

AN INSIDE LOOK

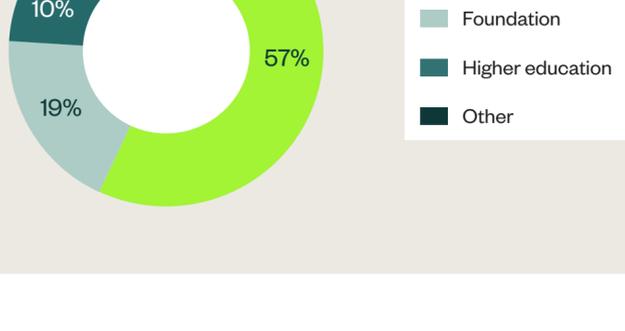
Not-for-Profit 2020 Industry Outlook

Accurate information about your industry is often the key to assessing your own operations. We've created a series of spotlights specifically for not-for-profits, foundations, higher education, associations, and others to look at trends and decisions made by these groups. This installment of the series includes feedback from 196 organizations across the nation and offers insight on their outlook for 2020.

Survey data was collected between November 14, 2019 and January 28, 2020.

PARTICIPANTS

BY CATEGORY

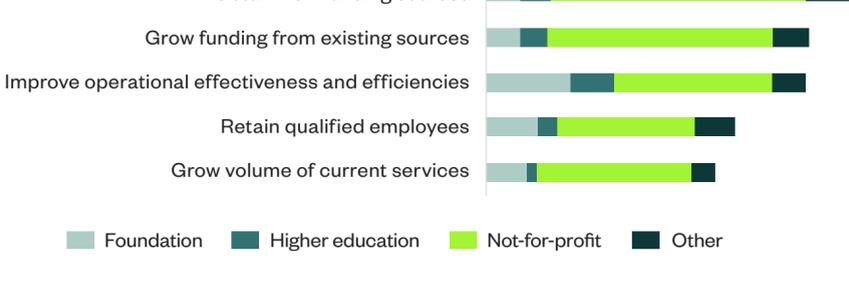


TOP GOALS

			2020 Position	2019 Position	Change
1		Obtain new funding sources	#1	#1	—
2		Grow funding from existing sources	#2	#4	▲
3		Improve operational effectiveness and efficiencies	#3	#2	▼
4		Retain qualified employees	#4	Not in Top 5	▲
5		Grow volume of current services	#5	Not in Top 5	▲

Obtaining new funding sources remained the number one goal for the second year in a row. Growing funding jumped from fourth place in 2019 to second place in 2020, while improving operational effectiveness and efficiencies went down a position from last year, coming in third place.

TOP GOALS FOR PARTICIPANTS



PERCENTAGE BREAKDOWN

Top Goals	Foundation	Higher Ed.	NFP	Other	Total
Add new program and service offerings	2.5%	9.0%	4.1%	6.6%	5.5%
Collaborate with other organizations	8.9%	3.4%	5.7%	3.8%	5.4%
Develop and begin tracking performance measures	5.7%	4.5%	4.5%	2.8%	4.4%
Develop strategic plan	5.7%	3.4%	5.9%	4.7%	4.9%
Grow funding from existing sources	6.3%	9.0%	13.6%	10.4%	9.8%

GROWTH STRATEGIES

			2020 Position	2019 Position	Change
1		Expand advancement and development activities	#1	#3	▲
2		Seek new revenue streams	#2	#1	▼
3		Implement operational efficiencies	#3	#2	▼
4		Increase revenue through services and programs	#4	#4	—
5		Reduce operational costs	#5	#5	—

Expanding advancement and development activities was the top priority for 2020, up from its rank as third in 2019. Seeking new revenue streams, the number one priority in 2019, moved down to second place for 2020. Implementing operational efficiencies came in third, down a spot from 2019.

TOP STRATEGIES FOR PARTICIPANTS



PERCENTAGE BREAKDOWN

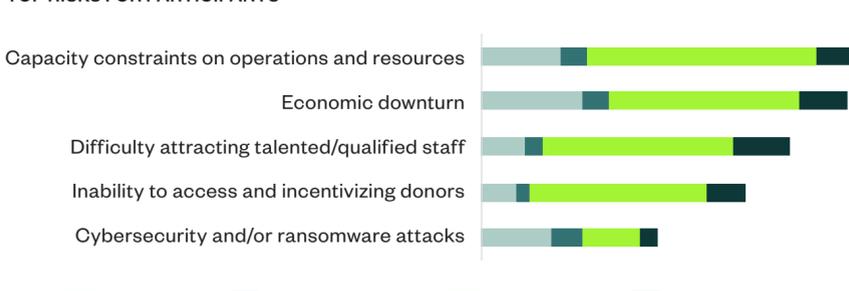
Top Strategies	Foundation	Higher Ed.	NFP	Other	Total
Access financing	2.9%	4.2%	1.6%	3.2%	3.0%
Acquire or merge with another organization	1.0%	4.2%	1.6%	1.1%	2.0%
Convert real property to realized revenues	1.9%	1.4%	2.2%	2.1%	1.9%
Expand advancement and development activities	13.5%	18.1%	19.5%	17.0%	17.0%
Expand physical or geographic footprint	3.9%	2.8%	7.1%	5.3%	4.8%

ANTICIPATED RISKS

			2020 Position	2019 Position	Change
1		Economic downturn	#1	Not in Top 5	▲
2		Capacity constraints on operations and resources	#2	Not in Top 5	▲
3		Difficulty attracting talented/qualified staff	#3	#3	—
4		Inability to access and incentivizing donors	#4	Not in Top 5	▲
5		Cybersecurity and/or ransomware attacks	#5	#5	—

The top two anticipated risks this year jumped in the rankings—in 2019 they didn't even rank in the top five. These anticipated risks were: economic downturn as well as capacity constraints on operations and resources. Difficulty attracting talented staff remained in third place—the same as 2019.

TOP RISKS FOR PARTICIPANTS



PERCENTAGE BREAKDOWN

Top Anticipated Risks	Foundation	Higher Ed.	NFP	Other	Total
Capacity constraints on operations and resources	14.6%	7.3%	13.2%	8.6%	10.9%
Cybersecurity and/or ransomware attacks	13.0%	8.5%	3.3%	4.3%	7.3%
Decline in demand for programs/products/services	2.4%	9.8%	4.1%	7.5%	6.0%
Difficulty attracting talented/qualified staff	8.1%	4.9%	10.9%	14.0%	9.5%
Diminished federal, state or municipal funding	1.6%	6.1%	5.3%	6.5%	4.9%

Respondents from each industry: not-for-profit (111), foundations (38), higher education (20), and other (27).

CONTACT US

If you have questions about the survey results or methodology, please email surveys@mossadams.com.