

# Nonprofit Sustainability

## Finding New Dollars

June 17, 2009





# What is a Nonprofit Business Model?

- Know what support is required
- Donor analysis
- Realistic assumptions





# Where Does the Money Come From?





# Sources of Income

## Comparative Gross Expenditures

U.S. GDP	ca. \$12 trillion
Government Expenditures	ca. \$4 trillion
Nonprofit Expenditures	ca. \$1 trillion

## Sources of Nonprofit Income\*

(all subsectors)

Earned	43%
Government	32%
Donated (All sources)	25%

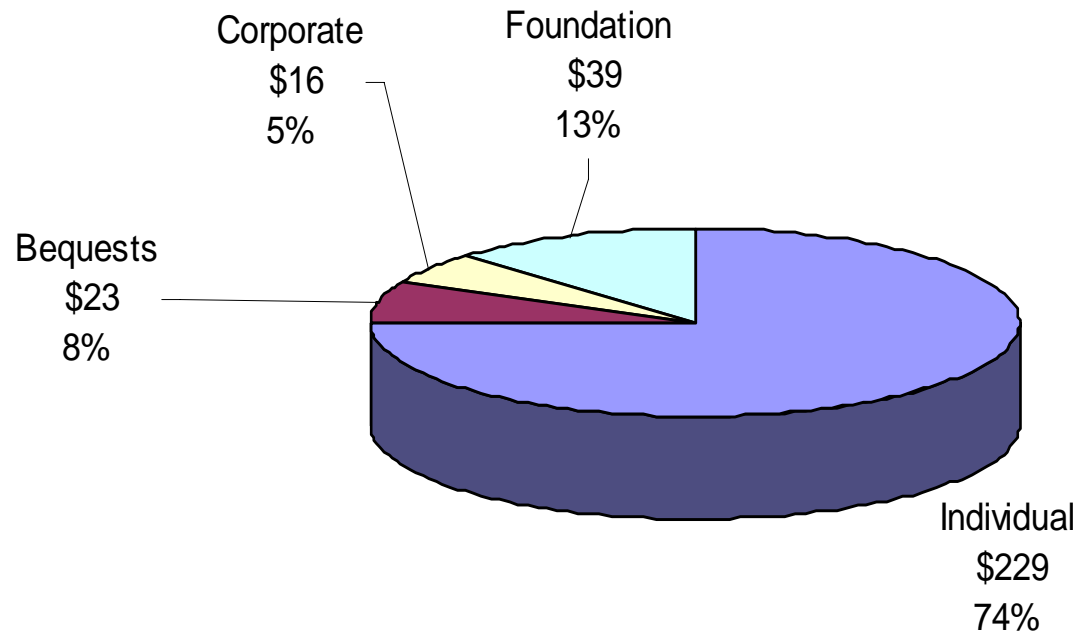
## Income Sources by Sub sector\*

	Earned	Gov't	Donated
<b>Human Services</b>	25%	60%	15%
<b>Arts</b>	50%	10%	40%
<b>Health</b>	54%	45%	1%
<b>Education</b>	70%	10%	20%
<b>International</b>	20%	20%	60%

# Sources of Contributions

Total Giving National = ~\$306 billion

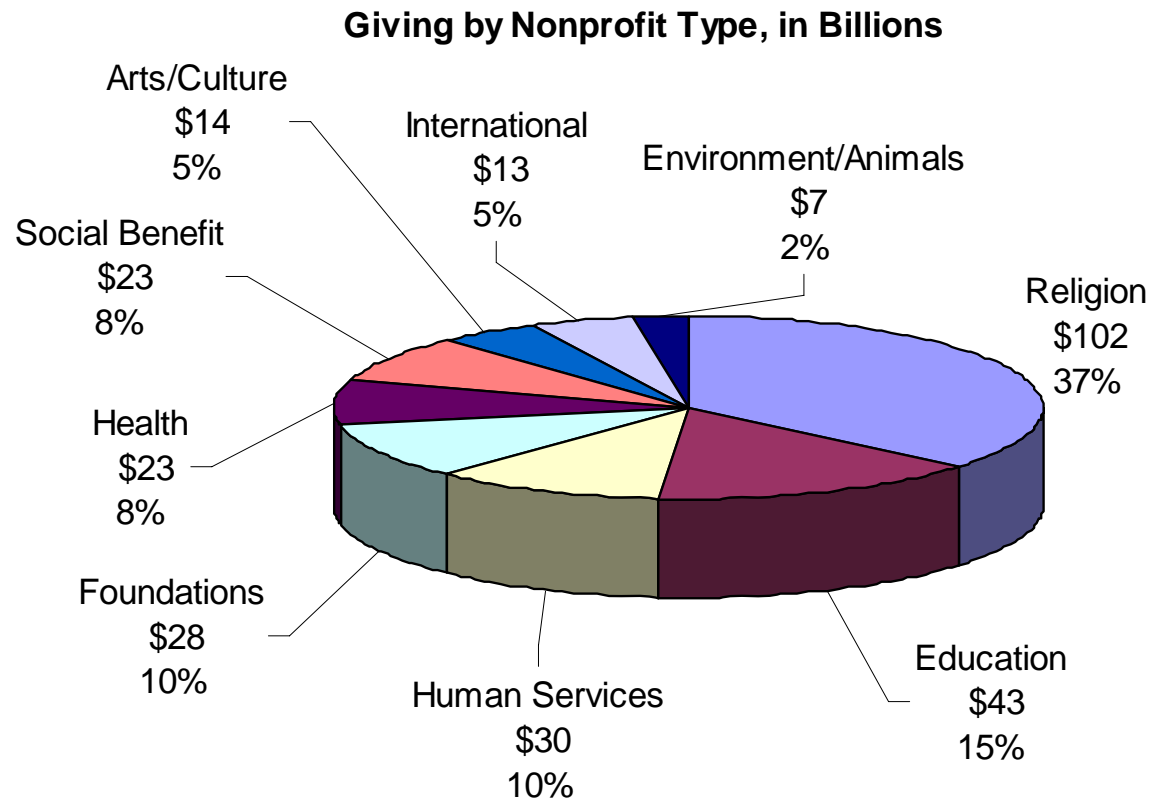
## Donations to Nonprofits, in Billions



Source: Giving USA Foundation, *Giving USA 2008*



# Sources of Contributions



Source: Giving USA Foundation, *Giving USA 2008*





# Individuals

- Annual Giving
- Direct Mail
- Online Giving
- Major Gifts





# U.S. Individual Giving is Strong

- In 2007, more than 67% of U.S households donated to charity, contributing over \$300 billion
- Average contribution per return = 2.47% of AGI; that is more than Americans save each year
- Most wealthy 3% of households (>\$200K) contributed 66% of total (\$126 billion)
- Around 60% of individual contributions support religious organizations

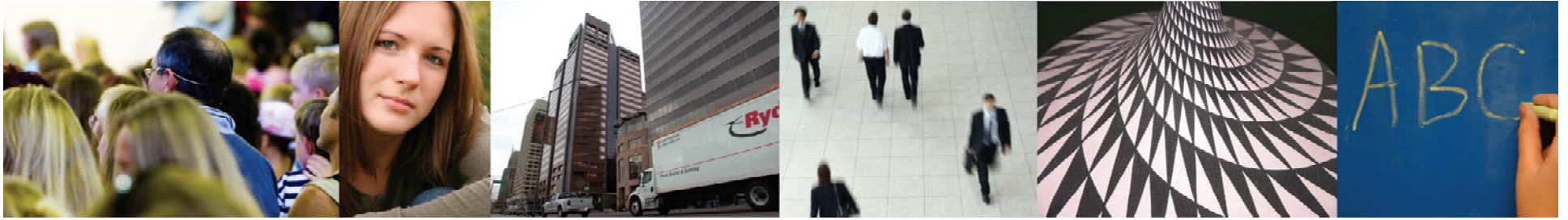




# Generational Strategy

- \$41 trillion transfer of wealth from one generation to next 2005 to 2055
- Arizona share is \$596 billion
- If 5% is donated, that is \$30 billion in Arizona
  - Over \$2 billion in 2010 alone - \$100 million
  - Coconino, Mohave, Apache, and Navajo Counties: 2010 \$191.5 million, translating to more than **\$9 million in donations**

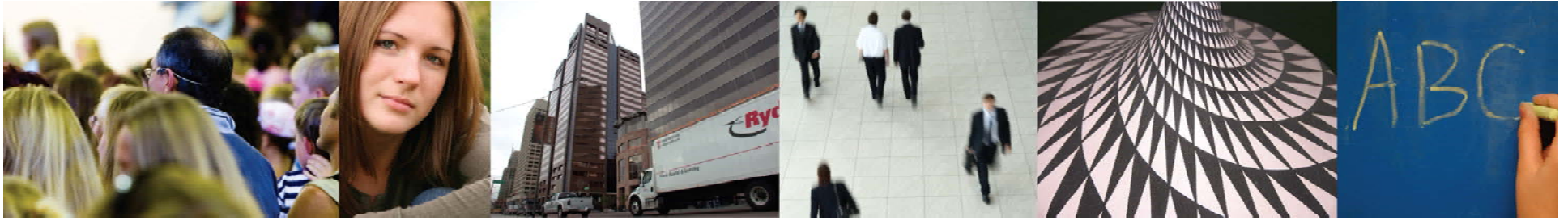




# Grants

- Foundations
- Corporations
- Tools – Just Grants, GrantStation





# Institutional Charitable Giving

## Institutional giving in Arizona is small

- Philanthropic assets (public and private foundations) have more than doubled since 2000.
- Arizona has 2% of U.S. population but less than 0.8% of foundation assets.
- The top 25 largest private and public foundations in Arizona represent 75% of total foundation assets and approximately 47% of total grants.
- Since Jan 2004, more than 190 new foundations have registered in Arizona with assets totaling \$123 million. Only 23 have assets greater than \$1 million.

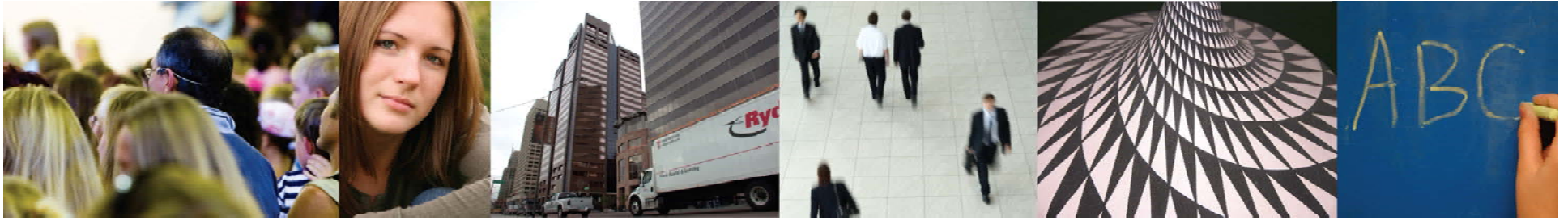




# Foundation Grants Made to Nonprofits (1999-2006)

	# of Grants	Total Grant Dollars
<b>Grants From All Foundations to AZ Nonprofits</b>	<b>24,992</b>	<b>\$913,381,059</b>
<b>Grants From AZ Foundations to All Nonprofits</b>	<b>22,489</b>	<b>\$996,134,215</b>
<b>Grants From AZ Foundations to AZ Nonprofits</b>	<b>10,723</b>	<b>\$449,434,736</b>





## Grants From Out of State

- **Top 200:** \$117.7 million in 2004-2006 from foundations outside Arizona
- 64 of those 200 (32%) were to organizations based outside Phoenix (and others in statewide projects)





# Sponsorships

- Corporate marketing dollars
- Cause related marketing
- “advertising”





# Special Events

- Traditional
- Benevon model





# Earned/Membership

- Dues
- Fees for service





# Social Enterprise

- For-profit activities that generate unrestricted income





# In-Kind

- Services
- Property/Space
- Software/Materials





Alliance

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OF **ARIZONA**

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NONPROFITS