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CONTACT:

Carmen Garcia	Jose Cerda III
Phone (314) 436-9580	(312) 596-5124
Mobile (314) 732-7150	(312) 404-4463
carmen@nonprofitservices.org	jcerda@iff.org

STATEWIDE SURVEY FINDS MISSOURI NONPROFITS REMAIN CONFIDENT AND OPTIMISTIC; CONTINUE TO BE A GOOD FINANCIAL INVESTMENT

More Than 75% Say They Are Financially Healthy, But Many Remain Concerned About the Future. Lack of General Operating Support Remains Key Challenge.

St. Louis, MO (July 18, 2008) – The Nonprofit Services Center (NSC, formerly the Nonprofit Service Consortium) today released the first-ever statewide survey on the financial health of Missouri nonprofits. The study, *Missouri Nonprofits: Building Capacity for the 21st Century*, establishes a baseline of data on the finances and management of small to midsized nonprofits that provide direct services to the Missouri public, such as child care providers, community health clinics, and senior centers.

The study suggests that Missouri nonprofits are adept at managing the constant challenges posed by uncertain and restricted income but are challenged to grow their programs without additional resources to do so. Key findings at the time of the survey include:

- While most responding Missouri nonprofits perceived their organizations to be financially healthy in 2007, more than half are concerned about their ability to maintain or achieve financial health in the future.
- One-third of responding nonprofits report that growing demand for services without the resources to support program growth is their most significant ongoing problem.
- Twice as many respondents, 61.5 percent, report plans to expand services in the future as report that programs will remain unchanged or be reduced, 27 percent.
- Seventy-five percent of responding Missouri nonprofits changed as a result of capacity-building activities according to responding nonprofit leaders, especially in the areas of strategic planning, fundraising and information technology.

“We find there is a greater need for operating support to help Missouri nonprofits remain resilient given the current challenges” said NSC President Deborah Cooper. “While this study found Missouri’s nonprofits to be on track during the survey period, the current economic downturn has placed added pressures on our state’s nonprofit sector. However, fact remains that Missouri’s nonprofits continue to be good stewards of the funds they receive and prove to be an excellent investment.”

“For Missouri’s nonprofits to meet the needs of our state, they need to be financially strong and have sound governance and management practices” said NSC Board Chair Dr. Karl Wilson. “Millions of Missourians depend on community-based nonprofits for cultural, social, and support services, and we need to make sure they have the resources and capacity to do the job right.”

Missouri Nonprofits: Building Capacity for the 21st Century represents a collaborative effort between NSC and IFF, which has twice conducted similar studies in Illinois. The study also recommends action steps that nonprofits can take, including:

- Meeting with key funders to demonstrate how increases in general operating support can be used to improve operations and, therefore, outcomes;
- Assess what capacity-building is needed to achieve financial health and improve operations to respond to future challenges;
- Increasing capacity with respect to information technology, board training (with a focus on fundraising), and strategic facility planning;
- Recognizing nonprofits’ reliance on operating budgets and special fundraising to build capacity, funders should encourage these efforts by providing general operating support;
- Advocating for increased commitment and funding, especially general operating support, because the nonprofit sector has demonstrated good stewardship of resources and vision for the future.

IFF President and CEO Trinita Logue commented on the study. “Nonprofits are the vehicles through which many of our citizens connect with and express their values and beliefs about what our society should be. They’re essential to our social fabric and to maintaining a high quality of life in our communities.”

About NSC

Nonprofit Services Center (NSC) was started in 1990 and is dedicated to strengthening the Missouri region's nonprofit organizations by providing programs, services, and resources that inform, promote, and connect nonprofits as they work to improve people's lives. NSC envisions the Missouri region’s nonprofits serving as leaders in the creation of communities that are safer, more just, and more vibrant places for people to live. NSC offers programs throughout the State of Missouri and Metro East Illinois. For more information, visit www.nonprofitservices.org.

About IFF

Founded in 1988, IFF is the Midwest’s leading nonprofit Community Development Financial Institution (CDFI). It has total assets of more than \$140 million and offers below-market loans, real estate consulting, and research services to nonprofits serving low-income areas and special-needs populations. For 20 years, IFF has worked to strengthen nonprofits in Illinois and recently it opened an office in St. Louis. To learn more about IFF, visit www.iff.org.

About the Study

The data reported in *Missouri Nonprofits: Building Capacity for the 21st Century* are based on responses from a representative sample of 210 registered and reporting nonprofits (out of a random sample of almost 1,100) with annual revenues between \$100,000 and \$15 million and directly engaged in providing services to the public. The survey was based on data from fiscal years 2004, 2005, and 2006, and was conducted in the summer of 2007.

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