



the**rome**group

Philanthropic Landscape 2006

A Survey of Trends and Opportunities Within the St. Louis Nonprofit Community

Summary of Results

July 20, 2006

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Executive Summary

Philanthropic Landscape 2006 marks the fourth year The Rome Group has conducted a survey of local nonprofit organizations to discover how they are doing, what challenges they are facing, and what strategies they are using to be successful.

The survey was emailed to 442 nonprofit executive directors, development directors and others in May 2006. 138 people responded, representing a 31 percent response rate. The mix of agency types and sizes among the respondents generally mirrors the nonprofit landscape in St. Louis.

This year, The Rome Group also conducted a survey of local corporate and foundation donors, in conjunction with the Metropolitan Association for Philanthropy. This survey was mailed to 64 individuals and 27 responded (42 percent).

National Results

On a national scale, giving in the U.S. in 2005, as reported by Giving USA, topped \$260.28 billion. This was an increase of 6.1 percent over 2004, although when inflation is factored in, total giving remained essentially flat or was slightly down. 63 percent of all charities reported increased giving levels last year and 67 percent said they meet their fundraising goals. The contributions total included \$7.37 billion for disaster relief efforts, including the tsunami relief efforts in Southeast Asia, Hurricanes Katrina and Rita, and the earthquake in Pakistan.

Local Donor Survey

50 percent of those who responded to the donor survey said they donate \$1 million or more per year. 62 percent said that at least 75 percent of their donations stay in the St. Louis area. 44 percent said they increased their giving in 2005, while 25 percent decreased giving and 41 percent stayed the same as in 2004.

27 percent of donors said they receive more than 500 grant requests per year. On average, only 25 percent of these requests are funded. The average grant size is less than \$10,000. In order of preference, donors appear to favor established programs, general operating support and new programs. Capacity building and capital campaigns ranked lower, while only 7 percent of donors said they prefer to give to endowment campaigns.

Donors also said that only 23 percent of grant requests they receive are consistent with the funder's priorities. The same percent said the amounts requested were not reasonable. 36 percent said nonprofits do not adequately measure and evaluate the outcomes of their proposed programs.

Local Nonprofit Survey

74 percent of nonprofits reported that their contributed income from individuals increased in 2005. 46 percent said giving increased from corporations and foundations and 52 percent said revenues increased from "other" sources, including membership, thrift shops, and United Way support. Special events and major gifts were cited as the most effective fundraising strategies.

Four out of five organizations (80%) believe 2006 will be even better than 2005 in terms of contributions. Only four percent expected their totals to go down. 77 percent are doing more marketing this year, while 62 percent are focusing on writing more grants. 86 percent of respondents believe they have an excellent reputation in the community, although one in five said they are still not well known by their target audiences.

Capacity Building

Both surveys focused on the capacity of local nonprofits and what they are doing to build greater capacity for success. Capacity building is defined as “those activities that strengthen an organization or improve nonprofit effectiveness; in other words, the process of increasing an organization’s available knowledge, skills, planning, evaluation and human resources so that it can better achieve its mission.”

While only 44 percent of donors said they currently make capacity building grants, 78 percent said they view capacity building as important and 59 percent would be willing to make these types of grants in the future. They identified the following as nonprofits’ greatest capacity needs:

- Strategic planning (68% of respondents cited this)
- Board leadership (64%)
- Technology (52%)
- Staff resources (50%)
- Training for staff (36%)
- Marketing (14%)
- Resources to try new things (14%)
- Facilities (10%)

80 percent of nonprofit respondents said capacity building will be a priority of theirs in the next three years. 62 percent said they will focus on marketing; 60 percent on adding staff; 50 percent on strategic planning and board leadership; 48 percent on programs and services; 45 percent on technology; and 35 percent on facilities. They noted that the current lack of capacity limits their ability to try new things, attract donors, keep up with demand for services, secure grants from funders and attract/retain staff.

About The Rome Group

The Rome Group is the St. Louis area’s leading organizational development consulting firm. It specializes in helping nonprofit organizations build capacity by planning for the future, focusing their development and fundraising efforts, and identifying opportunities for growth and success.

The Rome Group’s annual survey is the only one of its kind that looks at trends in local philanthropy each year.

Methodology

The Rome Group conducted its surveys of St. Louis area nonprofit organizations and corporate and foundation donors in May/June 2006. The survey was sent via email to 442 nonprofit executive directors, development directors and others and 64 corporate and foundation donors. The email contained a link to the survey instrument, which could be found on www.surveymonkey.com.

A total of 138 responses were collected from nonprofits, representing a 31 percent response rate. 27 donors responded to that survey, representing a 42 percent response rate.

The respondents represent all sectors in the nonprofit arena, from arts organizations to educational, human services, health, environmental, and religious groups. They also range from very small organizations to some of the region's largest nonprofits. The donor respondents include corporations, private foundations, family foundations, corporate foundations and others.

NONPROFIT SURVEY

1. Which of the following categories describes your organization?

Type	Total Responses	% of Total Responses
Arts & Culture	14	10.2%
Education	38	27.7
Health	14	10.2
Human Services	42	30.7
Public/Society Benefit	3	2.2
Environment/Wildlife	5	3.6
Religion	3	2.2
Other	18	13.1
TOTAL	137	100%

2. What is your organization's current annual budget?

Budget Size	Total Responses	% of Total Responses
Under \$500,000	25	18.4%
\$500,000-\$999,999	33	24.3
\$1,000,000-\$1,999,999	20	14.7
\$2,000,000-\$2,999,999	7	5.1
Over \$3,000,000	51	37.5
TOTAL	136	100%

3. What was your organization's total gross contributed income and net contributed income, including all gifts/grants from individuals, corporations/businesses and foundations in 2005?

Budget Size	Gross Income	Net Income	Response Total
Less than 49,999	6	10	11
\$50,000-\$99,999	5	7	8
\$100,000-\$199,999	10	12	17
\$200,000-\$500,000	27	28	35
\$500,000-\$1,000,000	19	16	23
More than \$1,000,000	51	34	51
Total Respondents			126

4. Did the following sources of support increase or decrease for your organization in 2005 as compared to 2004?

	Increased	Decreased	No Change	Response Total
Individuals	93	15	18	126
Corporations/ business	58	21	46	125
Private Foundations	58	35	32	125
Government	28	20	54	102
United Way	17	7	58	82
Other	13	3	9	25

5. Please rate each of the following strategies in terms of how successful they have been in your fundraising efforts:

Strategy	Ineffective	OK	Highly Effective	Response Total
Direct mail	28	58	33	119
Telephone appeals	25	30	18	73
Major gifts	7	47	47	101
Planned gifts	30	31	20	81
Online appeals	39	30	5	74
Special events	9	46	60	115
Other	1	3	10	14

6. Which new strategies are you employing this year to increase your contributed income in 2006? (Check all that apply)

Strategy	% of Total Responses	Total Responses
Increased marketing efforts	77.2%	98
More frequent solicitations	44.9	57
New solicitation strategies	66.9	85
Writing more grants	62.2	79
Adding new fundraising events	36.2	46
Adding staff	28.3	36
More training for staff and/or board	43.3	55
No new strategies/business as usual	1.6	2
Other	14.2	18
	Total Responses	127

7. Please rate each of the following strategies in terms of their effectiveness in identifying new prospective donors for your organization:

Strategy	Ineffective	OK	Highly Effective	Response Total
Ask board to submit names	27	58	35	120
Purchase lists of prospect names	50	16	4	70
Exchange lists with other nonprofits	36	12	6	54
Prospect research	3	54	38	95
Seek outside assistance	18	31	5	54
Word of mouth	9	49	41	99
Other	2	2	5	9
Total respondents				126

8. Please indicate whether you agree or disagree with each of the following statements about your organization:

	Strongly agree	Agree	Neither agree/ disagree	Disagree	Strongly disagree	Response total
My organization has an excellent reputation in the community	53	56	10	7	1	127
We are well known by our target audience	30	45	25	25	1	126
The community understands what we do	8	38	34	42	2	124
We have strong, long-term relationships with our donors	38	50	25	9	4	126
Our staff has the experience and expertise we need to succeed	36	60	20	8	0	124
Our board is actively involved in fulfilling its roles and responsibilities	23	53	27	22	3	128
We constantly push ourselves to try new approaches to fundraising	38	45	22	18	3	126
We are limited by a lack of financial resources	26	41	29	27	3	126
We cannot keep up with the demand for our services with our current level of support	23	41	32	23	4	123
We are getting as much out of our development activities as can be expected	13	35	29	43	5	125
Our staff and board have a shared vision	42	54	21	7	1	125
We are working from a strategic plan	46	47	17	16	0	126

9. How do you predict your fundraising results in 2006 will compare with 2005?

2006 Fundraising Prediction	% of Total Responses	Total Responses
Will increase	79.7%	102
Will decrease	3.9	5
Will remain the same	16.4	21
Total	100%	128

10. What marketing strategies/tools are most effective for your organization?

Strategy	Ineffective	OK	Highly Effective	Response Total
Public relations/media relations	8	67	45	120
Newsletters	11	62	43	116
Web site	17	67	33	117
Distributing marketing materials (brochures, packets, etc.)	8	85	26	119
Phone calls	12	55	37	104
Personal visits	3	23	93	119
Speakers Bureau	17	43	19	79
Direct mail	30	56	31	117
Other	1	2	6	9
Total respondents				125

11. Please rate your organization's current capacity in each of the following areas:

	Inadequate	OK	Excellent	Response Total
Strategic planning	26	51	36	113
Staff resources	26	57	29	112
Technology	19	67	28	114
Programs/services	4	33	76	113
Training for staff	16	75	22	113
Board/leadership	19	62	33	114
Facilities	26	37	51	114
Marketing	31	57	24	112
Resources to try new things	42	49	21	112
Total respondents				113

12. If you received a windfall gift of \$100,000 for capacity building, to which of the following areas would you designate this gift? (check only one)

	% of Total Responses	Total Responses
Strategic planning	5.3%	6
Staff resources	17.7	20
Technology	7.1	8
Programs/services	15	17
Training for staff	3.5	4
Board/leadership	7.1	8
Facilities	10.6	12
Marketing	10.6	12
Resources to try new things	14.2	16
Other	8.8	10
Total Respondents		113

13. Has a lack of capacity hurt you in any of the following ways?

	Yes	No	N/A	Response Total
Ability to attract donors	58	47	7	112
Ability to attract board members	20	74	16	110
Ability to deliver programs/services	48	60	4	112
Ability to secure grants from funders	39	61	9	109
Ability to keep up with demand for your services	55	50	7	112
Ability to try new things	64	44	4	112
Ability to attract and retain staff	32	70	8	112
Total Respondents				112

14. If you answered “Yes” to any of the above, please explain your answer here:

- Too much work for too few people and too few resources make it impossible to build capacity.
- Although our capital campaign has been successful, I think hiring outside fundraising counsel to lead us through the campaign, handle additional research, and keep staff “on task” would have helped us reach additional donors. Our new facility will address some of the issues we’ve had accommodating demand for services (by providing space for education programs, auditions, etc.)
- There is not as much time to attract donors and board members as we would like. The same goes for writing grants and trying new things.
- More expertise in development department and more board engagement in development are both currently being addressed. We have closed two programs this year driven by facility limitations. Inadequate resources have resulted in inadequate staffing for some functions.
- A development person would allow us to improve in the areas that are noted as deficient.

- The lack of enough or experienced development staff limits our ability to do personal cultivation of major donors. The salary structure that we have to follow does not allow us to attract experienced development staff.
- Lack of funding and space limits our ability to serve our target market and pay staff.
- Small staff size requires everyone to wear multiple hats and not achieve best results in some areas. Turnover of personnel limits ability to accomplish maximum results because of training required and lack of continuity.
- We cannot acquire new donors because we lack the resources to reach them through direct mail other strategies. To deliver our programs most effectively we need additional staff that we cannot currently afford. We are constantly being presented with additional program opportunities that we cannot take advantage of due to the lack of staff to manage the programs. We have no money to create new positions and our existing positions are under funded, making employee retention challenging.
- I have been with this organization for only 16 months. Yet we raised in excess of \$615,000 in 2005, via private gifts and grants. Raised 32% beyond projected goal for the year. There was an increase of 41% which includes a 24% increase in the annual appeal. However, we still have a lot of catching up to do. Perhaps, because of new fund raising initiatives, we will be able to begin to expand our services. I believe this combined with our new strategic plan will make a difference in the financial viability of the organization.
- Because of the issue we deal with, attracting donors is not as easy as it might be, unless there is personal connection. We cannot meet current demand for services. Trying new things in fundraising or in our programs is last on the list -- enhancing and expanding direct services is always a priority.
- We are affiliated with an organization and need to do more marketing to that group, but we lack the resources. We also need to reach out to non-members in the community and lack marketing funds for that. Our board needs to grow strategically, but it wants to stay small. We constantly have a waiting list of children needing our services, so adding more program staff would be wonderful. There is no support staff for the development effort and that is another area for potential staff growth to free up the executive director and development director for more one-on-one visits to donors and to expand the overall development effort. We also need to do a large marketing push in planned giving because the average age of our members is in the 70s, but again, funds are lacking.
- Our case is not well known or understood. Additional resources to launch a direct mail campaign would be very helpful.
- We have very little "risk tolerance" due to lack of resources. This has caused us to have a shorter-term view of fundraising versus a more long-term objective (moves management).
- We need more professional board members that are not family members who can make donor contacts. Limited funds prohibit us from trying new things in the areas of fundraising and sometimes programming.
- We need a physical space in which to work. We have no place for staff or storage. We are a volunteer staff. We would like to reach a point where we can have paid staff. Donations have

fallen off because people don't perceive the need to support, yet we have more and more requests from schools for tours. Sometimes it is difficult to have enough docents to fulfill this demand.

- Our school has a limited "niche" and our major fundraising stems from current clients and their families. We are not attractive to large corporations due to our geography. Our Board and leadership are not sophisticated and/or trained to recruit and retain new board members. Our internal systems do not allow for long-term grantsmanship. Although we have wonderful visions for the future, we are too unfocused to see many of them come to fruition.
- Since we are not a direct service agency, our "sales pitch" is complex. We would do better with donors if we had more time and resources to getting the message out on our organizational mission and accomplishments. We are constantly working to secure resources to keep the staff capacity in place to provide our core services. Our research and collaborative planning always resulting in the identification of new issues and needs requiring action. We cannot deliver services at rate to keep pace.
- We have a small staff and limited resources. Often we have a wait list for services or are at capacity.
- We operate on a shoestring in regards to staff and the amount of people we serve. In order to expand we need more space, staff and program supplies.
- There is a tremendous need for arts programs and services. With the current level of staff and volunteer support, we are "maxed out." An expansion beginning this summer will enable us to improve facility and technological capabilities, plus additional staff will be in the offing.
- Since we are currently in the process of moving to a new database, fundraising has been put on hold until the old database is cleaned up and functioning.
- Although we have been in St. Louis for 66 years, it seems as though a lot of people have never heard of us. I am the only employee, except for two paid program staff, and it is difficult for one person to do everything that needs to be done, and expand the program.
- More strategic planning would allow for better marketing efforts aimed at bringing more students to our school. Like many independent schools, our school is not full. We suffer from lack of revenue due to less tuition revenue.
- We have sufficient startup funding which is decreasing. Replacing it is seen as too challenging to potential board members, and grantmakers have stated that since we are fully funded now, they either see us as too risky a "start up" (with no permanent funding stream) or adequately funded for the future.
- Limited funds challenges the staff to make the most with what they have to work with. Limited funds means limited ways to get the job done, and fewer resources.
- During the past year, we have been pulled in so many directions we have been unable to focus entirely on the end of a Capital Campaign.
- We could deliver more outreach programs if we had additional staff capacity.
- As an agency with only a few development staff, we do not have the resources to actively pursue

new donors; we are identifying and cultivating the ones we have.

- With a better physical facility, we probably could deliver more services in our signature program.
- Due to a lack of funding we are not able to do the kind of marketing that might then help us obtain some of the badly needed funding to increase our program capacity. Funding from governmental sources is decreasing steadily and so we are even more dependent on private fundraising.
- The demand for our services is so great that we do not have sufficient staff to meet all our mandates. Through a lack of specific services the emotional needs of our client base has not been met. I have lost valuable staff due to low salaries.
- If we had more development staff, we could raise more dollars. Our program staff is too small for growing demand. Because our budget/fundraising has not grown significantly, we are hampered by funding to try new things.
- We have had difficulties recruiting students in the past, but we will be up to capacity this fall.
- Donors do not totally understand our mission and goals and the activities we do to achieve these goals because we do not have a current strategic plan.
- On the “windfall” question, I had a hard time deciding between training for staff and Board/Leadership mainly because both are important in maintaining a well honed, well run organization. With a good Board and great leadership for the future and with a staff that is knowledgeable and well trained, the organization can reach new heights in service to their constituency and fundraising for the cause.
- Additional staff in grant program development and major gift development would attract more donors and more grant revenue.
- There are not enough hours in the day for our development staff to secure funding, explore new things and help grow our programs. We are limited due to a development staff of one! Volunteers are relying more and more on staff support to get things done and this limits our ability to move forward sometimes.
- We are able to serve only 1 in 5 of eligible clients in our service area. With additional funds we could hire and train more people to improve the lives of many more people in the low-income community.
- We could do more if we had the time and ability to build more at headquarters and in our more distant communities
- We have not been able to expand the number of recipients of our services as our current income just covers our current expenses.
- Lack of capacity limits us in everything we do.
- We received a severe and unexpected budget cut this year of over \$200,000 from the government and our regular private donations were severely down in 2005 due to Katrina. We have had to lay off employees, cut programming and eliminate services we have provided for years just to keep

the doors open. We are starting a grantwriting effort to find funds but this year will be very difficult for us.

- All the “yes” items above relate to fundraising activities. The lack of a full-time fundraiser and somewhat limited board expertise in fundraising is a capacity issue.
- We try new things all the time. We are attempting to be very careful about adding new events or programs because of the size of our staff.
- While we always try and remain flexible and nimble, the lack of resources and staff demands sometimes keep us from jumping out into, uncharted waters even when we know the need is there.
- We offer our services free of charge. We work strictly from donations and grants which really limits our work due to finances. The building that we work in is seriously run-down and in a very dangerous neighborhood. Because we are a nonprofit, the staff is mostly volunteers. We have been a little successful securing grants because the president of this organization is extremely dedicated to the mission and its future. Often we cannot try new things because either we don't have the monetary means or the help to implement the programs. The staff that stays on and is dedicated to our mission are people who truly believe in what we are doing and are convinced of the end results. I think we have a weak board made up of mostly older volunteers past the age of 55. They seem to lack the energy or/and the knowledge to raise funds for our program. We seriously need a professional fundraiser added to our staff but due to lack of funds, we simply can't afford one. I believe that our goals and mission is one of the most beautiful programs that I know of that is being offered but we are unable to reach our full potential.
- The lack of capacity has hindered our ability to move “status quo” donors. For our purpose, we need to better penetrate the corporate community so that it will realize the tremendous work we are doing. To date we have had a very difficult time attracting new donors.
- All checked relate to the three legs of the stool during rapid growth. Growth requires staff, we can get the staff, growth requires funds, we have the funds, growth requires vastly increasing volunteers: this is lagging behind.
- Inadequate funding in development and marketing limits the numbers of individuals that can be reached. If one increases the mailing, for example, there is concurrent additional cost in printing and postage. Inadequate number of staff in development limits the number of corporations and foundations one can reach in a given period of time and generally limits ability to try new things.
- Often lack of knowledge will stall our ability to secure grants from funders who obviously fund our area of community building.
- When budgets are tight and funding is tenuous, it's difficult to justify expenses for new things, difficult to attract donors to a program when there is a minimal budget for marketing, difficult to secure grants for funders (when what you need is general operating funds), and difficult to pay and reward staff sufficiently to attract and retain top professionals.
- We believe there is great potential to expand workplace giving campaigns per our mission, but we don't have the staff to seek, build and maintain them.
- The executive director is the only professional fundraiser. We have no clerical staff to support the

full-time staff. Full-time staff cannot be as involved as would be desirable to support development. It also limits our abilities to offer programs which have been positively received by the community (where there were none before). We are stretched thin and need to start to outsource some jobs to enable us to carry out important educational and development functions.

- If the school reached its available capacity, then attracting donors, board members outside the immediate school community, grantmakers, demand for our school, and other resources to make us the most effective and successful would all fall into place.
- We have a static number of donors and have a difficulty getting new donors into our “pool.” When our children graduate, the parent’s loyalty goes to the new school.
- Lack of capacity has required the agency to remain as is (status quo). We are able to deliver services and attracting board members is not an issue. However, we are unable to expand or increase services or try new things. Because of the salary scale here we are unable to attract and retain quality staff.
- We have been in a mode to secure what we currently offer without adding any growth. We under pay our staff and teachers and live on a shoestring. The board is finally to a place where they are willing to invest in our future but we are still planning that investment. We have clinic services that need to expand (but will require more funding), opportunities to collaborate with local universities (requires funding and added personnel time) and we need to upgrade our staff to handle the increased fundraising and marketing/pr challenges.

15. Do you anticipate that capacity building will be a priority in your organization over the next three years?

	% of Total Responses	Total Responses
Yes	79.6%	90
No	5.3	6
Unsure	15	17
	Total Respondents	113

16. If yes, in what areas?

	% of Total Responses	Total Responses
Strategic planning	50.5%	46
Staff resources	60.4	55
Technology	45.1	41
Programs/services	45.1	41
Training for staff	31.9	29
Board/leadership	49.5	45
Facilities	35.2	32
Marketing	61.5	56
Resources to try new things	33.0	30
Other	9.9	9
Total Respondents		91

17. What strategies are you using or do you plan to use to build capacity? (check all that apply)?

	% of Total Responses	Total Responses
Recruit board members with specific expertise	70.5%	79
Add staff with specific expertise/experience	48.2	54
Pursue capacity building grants	47.3	53
Refocus existing resources	39.3	44
Create a new strategic plan	48.2	54
Engage consulting services	30.4	34
Other	9.8	11
Total Respondents		112

18. What do you feel are the biggest barriers to building the capacity of your organization in key areas?

	Major Barrier	Somewhat of a barrier	Not a Problem	Response Total
Funders reluctant to give to us	26	53	23	102
Not a board priority	10	41	50	101
Too many other priorities	37	53	16	106
Too many other short-term needs	42	43	16	101
Don't know where to start	7	27	58	92
Other	6	4	3	13
Total respondents				110

19. Are there any other comments you would like to share regarding local trends in philanthropy?

- One trend is greater accountability in terms of outcomes. I anticipate a future trend will be accountability in terms of productivity -- what level/quality of impact, for how many, at what cost. The nonprofit sector can never replace government funding. Other pressures on government revenues related to national security and a rapidly expanding global marketplace will continue to put the long time human service sector partnership with the government as a provider of services at risk. At the same time, the widening gap between the rich and poor will increase demand for human services over next 10 years.
- We continue to grow because of our entrepreneurial philosophy. We look outside the box for opportunities to expand and to fund programs. Partnerships are key to providing comprehensive services to our clients.
- St. Louis corporate giving is diminishing
- I think that it is important that the non-profit community collaborate in the future to help bring about efficiency of funding and programs/services.
- 2005 was a tough year for us. Katrina affected us because we had a major campaign (over \$20,000) that did not happen because the people in charge of the campaign were busy raising dollars for hurricane relief.
- I think one issue is audits. Especially with the threat of Sarbannes/Oxley requirements, the audit process has become even more time consuming and burdensome. Audits are too expensive for small organizations and take a lot of time which is in short supply. We are tending to apply for funding where audits are not required.
- The same old song: (1) nonprofit agencies, by definition, require operating support; (2) addressing difficult social issues requires a long-term commitment and perseverance, even when effective strategies are being pursued, funders don't seem to have long attention spans and seem to shift their attention from issue to issue or regularly change their approach to addressing the same issue.
- There are too many small not-for-profits. It is a very cluttered field.
- Present donors are getting older and younger donors don't have the resources as their senior counterparts. Younger donors also don't have the same philanthropy philosophies than their senior counterparts. Either they give a little to a lot of organizations or they choose more high profile causes.
- One trend seems to be finding a way to get our message out to the community. We, like other not-for-profits, are always looking for a personality (local) to promote and associate with our cause. Another trend appears to be more direct mail projects which ask for donations but no phone calls or events. One other trend is to get people with a community image on the board, a person who can make a difference financially as well as giving the organization clout.
- If you had asked me about 3 months ago, I'd have said that things seem to be lagging with regard to giving in our community. Now, I would say just the opposite. After changing jobs to an organization that has a different focus and industry, the tables have turned. We have tremendous support from individuals and a brisk start-up planned giving program. This has given me a new

perspective of the donors in our community. There is generous support from donors out there; having the staff, proper planning/goal setting and the resources to gain that support is clearly the key.

- Local trends indicate that in the field of health and human services, the state and federal grants have diminished forcing nonprofits to concentrate on other forms of fund raising. Many of these organizations do not have the capacity to run events or attract major individuals for gifts. Fortunately, this is not the case with our organization.
- The loss and refocus of local foundations has made fundraising more challenging. Hidden jewels are the family foundations and the real focus needs to continue to be on sustaining and growing individual gifts.
- I do believe that “giving” has been utilized to the point that some people have no more to give. We have lived through several disasters where we have been hounded by fundraisers to give more and more. There comes a time in people’s lives that they either get tired of hearing this and just shut down or they run out of charitable means to give.
- I find more and more companies trying to please everyone by giving a little to a lot and thereby not helping any organization in an effective way. I find companies unknowingly dismissing what is important to their employees when the company just gives a little money without really evaluating what could help solve some major issues related to employee needs in health, transportation, insurance, etc.
- With today’s savvy donors directing more and more of their gifts to restricted areas, not-for-profits need to become more creative in providing attractive giving vehicles to support general operating needs.
- Too often programs depend on funding sources only to receive a letter stating that the funders has changed priorities and the agency no longer fits their criteria.
- We are seeing more efforts in expanding individual giving as compared to corporate and foundation gifts.
- I think that different not-for-profits need a venue to get together and discuss how they can help each other. MFH pulls together like organizations, which is great, but I find a great need for complimentary services for organizations like ours. And some of our clientele has medical and personal needs that we cannot address. If we were to get to know other organizations, no new services would have to be created – just new partnerships.
- We are a tuition-based school and make it a priority to keep the tuition at an affordable level while not depending on the proceeds of our fundraising efforts, much of which is transferred to our endowment fund.
- I am very pleased to see many segments of the philanthropic community working together (MAP, St. Louis Community Foundation, The Rome Group, Nonprofit Services Consortium, AFP, PGC, CSPRC, etc) to assist the non-profit agencies. The NFP sector is certainly growing quickly in St. Louis and needs well-trained staff and board members. It is nice to have so many places to turn to for help.

LOCAL CORPORATE AND FOUNDATION DONOR SURVEY

1. Which of the following categories describes your organization?

Type	Total Responses	% of Total Responses
Corporation/business	6	22.2
Corporate foundation	4	14.8
Private foundation	7	25.9
Family foundation	6	22.2
Donor advised fund	1	3.7
Other	3	11.1
TOTAL	27	100%

2. What is your average annual total giving?

Total Giving	Total Responses	% of Total Responses
Less than \$100,000	4	15.4
\$100,000-\$250,000	5	19.2
\$251,000-\$500,000	0	0
\$501,000-\$1,000,000	4	15.4
\$1,000,000-\$2,500,000	5	19.2
More than \$2,500,000	8	30.8
TOTAL	26	100%

3. What percent of your total giving stays in the St. Louis region?

Percent of Total Giving	Total Responses	% of Total Responses
100%	6	23.1
75-99%	10	38.5
50-74%	6	23.1
25-49%	4	15.4
10-24%	0	0
0-9%	0	0
TOTAL	26	100%

4. Did your total 2005 St. Louis area contributions increase, decrease or stay the same as in 2004?

	Total Responses	% of Total Responses
Increased	12	44.4%
Decreased	4	14.8
Stayed the Same	11	40.7
TOTAL	27	100%

5. What was your organization's average grant amount to local organizations in 2005?

Grant Amount	Total Responses	% of Total Responses
Less than \$5,000	9	36%
\$5,000-\$9,999	4	16
\$10,000-\$24,999	1	4
\$25,000-\$49,999	3	12
\$50,000-\$99,999	0	0
More than \$100,000	1	4
Broad range of giving	7	28
TOTAL	25	100%

6. What types of organizations do you fund? (check all that apply)

Type	Total Responses	% of Total Responses
Arts & Culture	12	44.4%
Education	25	92.6
Health	19	70.4
Human Services	19	70.4
Public/Society Benefit	9	33.3
Environment/Wildlife	8	29.6
Religion	4	14.8
Other	7	25.9
TOTAL	27	100%

7. What type of activities do you fund? (check all that apply)

Type	Total Responses	% of Total Responses
General operating expenses	18	66.7%
Capital campaigns	11	40.7
Established programs	21	77.8
Start-up programs/services	15	55.6
Capacity building	12	44.4
Endowments	2	7.4
Other	1	3.7
TOTAL	27	100%

8. Do you accept unsolicited proposals?

	% of Total Responses	Total Responses
Yes	86.4%	19
No	13.6	3
	Total Respondents	22

9. On average, how many grant requests do you receive each year?

Number of Requests	Total Responses	% of Total Responses
Less than 50	6	27.3%
50-99	2	9.1
100-249	5	22.7
250-499	3	13.6
500-1,000	1	4.5
More than 1,000	5	22.7
TOTAL	22	100%

10. What percent of requests received are funded?

Percent of Requests	Total Responses	% of Total Responses
Less than 10%	6	28.6%
11-25%	5	23.8
26-50%	5	23.8
51-69%	2	9.5
70-85%	1	4.8
86-100%	2	9.5
TOTAL	21	100%

11. Considering the grant proposals you receive, please rate their overall quality in each of the following criteria:

	Inadequate	OK	Excellent	N/A	Response total
Clarity and legibility	2	14	5	1	22
Consistent with funder's priorities	5	9	6	2	22
Good understanding of issue being addressed	3	13	4	2	22
Reasonableness of amount requested	5	11	4	2	22
Potential visibility for funder	0	6	4	12	22
Sustainability of project	4	13	1	4	22
Appropriate evaluation/outcome measures	8	9	2	3	22
Alignment with organization's strategic plan/mission/goals	3	12	4	3	22
Creativity of proposed approach	3	14	1	4	22

12. Comments:

- Independent evaluation is very important to me. If they don't care to know from an independent source how they are doing – if they are effective – then I don't care to support them. Usually, when I share this with groups seeking support, they agree and I give them names of people/universities/companies that provide outside independent evaluation. In addition, I look to see if the organization knows the other groups/nonprofits that are doing the same or similar work, or working with the same population, and further if they meet with them and are looking for ways to partner or work together.
- Grant seekers appear to be inadequately educated re: financial management; for example, a frequent question is “What is cash reserve?” In doing due diligence, Executive Directors or Program Managers are generally able to provide much more information than development staff. Development staff too frequently seem to have only a surface understanding of the issue or program. High turnover rate in development staff creates the impression that they are technicians, not necessarily having a strong commitment to the cause they are promoting. This is not meant to criticize their professionalism.
- Due to the vast number of proposals we receive, it is very difficult to properly assess their overall quality as a whole.
- We are unique in that our requests are very grassroots oriented and often tend to be requests for food, refreshments, etc. Even though we are a Civic Progress company and we do participate in major community initiatives as well as some capital campaigns, our business operates on razor-thin profit margins and much of our support is given “in kind.” Requests range from major dollars to assorted doughnuts!

13. Please indicate whether you agree or disagree with the following statements:

	Strongly agree	Agree	Neither agree/ disagree	Disagree	Strongly disagree	Response total
The organizations we fund have an established track record	5	15	2	0	0	22
Nonprofit organizations effectively evaluate their outcomes	0	1	9	9	3	22
Nonprofits try to match their program request to the funder's priorities instead of seeking the right funder for the program they have	1	10	8	2	1	22
Who's on your board is more important than what you propose to do	1	4	4	4	9	22
We prefer to fund programs that serve large numbers of people	0	8	8	6	0	22
We like to be the “first” funder on a project	1	1	12	8	0	22
In recent years, we have adopted a policy of funding fewer agencies with larger grants	3	5	5	8	1	22
We fund organizations on an ongoing basis	2	12	3	5	0	22
We try to help nonprofits build their capacity so they can have a greater impact	3	10	9	0	0	22
We view capacity building as important	5	12	5	0	0	22

14. Comments:

- The foundation likes to take risks in funding innovative programs. If we are considering an established organization, we take a very careful look at their track record. This is a top priority.
- For clarification purposes, who's on your board is equally important as what you propose to do (not more important).
- We don't like to be the first funder, rather we fund seed money for projects we value. There is a difference.

15. What do you, as a funder, see as the average nonprofit's biggest capacity building needs?

Area	Not a Need	Somewhat Needed	Greatly Needed	Response Total
Strategic planning	0	7	15	22
Staff resources	1	10	11	22
Technology	0	10	11	21
Programs/services	3	12	6	21
Training for staff	0	14	8	22
Board/Leadership	1	7	14	22
Facilities	6	13	2	21
Marketing	1	17	3	21
Resources to try new things	3	15	3	21

16. Comments:

- It is disheartening to see the inadequate wages many nonprofits are able to pay committed, competent and effective staff. Funders should see supporting the development and maintenance of strong career ladders within good organizations as capacity building.
- Focus on objectives and tactics to meet goals and accomplish mission. Most strategic planning focuses on mission, purpose, value and goals and not on objectives (measurable).
- Missing from the list is resource development skills training and creating a sound business plan.

17. Which capacity building strategies would you be most likely to fund? (check all that apply)

Area	% of Total Responses	Total Responses
Strategic planning	50%	11
Staff resources	31.8	7
Technology	50	11
Programs/services	50	11
Training for staff	36.4	8
Board/Leadership	31.8	7
Facilities	22.7	5
Marketing	13.6	3
Resources to try new things	13.6	3
None of the above (we do not fund capacity building)	4.5	1
Total Respondents		22

18. What advice do you have for nonprofit organizations seeking to increase their contributed income in 2006 and beyond?

- Be accountable/strong evaluation. Relate to funders as partners. Be direct and straightforward in your request. Don't dress up an ongoing program to look new. Provide all materials requested. Be sure the contact person named has an in-depth understanding of the issue and program.
- Expand your network, the number of foundations you approach. Establish an individual budget to raise money.
- Strengthen your board leadership.
- Focus on outcomes.
- Evaluation and Partnering
- Make certain the proposals are clear and to the point. After being funded, always put time and effort into evaluation so you increase your chance for future funding.
- When requesting funds, be very specific with plans to use it.
- The best advice is to do their homework and make appropriate requests.
- Build a constituency that cares what your organization does and who will provide volunteer and monetary support.
- Answer the "so what" question. So what difference in the lives of people did your program services make. Outcome measures that are real impress me.
- Look at funding opportunities that are outside the box but still staying true to their mission and purpose.

19. Are there any other comments you would like to share regarding local trends in philanthropy?

- We see a lot of duplication of efforts, so greater collaboration would be a plus.
- I am discouraged by the revolving door for development staff. Too often in St. Louis, they come and go so much that the agency's credibility is questioned. AFP is not doing enough to address this problem. Another important strength I look for is leadership commitment and support. We are funding a value driven initiative, which is also a trend. We are seeking champions to lead.

For More Information

For more information on the Philanthropic Landscape 2006 survey or any of The Rome Group's services, please contact:

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