

# *The Health of the Nonprofit Sector in Western Pennsylvania*



**BCT PARTNERS**  
Your Partner in Solutions that Matter

# *Agenda*

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



# *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



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# *Three Driving Questions for EquiIP*

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?

# *The Method*

## *Finding Fair Comparisons, the Positive Deviants, & Discovering What They Did*

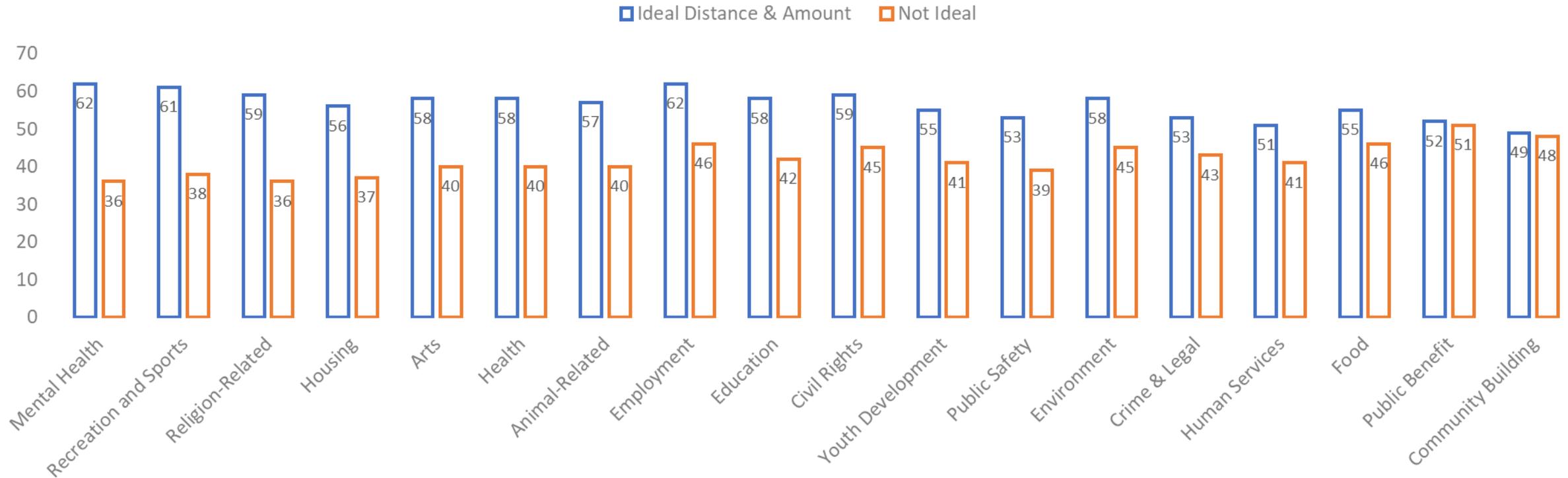
### **Do nonprofit services improve community well-being?**

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



# *Nonprofit Services Improve Community Well-Being*

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



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

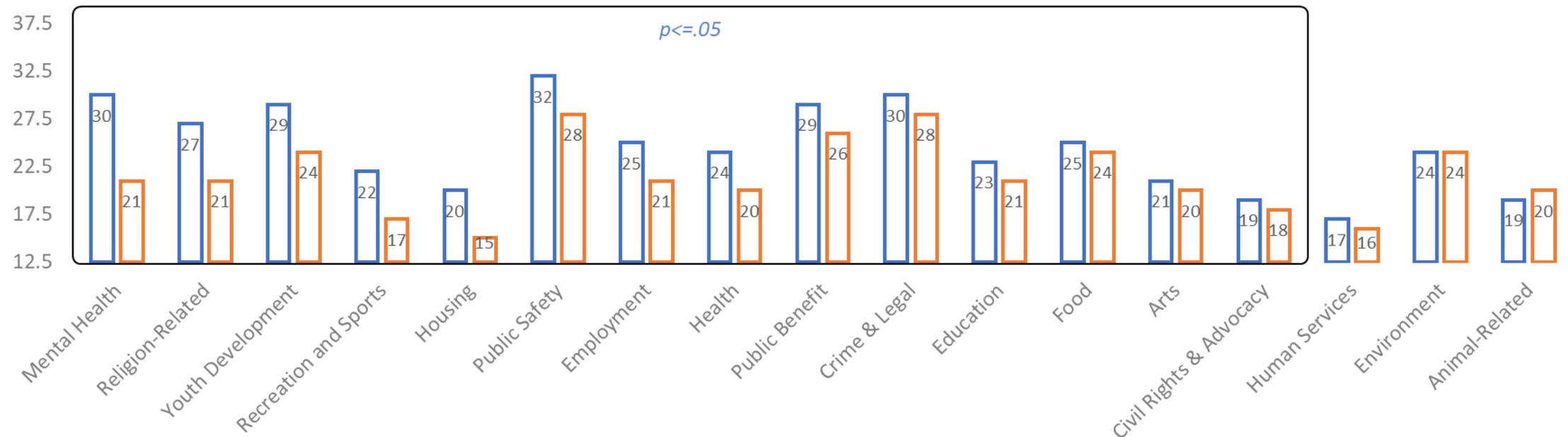
**The analysis controlled for population density, community socioeconomic status and access to transportation**

# *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

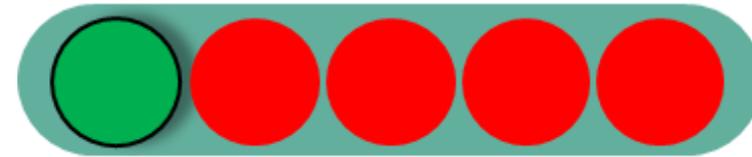


# ***The Method for Nonprofit Effectiveness***

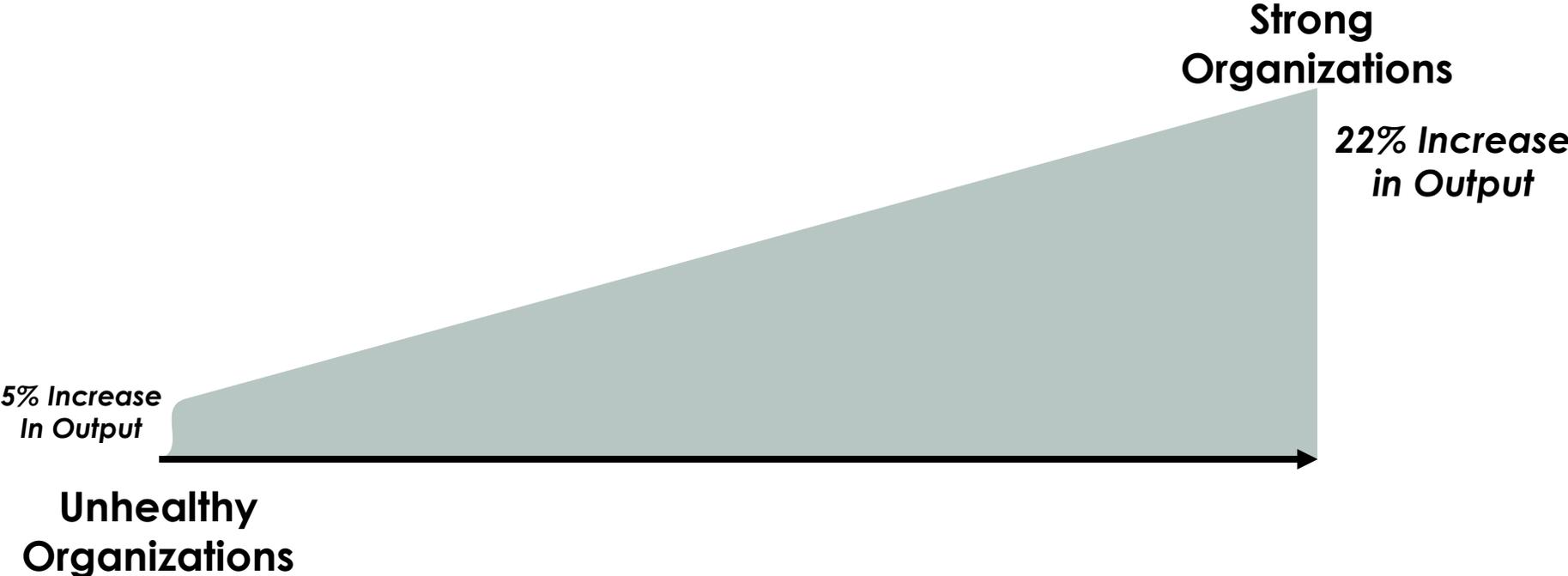
***Finding Fair Comparisons, the Positive Deviants & Discovering What They Did***

**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

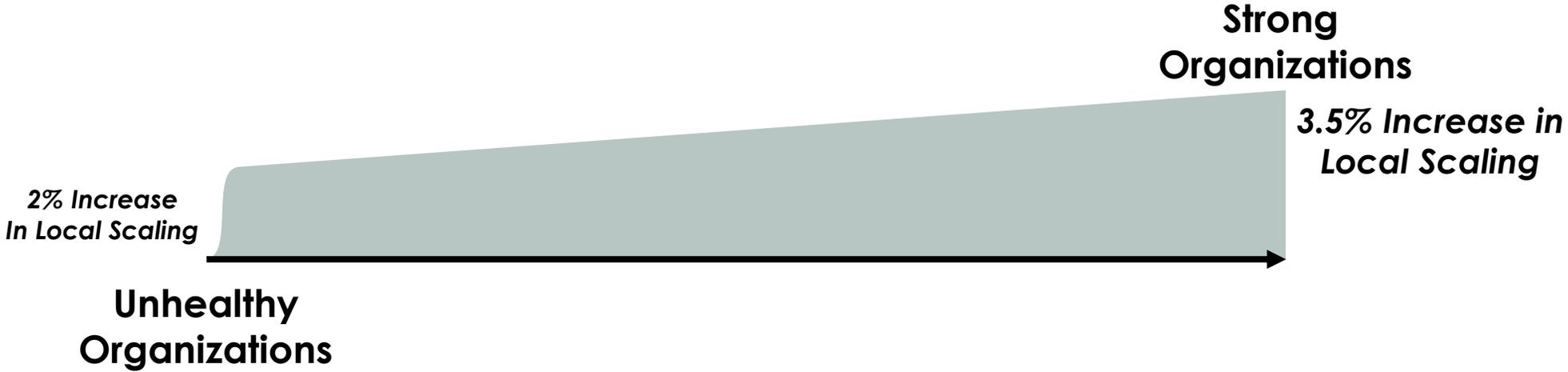


# *When Nonprofit Organizations are Healthy They Increase Their Service Output By More Than 400%*



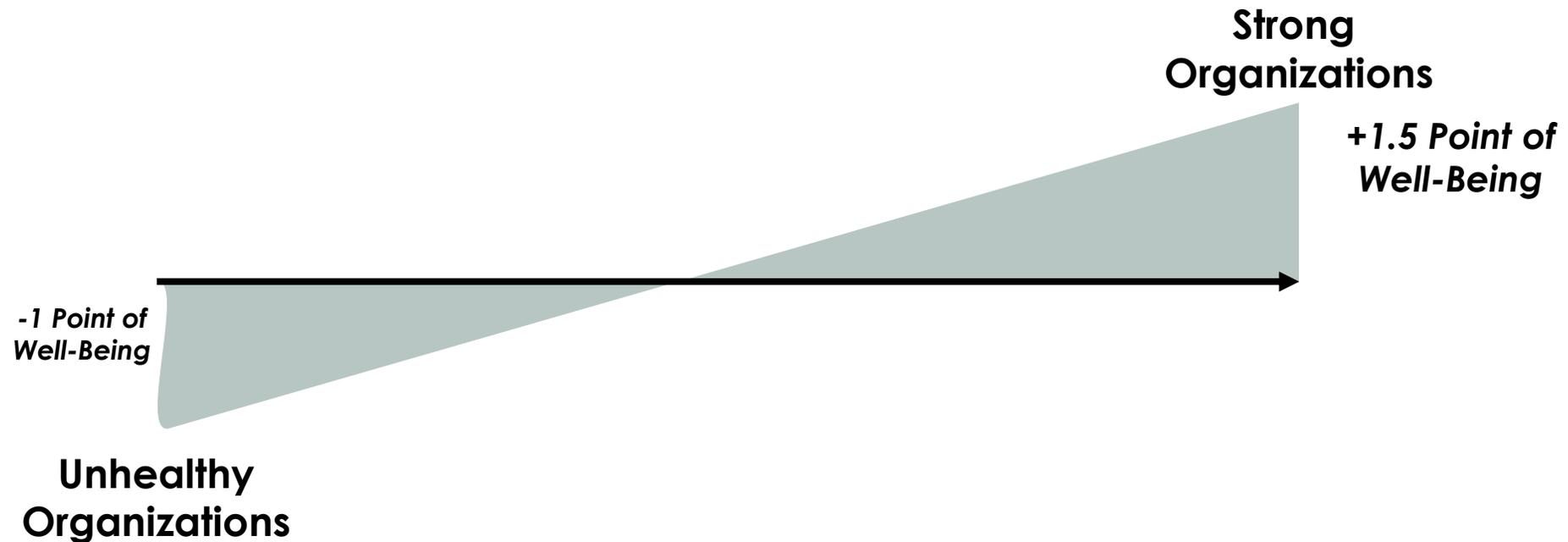
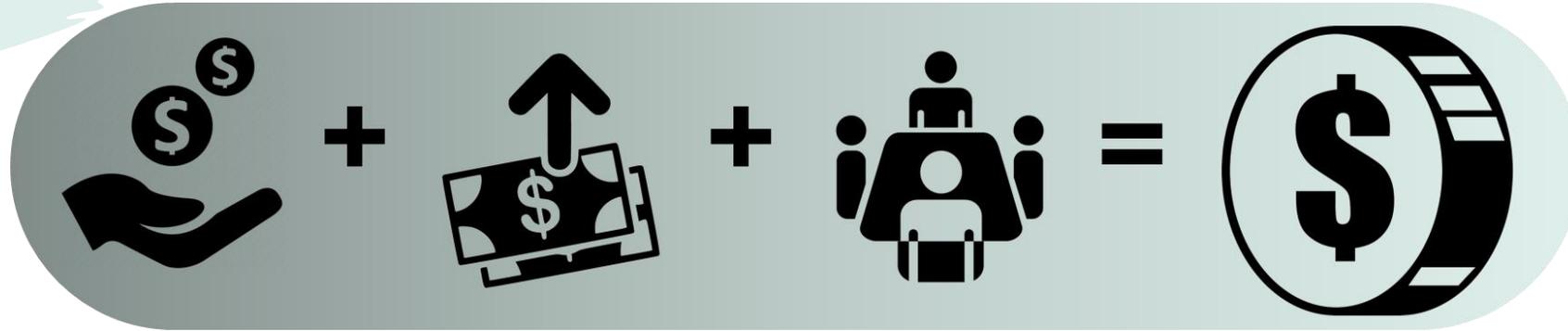
Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.

# *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*



# *And, When Nonprofit Organizations are Healthy They are 11 Times More Likely to Increase Their Output, Local Scaling AND Contribute to Community Well-Being*



**Strong Organizations**

**66% Likely To Improve Everything**

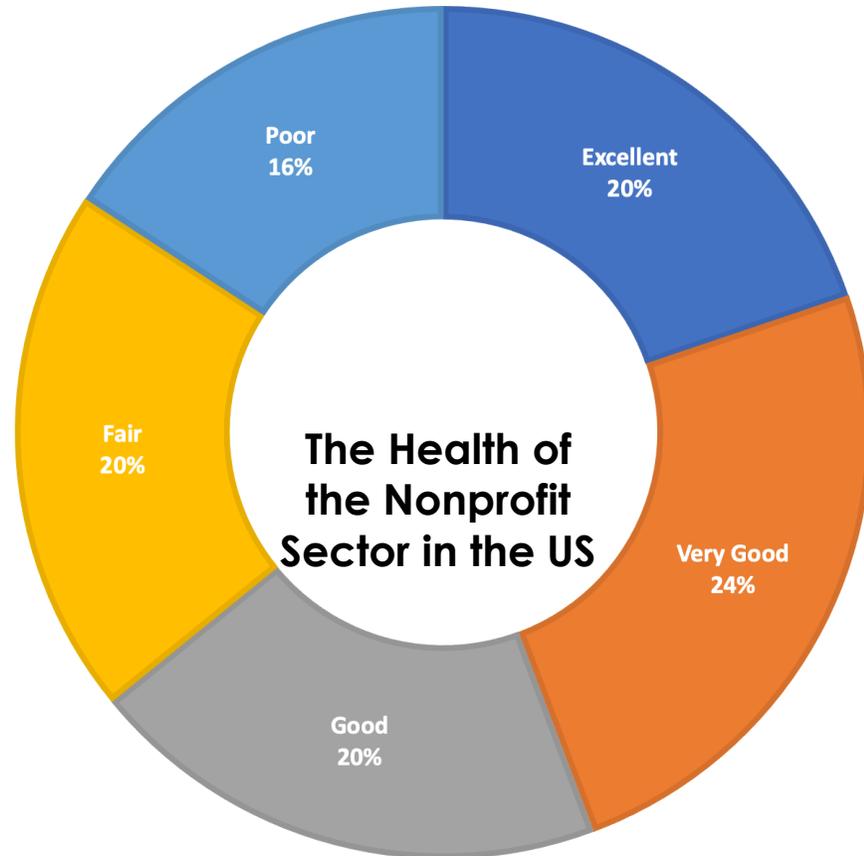
**6% Likely To Improve Everything**

**Unhealthy Organizations**

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

# *EquiIP's Effectiveness Scale*

## *The "Contribution Score"*



Excellent	800-850
Very Good	740-799
Good	670-739
Fair	580-669
Poor	300-579

# *Findings*

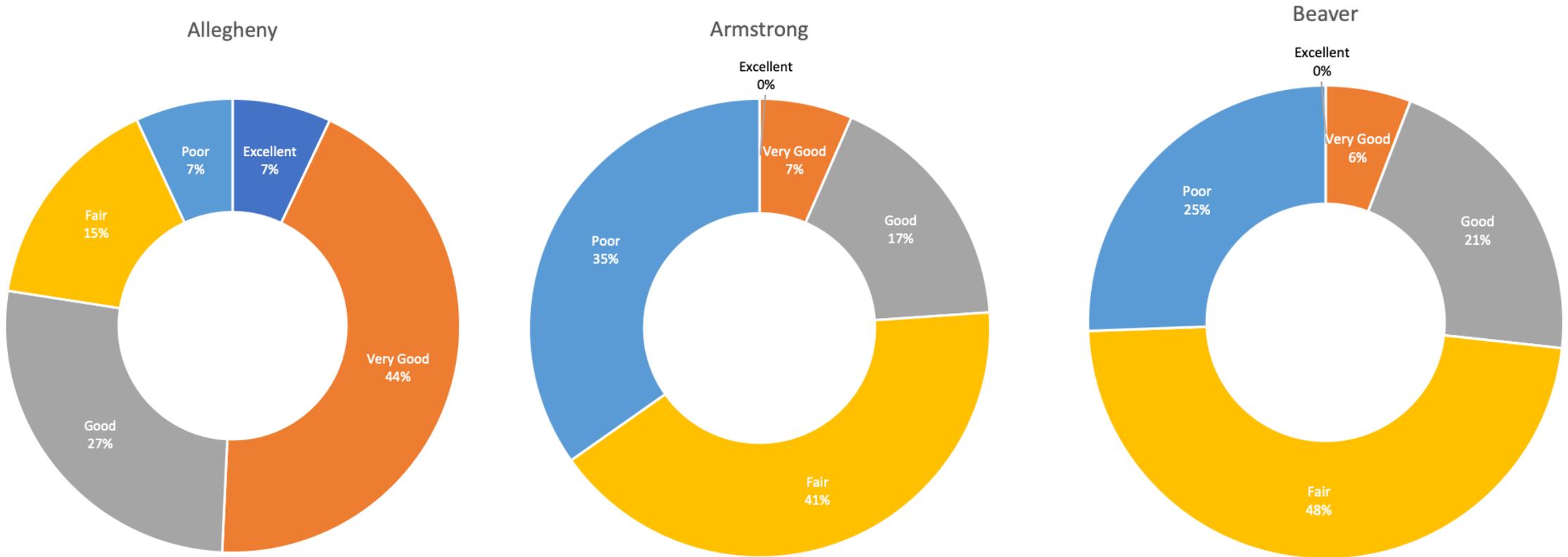
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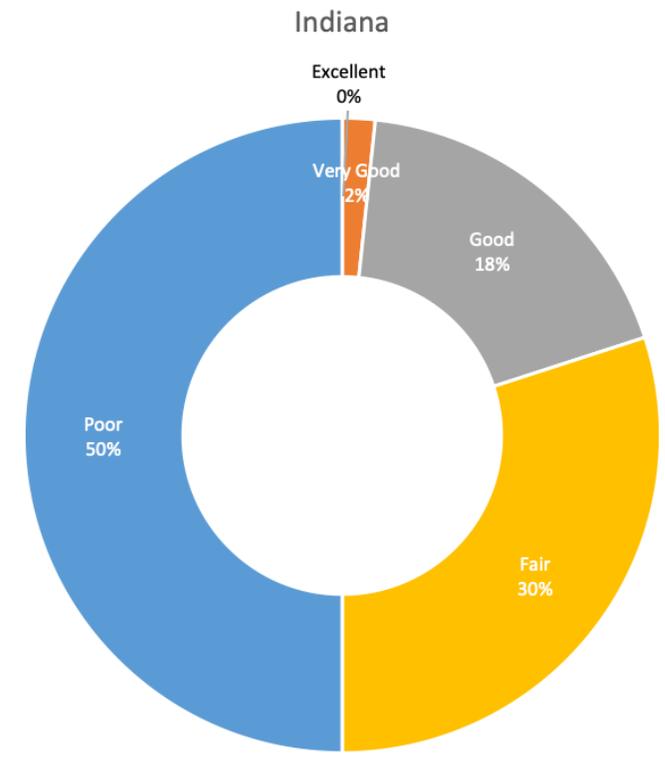
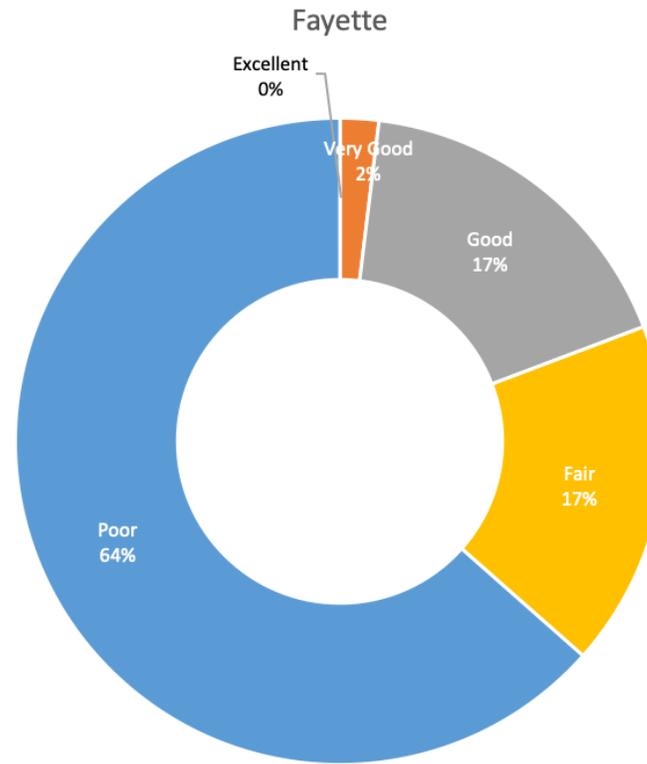
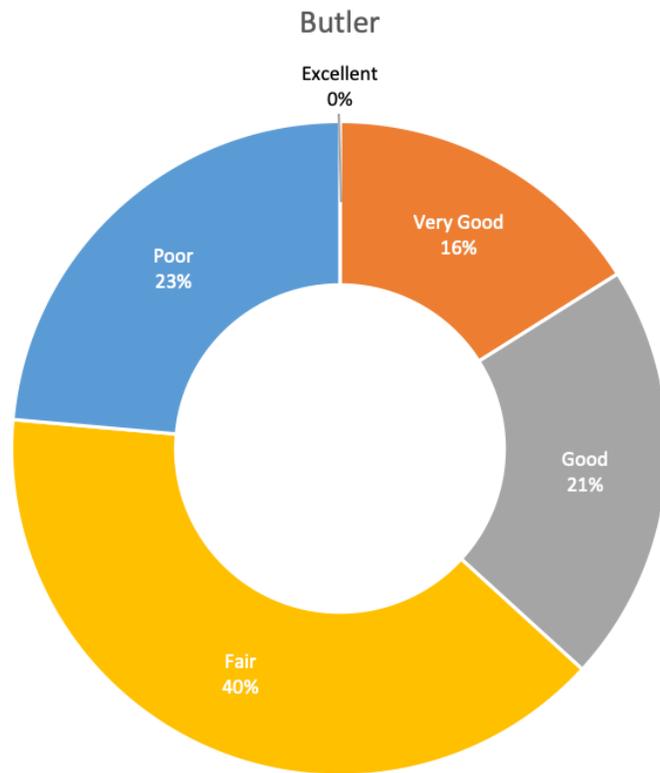
# *Health of Nonprofits by Region & County*

		Contribution Score	
		Average Contribution Score	Percent Nonprofits That Are Healthy (>740)
<b>Region</b>		654	33%
<b>Allegheny</b>		712	51%
<b>Armstrong</b>		576	7%
<b>Beaver</b>		596	6%
<b>Butler</b>		618	16%
<b>Fayette</b>		496	2%
<b>Greene</b>		611	40%
<b>Indiana</b>		536	2%
<b>Lawrence</b>		540	0%
<b>Washington</b>		531	2%
<b>Westmoreland</b>		620	18%

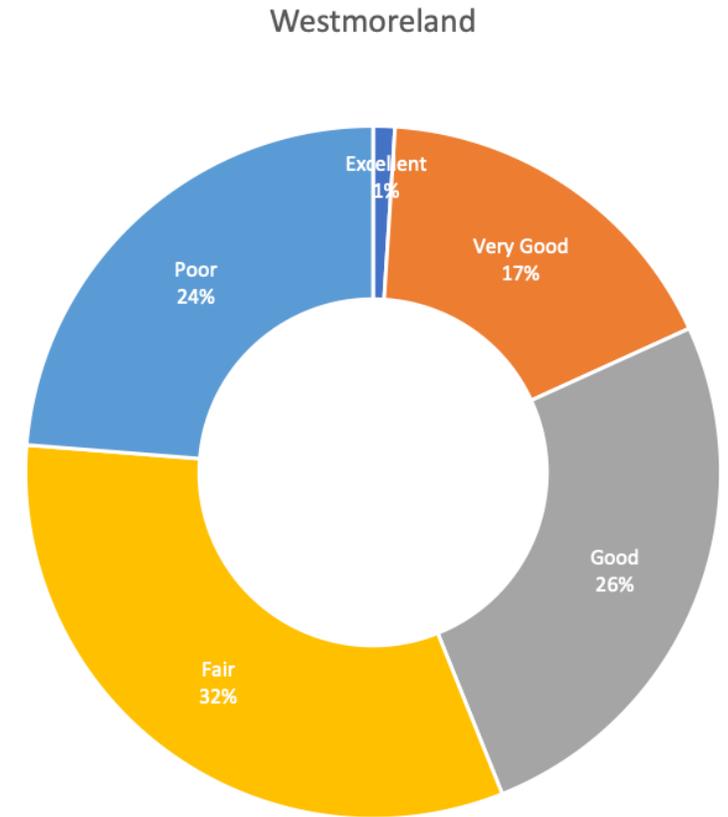
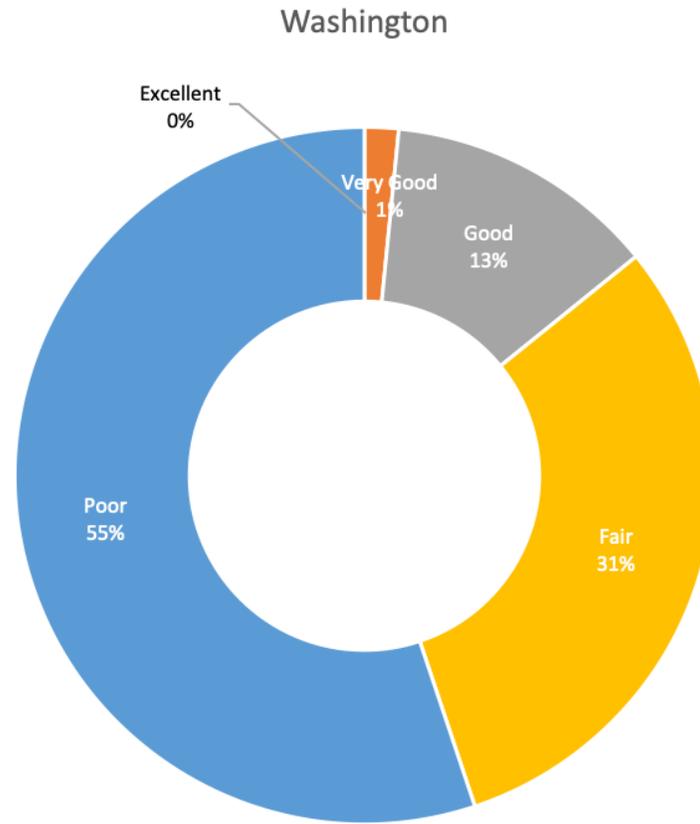
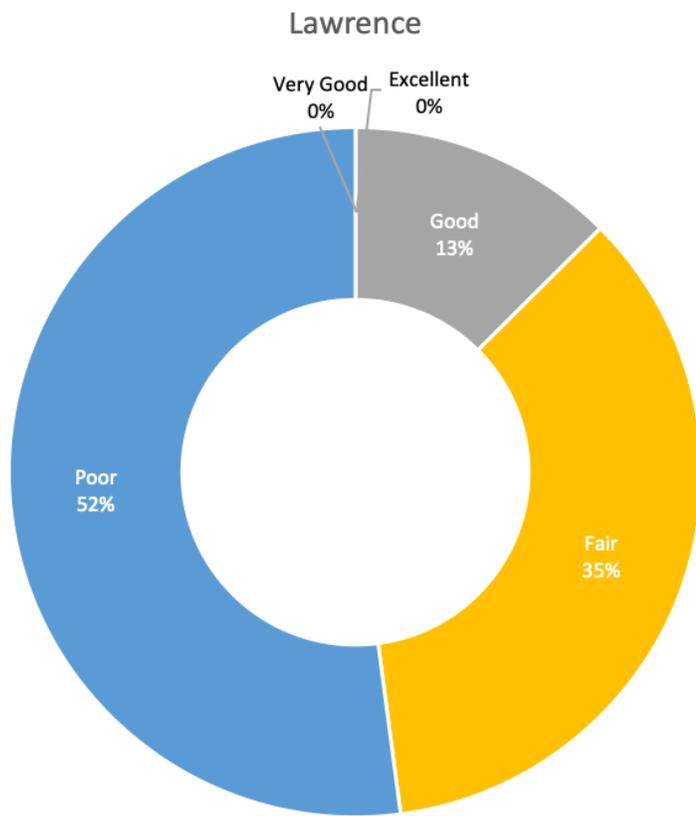
# Contribution Score Breakdowns by County



# *Contribution Score Breakdowns by County*



# Contribution Score Breakdowns by County



# *Contribution Score Breakdowns by County*

GREENE



# *Financial Health of Nonprofits in the Region*

Proportion of Nonprofits with ideal Financial Health				
Region	Program Efficiency	Surplus	Cash Reserves	Debt-to-Asset Ratio
Region	20%	17%	5%	76%
Allegheny	30%	21%	7%	76%
Armstrong	7%	7%	2%	87%
Beaver	8%	20%	5%	74%
Butler	7%	13%	2%	73%
Fayette	6%	2%	0%	79%
Greene	40%	20%	20%	80%
Indiana	5%	10%	2%	65%
Lawrence	2%	17%	2%	60%
Washington	6%	4%	2%	84%
Westmoreland	12%	13%	6%	82%

# Revenue Model

Region	Grants & Donations	Program Fees	Fundraising	Investments	Product Sales
<b>Region</b>	14%	9%	4%	16%	51%
<b>Allegheny</b>	22%	12%	6%	23%	71%
<b>Armstrong</b>	2%	0%	0%	4%	22%
<b>Beaver</b>	7%	2%	2%	6%	21%
<b>Butler</b>	3%	6%	3%	12%	32%
<b>Fayette</b>	4%	2%	0%	2%	15%
<b>Greene</b>	20%	20%	0%	40%	60%
<b>Indiana</b>	7%	3%	2%	0%	15%
<b>Lawrence</b>	2%	0%	0%	0%	12%
<b>Washington</b>	2%	4%	1%	2%	13%
<b>Westmoreland</b>	7%	7%	1%	11%	37%

# *Expenditure Model*

	Expenditure Model			
Region	Staffing	Capacity Building	Space & Technology	Promotion
Allegheny	16%	17%	9%	5%
Armstrong	9%	0%	2%	2%
Beaver	5%	3%	3%	0%
Butler	9%	2%	1%	0%
Fayette	2%	4%	0%	0%
Greene	20%	20%	0%	0%
Indiana	2%	2%	3%	0%
Lawrence	0%	0%	0%	0%
Washington	2%	1%	2%	0%
Westmoreland	10%	6%	2%	1%

# Capacity Building Matters

Region	Ideal Capacity Building Investment	Need More Capacity Building
Allegheny	11%	66%
Armstrong	17%	60%
Beaver	0%	65%
Butler	3%	66%
Fayette	2%	77%
Fayette	4%	73%
Greene	0%	80%
Indiana	2%	78%
Lawrence	0%	79%
Washington	1%	79%
Westmoreland	6%	75%

*Accountability,  
Transparency  
and Governance*

	Accountability	
	Funder Approved	Governance Warning
<b>Region</b>	40%	4%
<b>Allegheny</b>	42%	0%
<b>Armstrong</b>	35%	2%
<b>Beaver</b>	36%	5%
<b>Butler</b>	32%	2%
<b>Fayette</b>	35%	0%
<b>Greene</b>	20%	0%
<b>Indiana</b>	38%	4%
<b>Lawrence</b>	44%	3%
<b>Washington</b>	35%	4%
<b>Westmoreland</b>	39%	4%

# *Regional Nonprofit Equity Assessment*

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

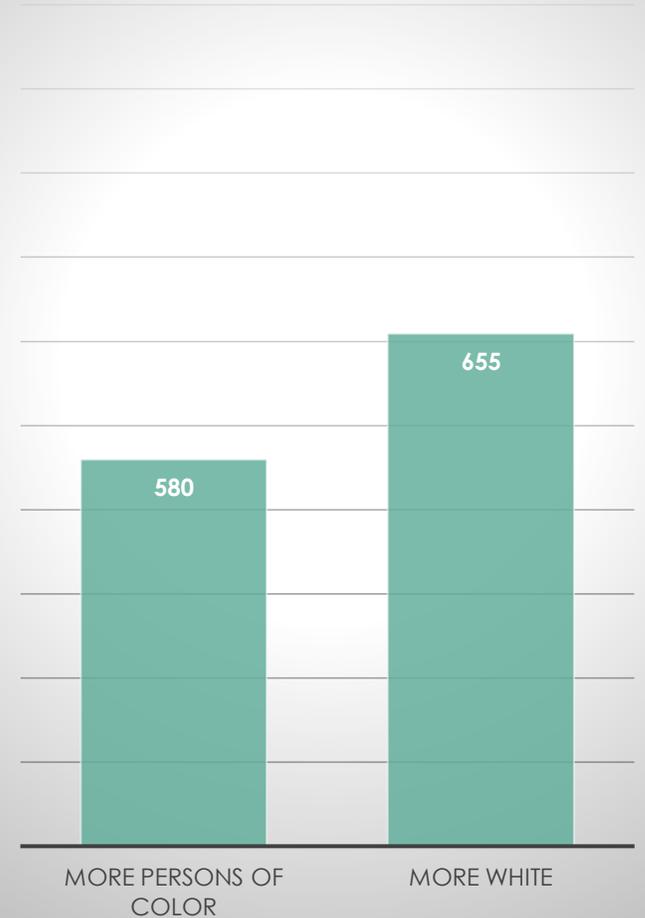
Study Developed by Program to Aid Citizen Enterprise (PACE) and BCT Partners-2020.



*Communities of Color Do Not Have Equal Access to Effective Nonprofits*

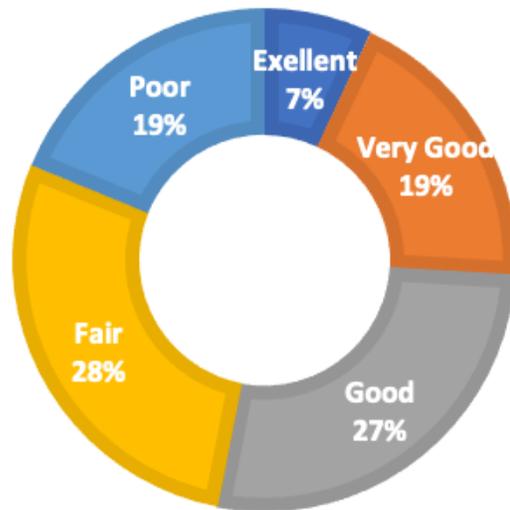


Nonprofit Effectiveness  
by Types of  
Communities Served

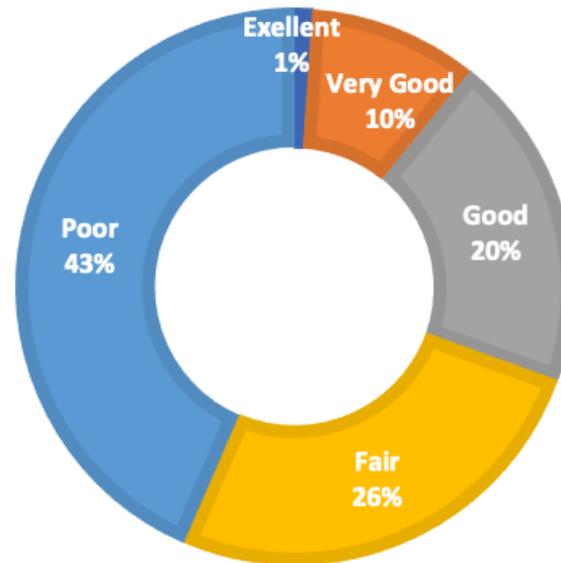


# *Nonprofit Effectiveness by Type of Community Diversity*

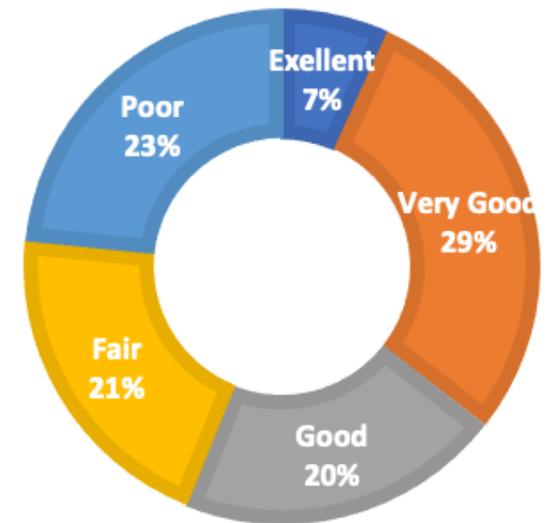
DIVERSE COMMUNITIES



MORE PERSONS OF COLOR



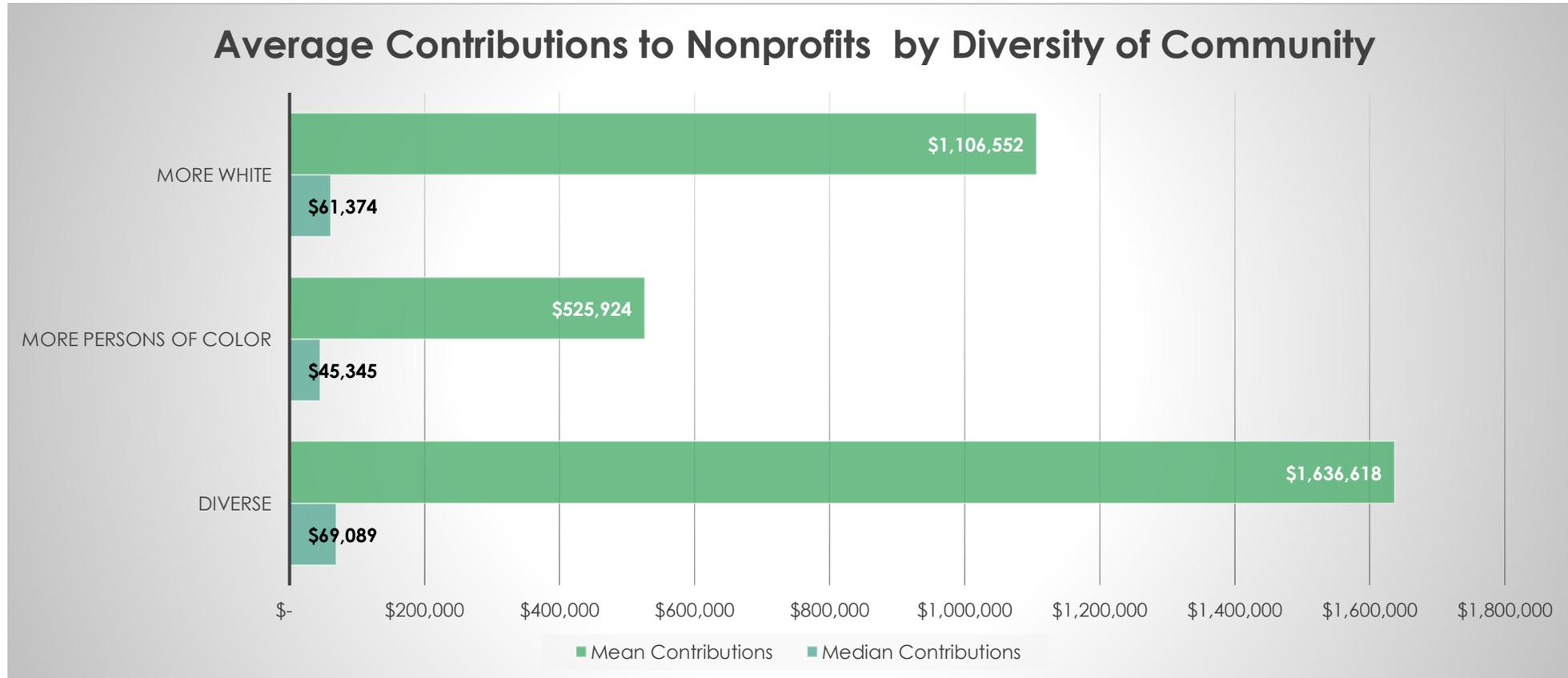
MORE WHITE



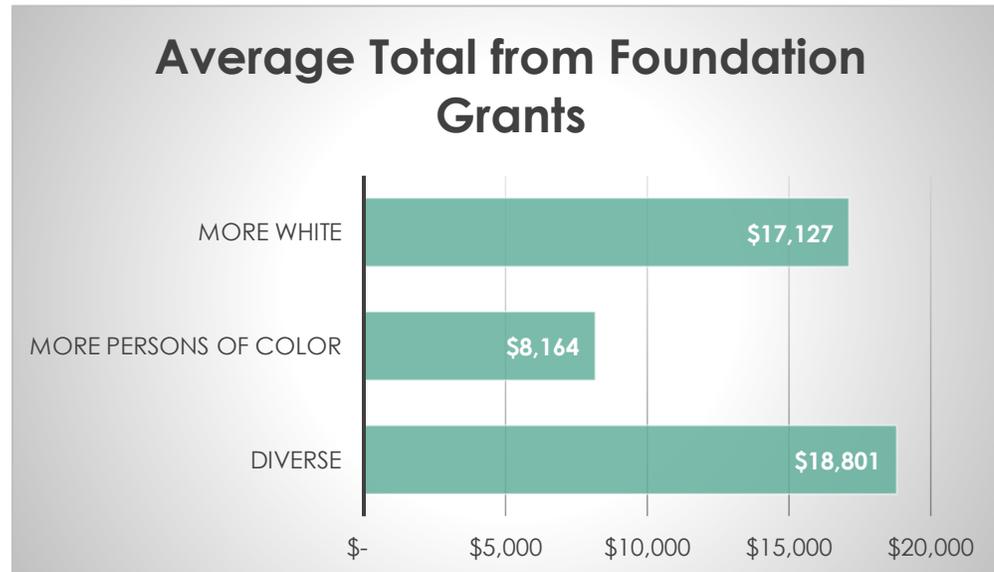
***Contributing  
Causes of  
Inequitable  
Nonprofit  
Capacity***

# 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.*



# *Philanthropic Support by Community Diversity*

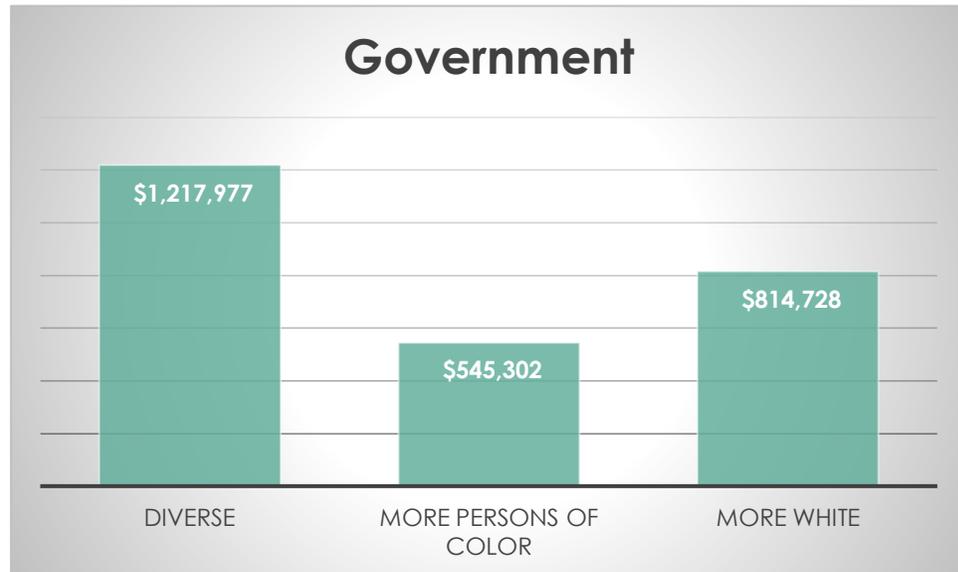


1 in 10 nonprofits that serve White communities receive philanthropic grants.

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 ( $p=.08$ ).

# Government Support by Community Diversity

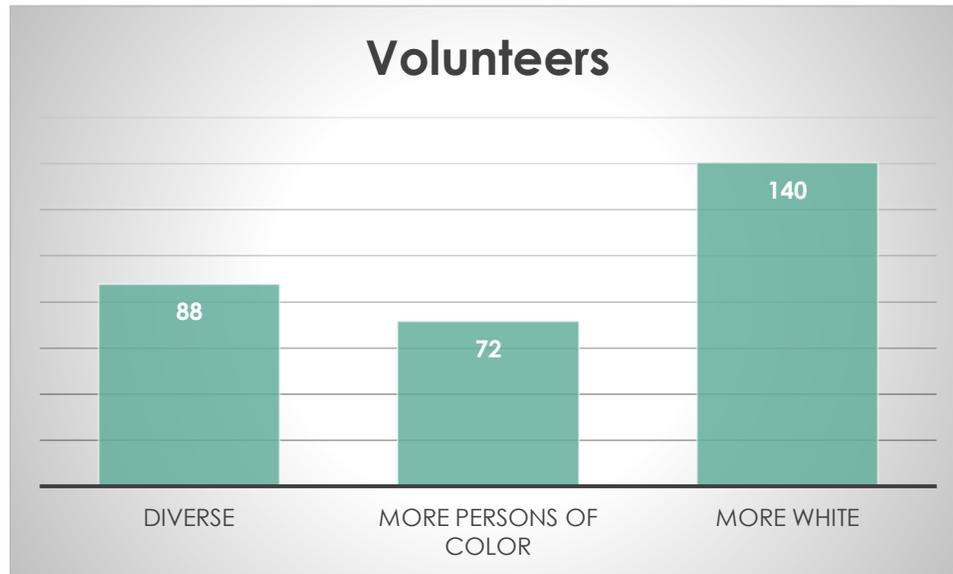


28% of nonprofits that serve White communities receive government grants.

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*

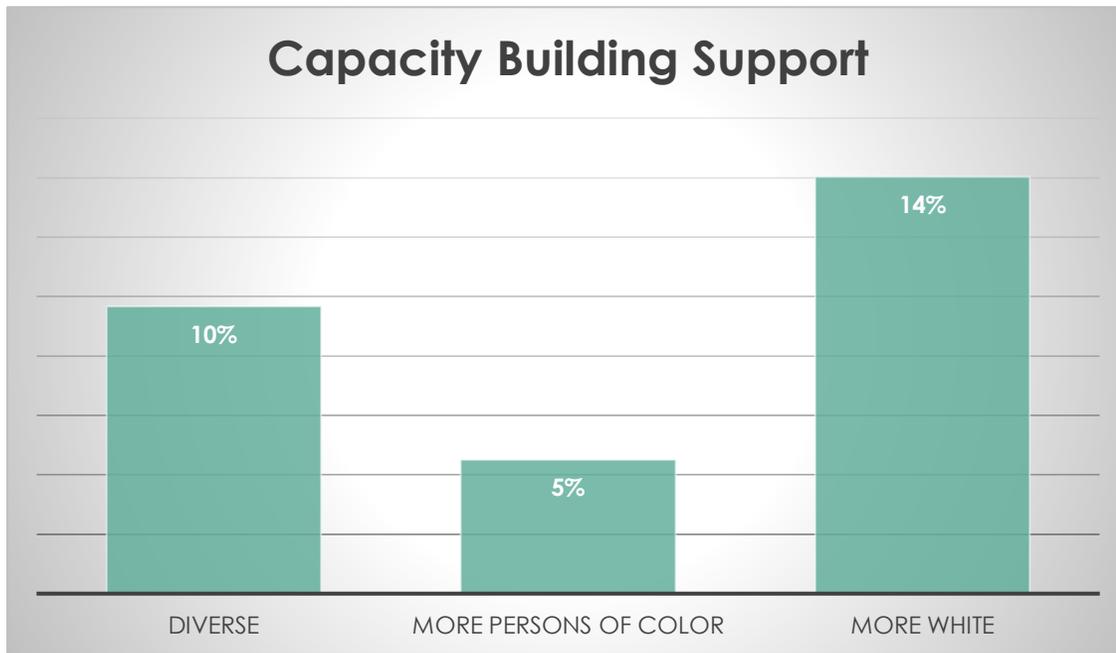


2 in 5 nonprofits that serve White communities receive support from 10 or more volunteers.

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 ( $p=.007$ )

# Capacity Building Support by Community Diversity



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***