The Human Services Nonprofit Sector in Monroe County

Introduction

The human service sector in Monroe County has many strengths. Those mentioned most often include the variety of quality services and organizations, strong staff commitment and qualifications, an emphasis on client-focused services, good board leadership for not-for-profit organizations, and an overall willingness to engage in cooperative activities.

Data was collected from several sources for this study. Focused interviews were conducted with approximately 125 key informants representing a broad spectrum of agencies and organizations providing human services in Monroe County. In addition, 72 nonprofit organizations completed a Provider Profile survey that looked at programs, service populations, demand for services, program fee structures, partnership activities, and funding sources. The Profile also included an extensive section on each organization's capacity and available management tools.

To allow for comparisons with a recent statewide survey of 2,148 Indiana nonprofits, organizations were classified into eight categories based on their mission and primary activity. [Indiana Nonprofits Scope and Community Dimensions. A Preliminary Report Prepared for the Central Indiana Community Foundation. February 2003. Kirsten A. Gronbjerg, Project Director, www.indiana.edu/~nonprof.]

The majority of the organizations participating in the study were human service organizations, including social services, legal, employment, food, housing, public safety, and recreation or youth development. The research team made a good effort to include representation from a variety of sectors. The breakdown of the completed Provider Profile surveys was:

arts and culture	4%
education	6%
environment	3%
health	12%
human services	50%
public and societal benefit	19%
faith-based	6%

[Note: The National Taxonomy of Exempt Entities (NTEE) defines "public and societal benefit" as civil rights, social action, advocacy, philanthropy, volunteerism, community improvement, and social science research institutions. For a table of NTEE activities, please see the Supplement.]

Geographic Area Served

While organizations completed the survey instruments based on their Monroe County activities, all were asked to indicate the scope of their service areas.

Regional (multi-county)	46%
Monroe County only	34%
City of Bloomington only	13%
Other	7%

Management Capacities: Policies and Tools

The use of operational policies and technical tools is an indicator of the management capacity of nonprofits. Organizations were asked to indicate if they had or used 23 different policies and tools, ranging from formal board and personnel policies to technology access. Comparison data with the Indiana study (Gronbjerg) is included where it is available.

1. Organizations are using information and communication technology to streamline data management, and communicate internally and externally more efficiently. Prior to the Giant Step Initiative (1995), funded through the Lilly Endowment and the Indiana Association of United Ways, many local service providers did not have ready access to the Internet or email. During the grant period, local social service agencies were connected to the Internet and received technology technical assistance. HoosierNet was a key collaborator, and established a number of public access sites at agencies throughout the community.

Nonprofit Organizations with Information and Communications Technology

Item	% of Monroe County NFP Organizations	% of Indiana NFP Organizations
a website for the organization	85%	37%
An email address	94%	58%
computers available for key staff	93%	73%*
computers available for key volunteers	55%	73%*
direct Internet access for key staff	90%	67%*
sufficient number of lines for Internet access	75%	---
computerized financial records	82%	63%
computerized client, members and program records	79%	60%

* The Indiana study combined staff and volunteers in these questions.

A majority of the organizations surveyed currently have access to email (94%), computers for key staff (93%), direct Internet access for key staff (90%), and a website (85%). Bloomington appears to be much more technology oriented on every measure than nonprofit organizations in the rest of the state.

2. Local nonprofit organizations are using formal policies in management and decision making. Organizations were asked for information about seven types of formal policies used in management and decision making. Local organizations were strong in most areas, with the exception of formal volunteer recruitment and training programs, and Board assessment and succession. Local organizations had a slightly higher prevalence of using written personnel policies and job descriptions than on the state level, and a significantly higher use of written conflict of interest policies.

Nonprofit Organizations with Formal Organization Policies

Item	% of Monroe County NFP Organizations	% of Indiana NFP Organizations
a written grievance policy	79%	---
written by-laws	85%	91%
a written conflict of interest policy	72%	39%
written personnel policies	86%	68%
written job descriptions	92%	77%
formal volunteer recruitment and training program	42%	21% (training) 16% (recruitment)
board succession and self-assessment tools	32%	---

3. A majority of nonprofit organizations have sound reporting practices and use audited financial statements and written annual reports. Reporting practices are an indicator of an organization's ability and desire/commitment to monitor and assess itself systematically. A majority of the surveyed organizations use audited financial statements and annual reports. A significant number have protocols for fiscal policy in place. Half of the Monroe County organizations have completed an evaluation or assessment of program outcomes; the state percentage was only about a third.

Nonprofit Organization Reporting Practices

Item	% of Monroe County NFP Organizations	% of Indiana NFP Organizations
recent audited financial statement	70%	69%
an annual report produced within the last year	87%	62% *
protocols for fiscal policy – investments, flow of funds, safeguards	66%	---
an evaluation or assessment of program outcomes or outputs within the past 2 years	52%	36%

* The Indiana study asked about an annual reported produced in the last two years, rather than one.

Challenges Facing Nonprofits

Organizations were asked to respond to a list of 20 potential organizational challenges in planning their activities or managing key aspects of their operations, and rate each as a major challenge, minor challenge or no challenge. The items have been grouped by category, with comparative data from the 2002 state wide survey provided for comparison if available.

1. Demand for services has increased. When asked "How has the demand for your organization's programs or services changed over the past year?" most organizations, 60%, reported a moderate or significant increase.

Increased significantly (more than 25%)	17%
Increased moderately (10 - 25%)	43%
Stayed more or less the same	35%
Decreased moderately (10 - 25%)	5%
Decreased significantly (more than 25%)	0%

Similarly, when asked to look at trends in demand for their programs or services over the last five years, 81% reported an increase, 8% reported a decrease, and 11% reported no change.

Of those who reported an increase:
- 19% had an increase in demand of less than 10%
- 34% were 10 to 25%
- 13% were 26 to 49%
- 8% were 50 to 74%
- 2% were 75 to 99%
- 5% were over 100% (although organizations in this category were relatively new)
- 19% reported an increase, but did not know what the level of increase was

Of those who reported a decrease in demand:
- 60% were less than 10%
- 40% fell in the 11 - 25% category

Many organizations expressed severe frustration over the growing need seen in the community, due in part to current local and national economic conditions.

2. Availability of some funding sources has decreased. At the same time need is increasing, there is an accompanying difficulty accessing needed resources, as federal and state dollars have declined. Finding adequate funding was the number one challenge for nonprofits. More than 70% of the organizations said funding was a major challenge; 21% said it was a minor challenge.

Challenges in Obtaining Funding or Managing Finances

Item	major challenge	minor challenge	not a challenge	major challenge state study
Obtaining funding or other financial resources	70%	21%	9%	76%
Financial management or accounting	3%	41%	56%	20%

Most organizations do not rely heavily on fees collected from clients or members, as can be seen from the following chart:

Program Fee Structures:

	All Programs	Some Programs	No Programs
Programs and services are available at no cost to clients or members	42%	49%	9%
Fees vary by type or amount of programs and services received	13%	64%	21%
Fees vary by the financial ability of the clients or members	18%	49%	31%

Organizations were asked to report on their revenue sources for the most recent completed budget cycle for Monroe County only. They were also asked to indicate whether the support was increasing or decreasing for each category. Their data was categorized in columns by the percent that source contributed to their budget. For example, 63% of the agencies had federal grants comprise 5-25% of their total annual source of revenue, for 21% it accounted for 26-50% of their total revenue sources, etc. Some categories are analyzed by a subset of the responses, because certain agencies are not eligible for every type of funding.

During the past year, sources that decreased were dues and memberships, federal grants, state grants and Community Foundation support. Sources that showed the greatest increases, in descending order, were business and corporate support, individual giving, client fees, special events, and in-kind contributions. Changes in City grants and United Way funding varied by agency.

Challenges that result from increasing demand and declining funding include agency concerns over maintaining service levels and quality; increased agency competition for the same funds; the need for agency personnel to spend even greater proportions of their time raising funds and fulfilling reporting requirements for multiple smaller funding sources; raising client fees; making decisions based on scarcity, and focusing on short-term economic gains.

This chart indicates what percentage of the agency's budget is based on the funding source. It also indicates the percentage of agencies for which that funding source is increasing or decreasing.

Agency Budget Sources

Budget Source	5% - 25% of total budget	26% - 50% of total budget	51% - 75% of total budget	76% - 100% of total budget	Decreas- ing Source	Increas- ing Source
Federal Grants (CSBG, CDBG..)	63%	21%	8%	8%	87%	13%
State Grants	64%	23%	9%	4%	85%	15%
Local (City & County Council, Trustees..)	52%	4%	11%	33%	45%	55%
Vouchers	86%	7%	---	7%	43%	57%
Other Public Agencies	100%	---	---	---	67%	33%
United Way	82%	9%	---	9%	64%	36%
Community Foundation	100%	---	---	---	75%	25%
Business and Corporate Donations	100%	---	---	---	25%	75%
Individual Donations	72%	16%	6%	6%	31%	69%
Special Events	85%	5%	10%	---	38%	62%
Dues and Membership Fees	100%	---	---	---	91%	9%
Client Fees	64%	18%	9%	9%	36%	64%
Other Sources (endowments, interest)	90%	5%	5%	---	44%	56%
In-Kind Income	83%	17%	---	---	40%	60%

(Note: Where subsets of respondents are indicated, the particular type of funding source was not used by all of the responding organizations.)

3. Retaining Staff and Long-Term Volunteers is difficult.

High staff turnover is a challenge for many agencies (a major challenge for 23% of the organizations). Contributing factors can include heavy work loads, a stressful work environment, low compensation, little or no opportunities for advancement, and a lack of professional development opportunities. Organizations were asked to report on the existence of certain staff benefits or policies. Most of the organizations reported opportunities for professional development for staff (although we did not examine quality or relevance). About 80% also offer health benefits. Only 66% offer retirement benefits.

Challenges in Managing Human Resources

Item	major challenge	minor challenge	not a challenge	major challenge state study
Recruiting and keeping effective board members	27%	49%	24%	55%
Recruiting and keeping qualified and reliable volunteers	26%	54%	20%	38%
Recruiting and keeping qualified staff	23%	40%	37%	45%
Managing human resources (staff and volunteers)	21%	55%	24%	29%
Managing or improving board/staff relations	16%	39%	45%	12%

Nonprofit Organization Staff Benefits

Item	% of Monroe County NFP Organizations
professional development opportunities for staff	80%
health benefits	80%
employee retirement plan	66%
peer review	32%

Organizations were asked to report, compared with a year ago, how the number of employees and volunteers has changed:

Number of Staff and Volunteers

Category	Significant Increase (>25%)	Moderate Increase	Stayed about the Same	Moderate Decrease	Significant Decrease (>25%)
Full time employees	6%	10%	61%	16%	6%
Part time employees	8%	22%	57%	8%	5%
Non-board volunteers	5%	30%	53%	12%	0%
Board members	4%	7%	80%	9%	0%

While 17% of the organizations had an increase in the number of full-time employees, 23% experienced a decrease. At the same time, 30% increased the number of part-time employees (13% had a decrease). Involvement of non-board volunteers increased for 35% of those surveyed. Staff instability and over-reliance on part-time employees and volunteers for key tasks is one of the challenges reported by nonprofits. Board membership appears to be fairly stable, with 80% reporting no net change. A reliance on volunteers is both a strength (diversity of talents, valuable donated skills, community engagement) and a weakness (high turnover, lack of stability). While short-term volunteers are easier to find, they bring with them additional challenges that the organization must overcome.

Some organizations also have difficulty providing a good working environment due to space constraints. Agencies situated in older buildings often have to work around having multiple smaller rooms and awkward layouts. Having enough space was a challenge for 68% of the organizations surveyed:

Facility Challenges

Item	major challenge	minor challenge	not a challenge	major challenge state study
Having enough space to meet your needs	30%	38%	32%	----
Managing the facility or space for your organization	19%	41%	41%	33%
Using technology effectively	15%	61%	24%	19%

4. Participation in partnerships and networks is important, but can be time consuming.
Participation in community groups, partnerships, coalitions and similar networks can be important to serving clients more effectively and building professional skills and experiences, but it can also be a significant draw on resources, both human and financial. About two thirds of the organizations reported staff and volunteers spending at least some time on these activities; slightly more than half devoted some financial resources to such efforts.

Organizations were asked "What proportion of the following resources does your organization devote to these types of activities?

Type of Resource	None	Some	Most	All
Staff time	0%	65%	23%	12%
Volunteer time	19%	64%	11%	6%
Financial resources	29%	56%	6%	8%

Many agencies reported being familiar and comfortable with the agencies they work with most closely. Staff and volunteers from these agencies spend time together at multiple board and committee meetings. However, many also expressed a lack of awareness of services and organizations outside of their direct area. They are aware of the challenges of staying informed; "communication with each other is so demanding it becomes a barrier."

5. It is difficult for many directors to engage in effective public relations. Most do not have the time or the training. Public relations is seen as a major challenge for 30%, and a minor challenge for 58% of the participating organizations.

6. Many individual organizations lack the time or resources for strategic planning, networking, and evaluating program outcomes. These activities are critical to the long-term success and health of an organization, but many report operating in "survival mode". It is more difficult to think globally "while struggling to make ends meet." Finding time for strategic planning is a major challenge for 26%, and a minor challenge for 49%.

About 75% of the respondents view outcomes measurement as a major or minor challenge. There are concerns by many organizations that some agencies never evaluate their programs, while many community members assume that this is being done for grant reporting requirements. Conducting studies of program outcomes can improve service delivery, help with long-range planning, and help dispel unwarranted concerns over duplication of services. Sound data can also be useful to obtaining additional outside funding, especially for community initiatives. However, a

comprehensive outcomes measurement program can be challenging to design and costly to do well.

Challenges in Mission and Planning

Item	major challenge	minor challenge	not a challenge	major challenge state study
Meeting the needs/interests of current clients	46%	39%	15%	40%
Enhancing the visibility of your organization	30%	58%	12%	44%
Strategic planning for your organization	26%	49%	25%	35%
Communicating with clients	18%	54%	28%	25%
Forming and maintaining good relationships with other organizations	4%	65%	31%	24%

Challenges in Delivering and Assessing Programs or Services

Item	major challenge	minor challenge	not a challenge	major challenge state study
Turning away potential clients	24%	30%	46%	----
Evaluating or assessing program outcomes	22%	53%	25%	27%
Developing high quality programs and services	22%	50%	28%	47%*

*similar wording

7. The community, including decision makers, is not always aware of the mission, services and program provided by nonprofits. While some members of the community are familiar with local human services, many others lack a working knowledge of agencies and the services they provide. This lack of information contributes to misconceptions about duplicated resources ('there are too many agencies providing the same services to the same people"), and agency size ("smaller agencies can provide better services because they are more in touch") .

Household survey and service provider client respondents were asked about their awareness level of community social services, and where they would most likely go for help with paying for basic needs, and for substance abuse and emotional problems. Comparative data is provided from the last community-wide needs and capacity assessment, SPAN/MC, released in 1998:

How aware are you of the types of services available through the community social service agencies in Monroe County?	SCAN 2003	SPAN/MC 1998
Very aware	16%	16%
Somewhat aware	37%	43%
Not very aware	29%	29%
Not at all aware	17%	11%
Don't know	1%	

About 53% of the respondents, or slightly more than half, were either very aware or somewhat aware of the types of community social services available, compared to 59% in 1998, indicating very little change.

When asked where they would go for help paying for basic necessities, the responses, in order from most common to least, were:

If you needed help paying for basic things such as utilities, housing or food, where would you most likely go for help?	SCAN 2003	SPAN/MC 1998*
Family	53%	70%
Don't know	17%	--
Community social service agency	7%	10%
Township trustees	7%	--
Government agency	4%	--
Church/religious community	3%	5%
Bank/would get a loan	3%	--
Friends	2%	8%
I wouldn't ask for help	1%	1%

6% responded "somewhere else"; the other choices for 2003 came out of the suggested responses from 1998.

Slightly over half of the respondents would turn to family members; this is a decrease from the 70% that would have turned to family members in 1998. Only 2% said they would approach friends, compared to 8% from the previous study. We did not ask why they gave this response, but one could conjecture that fewer individuals have family members in town to turn to, or that their friends and family would not be economically able to provide assistance. About 18% would turn to either a social service agency, trustee or government agency; 3% to the faith-based community.

Similarly, when asked where they would turn for help with a drug or emotional problem, they responded, in order:

If you needed help with alcohol, drug or emotional problems, where would you most likely go for help?	SCAN 2003	SPAN/MC 1998
A physician or counselor	22%	51%
Don't know	18%	--
Somewhere else	18%	5%
Family	17%	13%
Community social service agency	13%	10%
Friends	5%	9%
Church/religious community	5%	13%
No answer	2%	--

The number of respondents who would turn to a physician or counselor dropped significantly; from 51% to 22%. Those seeking out family rose slightly from 13% to 17%; those seeking help from friends dropped from 9% to 5%. Those who would get help from a community social service agency rose slightly from 10% to 13%. Those seeking help from a church or the faith community dropped from 13% to 5%.

8. There is a need for more networking and true collaboration among providers. In addition to the benefits of improved communication, effective networking and collaboration could help to reduce competition while improving efficiency and helping resources go further. In some cases, this would require relinquishing "turf" in the interests of developing long-range holistic solutions to the community-wide issues identified in SCAN.

As can be seen in the next chart, 85% of the participating organizations find being involved in big picture planning a challenge and 93% can't find time to work on broad changes impacting their service area.

Item	major challenge	minor challenge	not a challenge	major challenge state study
Finding time to serve as advocates for issues impacting your service area	43%	50%	7%	-----
Getting the organization involved in "big picture" pro-active planning	28%	57%	15%	----

While many nonprofits reported an increased level of cooperation among organizations in the last 5-10 years, much of it out of necessity, there is still a lack of coordinated efforts with some key areas, including faith-based and government entities. Agencies also see a need for cooperative training in fundraising, sharing examples of best and poor practices, sharing event plans to avoid scheduling conflicts, and reducing unnecessary competition for the same grants.

Increased cooperation could help to build awareness of common issues facing local providers and clients. "There is no main forum or quarterly meeting to put all of the providers at the table." Topics that were suggested for such a forum include how to make the client referral and application process more user friendly, creating an opportunity to dialogue with elected officials "where we would be more effective speaking as a group." Other suggestions include investigating the need for "one-stop shopping," "hubs," or "gateways" for more user-friendly program delivery to clients. In addition to improved service, there might be possible savings through shared common services and facility costs.

Organizations could also collaborate to address common professional development needs by sharing resources. Topics that were suggested most often include effective fundraising, public relations, volunteer recruitment and retention, preventing staff burn out and accountability.

Most importantly, networking would allow organizations to be more effective. "There are many groups doing their own thing, but if they work together, they could get better results."