments
Provided more multiyear financial support	24%	27%
Streamlined and/or revised reporting requirements	20%	46%
Streamlined application and proposal processes	22%	43%
Reduced or eliminated funding restrictions	11%	45%

■ Made new commitments ■ Continued existing commitments

---
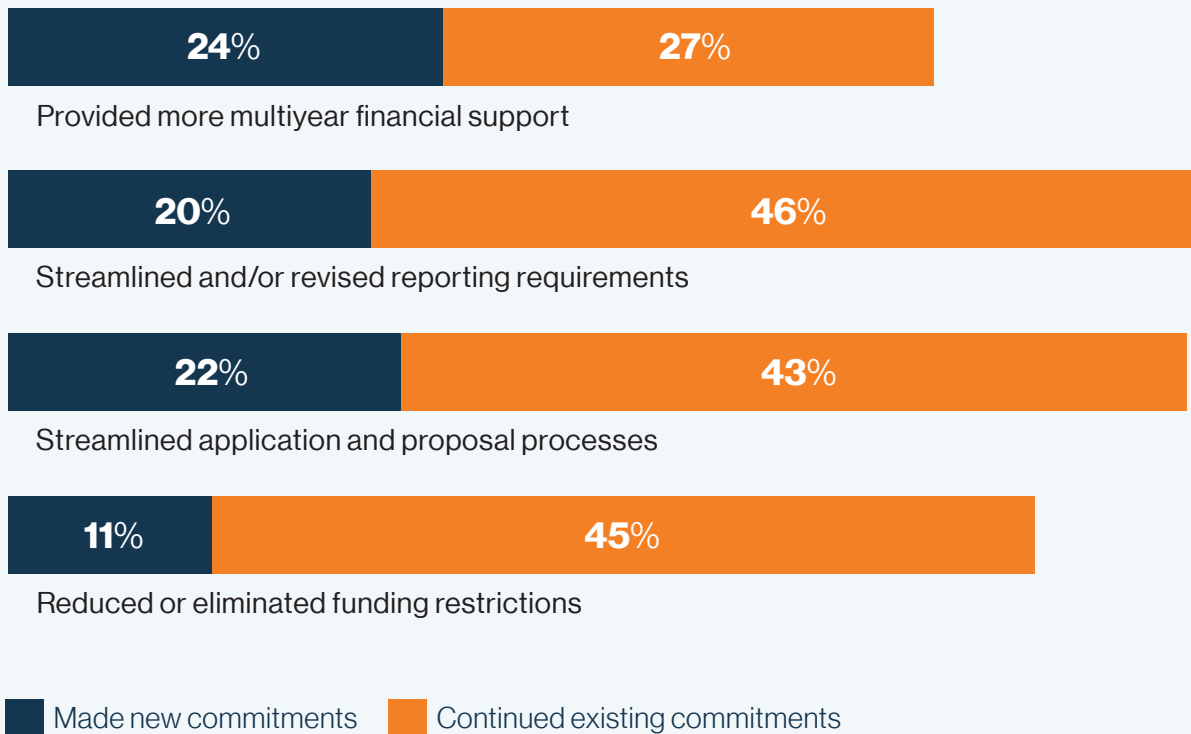
[17] Phil Buchanan, Lauren Broder, and Christina Im, *State of Nonprofits 2023: What Funders Need To Know* (Cambridge, MA: Center for Effective Philanthropy, 2023), https://cep.org/wp-content/uploads/2023/06/NVP_State-of-Nonprofits_2023.pdf.

[18] Leaders who identified as people of color are slightly more likely to report that their funders made new commitments to reducing or eliminating funding restrictions in the last year than those who do not identify as people of color. This relationship is of a small effect size.

In addition, just over half of leaders note their funders' commitments to providing more multiyear support in the last year. Fewer than 15 percent saw their funders reduce or end commitments. More than a third, however, report that their funders have no commitments to increase their provision of multiyear funding. "The biggest challenge is finding a [budgetary] model that doesn't require starting from scratch each year," one leader explains. "Our programmatic impetus is much farther reaching than the funding cycles address."
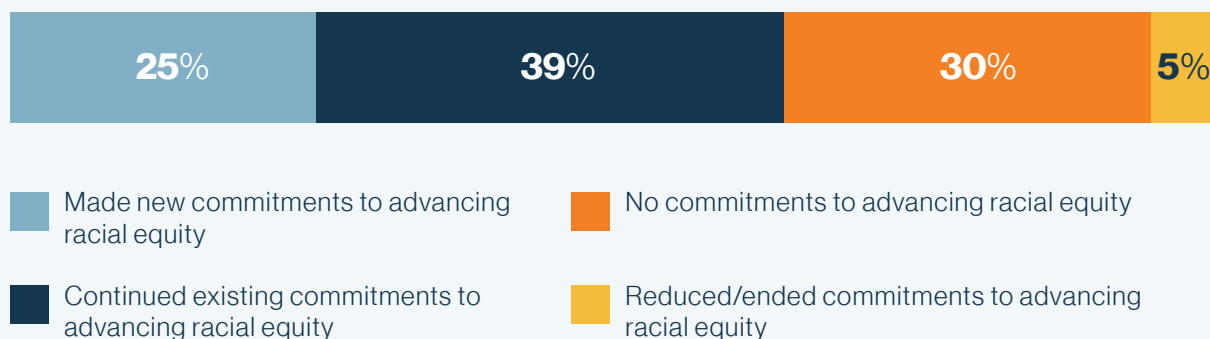
Nonprofit leaders who identify social justice as a key focus for their organization are more likely to have observed their funders making new commitments to streamlining or revising reporting requirements in the last year.[19] They are also slightly more likely to indicate that their funders have made new commitments to providing more multiyear support and streamlining application and proposal processes.[20]

Fewer than 20 percent of nonprofit leaders identify issues with funders — including constraints imposed by funders' practices, inconsistencies in funding streams, and relational challenges with funders — as one of the biggest challenges their organization is facing. (In contrast, nearly 60 percent of leaders named an issue related to staff as one of their biggest challenges; see Finding 1). Of these leaders, however, most stress the importance of continued attention to practices that support nonprofits' work. "We desperately need general operating funds focused on sustainability and being able to build an infrastructure that will allow our organization to … invest in wellness for our staff, who have been working tirelessly to solve crisis after crisis since the pandemic," one leader says.

MIXED APPROACHES TO RACIAL EQUITY

Although nonprofit leaders observe a variety of changes in their funders' practices, more than a third of leaders note that their current foundation funders either have no commitments to advancing racial equity or have reduced or ended their commitments in the last year (see Figure 11).[21]

FIGURE 11. Percent of Nonprofit Leaders Reporting Status of Funders' Commitments to Advancing Racial Equity (N=224)

25%	39%	30%	5%

- ■ Made new commitments to advancing racial equity
- ■ Continued existing commitments to advancing racial equity
- ■ No commitments to advancing racial equity
- ■ Reduced/ended commitments to advancing racial equity

---

[19] This relationship is of a medium effect size.

[20] These relationships are of a small effect size. Nonprofit leaders identifying social justice as a key focus are also slightly less likely to report that their funders have no commitments in these two areas.

[21] In comparison, in 2021, CEP found that "most foundation leaders say that racial equity is a more explicit consideration in how they conduct their work, and many are modifying their practices as a result." Ellie Buteau, Naomi Orensten, and Satia Marotta, *Foundations Respond to Crisis: Lasting Change?* (Cambridge, MA: Center for Effective Philanthropy, 2021), https://cep.org/wp-content/uploads/2021/11/CEP_Foundations-Respond-to-Crisis_Lasting_Change.pdf.
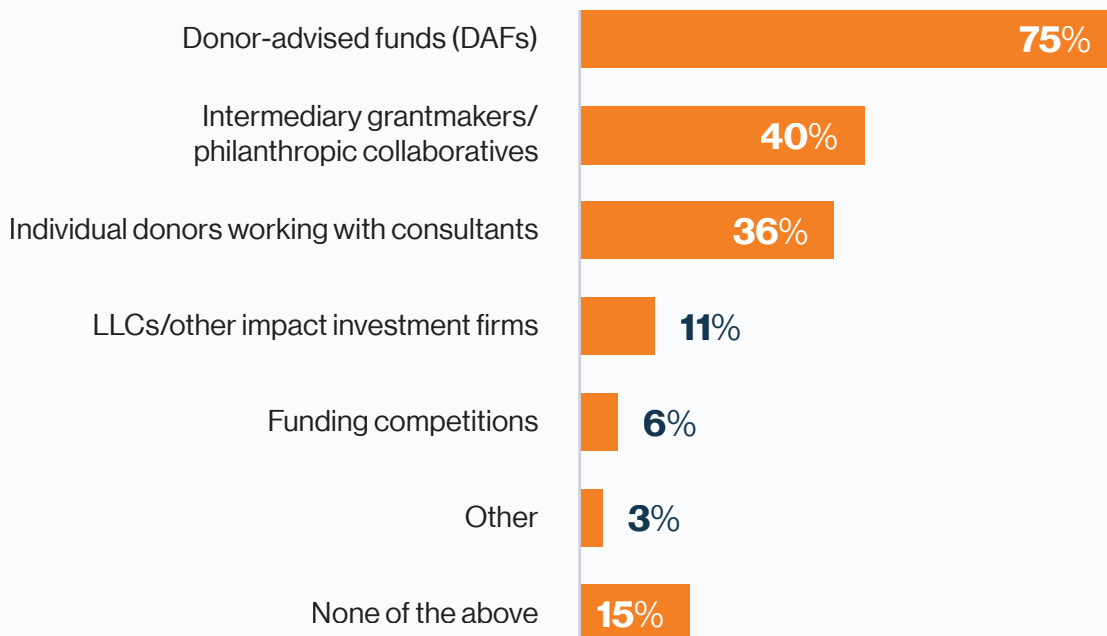
At the same time, about 40 percent of nonprofit leaders report that their foundation funders continued existing commitments to advancing racial equity in the last year. A quarter of leaders note that their funders have made new commitments in this area. The range of stances nonprofit leaders are observing from their foundation funders highlights ongoing opportunities for reflection for foundation and nonprofit leaders alike.

ADDITIONAL FUNDING SOURCES

As donors and institutional funders continue to explore various methods of making impact, nonprofits are receiving support from a variety of funding sources. Three-quarters of nonprofit leaders report receiving funding from donor-advised funds in the last year, and an additional 40 percent report receiving funding from intermediary grantmakers or philanthropic collaboratives (see Figure 12).[22] More than a third of nonprofits also received funding from individual donors working with philanthropy consultants.

FIGURE 12. Percent of Nonprofit Leaders Who Report Receiving Funding From Additional Funding Sources (N=236)

Funding Source	Percent
Donor-advised funds (DAFs)	75%
Intermediary grantmakers/philanthropic collaboratives	40%
Individual donors working with consultants	36%
LLCs/other impact investment firms	11%
Funding competitions	6%
Other	3%
None of the above	15%

[22] Organizations that indicate social justice as a key focus are slightly more likely to have received funding from donor-advised funds and/or intermediary grantmakers or philanthropic collaboratives in the last year than those that do not focus on social justice. These relationships are of a small effect size.

CONCLUSION

Burnout remains top of mind for nonprofit leaders across the country, both for themselves and their staff.

Most nonprofit leaders report balanced budgets or surpluses in the last fiscal year, and roughly the same proportion anticipate similar finances in the upcoming fiscal year — relatively consistent with our findings from last year's *State of Nonprofits*.

Lastly, our research shows that the majority of nonprofit leaders are seeing new or continued efforts from their funders to change their grantmaking practices, including reduced restrictions and streamlined application and reporting processes. However, while some funders have sustained or committed to efforts advancing racial equity, more than a third don't prioritize it.

We hope that this report, and future Nonprofit Voice Project research, will continue to inform individual and institutional donors of the challenges facing leaders of nonprofit organizations in the coming years.

APPENDIX A: METHODOLOGY

The findings presented in this report are based on survey data collected, analyzed, and interpreted by the Center for Effective Philanthropy (CEP). Leaders of 239 nonprofit organizations completed the survey. Information detailing the process for collecting and analyzing the data is below.

SAMPLE CHARACTERISTICS

In February 2024, CEP invited 472 nonprofit leaders from the Nonprofit Voice Project[23] to participate in a survey exploring their experiences in the past year and their outlooks on the coming year.[24,25] Completed surveys, defined as having at least 80 percent of the core questions answered, were received from 238 nonprofit leaders, and a partially completed survey, defined as having at least 50 percent of the core questions answered, was received from one leader.[26] (See Table 2.) In appreciation for their time, each survey respondent was provided with a $40 gift card to a retailer of their choice.

Table 2. Survey Response Rates

Survey period	Number of eligible respondents[27]	Number of completed/ partial responses	Survey response rate
February 6, 2024 – February 27, 2024	463	239	52%

SURVEY ADMINISTRATION

The survey was fielded online for a three-week period, February 6, 2024 to February 27, 2024. Nonprofit leaders were sent an email a few weeks before the launch of the survey to reintroduce them to CEP and this research study. On the survey launch date, participants were sent a brief email that included a description of the study's purpose, a statement of confidentiality, and an individual link to the survey, preventing respondents from completing the survey more than once.[28] The survey was distributed in English and was administered through Qualtrics. Participants were sent up to five reminder emails.

---

[23] We did not use a probability methodology to construct this sample.

[24] At the time of last survey administration, the number of eligible respondents in the NVP sample was 500 leaders *(State of Nonprofits 2023)*. In January 2024, during the sample prelaunch phase, 472 leaders were found to still be eligible as respondents.

[25] Please see the full details on the original sample population and sample creation process on our website here.

[26] Replacements for leaders who had agreed to be in the original NVP sample but had left the organization since the previous fielding of the survey were made only if their successor in the organization reached out and explicitly asked to take the survey in their stead. There were three replacements made.

[27] While the survey was being fielded, nine leaders were removed from the list of eligible respondents, due to an inability to contact them, their departure from the organization, or their being on extended leave/sabbatical throughout the survey period.

[28] Participants were also informed that a screen reader option was available if needed.

ORGANIZATION DETAILS

More than half of the responding organizations have a local geographic scope, and 84 percent have a direct service component. Leaders represented organizations that averaged 35 staff members but ranged from one to 778 staff members. The area with the highest number of organizations represented (30 percent of the responding organizations) was the South U.S. census region.[29]

Leaders were invited to check all that apply for their organization's key focus areas. The top three focus areas were the following:

- Human services (43 percent)

- Education (41 percent)

- Social justice (29 percent)

Table 3. Organizations' Operating Budgets in the Last Fiscal Year

	Mean	Median	Minimum	Maximum
Operating budget	$5,716,953	$2,566,035	$65,000	$110,970,000

LIMITATIONS AND RESPONSE BIAS

As is true of survey research in general, it is not possible to draw causal conclusions from this data. In addition, it is possible that the leaders who chose to respond to this survey lead nonprofit organizations that have had particularly positive, or particularly negative, experiences with staffing, finances, and funding relationships in the past year. From our data, we have no way of knowing this. We did, however, check for other types of response bias.

We analyzed survey responses to determine whether participants were more likely to answer the survey based on staff size, their annual expenses, the geographic region where their organization is located, the gender of the nonprofit leader, or whether the nonprofit leader identified as a person of color.[30] There were no statistically significant differences in these characteristics between survey respondents and nonrespondents.

SURVEY INSTRUMENT

The survey explored nonprofits' experience in the past year with finances, staffing, and funding, and how these experiences inform outlooks for the coming year. The survey contained 45 items.

A copy of the survey instrument can be found on our website here.

---

[29] U.S. Census Bureau, "Census Bureau Regions and Divisions With State FIPS Codes," https://www2.census.gov/geo/pdfs/maps-data/maps/reference/us_regdiv.pdf.

[30] Chi-square analyses and independent sample t-tests were used to compare respondents and nonrespondents.

QUANTITATIVE ANALYSIS OF SURVEY DATA

The unweighted quantitative survey data from nonprofit leaders were examined using descriptive statistics and a combination of independent sample t-tests, paired sample t-tests, chi-squares, and analyses of variance. An alpha level of 0.05 was used to determine statistical significance for all testing conducted for this research. Effect sizes were examined for all analyses. Unless otherwise noted, statistical analyses are reported only when they are of medium or large effect sizes, if there is a distinct pattern of relationships with small effect sizes, or when reporting out relationships with demographic variables. Select analyses of respondents who completed both the 2023 and 2024 *State of Nonprofits* surveys are reported in footnotes and sidebars, even if relationships were not significant or of small effect sizes.
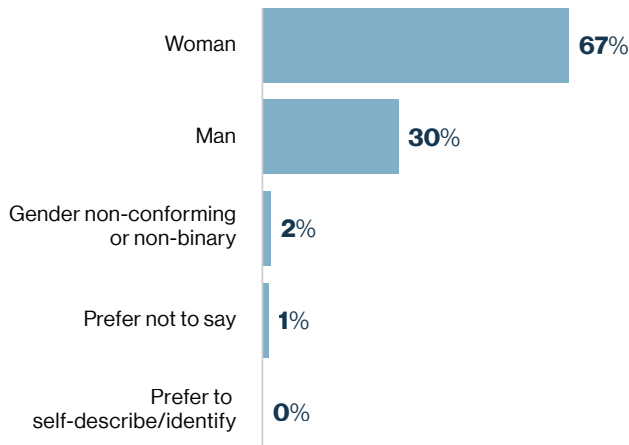
QUALITATIVE ANALYSIS OF SURVEY DATA

Thematic and content analyses were conducted on the responses to the open-ended items in the survey. For each open-ended item with more than 30 responses, codebooks were developed by reading through all responses to identify common themes. Each coder used the codebook when categorizing responses to ensure consistency and reliability. Using MaxQDA, a software program for qualitative and mixed-methods data analysis, one coder coded all responses to a survey question, and a second coder coded 15 percent of those responses. An average interrater reliability (IRR) level of at least 80 percent was achieved for each codebook. Our IRR across items ranged from 92 percent to 95 percent.

Quotations from the open-ended survey responses are included in this report. These quotations have been selected to be representative of themes in the data.
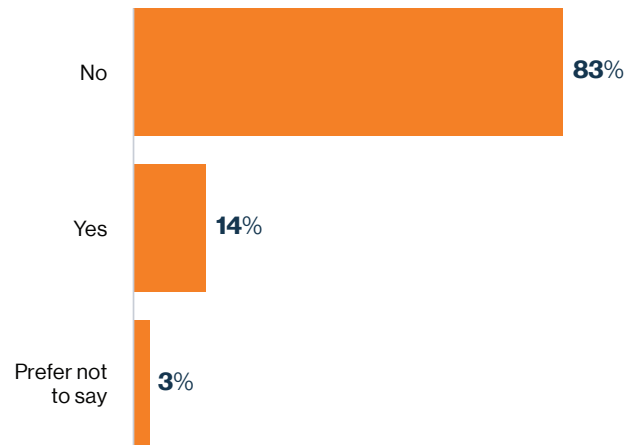
APPENDIX B: SURVEY RESPONDENT DEMOGRAPHICS

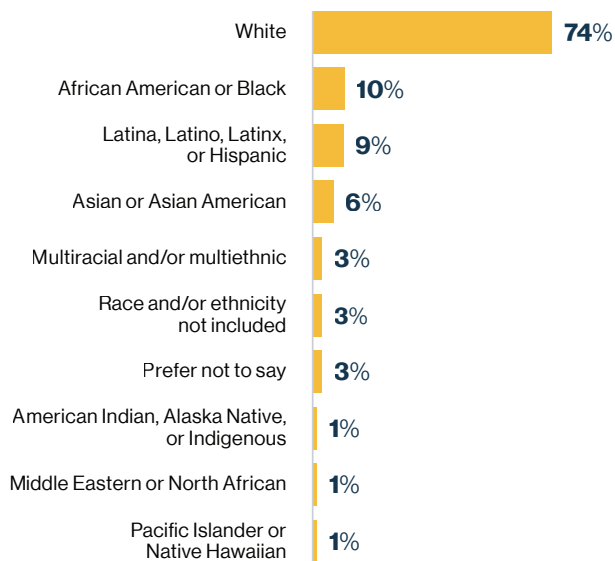## How do you describe yourself?
(N=233)

Woman	67%
Man	30%
Gender non-conforming or non-binary	2%
Prefer not to say	1%
Prefer to self-describe/identify	0%

Totals exceed 100 percent because respondents could select all that apply.

## Do you identify as a member of the LGBTQ+ community? (N=233)

No	83%
Yes	14%
Prefer not to say	3%

How would you describe your race and/or ethnicity? (N=231)

White	74%
African American or Black	10%
Latina, Latino, Latinx, or Hispanic	9%
Asian or Asian American	6%
Multiracial and/or multiethnic	3%
Race and/or ethnicity not included	3%
Prefer not to say	3%
American Indian, Alaska Native, or Indigenous	1%
Middle Eastern or North African	1%
Pacific Islander or Native Hawaiian	1%

Totals exceed 100 percent because respondents could select all that apply.

Do you identify as a person of color? (N=233)

No	75%
Yes	23%
Prefer not to say	3%

CEP
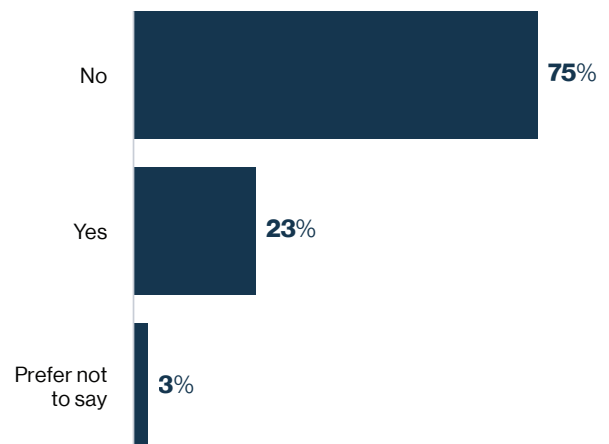
THE CENTER FOR
EFFECTIVE PHILANTHROPY

675 Massachusetts Avenue
11th Floor
Cambridge, MA 02139
617-492-0800

131 Steuart Street
Suite 501
San Francisco, CA 94105
415-286-9538

cep.org