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2013 Nonprofit Needs Assessment

A Profile of Michigan's Most Urgent Professional Development Needs

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Dr. Russell G. Mawby Fellowship in Philanthropic Studies

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ABOUT THE DR. RUSSELL G. MAWBY FELLOWSHIP IN PHILANTHROPIC STUDIES

“The Mawby Fellowship provides the opportunity for one faculty member to work with two undergraduate students on a research project that addresses relevant issues related to philanthropic studies.

The topic of the research will focus on the intersection between any field of academic study and the theory or practice of philanthropy. The ongoing fellowship program honors Mawby’s lifelong devotion to nurturing, mentoring, and opening doors of opportunity for youth worldwide, as well as his quarter century of leadership in the world of philanthropy as the CEO of the W.K. Kellogg Foundation.

Mawby’s generous endowed gift to the Johnson Center funds the fellowship. The award is open to all faculty members, including teaching administrative/professionals and affiliates” (www.johnsoncenter.org).”

The 2012-2013 Faculty fellow is Heather Carpenter, Ph.D., an assistant professor in Grand Valley State University’s School of Public, Nonprofit and Health Administration. The two selected undergraduate fellows are Rachel Gregg and Alaina Clarke.

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For questions or additional information about this report, please contact Heather Carpenter at carpenth@gvsu.edu.

INTRODUCTION

There are over 48,000 nonprofits operating in the state Michigan, employing over 375,000 nonprofit workers¹. While many industries are struggling in Michigan, the nonprofit sector continues to grow at a rate of 1.3 percent per year². The demand for nonprofit services is also rising and nonprofit workers must work longer hours and take on additional responsibilities to meet increasing demands.

Nonprofit and philanthropic employers are recognizing that in order to reduce employee burnout and turnover as well as maintain positive employee morale, they must provide professional development³ opportunities to their staff. These opportunities can take place internal or external to the organization. Wherever the professional development takes place, it provides many positive benefits to employees, volunteers and organizations.

ABOUT THE NEEDS ASSESSMENT

The purpose of this study is to present findings from a statewide survey of nonprofit professional development conducted by the School of Public, Nonprofit and Health Administration for the Johnson Center for Philanthropy (JCP) at Grand Valley State University.

Previous professional development needs assessments were conducted in 1998 and 2007 by JCP. The goal of these assessments was to determine the technical assistance and management support needs of West Michigan area nonprofit organizations.

- In 1998 the most crucial management support needs were marketing, resource development, collaborative partnerships, planning, and information systems.
- In 2007 the most crucial technical assistance needs reported were fundraising/grants, development/advancement, marketing/public relations and planning/strategic planning.

The previous needs assessments were a good first step in determining the most critical training needs. However, the earlier studies did not recommend specific management support training or technical assistance formats that would address the most crucial training needs. Therefore, this study identifies the most crucial training needs of nonprofits within the entire state of Michigan as well as proposes training and technical assistance formats.

The 2013 needs assessment survey was constructed and sent through the JCP email list in February 2013. In total, 138 organizations responded to the survey. Organizational respondents answered questions in the following four areas:

- Existing professional development practices,
- Professional development needs,
- Professional development format, and
- Legal services.

¹ Salamon & Geller (2010). Economic Benefit of Michigan's Nonprofit Sector Report; Baltimore, MD: Johns Hopkins University

² IBIT

³ Professional development is called many different terms, such as technical assistance, leadership development, training and capacity building. For the purposes of this report the words professional development and training will be used interchangeably.

Key findings and recommendations are summarized in the first section of this report. Then more detailed findings are presented in subsequent sections of the report. Additionally, methodology and demographic information is provided in Appendix A.

KEY FINDINGS AND RECOMMENDATIONS

The following key findings emerged in the 2013 needs assessment:

- **The majority of respondent organizations offer professional development to their staff and board:** 73 percent of the surveyed nonprofits offer professional development training to their staff, and 51 percent offer professional development to their board.
- **JCP is the second most frequently used professional development source.** The first most frequently used professional development source is the Internet.
- **Program Evaluation and Data-Based Decision Making is a crucial training need for many respondents.** However, organizations are not currently taking advantage of this type of training due to cost and time constraints.
- **Organizational type and location determines the most crucial training need, in some cases.** Fifty-seven percent of respondent educational organizations and 60 percent of Muskegon county respondent organizations selected Board of Directors training as their most crucial training need.

Recommendations

JCP should continue to offer content-specific programming to clients consistent with the length and time of day that clients prefer. For example, JCP should consider offering workshops in shorter segments, preferably less than one-half-day on Thursday mornings.

Trainings already provided on HR Management topics are meeting a need within the nonprofit community and JCP should continue this type of programming. JCP should also consider providing additional training in Technology, Marketing, Communications and Social Media, Board of Directors, as well as Program Evaluation and Data-Based Decision Making. These topical trainings should not only be offered more frequently but be marketed in a unique way so that organizations see the cost and time savings in attending the trainings. Since the majority of educational organizations and organizations located in Muskegon selected Board of Directors training as a most crucial need, JCP should consider piloting a board training series that specifically caters to these organizations.

Respondent organizations from Newaygo County listed JCP as a professional development source less frequently than respondent organizations from other counties in JCP's primary service area. JCP should consider providing targeted workshops in Newaygo County or in a webinar format marketed specifically to Newaygo County organizations.

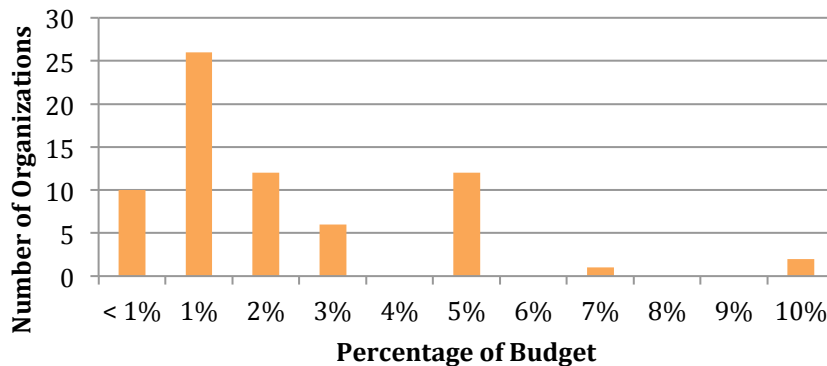
EXISTING PROFESSIONAL DEVELOPMENT PRACTICES

In this section of the report, findings are reported about internal and external professional development offerings, professional development deterrents, professional development sources, and training topics used by organizations.

Professional Development Offerings

Seventy-three percent of respondent organizations offer professional development training to their staff and 51 percent offer professional development to their board. Figure one shows that organizations allocate between 0.05 percent and 10 percent of their annual budgets for this purpose. On average, organizations devote approximately 2 percent of their annual budgets to professional development.

Figure 1: Percentage of Budget Reserved for Professional Development



Of those not currently offering professional development, 12 percent reported that they would consider offering it to their staff in the future, and 26 percent would consider offering it to their boards.

Professional Development Deterrents

Organizations identified the main deterrents in not offering professional development. Cost (47%) and lack of relevant information (20%) were listed as the main deterrents in providing in-house professional development. Organizations also expressed challenges participating in external trainings primarily because of money (37%) and time (26%).

Of those reporting money as the primary deterrent, 48 percent are from JCP counties and 40 percent have 1 percent of their budgets reserved for professional development. Respondent organizations that reported time as the primary deterrent, 92 percent have been in existence for more than 10 years.

Thirty-six percent of respondents reported that there are trainings the organization needs but do not participate in. Sixty-three percent of those respondents are from Kent County, a JCP service area. Further analysis revealed that only 16 percent of nonprofits with budgets over \$1.5 million did not participate in a training they deemed necessary. This shows that higher-budget

nonprofit organizations appear to have more capacity and resources to access the training opportunities they need. However, organizations that have been in existence longer still struggle with making the time for professional development.

Professional Development Sources

Organizations that offer professional development to their staff identified the sources they use the most. The most frequently used external sources are the Internet, the Johnson Center for Philanthropy, and Professional Associations. See Figure 2 for the ten most frequently used professional development sources.

Figure 2:



Further analysis revealed that the majority of respondent organizations in Allegan, Ionia, Kent, Muskegon, Newaygo, and Ottawa counties (JCP’s primary service area) listed using JCP as a professional development source. Thirty-three percent of Newaygo county respondents indicated using JCP.

National Affiliates and Professional Development Training:

National Affiliates are also important sources of professional development training. These organizations offer workshops, webinars, and coaching to their members. Respondent organizations were asked if they are affiliated with national organization and if they utilize trainings offered by the national organization. The majority of respondent organizations (70%) indicated they are not affiliated with a national organization. Of the organizations holding membership, 90 percent utilize provided trainings. National organizations appear to be a strong resource for external professional development.

Professional Development Training Topics

Respondent organizations reported the top three training topics in which they already receive training. The most frequently selected topics were *Technology, Marketing and Social Media, Board of Directors Training, and HR Management and Volunteerism*. These topics are highlighted in Table 1.

Table 1: Utilized Training Topics

Utilized Training Topics	Number of Respondents	Percentage
Technology, Marketing and Social Media	64	46%
Board of Directors Training	48	35%
HR Management and Volunteerism	40	29%
Chief Executive Officer Coaching and Training	35	25%
Program Evaluation and Data-Based Decision Making	30	22%
Assessments, Organizational Systems Analysis and Business Models	25	18%
Charitable and Earned Revenue and Financial Management	25	18%
Meaningful Strategic Partnerships, Mergers, and Coalitions	14	10%

Further discussion and comparison of professional development training topics with professional development needs is provided in the next section of the report.

PROFESSIONAL DEVELOPMENT NEEDS

In this section of the survey, respondent organizations were asked to select from a list, their three most crucial training needs. The most frequently selected training needs were *Board of Directors Training*, *Program Evaluation and Data-Based Decision Making*, and *Technology, Marketing, Communications and Social Media*, as reported in Table 2.

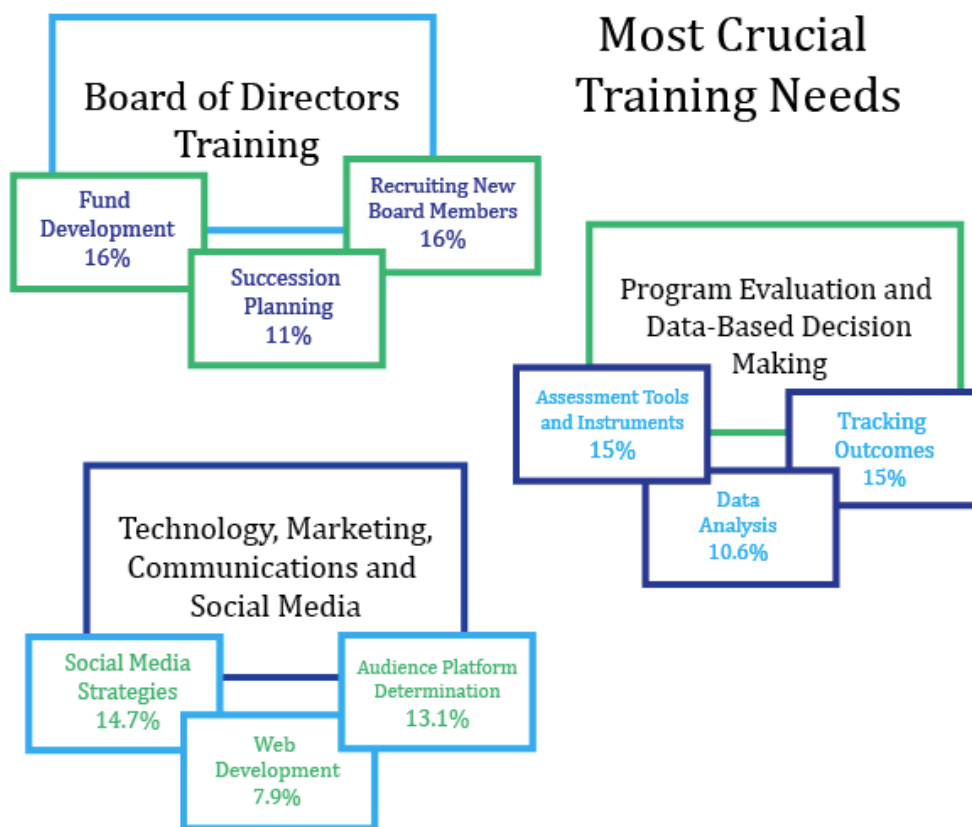
Table 2: Crucial Training Need

Crucial Training Need	Number of Respondents
Board of Directors Training	50
Program Evaluation and Data-Based Decision Making	50
Technology, Marketing, Communications and Social Media	46
Assessments, Organizational Systems Analysis and Business Models	35
Charitable and Earned Revenue and Financial Management	31
Chief Executive Officer Coaching and Training	31
HR Management and Volunteerism	29
Meaningful Strategic Partnerships, Mergers, and Coalitions	27

There is overlap between the training topics where organizations already receive training (Table 1) and the most crucial training needs (Table 2). Overlap exists with *Board of Directors Training*, and *Technology, Marketing, Communications and Social Media*. The topic that does not overlap is *Program Evaluation and Data-Based Decision Making*, which is listed as a crucial need by many respondent organizations, but is not currently being utilized. Additionally, *HR Management and Volunteerism* is being used by many organizations but not identified as top training need.

After organizations selected their top three training needs they were provided a list of subcategories. The findings from these subcategories are summarized in Figure 3. The top three subcategories selected under *Board of Directors Training* are fund development, recruiting new board members, and succession planning. Organizations request additional training opportunities within *Program Evaluation and Data-Based Decision Making* such as selecting assessment tools and instruments, tracking outcomes and data analysis. Within *Technology, Marketing, Communications and Social Media*, the top three subcategories are social media strategies, audience platform determination, and web development.

Figure 3:



Further analysis comparing organizational responses and demographic information revealed that 57 percent of respondent educational organizations selected *Board of Directors Training* as their most crucial training need. Additionally, 60 percent of respondent organizations from Muskegon said they desired training in recruiting new board members.

Eighty percent of religious organizations that responded to the survey selected *Technology, Marketing, Communications and Social Media* as a crucial training need. Additionally, 66 percent of respondent organizations from Newaygo County also desired additional training in *Technology, Marketing, Communications and Social Media*. Fifty-two percent of very small organizations (with budgets less than 165,000) desired this type of training as well.

Further analysis also revealed that 53 percent of public and societal benefit respondent organizations selected *Program Evaluation and Data-Based Decision Making* as their most desired training.

PROFESSIONAL DEVELOPMENT FORMATS

Results show that nonprofits evaluate a variety of factors when considering external training. Respondent organizations ranked on a scale of 1 to 5, the factors they use to determine whether or not they sign up for training.

Respondent organizations ranked topic as the number one factor in deciding to sign up for training. Factors ranked by importance, are shown in Figure 4.

Figure 4: Important Training Factors

1. Topic
2. Price
3. Location
4. Reputation of Training Source
5. Credentials of Presenter

Then respondents identified ideal characteristics for selecting training, such as training formats, length and time of day. These findings are shown in Figures 5-7. The highest number of respondents selected *Depends on Training* for ideal training format, training length, and training time of day. Respondent organizations also indicated that workshops (32%) one-half-day or less in duration (53%), held on Thursday (50%) mornings (25%), located 50 miles or less away from the nonprofit office (69%) are ideal.

Survey responses show that location and format of trainings is largely dependent on the content of the training. However, if training is offered online, respondent organizations prefer the webinar format (75%). Additionally, the majority of respondent organizations prefer trainings funded by a foundation or third party (51%).

Figure 5: Ideal Training Format

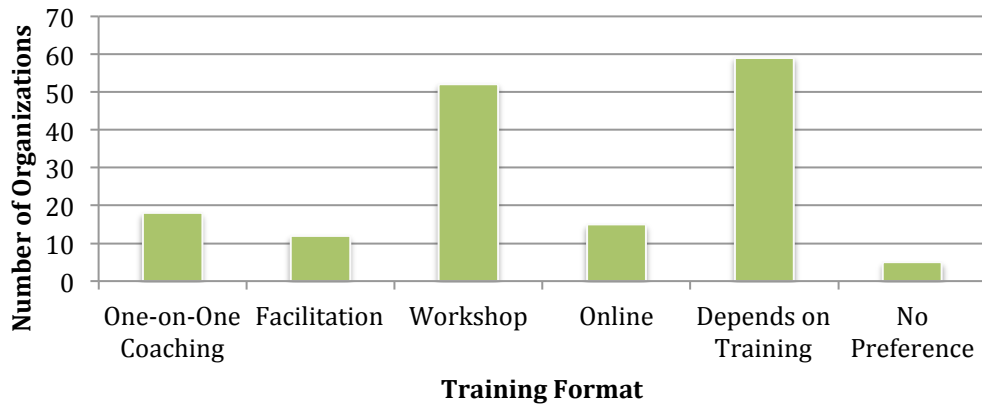


Figure 6: Ideal Training Length

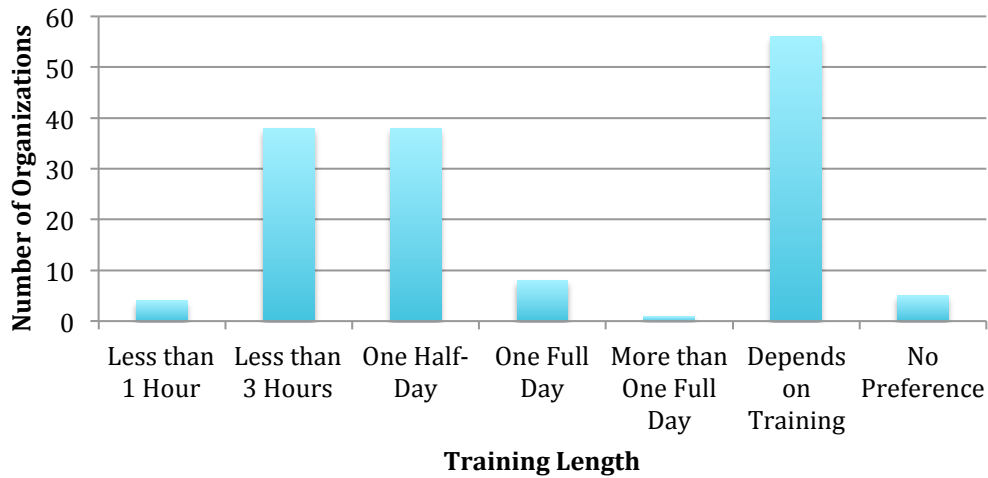
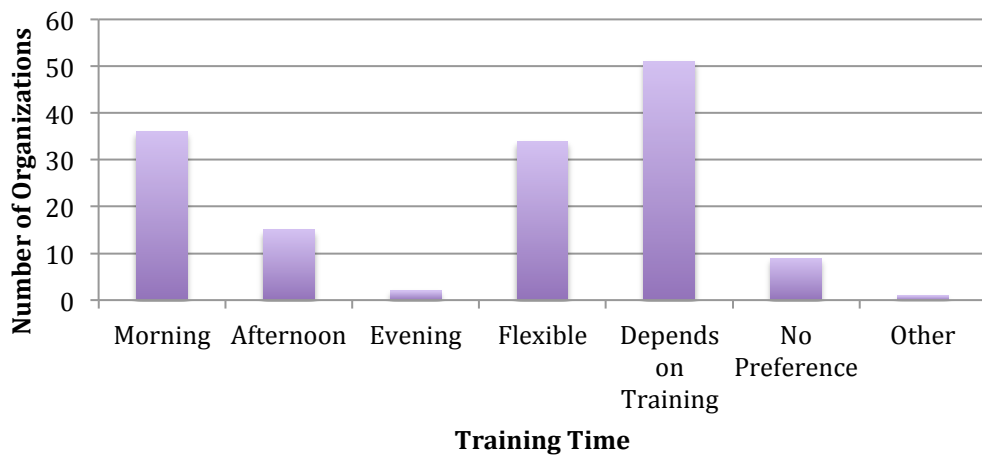


Figure 7: Ideal Training Time



Further demographic comparisons revealed that 57 percent of respondent organizations from Kent County preferred the morning training time.

LEGAL SERVICES

JCP is considering expanding their services to provide legal resources and referrals to nonprofit organizations. Respondent organizations were asked to select the three most crucial legal concerns and legal needs. Organizations also identified where they already receive legal advice. Responses are summarized below.

Legal Concerns and Legal Needs

The top three legal concerns of respondent organizations, as indicated in Figure 8, are *Fundraising, Grant Obligations, and Donor Support* (40%), *Compliance and Regulatory Matters* (30%), and *Employment Matters* (28%).

Figure 8: Top 3 Legal Concerns

1. Fundraising, Grant Obligations and Donor Support
2. Compliance and Regulatory Matters
3. Employment Matters

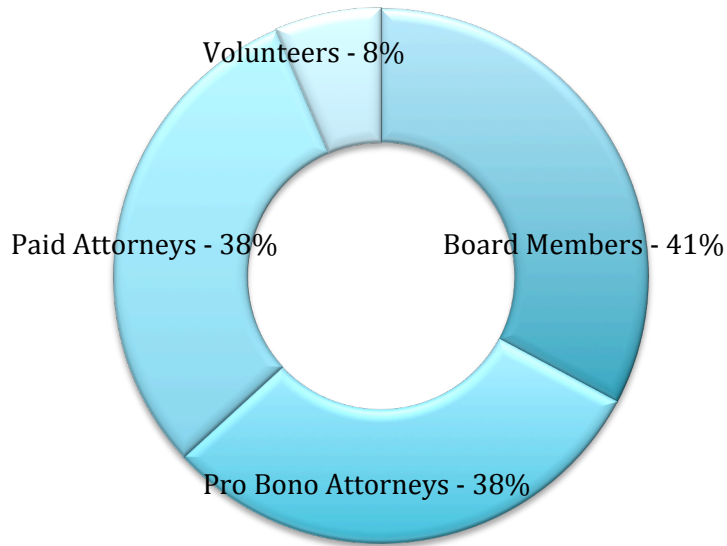
Respondent organizations indicated they desire legal training in these three areas as well. Further analysis was conducted to compare the legal concerns and needs with demographic information of respondent organizations. Demographic comparisons included organizational type, budget size and county location.

When these comparisons were made, 74 percent of respondent organizations that selected a crucial legal need in *Compliance and Regulatory Matters* are located in a JCP county. Of the respondent organizations that reported a crucial need in *Fundraising, Grant Obligations, and Donor Support*, 85 percent are located in a JCP county. Of the organizations that reported a crucial need in *Employment Matters*, 90 percent of respondents are located in a JCP county.

Sources of Legal Advice

Respondent organizations indicated they receive legal advice from those close-at-hand including board members (41%), paid attorneys (38%) and pro-bono attorneys (38%). A breakdown of sources of legal advice is shown in Figure 9.

Figure 9: Sources of Legal Advice



Forty-one percent reported that they utilize board members for legal counsel, who may or may not have professional legal training. Fifty-two percent of respondents receiving legal advice from board members are located in a JCP county, 80 percent have budgets under \$1.5 million and 80 percent have between 5-15 board members. These organizations budget a higher than average amount for professional development (between 2-7%).

Of organizations utilizing paid attorneys, 42 percent are located in JCP counties. Interestingly 90 percent cite cost as a reason not to participate in professional development opportunities. For these organizations, it appears that legal needs are more pressing or immediate than professional development. Of organizations utilizing pro bono attorneys, 47 percent are located within JCP counties.

APPENDIX A. METHODOLOGY AND DEMOGRAPHICS

Methodology

The following research questions guided the study:

- What management support training or other types of technical assistance would address the most crucial needs of Michigan nonprofit organizations?
- What are the three most crucial needs of Michigan nonprofit organizations?
- What delivery formats (one-on-one, workshops, etc.) for professional development would be most helpful for Michigan nonprofit organizations?
- What professional development opportunities Michigan nonprofits currently utilizing in their work?
- What are the specific barriers or obstacles that prevent Michigan nonprofits from offering or accessing professional development opportunities for their boards and staff?

Lime Survey was used to construct and administer the online survey during February 2013. Survey participants were recruited from a list of 813 Michigan nonprofits that subscribe to the JCP email list. In total, 138 organizations responded to the survey for a 17 percent response rate.

JCP staff distributed a pre-notice email, followed by an invitation email that included a link to the survey. Two reminder emails were also sent throughout the data collection period. Before beginning the survey, participants were asked to acknowledge that their participation was voluntary.

The survey included 56 questions with a variety of importance, dichotomous, rating scale, likert, and open format questions. Data was analyzed in SPSS using descriptive statistics and cross tabs. Comparisons were made between responses and demographic data including organizational type, size, number of employees and CEO longevity. Data presented in this study is not meant to represent the Michigan nonprofit sector but explain experiences of those organizations that subscribe to the JCP email list.

Demographics

Demographic information was collected including organizational location, type, budget, age, CEO longevity, and HR and volunteerism information.

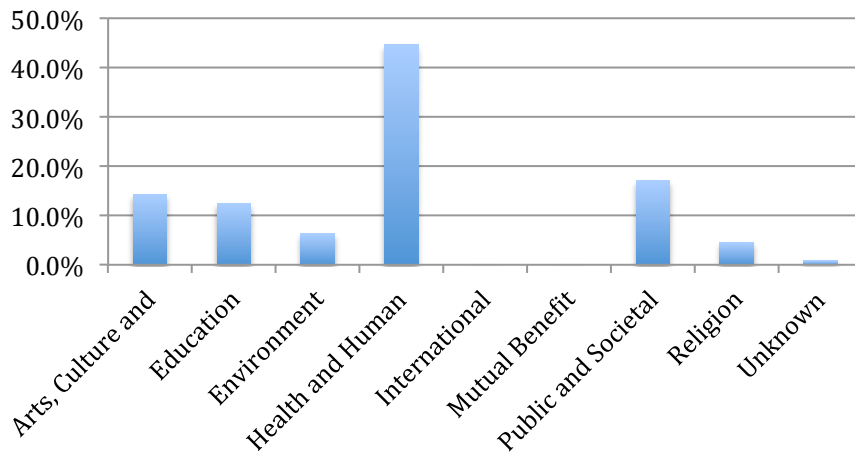
Location:

Researchers attempted to survey organizations from the 115 different counties in Michigan. Since organizations that subscribe to JCP's email list are primarily located within JCP's immediate region of service, 83 percent percent of the respondent organizations indicated they are located in the JCP's nine-county focus area. In the report, findings from the JCP jurisdiction are labeled 'JCP Counties'. Organizations located in Kent County are the most responsive to the survey; these organizations represent 56 percent of respondents. Therefore, data in this report is skewed towards West Michigan nonprofit organizations.

Organizational Type:

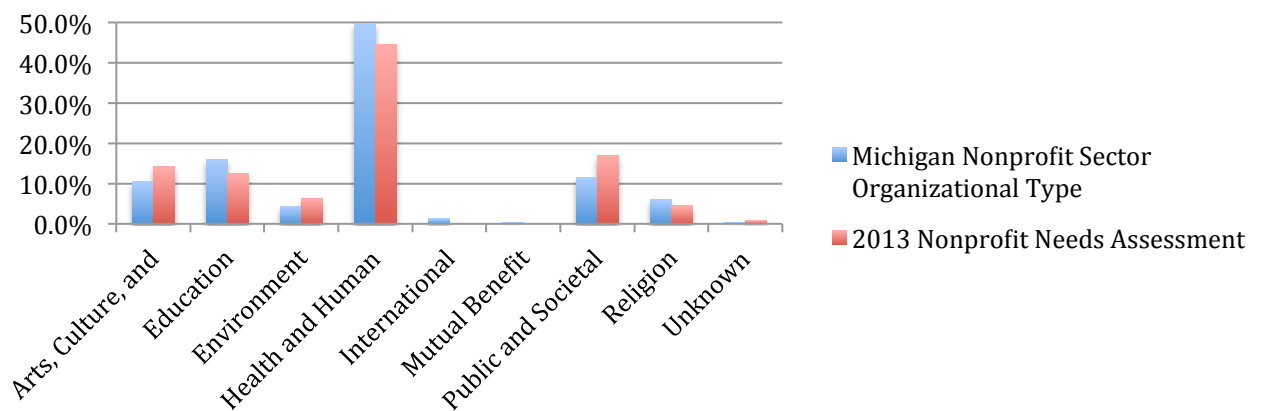
Organizations were asked to select their National Tax Exempt Entity (NTEE) code. The largest type of respondent organization was Health and Human Service (45%). Organizational types are represented in Figure 10:

Figure 10: Respondent Organizational Type



The breakdown of survey respondent organizational types similarly reflects the breakdown of Michigan charities registered with the IRS as shown in figure 11.

Figure 11. Michigan Nonprofit Organizational Type



Source: Overview of Michigan’s Nonprofit Sector: Public Charities, 2012. Michigan Nonprofit Association.

Budget:

There is an even distribution of organizational respondents across budget sizes. Fifty-percent of respondent organizations report annual budgets less than \$500,000. In comparing this budget information to all charities in Michigan, the survey data is slightly skewed towards larger organizations.

Fifty-nine percent of Michigan charities report a fiscal year budget of less than \$250,000,⁴ whereas 35 percent of the needs assessment respondent organizations report a budget of less than \$250,000.

Respondent organizations were also asked to report if their funding increased or decreased from the previous year. Despite widespread economic hardship, 51 percent of respondent organizations report that their funding level has increased over the past twelve months. This data is consistent with previous research indicating that the Michigan nonprofit sector continues to grow⁵. The increases in funding reported by respondent organizations result from increases of individual contributions (49%).

Organization Age:

Organizations were asked to report the length of time they had been in operation. The majority of respondent organizations (88%) have been in existence for ten or more years.

CEO Longevity:

Organizations in the Michigan area appear to be led by long-time Executive Directors, or Executive Directors who have held the position for a relatively short time. Fifty-one percent of respondent organizations stated their Executive Directors held their positions for 0-6 years, while 42 percent had Executive Directors held their position for ten or more years.

Human Resources:

Respondent organizations also answered a series of demographic questions about the number of staff, number of board members and number of volunteers. These results are shown in Figures 12-14.

The majority of respondent organizations (56%) employ 0-5 FTE employees. Additionally, 88 percent of organizations that employ at least one staff member had 0-5 employees voluntarily or involuntarily vacate their positions within the last year. Eighty-one percent of respondent organizations have between 5-15 members sitting on their board of directors. Most organizations also reportedly utilize a large number of volunteers. Forty-six percent of organizations draw on the services of 81+ unique volunteers.

⁴ Overview of Michigan's Nonprofit Sector: Public Charities (2012). Michigan Nonprofit Association

⁵ Salamon & Geller (2010). Economic Benefit of Michigan's Nonprofit Sector Report; Baltimore, MD: Johns Hopkins University

Figure 12: Number of Full Time Equivalent Employees

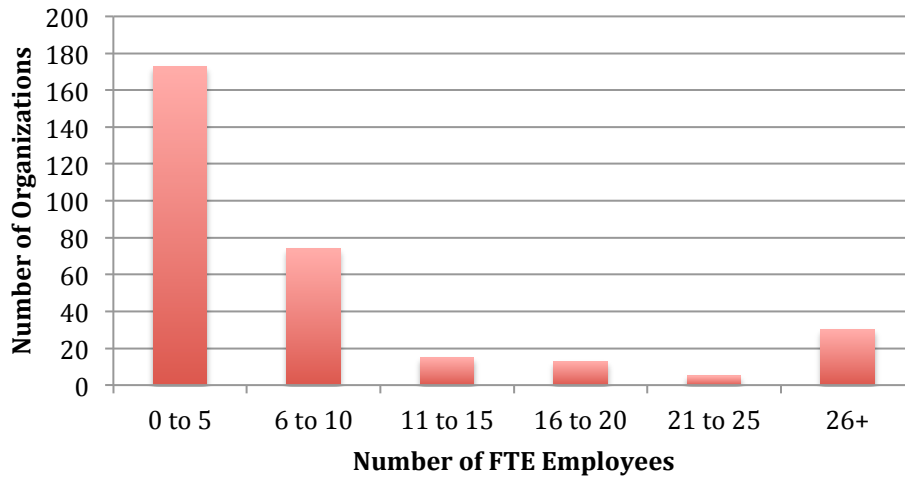


Figure 13: Number of Board Members

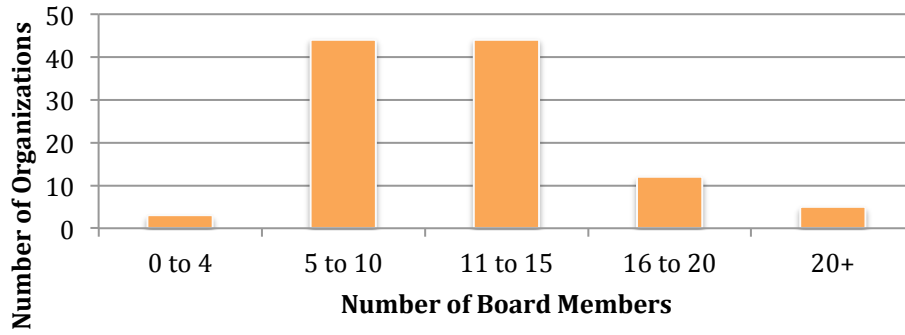
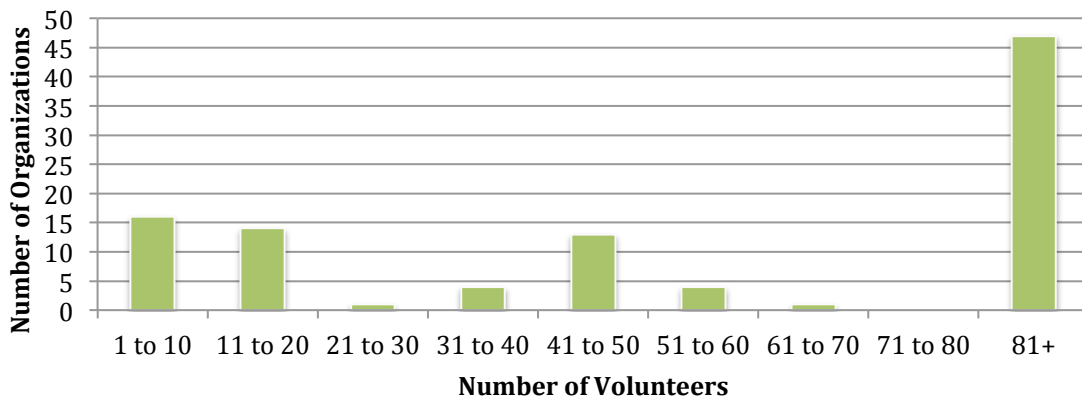


Figure 14: Number of Volunteers





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