

Executive Summary

Follow-Up Survey of Nonprofits and the Economy

When economic conditions worsened in late 2008, the Community Foundation of the Great River Bend became increasingly concerned about the negative effects the economic climate would have on our community's nonprofit sector. In February 2009, the Community Foundation conducted an online survey to measure the economic health of charitable organizations. Our findings stimulated conversations among leaders of nonprofits and to promote this ongoing dialogue we established CEOlink, a program designed to unite agency CEO's in open discussions and brainstorming sessions.

In October 2009, the Community Foundation sent a follow-up survey to the Quad Cities nonprofit sector inquiring about further changes to their economic health since their feedback at the beginning of the year.

The number of responses we received drastically decreased by more than 50%, with fewer than 30 nonprofit organizations responding. The survey results obtained are similar to the previous survey conducted in February 2009 and are comparable to national statistics of the nonprofit sector. The following highlights from this survey offer the community an insight into the well being of the Quad Cities nonprofit sector and raise questions as to why more charitable organizations did not respond.

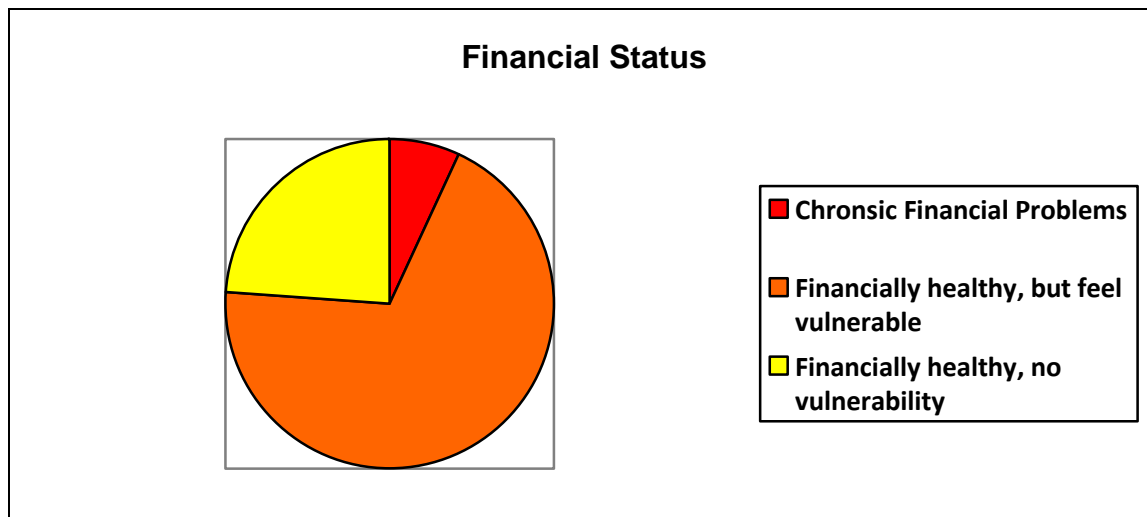
Key Findings

Continued funding challenges face nonprofits

Nonprofits were asked to describe the challenges of maintaining daily operations and activities in the stagnant economy. Fifty-five percent of the respondents stated they found obtaining funding to be a major challenge, slightly higher than the national average of 52%*. More than 55% felt they were in direct competition with other nonprofits. Concern over recruiting and retaining new donors were expressed by 46% of respondents.

Increased vulnerability

Of the respondents, 69% reported they feel financially healthy to date, but feel vulnerable in the future. Almost 7% stated they were experiencing chronic financial problems, but expected to survive the fiscal year. The remaining 24% felt they were financially healthy and did not feel vulnerable. No organizations reported they were in immediate danger of closing their doors within the fiscal year, unlike the national average of 8%*.

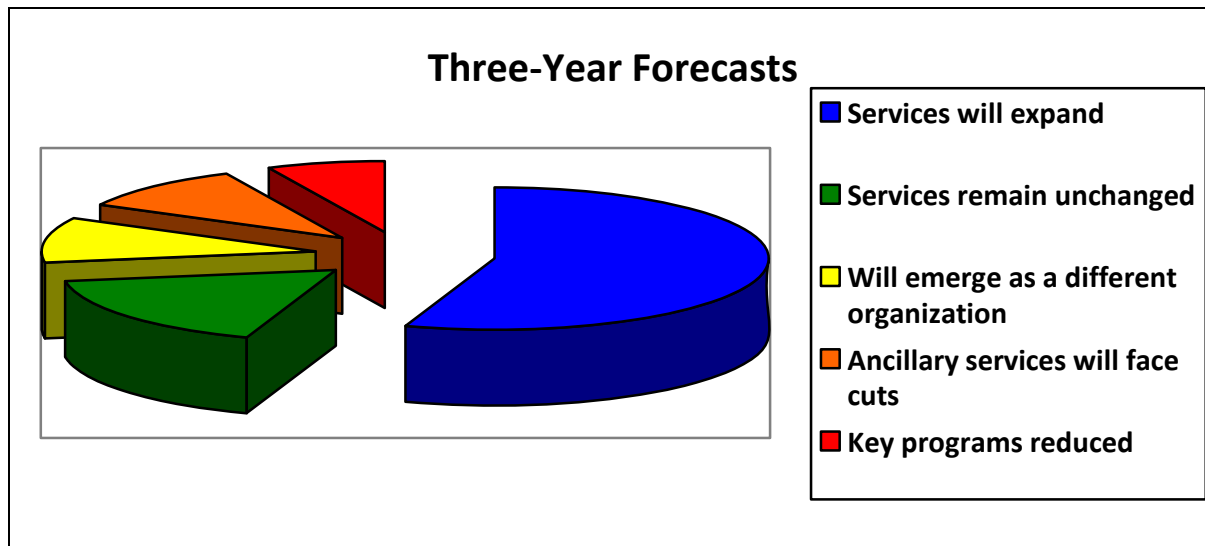


* The Effort of the Economy on the Nonprofit Sector, 2009, Guidestar.

Continued, increased demand for nonprofit services

With more individuals and families dependent on nonprofits, this sector proves its continued dedication to the community. Fifty-five percent of nonprofits anticipate and are strategically planning to expand services in certain key areas over the next three years. In addition, 17% of the nonprofits surveyed replied their services would remain unchanged, while 10% would examine existing assumptions and likely emerge as a different organization. These statistics mirror national averages of the public's increased demand for services – 58% of nonprofits surveyed in the United States claimed an increase in demand*.

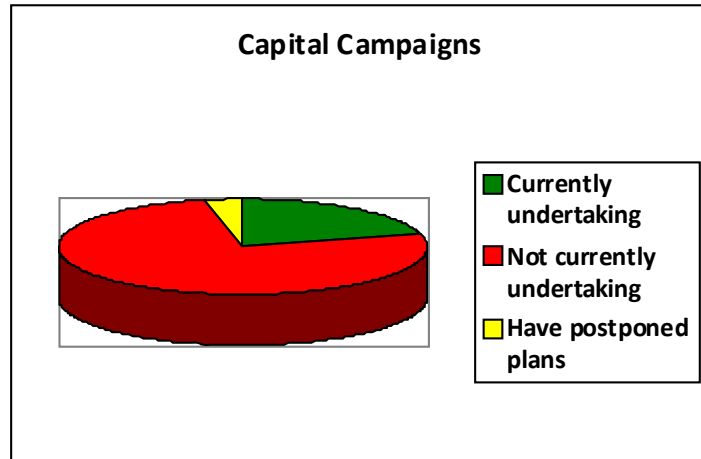
Grim outlooks decreased by roughly 6% as the economic downturn has started to plateau. Ten percent (down from 16% in February) of respondents stated their key services would remain unchanged, but ancillary services would face cuts; less than 7% reported they would need to reduce key program budgets and services.



* The Effort of the Economy on the Nonprofit Sector, 2009, Guidestar.

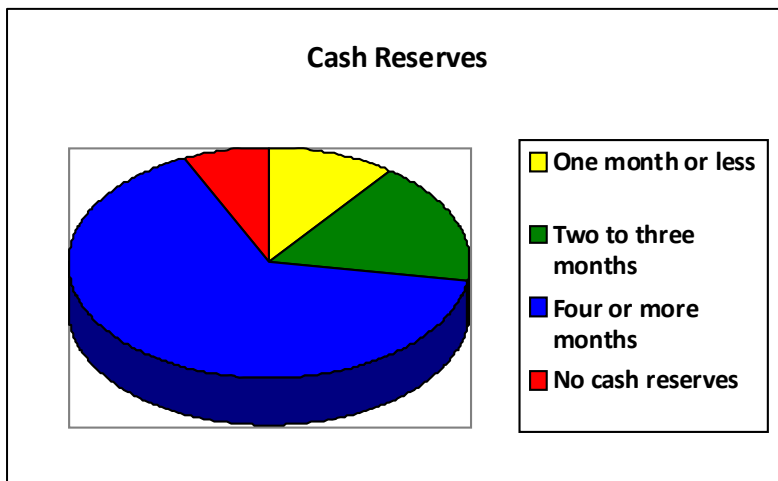
Nonprofits continue to hold off capital campaigns

When asked in February 2009, approximately 68% of survey respondents claimed they had decided not to launch a capital campaign, but considered doing so in the future. Six months later, nearly 76% of the nonprofits surveyed claimed they have decided against undertaking a capital campaign in the current economic climate.



Response to budget deficits

Unlike the national average of 54%*, only 18.5% of the Quad Cities nonprofit survey respondents have eliminated programming in an effort to offset shortfalls in budgets for the 2009 fiscal year. Approximately 45% of responses indicated the Quad Cities nonprofit sector has increased fundraising efforts and 18.5% have collaborated with other nonprofits and used cash reserves.



Regional nonprofits had the foresight to maintain cash reserves, a strategy for ensuring financial health in an uncertain economy. More than 60% of respondents indicated they had four or more months of cash reserves, 17% reported they had two to three months, 10% stated they had one month or less. Less than 7% reported having no cash reserves.

* The Effort of the Economy on the Nonprofit Sector, 2009, Guidestar.

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Now is the time to support our nonprofit community

The Community Foundation believes in the importance of a strong, vibrant nonprofit community, and we realize that supporting technical assistance and training to build capacity is critical in 2009 and beyond. We will continue to provide great support for relevant training opportunities for nonprofit staff and board members in 2010. Training opportunities help staff and volunteers lead organizations to a strong and sustainable future, and the Community Foundation is committed to making that training affordable.

The Community Foundation conducted this survey to give our community some measure of how the troubled economy is affecting charitable organizations and the constituencies they serve. We are extremely grateful to the nonprofits that completed our survey. Our mission includes sharing our knowledge of the needs of our community and convening people around opportunities to address those needs.

The Community Foundation will use these survey results to advise our community, its donors, and funding organizations who want guidance on how to connect with causes and organizations that are meaningful to them and critical to our community.

Appendix

Survey questions distributed to Quad City nonprofit sector:

1. Organization Name
2. What was your organization's operating budget in its most recently completed fiscal year?
 - Less than \$250,000
 - \$250,000-\$499,000
 - \$500,000-\$999,000
 - \$1 million- \$5 million
 - More than \$5 million
3. To what extent are the following activities more challenging for your organization in the current economic situation?
 - Attracting new members (if member organization)
 - Meeting needs/interests of current clients or members
 - Competition with other nonprofits
 - Enhancing our visibility and reputation
 - Communicating with clients or members
 - Strategic planning/evaluating outcomes of impacts of programs
 - Recruiting or keeping qualified staff
 - Covering employee benefit/insurance costs
 - Managing or improving board-staff relations
 - Obtaining funding
 - Recruiting new donors
 - Retaining current donors
 - Accountability to donors
 - Managing finances and accounting
 - Using information technology effectively
 - Managing facilities
 - Attracting/getting referrals for new clients
4. Which statement best describes your organization's outlook for the next 3 years?
 - We will expand services in certain key areas
 - We will examine existing assumptions, likely emerging as a different organization
 - Our services will remain unchanged
 - We will need to reduce key program budgets and services
 - Our key services will remain unchanged but ancillary services will face cuts

5. Which statement best describes your organization's current financial health?
- We are financial healthy and not currently vulnerable
 - We have been financially healthy to date but feel vulnerable in the future
 - We are experiencing chronic financial problems but expect to survive
 - We don't know how we will survive through 2010
6. How many months of operating expenses does your organization have available in cash reserves?
- One month or less
 - Two to three months
 - Four or more months
 - We have no cash reserves
7. Is your organization currently undertaking a capital campaign?
- Yes
 - No
 - We have postponed our plans to launch a capital campaign
8. If total expenses exceeded total revenue for your organization in the past 12 months, how have you responded?
- Our total expensed did not exceed revenues
 - Used prior-year cash reserves
 - Borrowed money
 - Cut non-essential expenses
 - Delayed payment of bills
 - Eliminated programs
 - Increased fundraising activities
 - Turned away clients
 - Laid off staff
 - Collaborated with other nonprofits
 - Continued operating in deficit
9. Would someone from your organization be willing to talk to the media about the issues covered in this survey?
- Yes
 - No
10. If Yes, please provide contact information for the person who would speak to the media, name, title, phone, email.