The Health of the Nonprofit Sector in Western Pennsylvania
Agenda

• Introductions
• The Data Behind the Study
• Findings
• Discussion

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
Behind the Data

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
The Data Behind the Study

IRS 990 DATA
N=325,000 DIRECT SERVICE PROVIDERS ACROSS 18 SECTORS

AMERICAN COMMUNITY SURVEY DATA
N=70,832 CENSUS TRACTS

EquiP: The Equitable Impact Platform
Three Driving Questions for EquiP

1. Do nonprofit services improve community well-being, equitably?

2. What are the ideal nonprofit business models and capacities to grow, locally scale and contribute to improving community well-being?

3. Do all nonprofits in all types of communities have equitable access to what they need to be effective?

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
The Method
Finding Fair Comparisons, the Positive Deviants, & Discovering What They Did

Do nonprofit services improve community well-being?

1. Find matching communities based on how likely they are to have access to nonprofit services
2. Find the positive deviants in each group – those communities that improved their well-being the most
3. Discover if and what types of nonprofit services made the difference
4. Determine if all communities have equal access to nonprofit services

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
Nonprofit Services Improve Community Well-Being

Accessible services make a significant difference on Community Well-Being*

*p<.01 for all sectors except community building (p=.07).

The analysis controlled for population density, community socioeconomic status and access to transportation

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
But, Not Equitably

Percent of Communities with the Right Amount of Access to Services

Order: Greatest Inequality to Least Inequality

- More White
- More People of Color

$p<.05$

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
The Method for Nonprofit Effectiveness
Finding Fair Comparisons, the Positive Deviants & Discovering What They Did

What capacities make a nonprofit grow & locally scale in a way that contributes to community well-being?

1. Find matching organizations based on what they do, their community realities and their size

2. Find the positive deviants in each group – those organizations that grew, scaled and contributed to community well-being

3. Discover what these positive deviants did to achieve success

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
When Nonprofit Organizations are Healthy They Increase Their Service Output By More Than 400%

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
When Nonprofit Organizations are Healthy They Increase Their Local Scaling by 75%

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
When Nonprofit Organizations are Healthy They Contribute to Improving Community Well-Being

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
And, When Nonprofit Organizations are Healthy They are 11 Times More Likely to Increase Their Output, Local Scaling AND Contribute to Community Well-Being.

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
**EquiP’s Effectiveness Scale**

The “Contribution Score”

The Health of the Nonprofit Sector in the US

- **Excellent**: 20%
  - Score: 800-850
- **Very Good**: 24%
  - Score: 740-799
- **Good**: 20%
  - Score: 670-739
- **Fair**: 20%
  - Score: 580-669
- **Poor**: 16%
  - Score: 300-579

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
Findings

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
# Health of Nonprofits by Region & County

<table>
<thead>
<tr>
<th>Region</th>
<th>Contribution Score</th>
<th>Percent Nonprofits That Are Healthy (&gt;740)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allegheny</td>
<td>712</td>
<td>51%</td>
</tr>
<tr>
<td>Armstrong</td>
<td>576</td>
<td>7%</td>
</tr>
<tr>
<td>Beaver</td>
<td>596</td>
<td>6%</td>
</tr>
<tr>
<td>Butler</td>
<td>618</td>
<td>16%</td>
</tr>
<tr>
<td>Fayette</td>
<td>496</td>
<td>2%</td>
</tr>
<tr>
<td>Greene</td>
<td>611</td>
<td>40%</td>
</tr>
<tr>
<td>Indiana</td>
<td>536</td>
<td>2%</td>
</tr>
<tr>
<td>Lawrence</td>
<td>540</td>
<td>0%</td>
</tr>
<tr>
<td>Washington</td>
<td>531</td>
<td>2%</td>
</tr>
<tr>
<td>Westmoreland</td>
<td>620</td>
<td>18%</td>
</tr>
</tbody>
</table>

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners - 2020.
Contribution Score Breakdowns by County

Allegheny
- Very Good: 44%
- Good: 27%
- Fair: 15%
- Poor: 7%
- Excellent: 7%

Armstrong
- Very Good: 7%
- Good: 17%
- Fair: 41%
- Poor: 35%
- Excellent: 0%

Beaver
- Very Good: 21%
- Good: 25%
- Fair: 48%
- Poor: 6%
- Excellent: 0%
Contribution Score Breakdowns by County

Butler
- Excellent: 0%
- Very Good: 16%
- Good: 21%
- Fair: 40%
- Poor: 23%

Fayette
- Excellent: 0%
- Very Good: 2%
- Good: 17%
- Fair: 17%
- Poor: 54%

Indiana
- Excellent: 0%
- Very Good: 2%
- Good: 18%
- Fair: 30%
- Poor: 50%
Contribution Score Breakdowns by County

Lawrence
- Poor: 52%
- Fair: 35%
- Good: 13%
- Very Good: 0%
- Excellent: 0%

Washington
- Poor: 51%
- Fair: 31%
- Good: 13%
- Very Good: 1%
- Excellent: 0%

Westmoreland
- Poor: 24%
- Fair: 32%
- Good: 26%
- Very Good: 17%
- Excellent: 0%

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
Contribution Score Breakdowns by County

GREENE

- Excellent: 20%
- Very Good: 20%
- Good: 20%
- Fair: 20%
- Poor: 40%

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
Financial Health of Nonprofits in the Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Program Efficiency</th>
<th>Surplus</th>
<th>Cash Reserves</th>
<th>Debt-to-Asset Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region</td>
<td>20%</td>
<td>17%</td>
<td>5%</td>
<td>76%</td>
</tr>
<tr>
<td>Allegheny</td>
<td>30%</td>
<td>21%</td>
<td>7%</td>
<td>76%</td>
</tr>
<tr>
<td>Armstrong</td>
<td>7%</td>
<td>7%</td>
<td>2%</td>
<td>87%</td>
</tr>
<tr>
<td>Beaver</td>
<td>8%</td>
<td>20%</td>
<td>5%</td>
<td>74%</td>
</tr>
<tr>
<td>Butler</td>
<td>7%</td>
<td>13%</td>
<td>2%</td>
<td>73%</td>
</tr>
<tr>
<td>Fayette</td>
<td>6%</td>
<td>2%</td>
<td>0%</td>
<td>79%</td>
</tr>
<tr>
<td>Greene</td>
<td>40%</td>
<td>20%</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>Indiana</td>
<td>5%</td>
<td>10%</td>
<td>2%</td>
<td>65%</td>
</tr>
<tr>
<td>Lawrence</td>
<td>2%</td>
<td>17%</td>
<td>2%</td>
<td>60%</td>
</tr>
<tr>
<td>Washington</td>
<td>6%</td>
<td>4%</td>
<td>2%</td>
<td>84%</td>
</tr>
<tr>
<td>Westmoreland</td>
<td>12%</td>
<td>13%</td>
<td>6%</td>
<td>82%</td>
</tr>
</tbody>
</table>

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
## Revenue Model

<table>
<thead>
<tr>
<th>Region</th>
<th>Grants &amp; Donations</th>
<th>Program Fees</th>
<th>Fundraising</th>
<th>Investments</th>
<th>Product Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allegheny</td>
<td>22%</td>
<td>12%</td>
<td>6%</td>
<td>23%</td>
<td>71%</td>
</tr>
<tr>
<td>Armstrong</td>
<td>2%</td>
<td>0%</td>
<td>0%</td>
<td>4%</td>
<td>22%</td>
</tr>
<tr>
<td>Beaver</td>
<td>7%</td>
<td>2%</td>
<td>2%</td>
<td>6%</td>
<td>21%</td>
</tr>
<tr>
<td>Butler</td>
<td>3%</td>
<td>6%</td>
<td>3%</td>
<td>12%</td>
<td>32%</td>
</tr>
<tr>
<td>Fayette</td>
<td>4%</td>
<td>2%</td>
<td>0%</td>
<td>2%</td>
<td>15%</td>
</tr>
<tr>
<td>Greene</td>
<td>20%</td>
<td>20%</td>
<td>0%</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>Indiana</td>
<td>7%</td>
<td>3%</td>
<td>2%</td>
<td>0%</td>
<td>15%</td>
</tr>
<tr>
<td>Lawrence</td>
<td>2%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>12%</td>
</tr>
<tr>
<td>Washington</td>
<td>2%</td>
<td>4%</td>
<td>1%</td>
<td>2%</td>
<td>13%</td>
</tr>
<tr>
<td>Westmoreland</td>
<td>7%</td>
<td>7%</td>
<td>1%</td>
<td>11%</td>
<td>37%</td>
</tr>
</tbody>
</table>

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
<table>
<thead>
<tr>
<th>Region</th>
<th>Staffing</th>
<th>Capacity Building</th>
<th>Space &amp; Technology</th>
<th>Promotion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allegheny</td>
<td>16%</td>
<td>17%</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>Armstrong</td>
<td>9%</td>
<td>0%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Beaver</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>Butler</td>
<td>9%</td>
<td>2%</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>Fayette</td>
<td>2%</td>
<td>4%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Greene</td>
<td>20%</td>
<td>20%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Indiana</td>
<td>2%</td>
<td>2%</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>Lawrence</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Washington</td>
<td>2%</td>
<td>1%</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>Westmoreland</td>
<td>10%</td>
<td>6%</td>
<td>2%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Expenditure Model

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
### Capacity Building Matters

<table>
<thead>
<tr>
<th>Region</th>
<th>Ideal Capacity Building Investment</th>
<th>Need More Capacity Building</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allegheny</td>
<td>17%</td>
<td>60%</td>
</tr>
<tr>
<td>Armstrong</td>
<td>0%</td>
<td>65%</td>
</tr>
<tr>
<td>Beaver</td>
<td>3%</td>
<td>66%</td>
</tr>
<tr>
<td>Butler</td>
<td>2%</td>
<td>77%</td>
</tr>
<tr>
<td>Fayette</td>
<td>4%</td>
<td>73%</td>
</tr>
<tr>
<td>Greene</td>
<td>0%</td>
<td>80%</td>
</tr>
<tr>
<td>Indiana</td>
<td>2%</td>
<td>78%</td>
</tr>
<tr>
<td>Lawrence</td>
<td>0%</td>
<td>79%</td>
</tr>
<tr>
<td>Washington</td>
<td>1%</td>
<td>79%</td>
</tr>
<tr>
<td>Westmoreland</td>
<td>6%</td>
<td>75%</td>
</tr>
</tbody>
</table>

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
### Accountability, Transparency and Governance

#### Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners 2020

<table>
<thead>
<tr>
<th>Region</th>
<th>Funder Approved</th>
<th>Governance Warning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allegheny</td>
<td>42%</td>
<td>0%</td>
</tr>
<tr>
<td>Armstrong</td>
<td>35%</td>
<td>2%</td>
</tr>
<tr>
<td>Beaver</td>
<td>36%</td>
<td>5%</td>
</tr>
<tr>
<td>Butler</td>
<td>32%</td>
<td>2%</td>
</tr>
<tr>
<td>Fayette</td>
<td>35%</td>
<td>0%</td>
</tr>
<tr>
<td>Greene</td>
<td>20%</td>
<td>0%</td>
</tr>
<tr>
<td>Indiana</td>
<td>38%</td>
<td>4%</td>
</tr>
<tr>
<td>Lawrence</td>
<td>44%</td>
<td>3%</td>
</tr>
<tr>
<td>Washington</td>
<td>35%</td>
<td>4%</td>
</tr>
<tr>
<td>Westmoreland</td>
<td>39%</td>
<td>4%</td>
</tr>
</tbody>
</table>
Regional Nonprofit Equity Assessment

ARE COMMUNITIES OF COLOR SUPPORTED BY EFFECTIVE NONPROFITS AT THE SAME LEVEL AS WHITE COMMUNITIES?

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
Communities of Color Do Not Have Equal Access to Effective Nonprofits

Nonprofit Effectiveness by Types of Communities Served

<table>
<thead>
<tr>
<th>MORE PERSONS OF COLOR</th>
<th>MORE WHITE</th>
</tr>
</thead>
<tbody>
<tr>
<td>580</td>
<td>655</td>
</tr>
</tbody>
</table>

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
Nonprofit Effectiveness by Type of Community Diversity

DIVERSE COMMUNITIES
- Poor: 19%
- Excellent: 7%
- Very Good: 19%
- Fair: 28%
- Good: 27%

MORE PERSONS OF COLOR
- Poor: 43%
- Excellent: 1%
- Very Good: 10%
- Fair: 26%
- Good: 20%

MORE WHITE
- Poor: 23%
- Excellent: 7%
- Very Good: 29%
- Fair: 21%
- Good: 20%

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners: 2020.
Contributing Causes of Inequitable Nonprofit Capacity

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners 2020.
Community Support of Nonprofits

Nonprofits in the region that serve communities in which there are more persons of color receive 30-50% less in ‘contributions’ than nonprofits serving white or diverse communities. Contributions are the sum of donations and grants received from government, foundations and individuals.

Average Contributions to Nonprofits by Diversity of Community

<table>
<thead>
<tr>
<th>Diversity of Community</th>
<th>Mean Contributions</th>
<th>Median Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>More White</td>
<td>$1,106,552</td>
<td></td>
</tr>
<tr>
<td>More Persons of Color</td>
<td>$45,345</td>
<td>$525,924</td>
</tr>
<tr>
<td>Diverse</td>
<td>$69,089</td>
<td>$1,636,618</td>
</tr>
</tbody>
</table>

Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.
Philanthropic Support by Community Diversity

1 in 10 nonprofits that serve White communities receive philanthropic grants.

1 in 12 nonprofits that serve communities with more Persons of Color receive philanthropic grants.

Nonprofits serving more white communities receive twice as much as in philanthropic grants than those serving communities with more Persons of Color. This is a statistically significant difference (p=.08).
28% of nonprofits that serve White communities receive government grants.

25% nonprofits that serve communities with more Persons of Color receive government grants.

Nonprofits serving more white communities receive 50% more in grants than those serving communities with more Persons of Color. There is an 80% chance that this difference is NOT due to chance (p=.2).
Volunteer Support by Community Diversity

2 in 5 nonprofits that serve White communities receive support from 10 or more volunteers.

1 in 3 nonprofits that serve communities of Color receive support from 10 or more volunteers.

Nonprofits serving more white communities receive almost twice as much volunteer engagement than those serving communities with more Persons of Color. This difference is statistically significant (p=.007)
1 in 7 nonprofits that serve White communities receive capacity building support.

1 in 20 nonprofits that serve communities of Color receive capacity building support.

Nonprofits serving more white communities receive almost three times as much capacity building than those serving communities with more Persons of Color. This difference is statistically significant (p=.001)
For more information about the study contact us at:

info@pacepgh.org