

NAVIGATING CHANGE:

Nonprofits forge ahead in a sea of challenges

As nonprofits sail through uncharted territory, turbulent waters, and unexpected rip currents—from increasing donor expectations to government regulations—threaten to throw them off-course. But despite a stormy forecast, organizations are keeping their eyes on their destination.

Nonprofit Standards provides organizations with critical benchmarking data to assess the health and performance of their organizations. Below are some of the survey's top findings.



ROUGH SEAS THREATEN GROWTH & SUSTAINABILITY

ABOUT **3 in 5** NONPROFITS WORRY ABOUT:



61%*
Reporting impact



60%
Retaining & recruiting staff



58%
Rising overhead costs

ABOUT **2 in 5** NONPROFITS STRUGGLE WITH:



45%
Complying with government regulations



44%
Attracting quality leadership & board members



42%
Meeting demand for their services



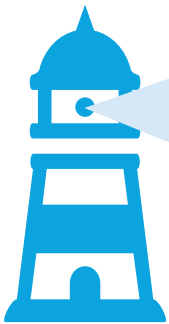
40%
Managing program growth

* Percentage that received funder requests for more information on outcomes and impacts than was previously required.

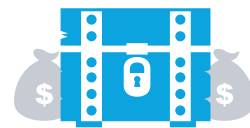
NONPROFITS STRUGGLE TO STAY AFLOAT

Do organizations have enough fuel for the journey? It varies, but some are in better shape than others.

A BRIGHT SPOT ON THE HORIZON:



63% of nonprofits experienced **revenue increases** in the last fiscal year...
...but **46%** worry about **declining revenue or funding** this year



More than 1/2 fall short of the recommended 6-month supply of **operating reserves**



Nearly 1 in 5 are at risk of falling into the "starvation cycle": 19% spend between 90-99% on program-related spending vs. the overall average of 77%

BUT THE WINDS OF INNOVATION CONTINUE TO BLOW

The voyage may be difficult, but new approaches to old problems could lead to meaningful progress. Over the next two years, nonprofits are somewhat or very likely to:

Introduce **new programs** without eliminating others

62%

Enter into a **strategic partnership** with:

36% A similar nonprofit
15% A for-profit

Merge with a similar nonprofit

8%



People who know Nonprofits, know BDO.

To find out how your nonprofit compares to peers on critical areas like operations, human resources, and governance, read BDO's [2018 Benchmarking Survey](#).

BDO's dedicated nonprofit team can help your organization navigate challenges while remaining true to your mission.

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