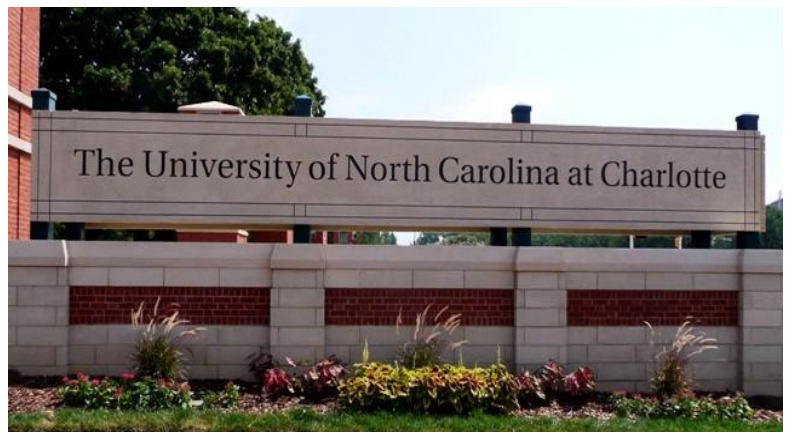


2010 NVAC Challenge Assessment:

Analysis of operational challenges facing Nonprofit organizations in Charlotte/Mecklenburg



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Purpose

The purpose of this report is to summarize the findings of the 2010 Nonprofit and Volunteer Action Center's *Challenge Assessment*. In 2010, the University of North Carolina at Charlotte's Nonprofit and Volunteer Action Center (NVAC) surveyed nonprofit organizations in the Charlotte/Mecklenburg region to determine what issues were presenting them with the greatest operational challenges. Given the state of the 2010 economy, it was not surprising that financial concerns topped the list for nearly every organization that participated in the study. What was more revealing were the open-response sections of the survey, where agencies were able to explain how and why specific issues were negatively impacting their organizations.

Methods

Nonprofit organizations in this study were contacted by NVAC through email messages sent to members of Mecklenburg and Union County's Metrolina Association of Volunteer Administrators (MAVA) and Charlotte/Mecklenburg's Art's and Science Nonprofit Council (ASC). The agencies affiliated with these organizations were invited to participate in NVAC's 2010 *Challenge Assessment* project and provided with a link to an online survey. The NVAC survey asked nonprofit groups to identify and rank order key operational challenges they were currently facing. Twenty-seven organizations participated in the online survey.

Results

The 2010 NVAC *Challenge Assessment* was completed by a wide variety of nonprofit organizations. While all 27 agencies provided feedback on the key operational challenges facing their organizations, 18 also completed several demographic and operational questions. Eight of these 18 agencies indicated they focused on human service issues, four focused on health concerns, three were involved with arts, humanities, & culture issues, two focused on educational services, and one agency indicated that it provided services for the benefit of the general public or society.

Agency Staffing

As Table 1 illustrates, most of the agencies that responded to the NVAC survey were relatively large in size. Of the 18 organizations that provided information about their membership, seventeen indicated they had more 50 active volunteers and one indicated it had between 21-50 volunteers. With respect to staff size, Table 2 summarizes the number of full-time employees working in these same 18 agencies. Ten respondents indicated they had more than 20 employees, three had 11 to 20 employees, two had between 4-10 employees, and the final three agencies answering this question indicated they had less than 5 employees.

Number of Volunteers	Arts, Culture, & Humanities (N=3)	Education (N=2)	Health (N=4)	Human Services (N=8)	Public, Societal Benefit (N=1)
More than 50 volunteers	3	2	4	7	1
21-50 volunteers	x	x	x	1	x
11-20 volunteers	x	x	x	x	x
5-10 volunteers	x	x	x	x	x
less than 5 volunteers	x	x	x	x	x

Table 1

Number of Full-Time Employees	Arts, Culture, & Humanities (N=3)	Education (N=2)	Health (N=4)	Human Services (N=8)	Public, Societal Benefit (N=1)
More than 20 employees	1	2	3	4	x
11-20 employees	2	x	x	1	x
5-10 employees	x	x	1	x	1
less than 5 employees	x	x	x	3	x

Table 2

Primary Challenges Facing Charlotte Nonprofit Agencies

The 2010 NVAC *Challenge Assessment* asked nonprofit agencies about issues currently inhibiting their ability to provide services to the community or fulfill their mission. Survey respondents were first asked to indicate any and all issues they

felt were relevant to their organization, with no limits placed on the number of items they could select. “Donor relations” was the topic of greatest concern, followed by the ability to obtain grants, management of volunteers, and board of director relationships. Table 3 provides a summary of all issues selected by survey respondents.

Challenges Facing Nonprofits in 2010	# of the 27 agencies that selected this issue as a challenge	% of agencies selecting this issue as a challenge
Finances - Donor Relations	24	88.9%
Finances - Workplace Giving	12	44.4%
Finances - Grants/Grant Management	22	81.5%
Volunteer Management	17	63.0%
Board Relations	15	55.6%
Technological Changes	14	51.9%
Fulfilling Client Needs	14	51.9%
Community Trust in Your Organization	6	22.2%
Interorganizational Relations	5	18.5%
Employee Morale Issues	13	48.1%

Table 3

Most of the respondents also provided a rank ordered list of the top three challenges facing their organizations. While “donor relations” remained a top concern, the relative significance of the other issues changed when agencies were asked to rank them in order of importance or impact on their

organizations. For example, “fulfilling client needs” and “employee morale issues” emerged as key *second level* concerns; something that was obscured when the agencies were simply asked to list all of the challenges they were attempting to address.

Challenges Facing Nonprofits in 2010	#1 Challenge (N=22)	% of respondents for #1	#2 Challenge (N=21)	% of respondents for #2	#3 Challenge (N=19)	% of respondents for #3
Finances - Donor Relations	8	36.4%	4	19.0%	3	15.8%
Finances - Workplace Giving	2	9.1%	2	9.5%	0	0.0%
Finances - Grants/Grant Management	3	13.6%	4	19.0%	0	0.0%
Volunteer Management	1	4.5%	1	4.8%	5	26.3%
Board Relations	0	0.0%	2	9.5%	4	21.1%
Technological Changes	2	9.1%	1	4.8%	2	10.5%
Fulfilling Client Needs	3	13.6%	3	14.3%	1	5.3%
Community Trust in Your Organization	0	0.0%	1	4.8%	1	5.3%
Interorganizational Relations	1	4.5%	0	0.0%	0	0.0%
Employee Morale Issues	2	9.1%	3	14.3%	2	10.5%
Other*	0	0.0%	0	0.0%	1	5.3%

Table 4

* Space was provided for respondents to indicate the nature of the "other" challenge. However no additional details were provided.

Discussion

While the quantitative survey results indicate that financial concerns were clearly a primary challenge facing Charlotte/Mecklenburg nonprofit

organizations in 2010, the qualitative data provides insight into the nature of these concerns. Table 5 provides a cumulative summary of the top three challenges identified by survey participants, organized by agency type.

Summary of Three Top Challenges	# of times issue was selected as a "Top Three" concern by an agency in each sector					
	Arts, Culture, & Humanities	Education	Health	Human Services	Public, Societal Benefit	Focus Not Indicated
Finances - Donor Relations	3	1	2	5	1	3
Finances - Workplace Giving	2		1	1		
Finances - Grants/Grant Management			1	4		2
Volunteer Management		1	1	3	1	1
Board Relations		1	2	2		1
Technological Changes		1	2	1		1
Fulfilling Client Needs		1	1	4		1
Community Trust in Your Organization	2					
Interorganizational Relations					1	
Employee Morale Issues	1	1	1	3		1
Other	1					

Table 5

* Space was provided for respondents to indicate the nature of the "other" challenge. However no additional details were provided.

All survey participants were given space to explain why they ranked particular issues as key concerns and how their organizations were impacted. An analysis of these responses illustrates that financial concerns manifested themselves in different ways, depending on the focus or mission of the agency.

The United Way Scandal

All agencies in this study indicated they felt pressure to find new donors, obtain grant funding, and more effectively utilize the resources they already had on hand (volunteer connections, board members, etc). However, the few agencies that indicated “trust” was a key organizational challenge usually tied this issue directly to the 2008 United Way Scandal in Charlotte, NC. While only Arts organizations cited “trust” issues as one of their top three challenges, most groups who indicated “community trust” was one of the

problems they faced raising money often cited their relationship with the United Way as the reason for this challenge. For example, one human service agency respondent explained: “Trust is checked [as a key operational challenge] due to recent discoveries of United Way's misuse of funds. This has caused a ripple effect on donations for many non-profits in the Charlotte region.” Another human service agency claimed: “United Way issue has led to decreased funding, lack of community trust in workplace giving and has opened workplace giving to other organizations that aren't vetted like UW or ACS agencies are.” Finally, an arts organization respondent noted: “Donor designation myth from United Way that has tainted all others that get funding from workplace gifts.” These responses indicate that Charlotte nonprofit agencies may benefit from public

relations training that could help them maintain the goodwill of the community during a crisis situation.

Doing More with Less

Most of the agencies in this study noted that they had to limit the programs they were providing to the community due to financial constraints. However, the human service agencies and health organizations seemed to have additional operational challenges created by the downturn in the economy. These nonprofit agencies reported that they were receiving a dramatic increase in demands for their services at the same time they had fewer resources at their disposal. Not surprisingly, these two types of nonprofits were most likely to indicate “fulfilling client needs” and “employee morale” were primary operational challenges they were struggling to overcome. As one human service agency respondent explained:

“Due to budget, we had to release 2 positions, other employees picking those up - morale is really down.”

Additionally, a health agency noted that “less funding is making staff anxious; worried their job will be rifled.” The quantitative data reinforces these comments. The only nonprofit agencies with less than 5 paid staff members in this study were all in the human service sector. With increased demands for services and fewer employees to satisfy the needs of their clients, staff and volunteer burnout is a key challenge for these organizations. These agencies may particularly benefit from training that could help them more effectively utilize volunteer resources and provide their staff members with more support. These agencies may also need resources to help them directly address the issue of member burnout before it

results in employee and volunteer turnover.

Making Connections

Finally, while “technology concerns” and “interorganizational relationships” were often listed as key challenges by survey respondents, these issues seldom ranked as one of their top three concerns. However the qualitative data indicates that many of the nonprofit groups were unsure how to connect with volunteers and donors outside of their normal network. As one agency explained “[We are] way behind on technology thereby inefficient use of staff time; need to embrace social media for younger seniors.” Another respondent indicated that they wanted training so they could learn more about the “Importance of social media to next generation of donors while continuing with more traditional forms of fund raising.” Finally, one agency stated that

“it would help to know how other non-profits are handling these issues and what are the best practices.” These comments indicate that local nonprofits may benefit from training and exposure to technology tools they can use to reach out to new groups of volunteers and donors. It may also be helpful to bring these agencies together in collaborative forums or workshops, which could allow these groups to more effectively build “interorganizational relationships” with each other. These inter-agency training and discussion events might provide nonprofit agencies (which often compete against each other for limited community resources) with a safe space to share ideas and information for the benefit of all involved.

Publication Information

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About NVAC

The Nonprofit and Voluntary Action Center (NVAC) of UNC Charlotte was formed in 2008 to connect faculty members and students on UNCC's campus who share an interest in nonprofit organizations, philanthropy and voluntary action that spans many different disciplines. NVAC is an opportunity for faculty and students to network with each other, learn more about nonprofit organizations, and provide outreach to the local community.

Mission

NVAC's mission is to promote relationships among UNC Charlotte faculty and graduate students with research and teaching interests in nonprofit organizations, philanthropy and voluntary action with the aim of increasing our knowledge of the nonprofit sector, fostering interdisciplinary research and engaging in community outreach in the Charlotte Metropolitan area.

NVAC Working Papers

As part of our mission, NVAC is sponsoring a set of working papers discussing the state of the nonprofit sector in Mecklenburg County. These papers are specifically written for community leaders and those employed in the local nonprofit sector.