

Nonprofit Finance Fund
2011 State of the Nonprofit Sector Survey
Generously Supported by Bank of America Charitable Foundation
National Arts Results
March 2011



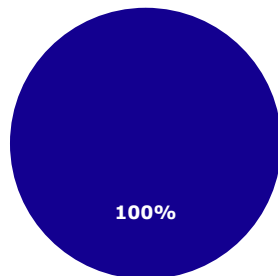
Question 1: In what state is your organization located?

AK - 1 - 0%	ID - 2 - 1%	MT - 1 - 0%	PR - 0 - 0%
AL - 0 - 0%	IL - 16 - 4%	NC - 3 - 1%	RI - 0 - 0%
AR - 0 - 0%	IN - 2 - 1%	ND - 1 - 0%	SC - 0 - 0%
AZ - 1 - 0%	KS - 0 - 0%	NE - 1 - 0%	SD - 0 - 0%
CA - 76 - 20%	KY - 0 - 0%	NH - 10 - 3%	TN - 1 - 0%
CO - 1 - 0%	LA - 3 - 1%	NJ - 35 - 9%	TX - 4 - 1%
CT - 9 - 2%	MA - 15 - 4%	NM - 0 - 0%	UT - 1 - 0%
DC - 7 - 2%	MD - 14 - 4%	NV - 0 - 0%	VA - 5 - 1%
DE - 0 - 0%	ME - 1 - 0%	NY - 39 - 10%	VT - 1 - 0%
FL - 6 - 2%	MI - 42 - 11%	OH - 3 - 1%	WA - 10 - 3%
GA - 2 - 1%	MN - 8 - 2%	OK - 4 - 1%	WI - 2 - 1%
HI - 5 - 1%	MO - 4 - 1%	OR - 4 - 1%	WV - 0 - 0%
IA - 1 - 0%	MS - 0 - 0%	PA - 30 - 8%	WY - 0 - 0%
Other - 2 - 1%			
Total - 373 - 100%			

Question 2: In what zip code is your organization located?

Question 3: What type of organization are you?

Organizational Sectors

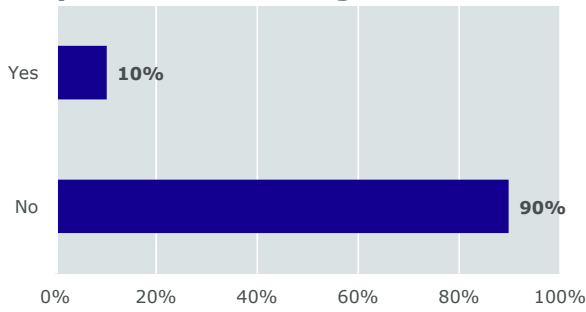


■ Arts, Culture, and Humanities

Sectors:		
Arts, Culture, and Humanities	373	100%
Education	0	0%
Environment and Animals	0	0%
Health	0	0%
House of Worship	0	0%
Human Services	0	0%
International, Foreign Affairs	0	0%
Mutual/Membership Benefit	0	0%
Public, Societal Benefit	0	0%
Other, please specify	0	0%
Unknown, Unclassified	0	0%
Total	373	100%

Question 4: Do you consider yourself a 'lifeline' organization (i.e., providing critical services to people in need)?

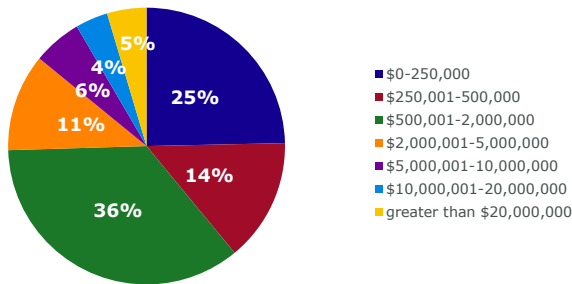
Are you a "lifeline" organization?



Lifeline organizations:		
Yes	38	10%
No	335	90%
Total	373	100%

Question 5: What was your total annual operating expense in 2010?

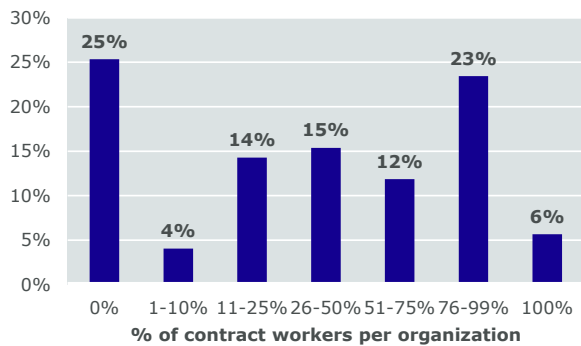
Most respondents from small- to mid-sized nonprofits



Operating expenses:		
\$0-250,000	91	25%
\$250,001-500,000	53	14%
\$500,001-2,000,000	131	36%
\$2,000,001-5,000,000	42	11%
\$5,000,001-10,000,000	21	6%
\$10,000,001-20,000,000	14	4%
greater than \$20,000,000	17	5%
Total	369	100%

Question 6: What percentage of your organization's workforce is made up of contract workers?

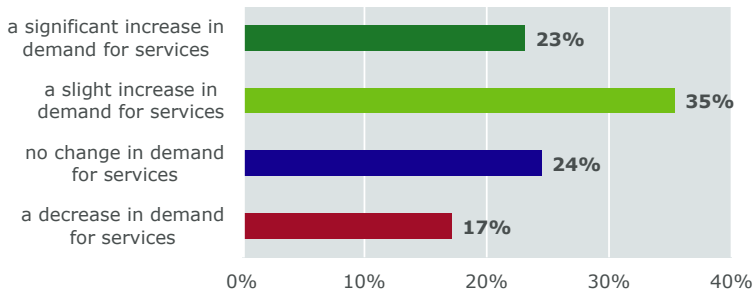
% of contract workers



Contract workers as % of total workforce	FTE	Percentage
0%	94	25%
1-10%	15	4%
11-25%	53	14%
26-50%	57	15%
51-75%	44	12%
76-99%	87	23%
100%	21	6%
Total	371	100%

Question 7: In 2010, did you experience:

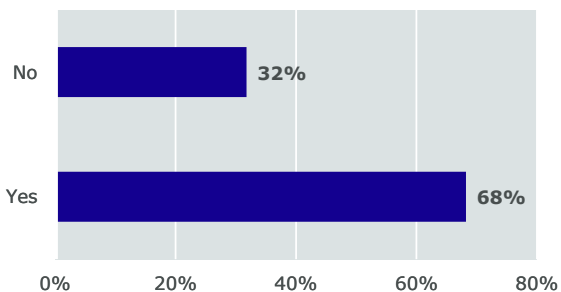
In 2010 did you experience:



In 2010, did you experience:		
a significant increase in demand for services	85	23%
a slight increase in demand for services	130	35%
no change in demand for services	90	24%
a decrease in demand for services	63	17%
Total	368	100%

Question 8: In 2010, were you able to fully meet demand for your services?

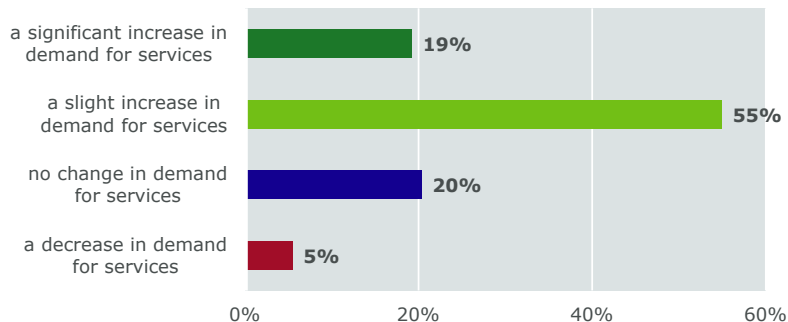
In 2010, were you fully able to meet demands for service?



Able to meet 2010 service demand:		
No	117	32%
Yes	251	68%
Total	368	100%

Question 9: In 2011, we anticipate:

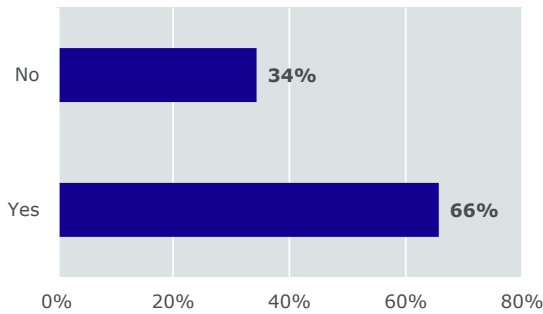
Anticipated for 2011:



In 2011 we anticipate:		
a significant increase in demand for services	70	19%
a slight increase in demand for services	200	55%
no change in demand for services	74	20%
a decrease in demand for services	20	5%
Total	364	100%

Question 10: In 2011, do you anticipate that you will be able to fully meet demand for your services?

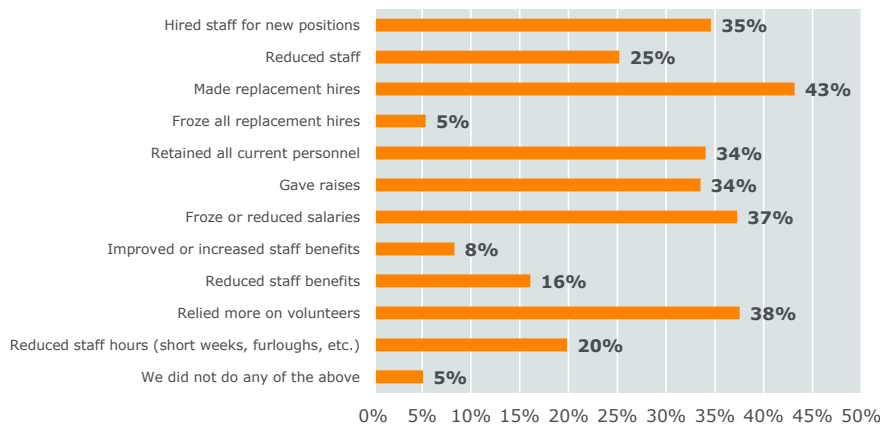
Able to meet demand for service in 2011?



Anticipate being able to meet 2011 service demand?		
No	126	34%
Yes	241	66%
Total	367	100%

Question 11: Have you taken any of the following personnel-related actions in the last 12 months? Please check all that apply:

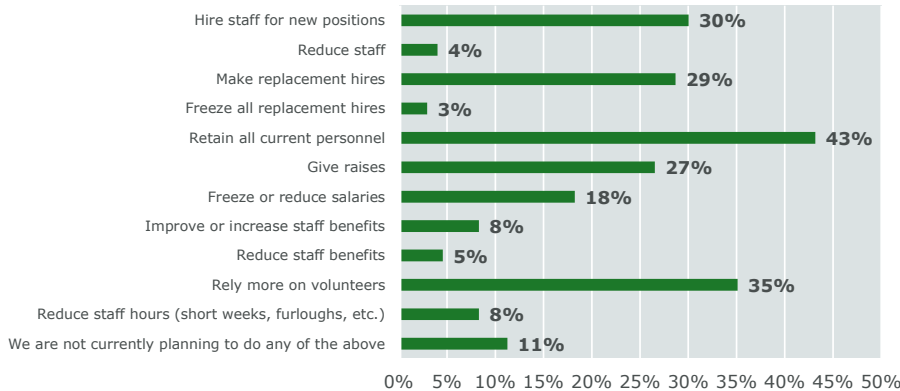
Personnel actions taken in the last 12 months



Personnel-related actions taken in the last 12 months:		% of total survey respondents
Hired staff for new positions	129	35%
Reduced staff	94	25%
Made replacement hires	161	43%
Froze all replacement hires	20	5%
Retained all current personnel	127	34%
Gave raises	125	34%
Froze or reduced salaries	139	37%
Improved or increased staff benefits	31	8%
Reduced staff benefits	60	16%
Relied more on volunteers	140	38%
Reduced staff hours (short weeks, furloughs, etc.)	74	20%
We did not do any of the above	19	5%
Other, please specify	37	10%
Total Survey Respondents	373	

Question 12: Do you plan to take any of the following personnel-related actions in the next 12 months? Please check all actions below that you are planning. Please include all activities that will be new in the next 12 months, as well as any that you will repeat or continue:

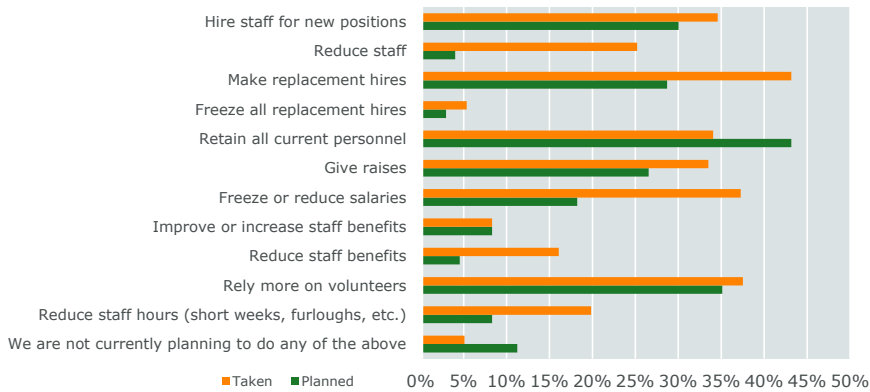
Personnel actions planned for next 12 months



Personnel-related actions planning for next 12 months:		% of total survey respondents
Hire staff for new positions	112	30%
Reduce staff	15	4%
Make replacement hires	107	29%
Freeze all replacement hires	11	3%
Retain all current personnel	161	43%
Give raises	99	27%
Freeze or reduce salaries	68	18%
Improve or increase staff benefits	31	8%
Reduce staff benefits	17	5%
Rely more on volunteers	131	35%
Reduce staff hours (short weeks, furloughs, etc.)	31	8%
We are not currently planning to do any of the above	42	11%
Other, please specify	23	6%
Total Survey Respondents	373	

Question 12(a): Personnel actions you've taken in last 12 months vs. those you're planning in next 12 months

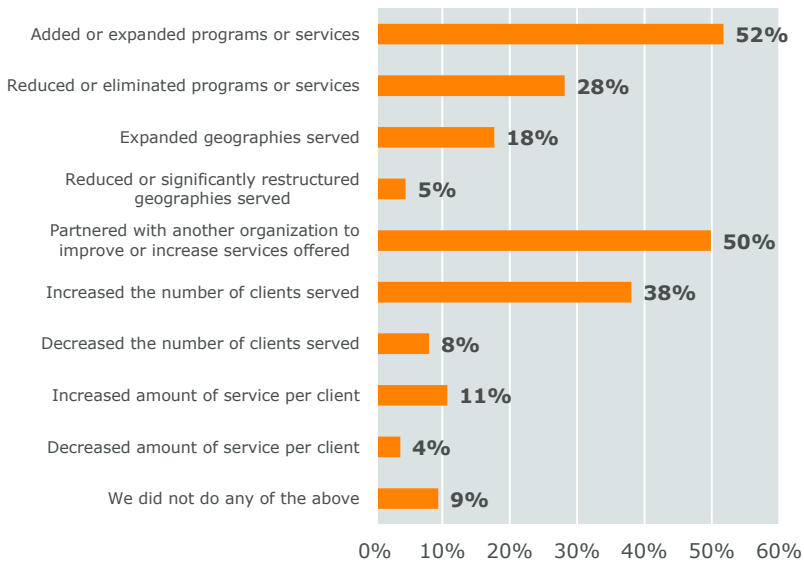
Personnel: actions taken vs. actions planned



Personnel-related actions:	Planned		Taken	
We are not currently planning to do any of the above	42	11%	19	5%
Reduce staff hours (short weeks, furloughs, etc.)	31	8%	74	20%
Rely more on volunteers	131	35%	140	38%
Reduce staff benefits	17	5%	60	16%
Improve or increase staff benefits	31	8%	31	8%
Freeze or reduce salaries	68	18%	139	37%
Give raises	99	27%	125	34%
Retain all current personnel	161	43%	127	34%
Freeze all replacement hires	11	3%	20	5%
Make replacement hires	107	29%	161	43%
Reduce staff	15	4%	94	25%
Hire staff for new positions	112	30%	129	35%
Other, please specify	23	6%	37	10%
Total Survey Respondents	373		373	

Question 13: Have you taken any of the following actions related to service delivery in the last 12 months? Check all that apply:

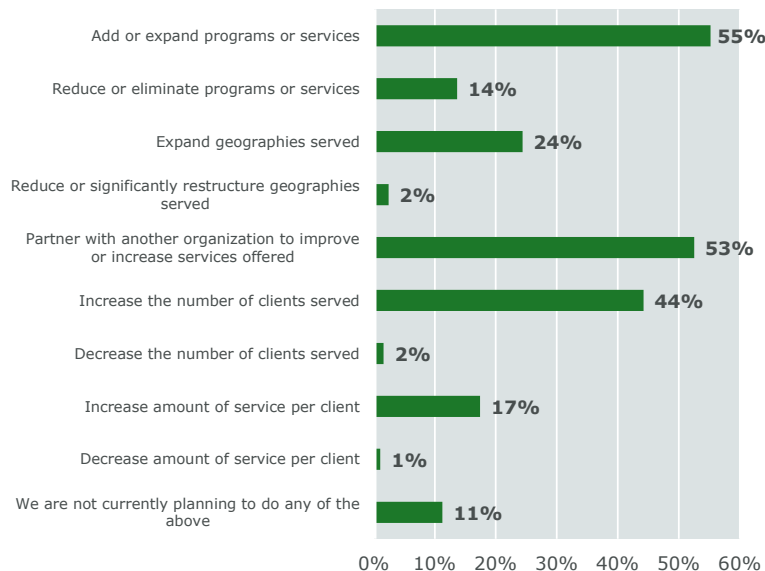
Service-related actions taken in last 12 months



Service-related actions taken in past 12 months:	% of total survey respondents
Added or expanded programs or services	193 52%
Reduced or eliminated programs or services	105 28%
Expanded geographies served	66 18%
geographies served	17 5%
Partnered with another organization to improve or increase services offered	186 50%
Increased the number of clients served	142 38%
Decreased the number of clients served	30 8%
Increased amount of service per client	40 11%
Decreased amount of service per client	14 4%
We did not do any of the above	35 9%
Other, please specify	10 3%
Total Survey Respondents	373

Question 14: Do you plan to take any of the following actions related to service delivery in the next 12 months? Please check all actions below that you are planning. Please include all activities that will be new in the next 12 months, as well as any that you will repeat or continue:

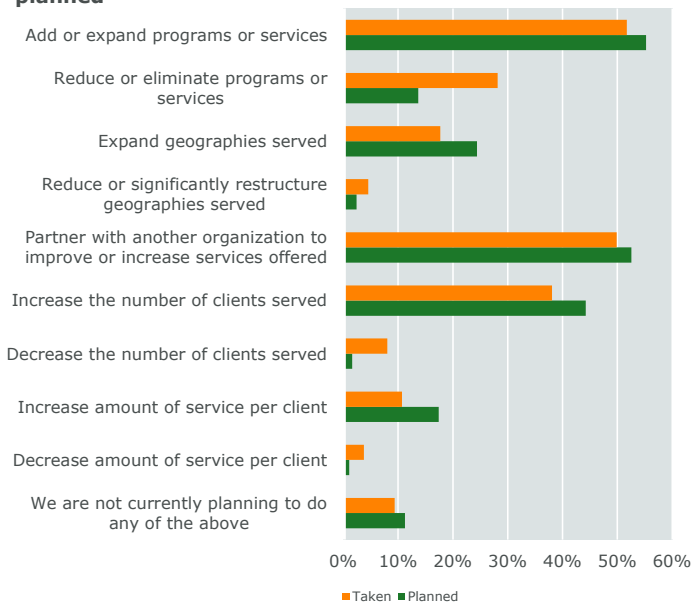
Service-related actions planned for next 12 months



Service-related actions planned for next 12 months:		% of total survey respondents
Add or expand programs or services	206	55%
Reduce or eliminate programs or services	51	14%
Expand geographies served	91	24%
Reduce or significantly restructure geographies served	9	2%
Partner with another organization to improve or increase services offered	196	53%
Increase the number of clients served	165	44%
Decrease the number of clients served	6	2%
Increase amount of service per client	65	17%
Decrease amount of service per client	4	1%
We are not currently planning to do any of the above	42	11%
Other, please specify	7	2%
Total Survey Respondents	373	

Question 14(a): Service-related actions you've taken in last 12 months vs. those you're planning in next 12 months

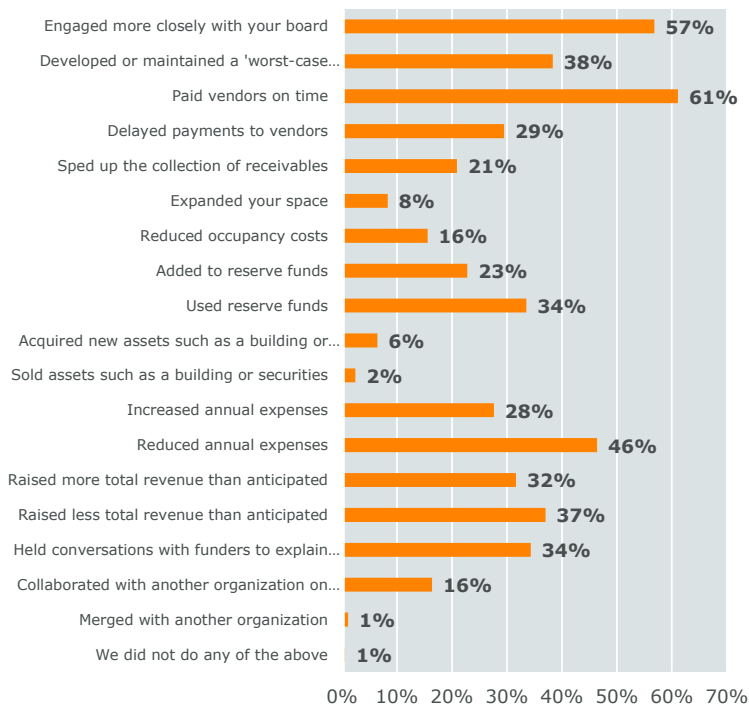
Service-related: actions taken vs. actions planned



Service-related actions:	Planned		Taken	
We are not currently planning to do any of the above	42	11%	35	9%
Decrease amount of service per client	4	1%	14	4%
Increase amount of service per client	65	17%	40	11%
Decrease the number of clients served	6	2%	30	8%
Increase the number of clients served	165	44%	142	38%
Partner with another organization to improve or increase services offered	196	53%	186	50%
Reduce or significantly restructure geographies served	9	2%	17	5%
Expand geographies served	91	24%	66	18%
Reduce or eliminate programs or services	51	14%	105	28%
Add or expand programs or services	206	55%	193	52%
Other, please specify	7	2%	10	3%
Total Survey Respondents	373		373	

Question 15: Have you taken any of the following actions related to your organization's financial management in the last 12 months? Please check all that apply:

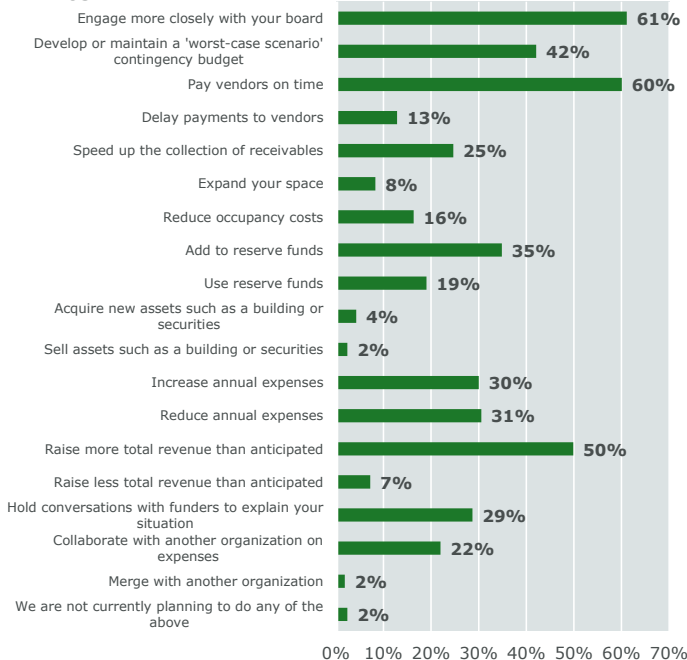
Financial management actions taken in last 12 months



Financial management actions taken in last 12 months:	Number of respondents	% of total survey respondents
Engaged more closely with your board	212	57%
Developed or maintained a 'worst-case scenario' contingency budget	143	38%
Paid vendors on time	228	61%
Delayed payments to vendors	110	29%
Sped up the collection of receivables	78	21%
Expanded your space	31	8%
Reduced occupancy costs	58	16%
Added to reserve funds	85	23%
Used reserve funds	125	34%
Acquired new assets such as a building or securities	24	6%
Sold assets such as a building or securities	9	2%
Increased annual expenses	103	28%
Reduced annual expenses	173	46%
Raised more total revenue than anticipated	118	32%
Raised less total revenue than anticipated	138	37%
Held conversations with funders to explain your situation	128	34%
Collaborated with another organization on expenses	61	16%
Merged with another organization	4	1%
We did not do any of the above	2	1%
Other, please specify	14	4%
Total Survey Respondents	373	

Question 16: Do you plan to take any of these actions related to your org's financial management in the next 12 months? Please check all actions below that you are planning, including all that will be new in the next 12 months, as well as any that you will repeat or continue:

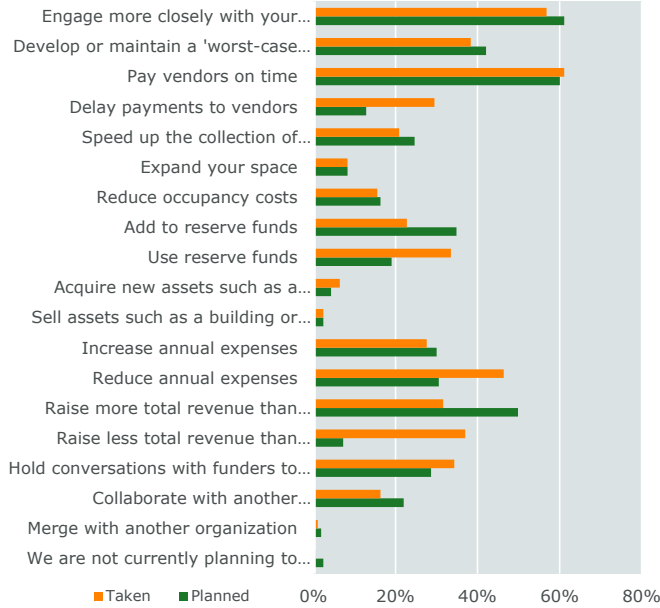
Financial management actions planned for next 12 mos



Financial management actions planned for next 12 mos:	Number of respondents	% of total survey respondents
Engage more closely with your board	228	61%
Develop or maintain a 'worst-case scenario' contingency budget	157	42%
Pay vendors on time	224	60%
Delay payments to vendors	48	13%
Speed up the collection of receivables	92	25%
Expand your space	31	8%
Reduce occupancy costs	61	16%
Add to reserve funds	130	35%
Use reserve funds	71	19%
Acquire new assets such as a building or securities	16	4%
Sell assets such as a building or securities	9	2%
Increase annual expenses	112	30%
Reduce annual expenses	114	31%
Raise more total revenue than anticipated	186	50%
Raise less total revenue than anticipated	27	7%
Hold conversations with funders to explain your situation	107	29%
Collaborate with another organization on expenses	82	22%
Merge with another organization	7	2%
We are not currently planning to do any of the above	9	2%
Other, please specify	9	2%
Total Survey Respondents	373	

Question 16(a): Financial management actions you've taken in last 12 months vs. those you're planning in next 12 months

Financial management: actions taken vs. planned

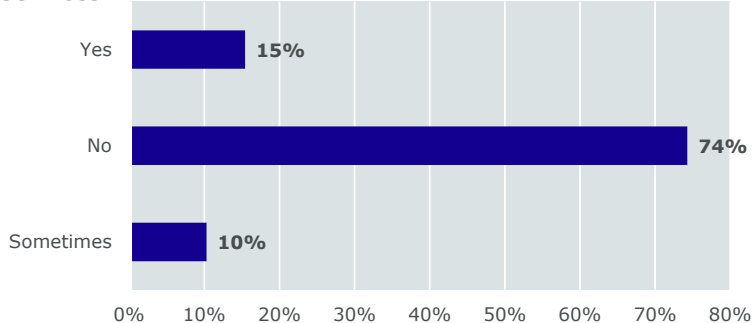


Financial management actions:	Planned	Taken
We are not currently planning to do any of the above	9 2%	2 1%
Merge with another organization	7 2%	4 1%
Collaborate with another organization on expenses	82 22%	61 16%
Hold conversations with funders to explain your situation	107 29%	128 34%
Raise less total revenue than anticipated	27 7%	138 37%
Raise more total revenue than anticipated	186 50%	118 32%
Reduce annual expenses	114 31%	173 46%
Increase annual expenses	112 30%	103 28%
Sell assets such as a building or securities	9 2%	9 2%
Acquire new assets such as a building or securities	16 4%	24 6%
Use reserve funds	71 19%	125 34%
Add to reserve funds	130 35%	85 23%
Reduce occupancy costs	61 16%	58 16%
Expand your space	31 8%	31 8%
Speed up the collection of receivables	92 25%	78 21%
Delay payments to vendors	48 13%	110 29%
Pay vendors on time	224 60%	228 61%
Develop or maintain a 'worst-case scenario' contingency budget	157 42%	143 38%
Engage more closely with your board	228 61%	212 57%
Other, please specify	9 2%	14 4%
Total Survey Respondents	373	373

Question 17: With regard to your organization's finances or business practice, what action or change are you most proud of about how your nonprofit responded to economic conditions in 2010?

Question 18: If you receive federal government funding or contracts: Does the federal government pay your organization for the full cost of services?

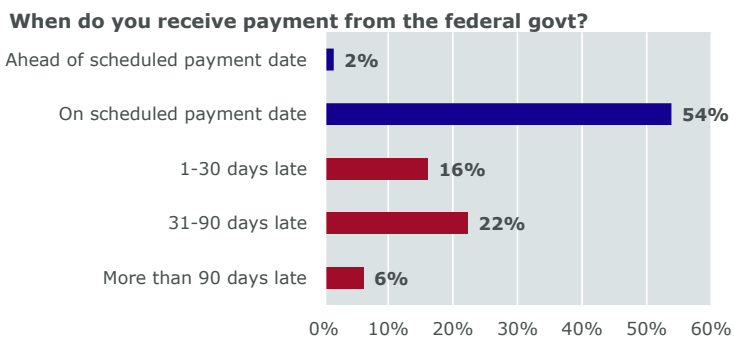
Federal government pays for full cost of services?



Does the federal govt pay full cost of services?	
Yes	27 15%
No	130 74%
Sometimes	18 10%
Total	175 100%

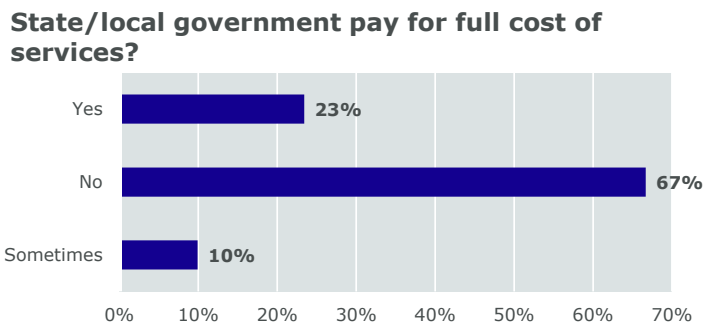
Question 19: If you answered 'No' to Question 18, why not?

Question 20: How many days after submitting an invoice do you usually receive payment from the federal government for contracted services?



When do you receive payment from the federal government?	
Ahead of scheduled payment date	2 2%
On scheduled payment date	70 54%
1-30 days late	21 16%
31-90 days late	29 22%
More than 90 days late	8 6%
Total	130 100%

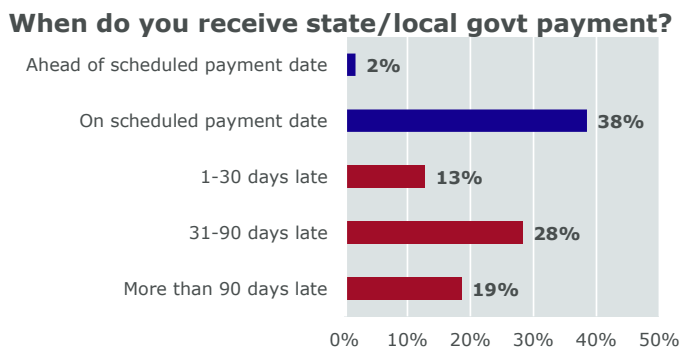
Question 21: If you receive state or local government funding or contracts: Does the state and/or local government pay your organization for the full cost of services?



Does the state/local govt pay full cost of services?	
Yes	59 23%
No	168 67%
Sometimes	25 10%
Total	252 100%

Question 22: If you answered 'No' to Question 21, why not?

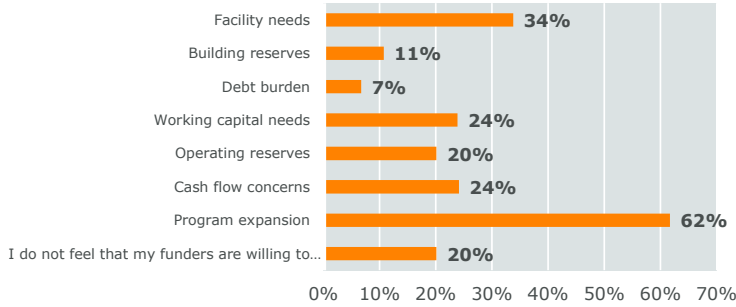
Question 23: How many days after submitting an invoice do you usually receive payment from the state and/or local government for contracted services?



When do you receive payment from the state/local government?	
Ahead of scheduled payment date	4 2%
On scheduled payment date	87 38%
1-30 days late	29 13%
31-90 days late	64 28%
More than 90 days late	42 19%
Total	226 100%

Question 24: Overall, do you feel the majority of your individual and institutional funders are willing to engage in open dialogue regarding funding for (please check all that apply):

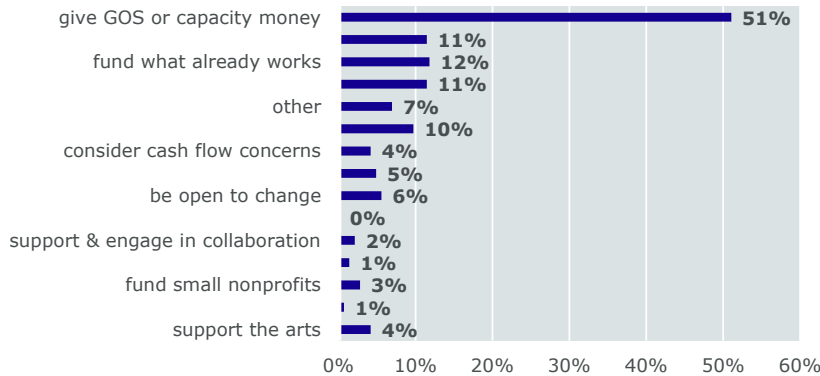
My NPO can have open dialogue with funders about:



Do you feel the majority of your individual/instit funders are willing to engage in open dialogue regarding funding for:	Count	% of total survey respondents
Facility needs	126	34%
Building reserves	40	11%
Debt burden	25	7%
Working capital needs	89	24%
Operating reserves	75	20%
Cash flow concerns	90	24%
Program expansion	230	62%
I do not feel that my funders are willing to engage in open dialogue about these topics	75	20%
Total Survey Respondents	373	

Question 25: What could foundations/non-government funders do differently that would be most helpful to your organization? Please complete the following statement: "If I could ask funders to do one thing differently, it would be _____"

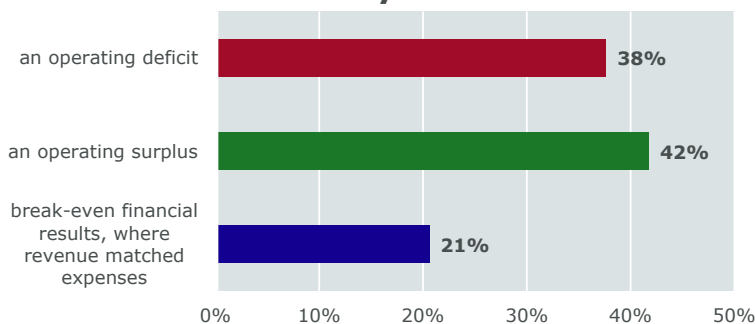
What can funders do differently?



"If I could ask funders to do one thing differently, it would be _____"	Count	Percentage
support the arts	12	4%
provide or help us manage loans	2	1%
fund small nonprofits	8	3%
give capital for facilities & big projects	4	1%
support & engage in collaboration	6	2%
pay full cost of services	0	0%
be open to change	16	6%
give more money	14	5%
consider cash flow concerns	12	4%
cheaper	28	10%
other	20	7%
provide longer term support	33	11%
fund what already works	34	12%
listen, learn, communicate	33	11%
give GOS or capacity money	147	51%
Total Question Respondents	288	

Question 26: Did you finish your fiscal year ending in 2010 with:

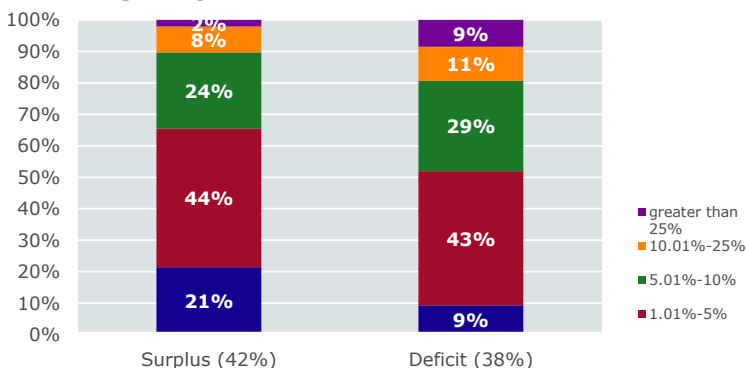
We ended 2010 fiscal year with:



Finished FY 2010 with:	Count	Percentage
an operating deficit	137	38%
an operating surplus	152	42%
break-even financial results, where revenue matched expenses	75	21%
Total	364	100%

Question 27: If you finished your fiscal year ending in 2010 with deficit or surplus, please approximate it as a % of annual expense:

Percentage surplus/deficit for FY 2010

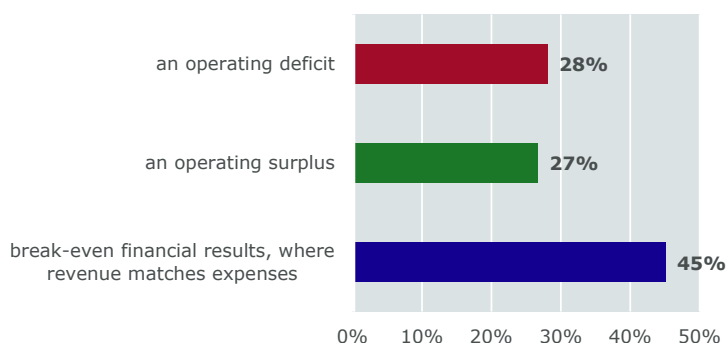


2010: Surplus		
1% or less	31	21%
1.01%-5%	64	44%
5.01%-10%	35	24%
10.01%-25%	12	8%
greater than 25%	3	2%
Total	145	100%

2010: Deficit		
1% or less	12	9%
1.01%-5%	55	43%
5.01%-10%	37	29%
10.01%-25%	14	11%
greater than 25%	11	9%
Total	129	100%

Question 28: For your fiscal year ending in 2011, do you currently anticipate that you will end the year with:

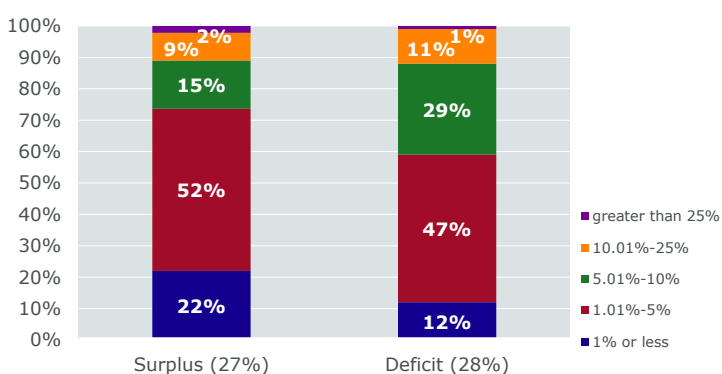
We anticipate ending fiscal year 2011 with:



Expected 2011:		
an operating deficit	101	28%
an operating surplus	96	27%
break-even financial results, where revenue matches expenses	162	45%
Total	359	100%

Question 29: If you anticipate deficit or surplus for your fiscal year ending in 2011, please estimate it as a % of your annual expense:

Anticipated percentage surplus/deficit for FY 2011

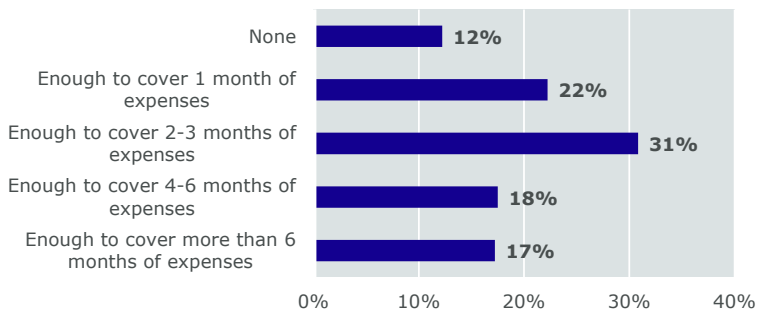


2011: Surplus		
1% or less	20	22%
1.01%-5%	47	52%
5.01%-10%	14	15%
10.01%-25%	8	9%
greater than 25%	2	2%
Total	91	100%

2011: Deficit		
1% or less	12	12%
1.01%-5%	47	47%
5.01%-10%	29	29%
10.01%-25%	11	11%
greater than 25%	1	1%
Total	100	100%

Question 30: How much cash (including reserves) does your organization have readily available?

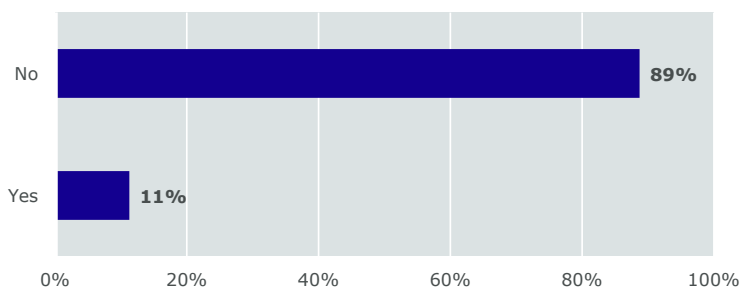
Months of cash:



Months of cash:	
None	44 12%
Enough to cover 1 month of expenses	80 22%
Enough to cover 2-3 months of expenses	111 31%
Enough to cover 4-6 months of expenses	63 18%
Enough to cover more than 6 months of expenses	62 17%
Total	360 100%

Question 31: The recession has been declared officially over. For your organization, does it feel that it has ended?

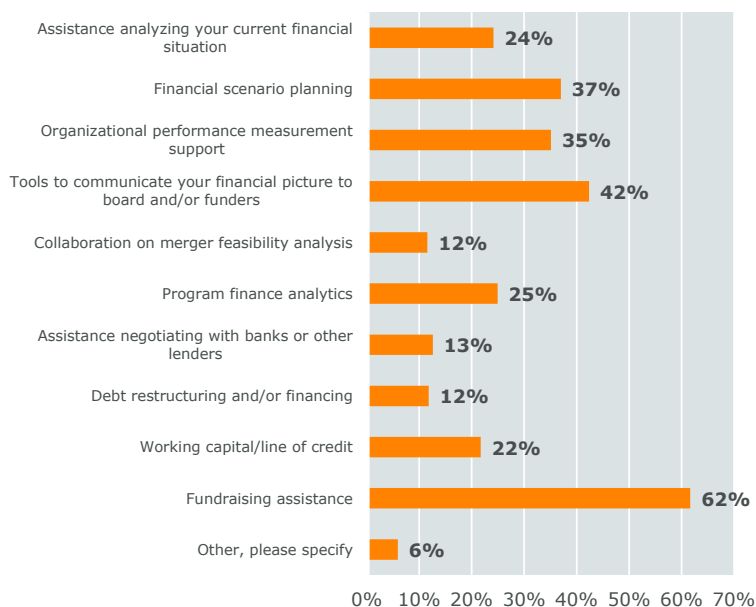
Does it feel like the recession has ended?



For your organization, does it feel like the recession has ended?	
No	315 89%
Yes	40 11%
Total	355 100%

Question 32: Which of the following types of technical assistance and/or capital access services would be helpful now to your organization? Please check all that apply.

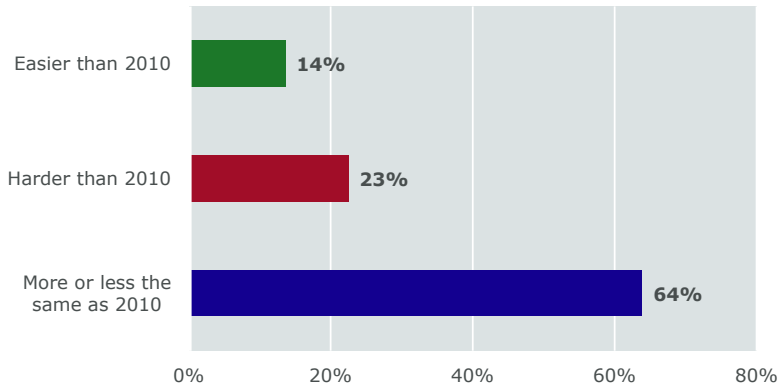
Helpful technical assistance or capital access services



Which of the following types of technical assistance and/or capital access services would be helpful now to your organization? Please check all that apply.	% of total survey respondent
Assistance analyzing your current financial situation	90 24%
Financial scenario planning	138 37%
Organizational performance measurement support	131 35%
Tools to communicate your financial picture to board and/or funders	158 42%
Collaboration on merger feasibility analysis	43 12%
Program finance analytics	93 25%
Assistance negotiating with banks or other lenders	47 13%
Debt restructuring and/or financing	44 12%
Working capital/line of credit	81 22%
Fundraising assistance	230 62%
Other, please specify	22 6%
Total Survey Respondents	373

Question 33: For 2011, what is your financial outlook for the people you serve? For the people you serve, 2011 will be:

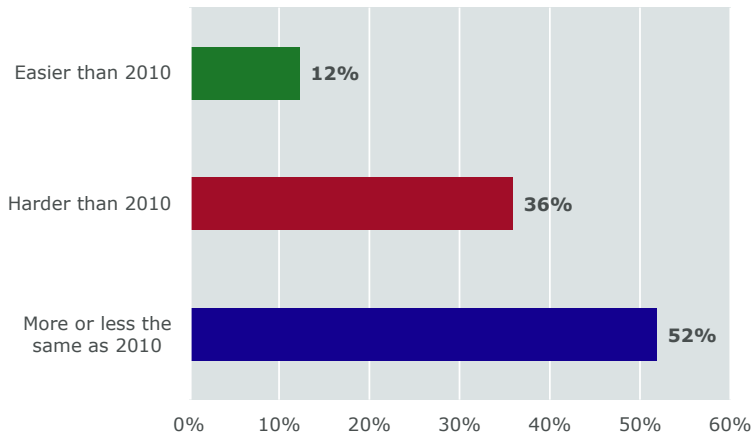
2011 financial outlook for the people you serve



What is your 2011 financial outlook for the people you serve?		
Easier than 2010	49	14%
Harder than 2010	81	23%
More or less the same as 2010	230	64%
Total	360	100%

Question 34: What is your financial outlook for your organization in 2011? For your organization, 2011 will be:

2011 financial outlook for your organization



Q34		
Easier than 2010	43	12%
Harder than 2010	126	36%
More or less the same as 2010	182	52%
Total	351	100%