

COLLABORATE TO ELEVATE:

Harnessing the Power of Partnership and Relationship



Presented by:

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May 21, 2024

The
**Profitable
Nonprofit**

Who is Pamela J. Oakes?

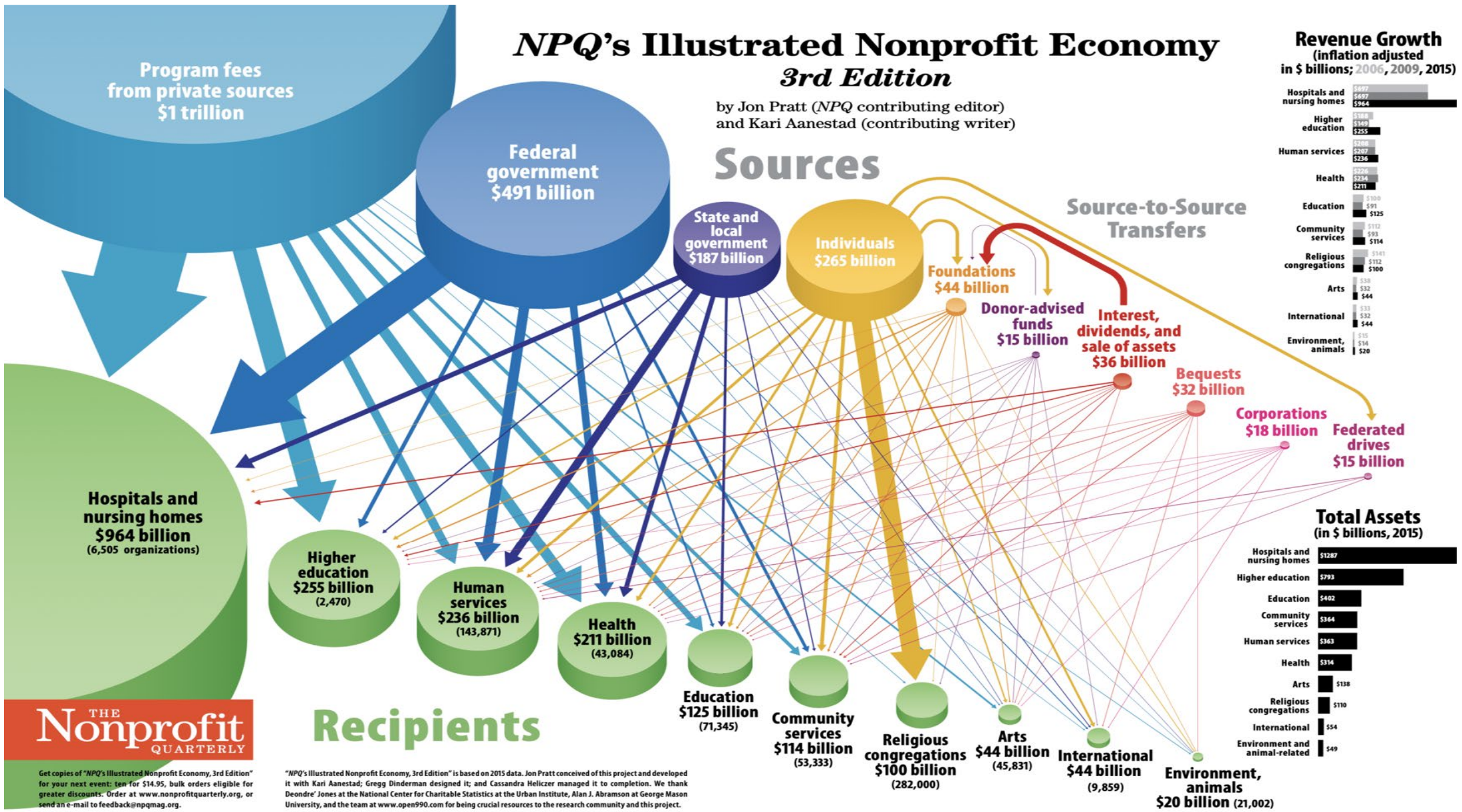
- Nonprofit Career
- International Humanitarian Projects
- Worked in South Africa during Racial Reconciliation Period post-apartheid
- Consulted Top-100 Corporations in area of Diversity, Equity Inclusion, Access, Employment Equity, Gender Equity, and Affirmative Action
- Initiated self-empowerment projects in townships and rural villages
- Worked as Grantmaker with Bill & Melinda Gates Foundation
- Insider's perspective on funding nonprofits
- Provide Development and Capacity Building services through an equity & social justice lens



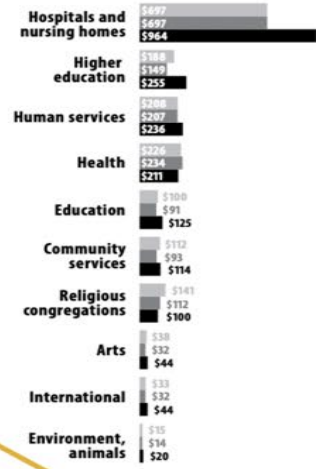
NPQ's Illustrated Nonprofit Economy 3rd Edition

by Jon Pratt (NPQ contributing editor)
and Kari Aanestad (contributing writer)

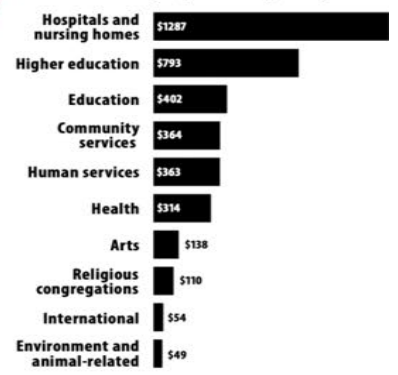
Sources



Revenue Growth (inflation adjusted in \$ billions; 2006, 2009, 2015)



Total Assets (in \$ billions, 2015)

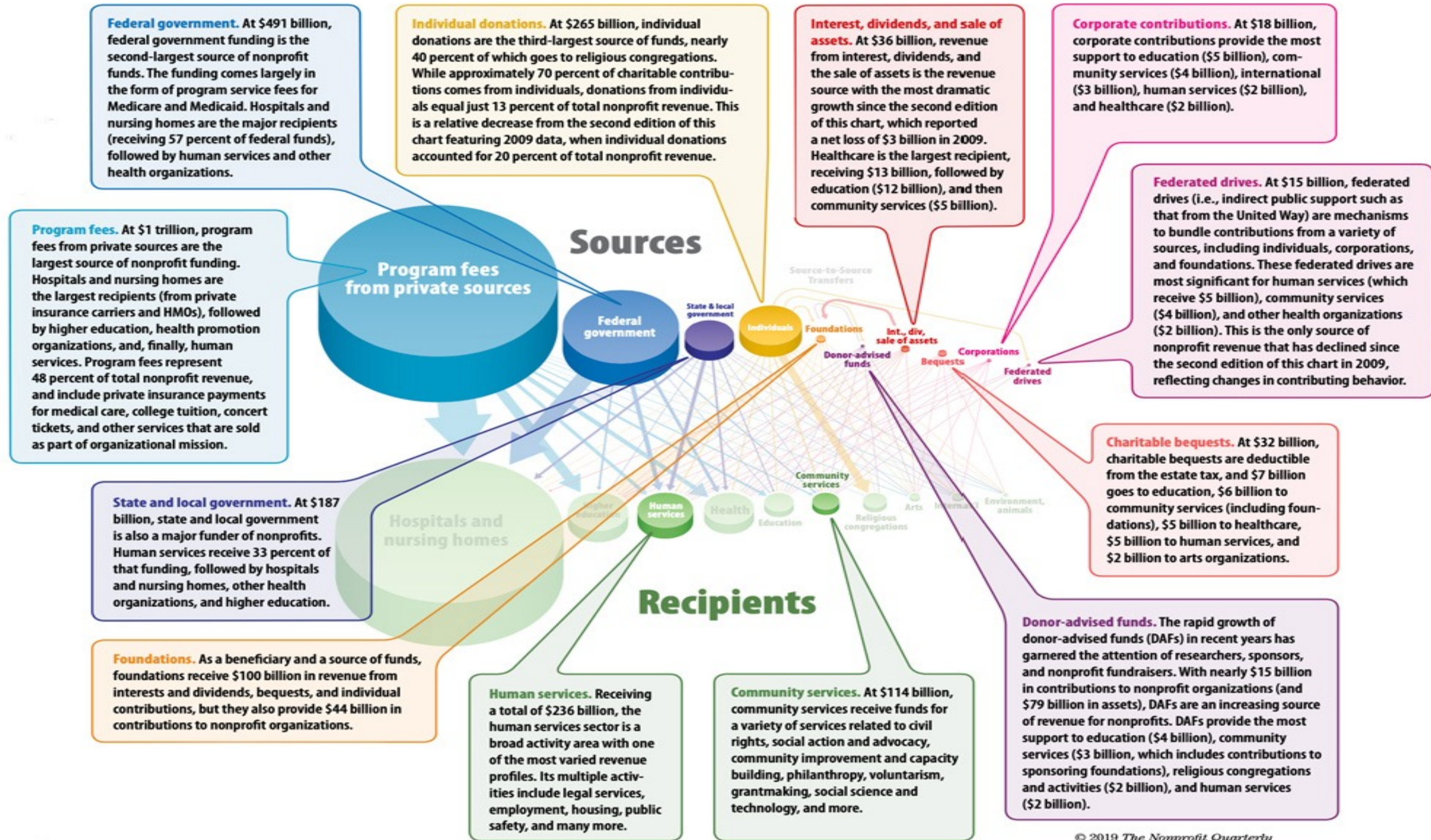


Recipients

THE Nonprofit QUARTERLY

Get copies of "NPQ's Illustrated Nonprofit Economy, 3rd Edition" for your next event; ten for \$14.95, bulk orders eligible for greater discounts. Order at www.nonprofitquarterly.org, or send an e-mail to feedback@npqmag.org.

"NPQ's Illustrated Nonprofit Economy, 3rd Edition" is based on 2015 data. Jon Pratt conceived of this project and developed it with Kari Aanestad; Gregg Dinderman designed it; and Cassandra Heliczer managed it to completion. We thank Deondre Jones at the National Center for Charitable Statistics at the Urban Institute, Alan J. Abramson at George Mason University, and the team at www.open990.com for being crucial resources to the research community and this project.



Federal government. At \$491 billion, federal government funding is the second-largest source of nonprofit funds. The funding comes largely in the form of program service fees for Medicare and Medicaid. Hospitals and nursing homes are the major recipients (receiving 57 percent of federal funds), followed by human services and other health organizations.

Individual donations. At \$265 billion, individual donations are the third-largest source of funds, nearly 40 percent of which goes to religious congregations. While approximately 70 percent of charitable contributions comes from individuals, donations from individuals equal just 13 percent of total nonprofit revenue. This is a relative decrease from the second edition of this chart featuring 2009 data, when individual donations accounted for 20 percent of total nonprofit revenue.

Interest, dividends, and sale of assets. At \$36 billion, revenue from interest, dividends, and the sale of assets is the revenue source with the most dramatic growth since the second edition of this chart, which reported a net loss of \$3 billion in 2009. Healthcare is the largest recipient, receiving \$13 billion, followed by education (\$12 billion), and then community services (\$5 billion).

Corporate contributions. At \$18 billion, corporate contributions provide the most support to education (\$5 billion), community services (\$4 billion), international (\$3 billion), human services (\$2 billion), and healthcare (\$2 billion).

Federated drives. At \$15 billion, federated drives (i.e., indirect public support such as that from the United Way) are mechanisms to bundle contributions from a variety of sources, including individuals, corporations, and foundations. These federated drives are most significant for human services (which receive \$5 billion), community services (\$4 billion), and other health organizations (\$2 billion). This is the only source of nonprofit revenue that has declined since the second edition of this chart in 2009, reflecting changes in contributing behavior.

Program fees. At \$1 trillion, program fees from private sources are the largest source of nonprofit funding. Hospitals and nursing homes are the largest recipients (from private insurance carriers and HMOs), followed by higher education, health promotion organizations, and, finally, human services. Program fees represent 48 percent of total nonprofit revenue, and include private insurance payments for medical care, college tuition, concert tickets, and other services that are sold as part of organizational mission.

State and local government. At \$187 billion, state and local government is also a major funder of nonprofits. Human services receive 33 percent of that funding, followed by hospitals and nursing homes, other health organizations, and higher education.

Charitable bequests. At \$32 billion, charitable bequests are deductible from the estate tax, and \$7 billion goes to education, \$6 billion to community services (including foundations), \$5 billion to healthcare, \$5 billion to human services, and \$2 billion to arts organizations.

Foundations. As a beneficiary and a source of funds, foundations receive \$100 billion in revenue from interests and dividends, bequests, and individual contributions, but they also provide \$44 billion in contributions to nonprofit organizations.

Donor-advised funds. The rapid growth of donor-advised funds (DAFs) in recent years has garnered the attention of researchers, sponsors, and nonprofit fundraisers. With nearly \$15 billion in contributions to nonprofit organizations (and \$79 billion in assets), DAFs are an increasing source of revenue for nonprofits. DAFs provide the most support to education (\$4 billion), community services (\$3 billion, which includes contributions to sponsoring foundations), religious congregations and activities (\$2 billion), and human services (\$2 billion).

Human services. Receiving a total of \$236 billion, the human services sector is a broad activity area with one of the most varied revenue profiles. Its multiple activities include legal services, employment, housing, public safety, and many more.

Community services. At \$114 billion, community services receive funds for a variety of services related to civil rights, social action and advocacy, community improvement and capacity building, philanthropy, voluntarism, grantmaking, social science and technology, and more.

Leveraging Resources

By pooling their resources, nonprofits can:

- 1) Achieve economies of scale
- 2) Access new funding opportunities
- 3) Make the most efficient use of limited resources.



Enhanced Impact

Combining efforts allows nonprofits to:

- 1) Tackle complex issues more comprehensively
- 2) Coordinate activities to address root causes
- 3) Create more sustainable solutions



Expanded Reach

Partnering with other organizations broadens access to:

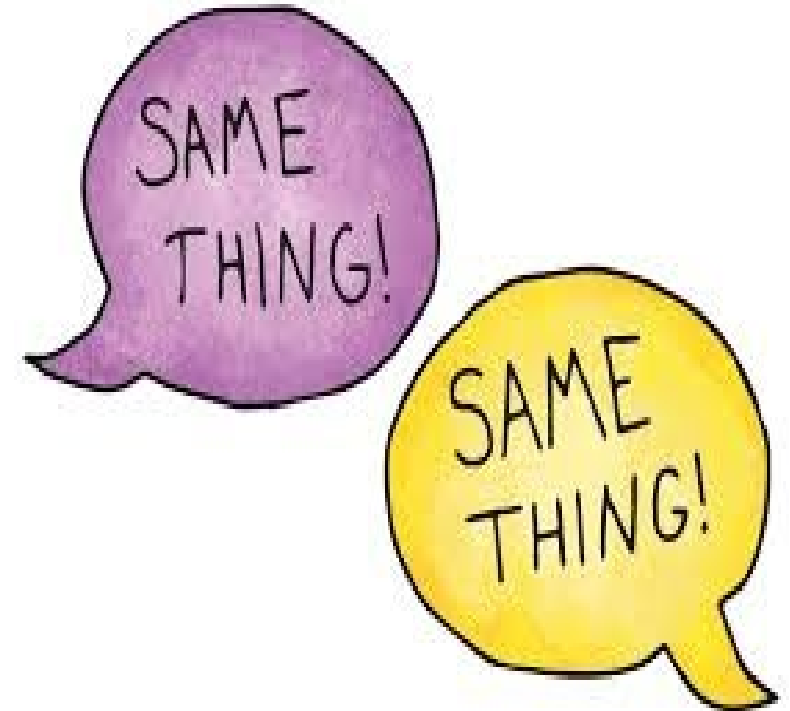
- 1) New communities
- 2) New demographics
- 3) New geographical areas



Reduced Duplication of Efforts

Coordinating activities and sharing information:

- 1) Avoids duplicating services and programs
- 2) Maximizes efficiency
- 3) Stewards resources.



Increased Credibility & Visibility

Partnering with reputable organizations can:

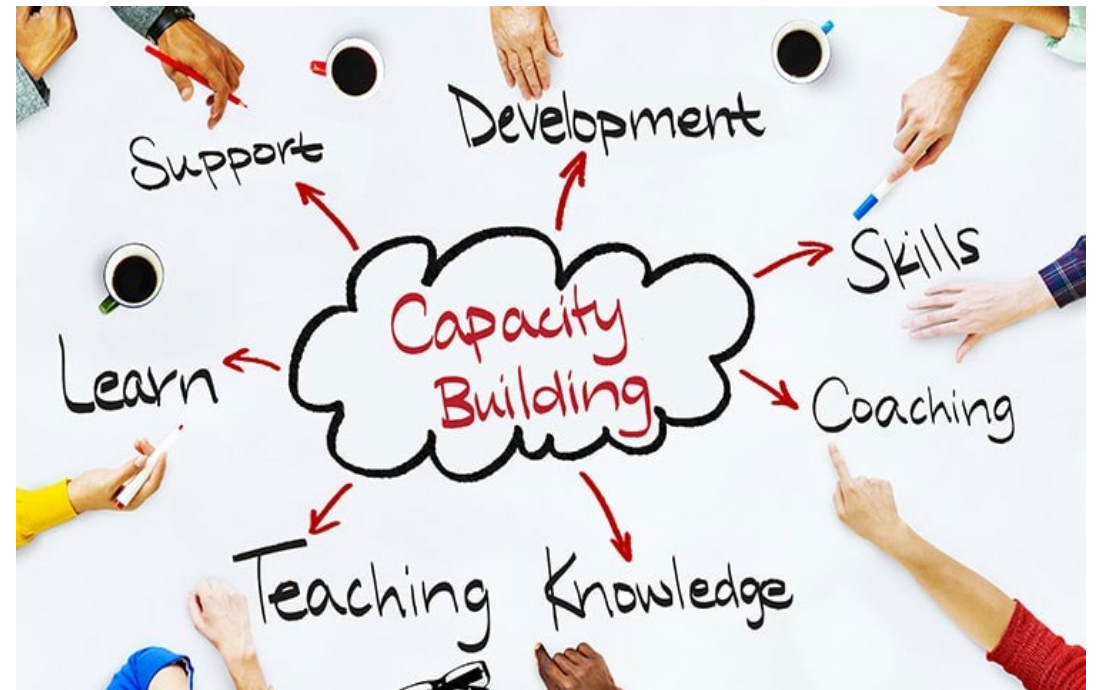
- 1) Enhance the credibility and visibility of each participating nonprofit.
- 2) Attract more donors, volunteers, and supporters
- 3) Improve the organization's reputation within the community.



Capacity Building

Collaboration strengthen organizations by providing:

- 1) Opportunities for capacity building
- 2) Knowledge exchange
- 3) Organizational development



Advocacy Power

Through partnerships, nonprofits can:

- 1) Amplify their voices
- 2) Increase their influence when advocating for policy change
- 3) Stronger collective impact on decision-makers and the public



Adaptability & Resilience

Collaboration can:

- 1) Enhance adaptability and resilience in the face of challenges or crises.
- 2) Enable better response to unexpected events or changes in ecosystem.
- 3) Lead to greater efficiency, effectiveness, in addressing social, environmental, and community needs.



Relationship Management

- **YNPN Seattle** - The Seattle chapter of Young Nonprofit Professionals Network (YNPN) is dedicated to helping young professionals break into the nonprofit world
- **Washington Nonprofits** – The state association established to help nonprofit organizations grow and succeed by connecting them with educational resources, influencing policymakers, and connecting nonprofits with viable solutions.
- **501 Commons** – Helps over 1,000 nonprofits across Washington by providing consulting services, human resources experts, accounting services, additional training opportunities and more.
- **Nonprofit Assistance Center** – A resource for local nonprofits and community-driven organizations which strives to create an environment where nonprofit professionals can unite to find common ground and join efforts.
- **Emerging Leaders** – United Way of King County – A great opportunity for like-minded professionals to connect and build their networks through volunteering to casual networking meetups to group volunteering.
- **Net Impact Seattle** – A networking group for nonprofit professionals who host annual community events, social networking events, happy hours, sustainability forums and more.



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Q & A

THANK YOU!

Ensuring that nonprofit & social enterprises who want to change the world for Good, have the funding and resources to do so!

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