



2024 Nonprofit **LEADERSHIP IMPACT STUDY**

AN INSIDE LOOK AT NONPROFIT
EXECUTIVES' EVERYDAY WINS
AND CHALLENGES

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2024 Nonprofit LEADERSHIP IMPACT STUDY

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I. EXECUTIVE SUMMARY

NonProfit PRO is dedicated to providing nonprofit professionals with the insights and trends they need to run their organizations and, therefore, is delighted to share the results of the “2024 Nonprofit Leadership Impact Study.” The sixth iteration of the research report unveils both the challenges facing nonprofits and the opportunities nonprofit professionals can utilize to their advantage to further their missions.

As the number of donors and the amount of money individual donors give decline, nonprofits are realizing they are struggling with acquisition efforts. To mitigate these challenges, nonprofits have countered fundraising difficulties by investing in staff, as well as with technology that enables their organizations to lean on data to help find their best prospects and tell the best stories about their organizations and missions.

Check out the findings of the “2024 Nonprofit Leadership Impact Study” to learn what your peers are experiencing at their organizations, and be on the lookout for our next research installment, the inaugural “2024 Nonprofit Fundraising Study,” which will debut at the start of year-end giving to provide an even closer look at fundraising insights across the sector.

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II. KEY FINDINGS

Decreases in individual giving have affected nonprofits' bottom lines, resulting in an increased reliance on grants.

- About 47% of nonprofit leaders cited donor acquisition as their biggest challenge.
- To address key challenges within their nonprofits, 56% of leaders have opted to apply to more grants.

Despite fundraising challenges, nonprofits addressed workforce issues with salary and benefits improvements.

- Staff turnover was less of a challenge for nonprofits last year compared to 2022, as nonprofits were dedicated to improving their benefits and cultures.
- Almost half of nonprofits reported implementing hybrid work schedules.

Nonprofits struggle with recruiting quality board members and volunteers dedicated to supporting their causes.

- About 71% of respondents experienced troubles when it came to making sure board members were actively participating in fundraising activities.
- A third of respondents indicated they are unable to find and retain motivated volunteers who are passionate about their cause.

More and more nonprofits are seeing the appeal of being data-driven organizations, but obstacles still persist.

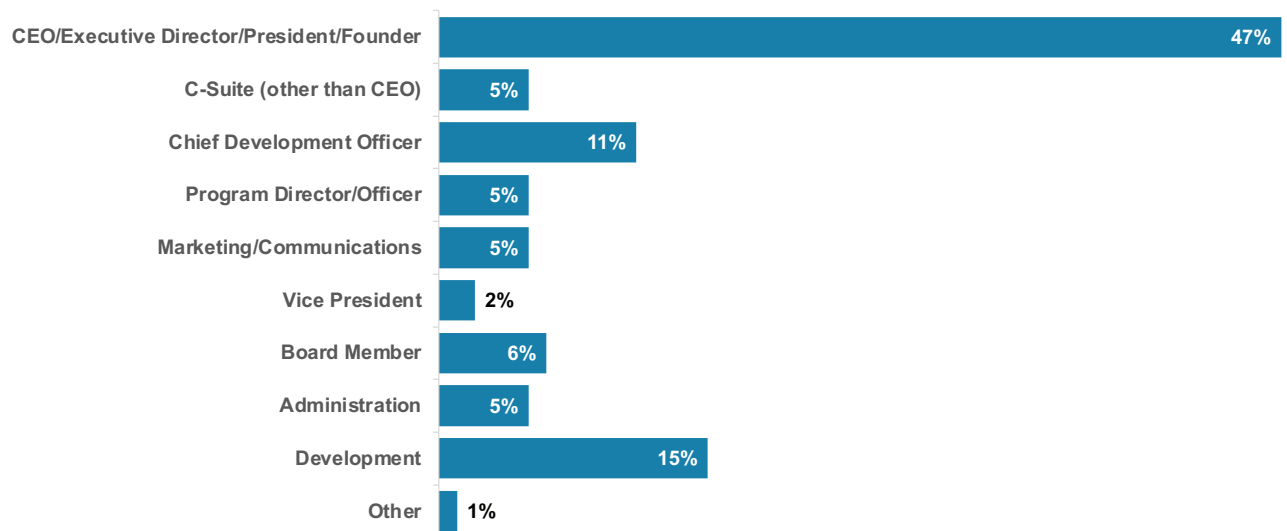
- Percentages of nonprofits using donor relationship technologies increased across the board. However, more than half of respondents indicated their organizations do not have the staff capacity to fully understand their donor data and determine how to engage them.
- About 40% of respondents cited their organizations lack the resources to compile impact data.

III. RESEARCH METHODOLOGY

NonProfit PRO conducted an online survey of nonprofit leaders to identify key trends, opportunities and challenges nonprofits had faced, as well as their expectations for the future. From Feb. 20 to March 7, 454 people completed the survey.

Nearly half of respondents (47%) identified as a CEO, executive director, president and/or founder of their organizations. Another 26% were chief development officers or other development professionals (Figure 1).

Figure 1: Nonprofit Respondents' Roles

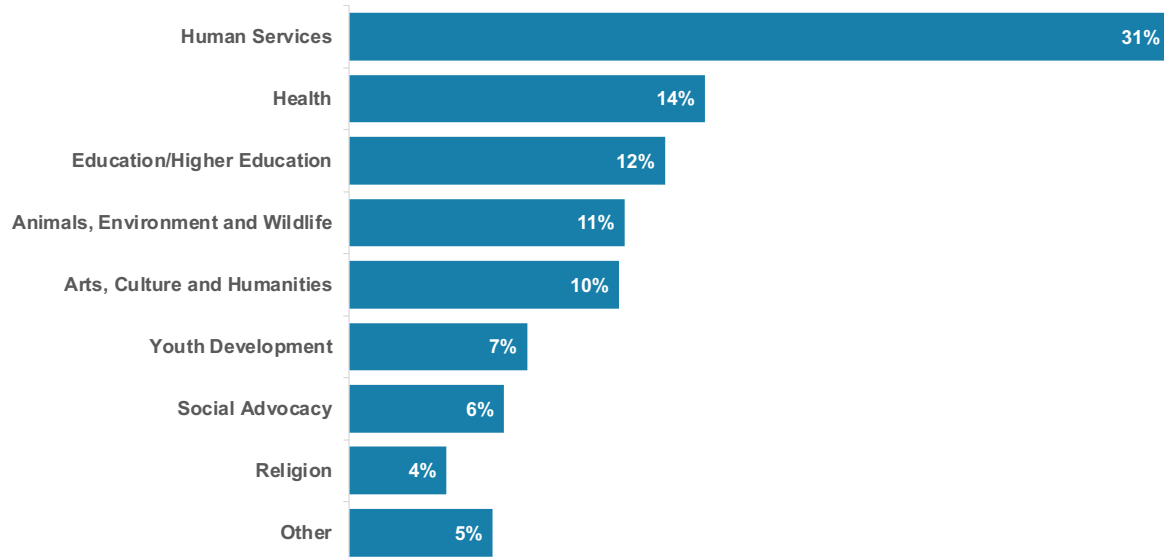


What is your role at your organization?
n = 455

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When it came to respondents' nonprofit causes, almost a third were from human services organizations (31%), though health (14%); education (12%); animals, environment and wildlife (11%); and arts, culture and humanities (10%) nonprofits also had strong showings in our dataset (Figure 2).

Figure 2: Nonprofits' Mission Categories

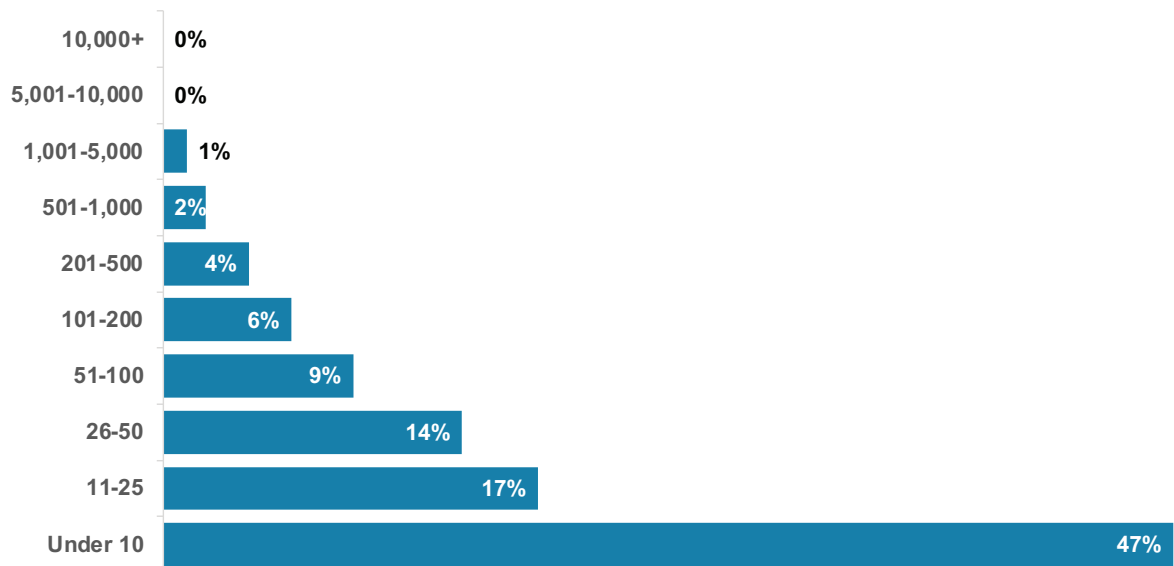


What category does your nonprofit fall into?
n = 455

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In terms of paid, full-time employees, about half of respondents reported having fewer than 10 staffers. Meanwhile, 31% had 11 to 50 workers and the remaining reported between 101 and 5,000 (Figure 3).

Figure 3: Nonprofits' Full-time, Paid Staff Levels

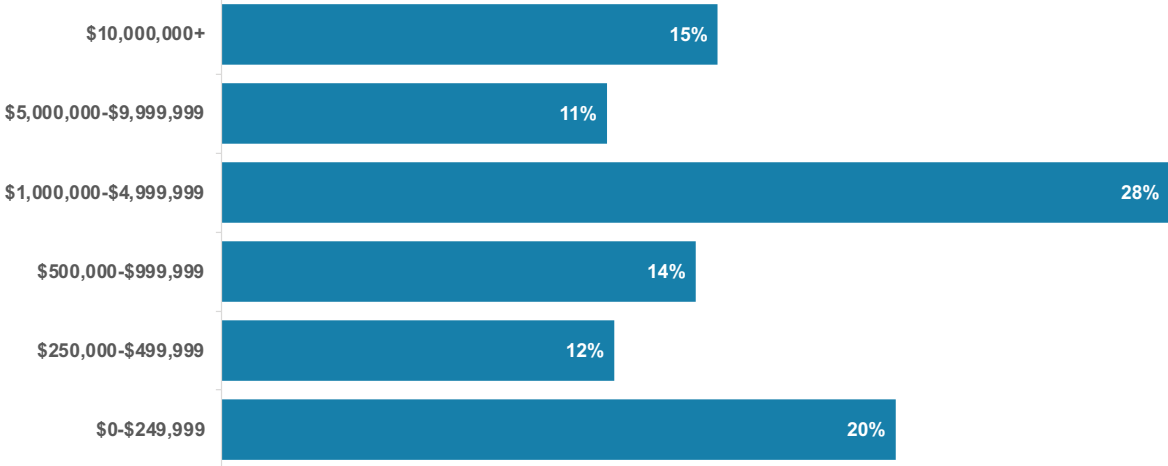


How many total staff members make up your nonprofit organization
(not including part-time employees or volunteers)?
n = 455

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Our research also includes data from nonprofits of various revenue sizes. About 46% of respondents are from small nonprofits with budgets less than \$1 million, 39% are from mid-sized organizations with budgets between \$1 million but less than \$10 million and 15% are from large nonprofits with more than \$10 million in revenue (Figure 4).

Figure 4: Nonprofits' Operating Budgets



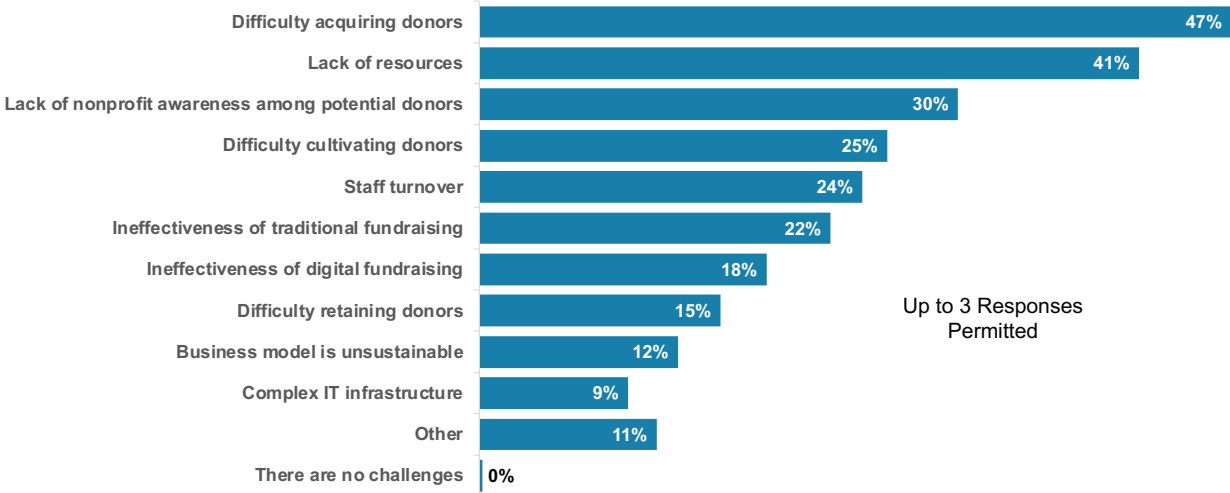
What is your organization's operating budget?
n = 455



IV. SECTOR-WIDE DIPS IN FUNDRAISING REVENUE HIT NONPROFITS HARD

As their top challenge, nonprofit professionals listed donor acquisition (47%), which moved up from No. 2 in last year's study (Figure 5). With a 10-percentage-point jump in difficulty acquiring donors, respondents replicated nonprofit sector trends.

Figure 5: Key Nonprofit Leadership Challenges



Up to 3 Responses Permitted

What are the key challenges facing your nonprofit's leadership team? (Select up to three)
n = 454



After nonprofits raised a historic \$516 million in 2021, overall giving dipped below \$500 million in 2022 — the most recent year figures are available from the Giving USA Foundation.¹ With fewer donors and dollars supporting nonprofits in 2023, industry trends from the Fundraising Effectiveness Project² found that there were more new donors compared to 2022, but they gave 11.6% fewer dollars. And when it came to these new donors, only 18.5% were retained — a drop of 7.5%.

We know how important that second gift can be in creating a long-term relationship with donors, as acquisition and retention go hand in hand. While both are equally important, acquiring donors tends to be harder than retaining donors³ (only 15% in our study cited this as a key challenge). Donor acquisition may come at a cost, but it's the first step in creating a new loyal supporter.

Just like during the pandemic, nonprofits pivoted from a reliance on live events to building a diverse foundation of revenue streams to fund their missions. Adopting new acquisition methods or trying a new channel — or a robust multichannel approach — could be the breakthrough your organization needs.

To help alleviate the challenges, more than half of respondents indicated that their organizations submitted more grant proposals (56%) and recruited higher quality board members (53%) (Figure 6).

Figure 6: Methods Implemented to Address Nonprofit Leadership Challenges



What methods has your nonprofit implemented to address these challenges?
(Select all that apply)

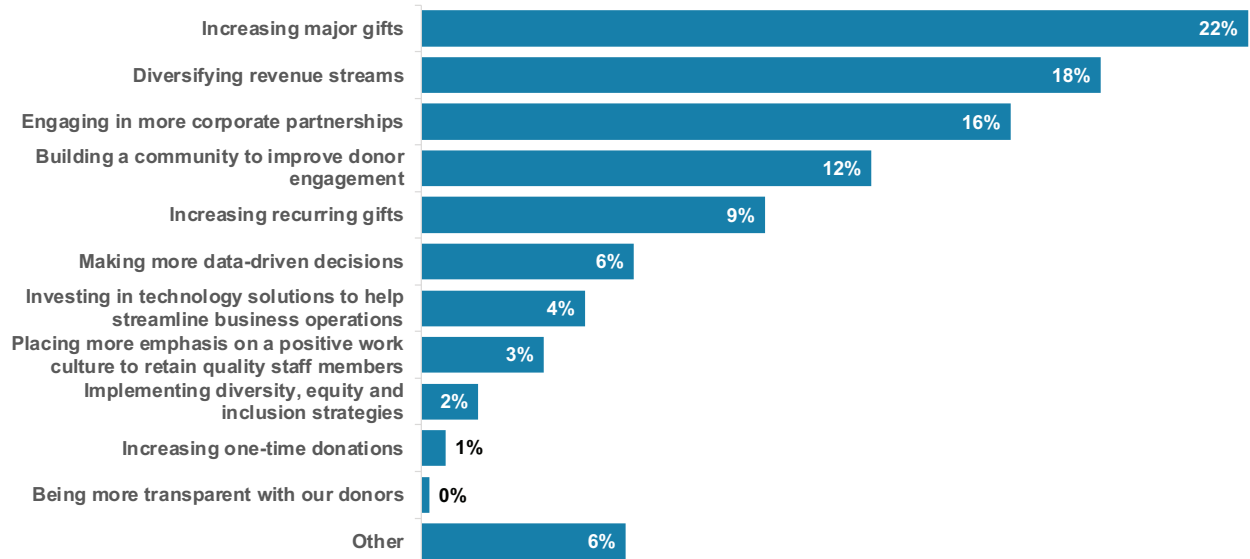
n = 454 respondents who listed at least one challenge facing their leadership team



Respondents struggling with cultivation and digital fundraising (Page 6, Figure 5) were more likely to opt for applying for more grants. A grant strategy could lead to valuable relationships with funders that continue to support your organization year after year. Having quality board members could also provide access to key donors or fundraising opportunities. (Learn more about board challenges in section VI.)

In recent years, nonprofits' top priorities include increasing major gifts (22%), diversifying revenue streams (18%), engaging in more corporate partnerships (16%) and building a community to improve donor engagement (12%) (Figure 7).

Figure 7: Nonprofits' Top Priorities



What is your top priority? (Select one)
n = 450

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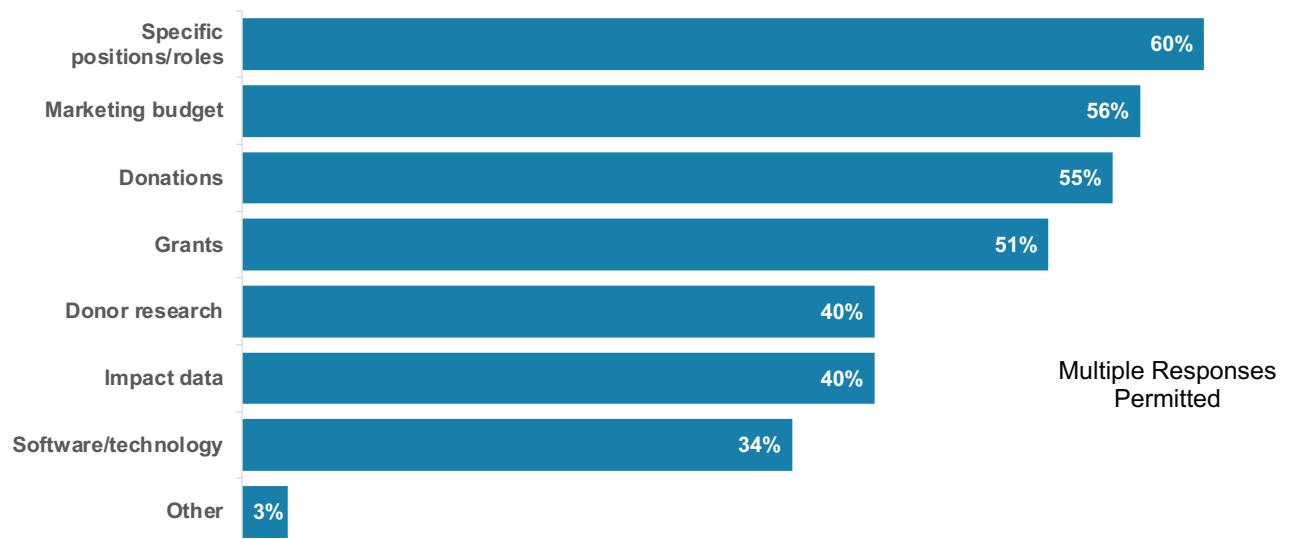
These top priorities show nonprofits branching out to find new funding opportunities and even recurring opportunities when it comes to building a community of donors and supporters. Though major gifts slowed during the economic downturn,⁴ experts expect a reversal that could make the efforts fruitful.⁵

V. STAFFING CHALLENGES LESSEN WITH RAISES AND IMPROVED BENEFITS

Lack of resources — the top challenge in 2023 — came in as the second biggest challenge facing nonprofits this year (Page 6, Figure 5). Despite this option lagging behind acquisition, it rose by a percentage point in 2024, so it continues to affect nonprofits just the same.

Which resources are lacking did not change much for organizations, with specific positions and roles topping the list despite declining 10 percentage points over last year (Figure 8). In contrast, staff turnover dropped two spots to No. 5, and fell 11 percentage points to 24% among key challenges (Page 6, Figure 5), potentially signaling a slowing in the great resignation.

Figure 8: Resources Nonprofits Are Lacking



*What type(s) of resources are you lacking? (Select all that apply)
n = 174 respondents who listed "lack of resources" as a key challenge facing their nonprofit's leadership team*

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Additionally, the struggle to hire and retain high-quality employees declined 7 percentage points to 40% (Figure 9). Part of that problem may be tied to the fact that nonprofits also continue to grapple with providing staff with competitive compensation (58%) — which remained the top staffing struggle for organizations — and overworking staff. Meanwhile, more respondents indicated issues of connecting with staff (15%) and improving the organization’s work environment (15%) — both possibly as a result of hybrid or virtual work environments.

Figure 9: Top Nonprofit Staff Management Struggles



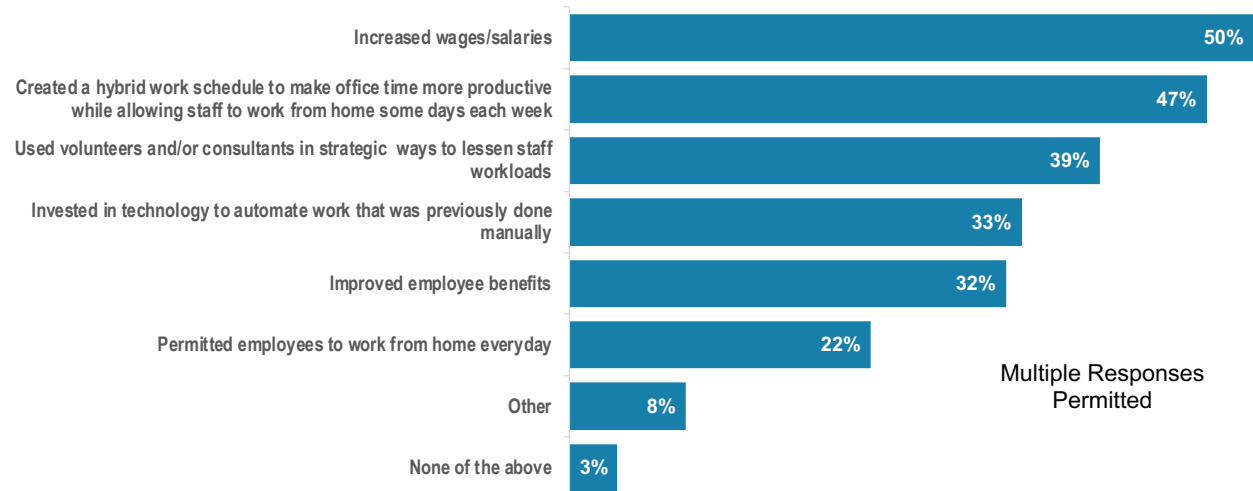
What does your nonprofit struggle with the most in managing its staff? (Select up to three)
n = 433



The 6% who indicated “other” cited offering everything from flexible hours — including four-day workweeks — to stronger cultures with perks, like bonuses, employee recognition, bring-your-pet-to-work day and happy hours.

Despite struggles to compete with for-profit salaries, half of respondents indicated their nonprofits raised wages and salaries to raise staff satisfaction (Figure 10). This new question for the 2024 survey also found that 47% of respondents created hybrid work schedules for staff (compared with 22% who went completely virtual).

Figure 10: Methods Implemented to Improve Staff Satisfaction and Reduce Burnout



What are some ways your nonprofit has improved staff satisfaction and reduced burnout?
 (Select all that apply)
 n = 436

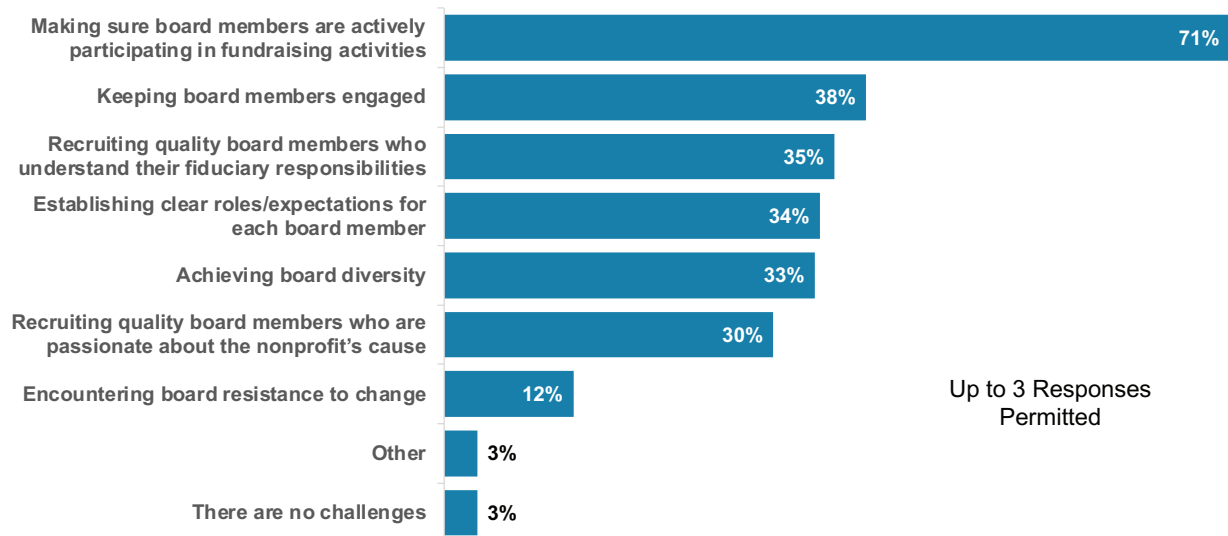
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These results seem to indicate that nonprofits are aware of past salary struggles and are working to improve, which, in turn, could be helping to lessen turnover at their organizations.

VI. NONPROFITS CHALLENGED TO FIND FUNDRAISING BOARD MEMBERS AND DEDICATED VOLUNTEERS

Aside from having staff dedicated to your nonprofit's mission, having effective board oversight is critical for nonprofits. In our surveys, having a fundraising board continues to be the biggest hindrance for nonprofits. This year, 71% of respondents felt having board members actively fundraising was the top challenge when it came to board effectiveness (Figure 11).

Figure 11: Top Nonprofit Challenges Influencing Board Effectiveness



*What are the top three challenges influencing the effectiveness of your board of directors?
(Select up to three)
n = 454*

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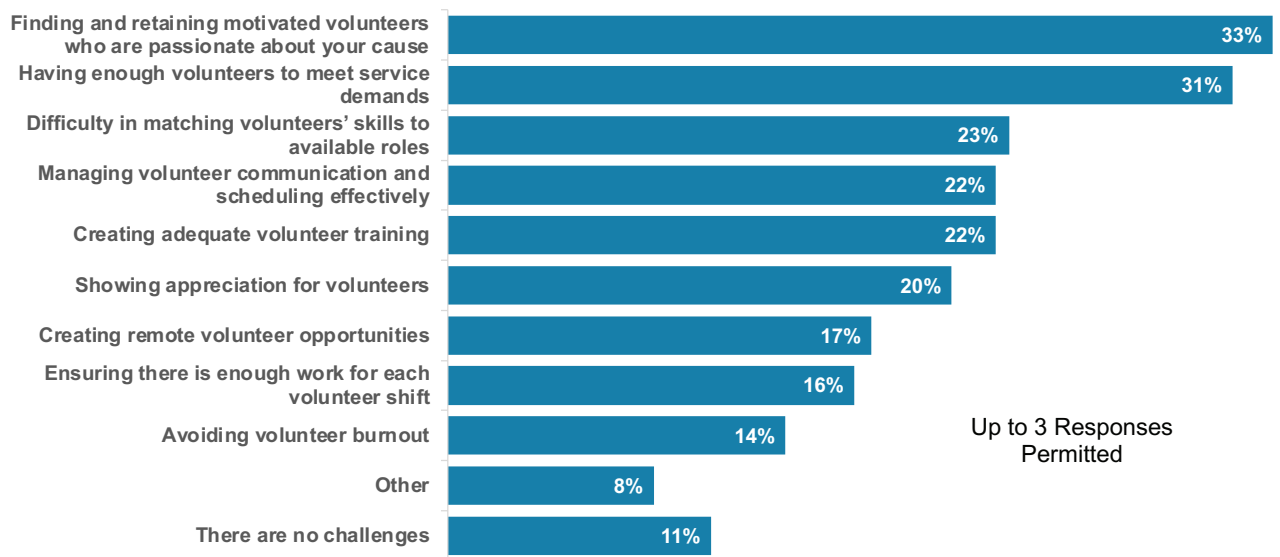
Here are three tips to help address this challenge:

- 1. Board members should actively introduce the organization to prospective donors.**⁶ This could be in the form of names only, a small gathering at their home or a conversation to see if they know any of the organization's top prospects.
- 2. Board members should help with stewardship efforts.**⁷ As development teams are pulled in many different directions and may struggle to steward existing donors, that task can be delegated to board members, who can make donors feel appreciated and motivate another gift.
- 3. Board members should personally make a gift.**⁸ In fact, the organization they serve should be among the top three charities to which they give. Have this conversation with current members, though it is easier to do so during the recruitment process.

About a third of respondents also listed troubles with board member engagement, understanding of fiduciary responsibilities and expectations in general, as well as the organization’s ability to achieve board diversity. The second biggest method to address nonprofit challenges (Page 7, Figure 6) was seeking out capable and committed board members, so it seems many nonprofits are re-evaluating how they recruit and engage their boards to help resolve these problems.

When it comes to challenges surrounding volunteers — another new question for this report — there are a variety of issues, but the prominent struggles include finding volunteers passionate about the cause (33%) and having enough volunteers to meet service demands (31%) (Figure 12).

Figure 12: Top Nonprofit Volunteer Struggles



Up to 3 Responses Permitted

What does your nonprofit struggle with the most when it comes to volunteers?
 (Select up to three)
 n = 435



For Rick Kearney, CEO of Rise Against Hunger, his No. 1 tip for getting volunteers is don’t assume no one wants to help.⁹

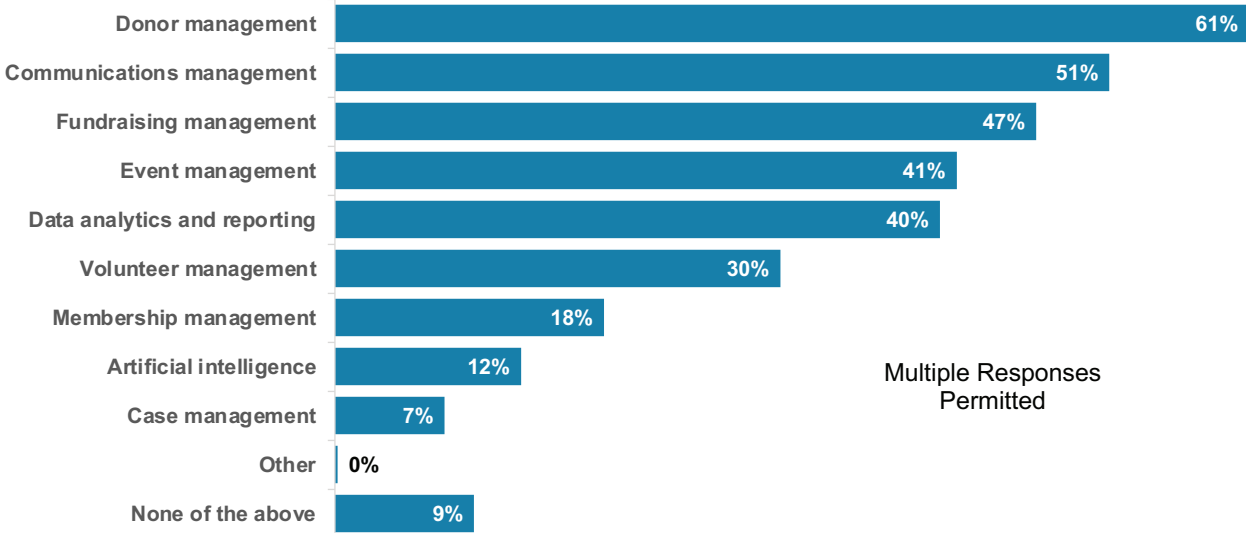
Aside from the provided selections, those who opted for “other” noted that their staff had no time to manage volunteers and had trouble determining appropriate volunteer opportunities, among other issues. Only 11% indicated there are no volunteer challenges.

VII. NONPROFITS BECOME MORE DATA-DRIVEN WITH GROWTH OF ANALYTICAL AND ARTIFICIAL INTELLIGENCE TOOLS

Though lower on the list of resources nonprofits are lacking, software and technology jumped 5 percentage points in this year’s survey (Page 9, Figure 8). Last year, we noted that nonprofits are beginning to embrace technology but were lacking the data to effectively do so. This year, organizations seemed to have made bigger strides here, as evidenced by leaps among some types of technologies.

Donor management software remained the most popular with 61% of nonprofit professionals indicating their organizations utilized it (Figure 13). Communications management (51%) and fundraising management software (47%) swapped places in 2024. However, the biggest jumps came in data analytics and reporting (40%) and artificial intelligence (12%), coming in at No. 5 and No. 8, respectively. Each increased by 10 percentage points.

Figure 13: Technologies Used to Improve Donor Relationships

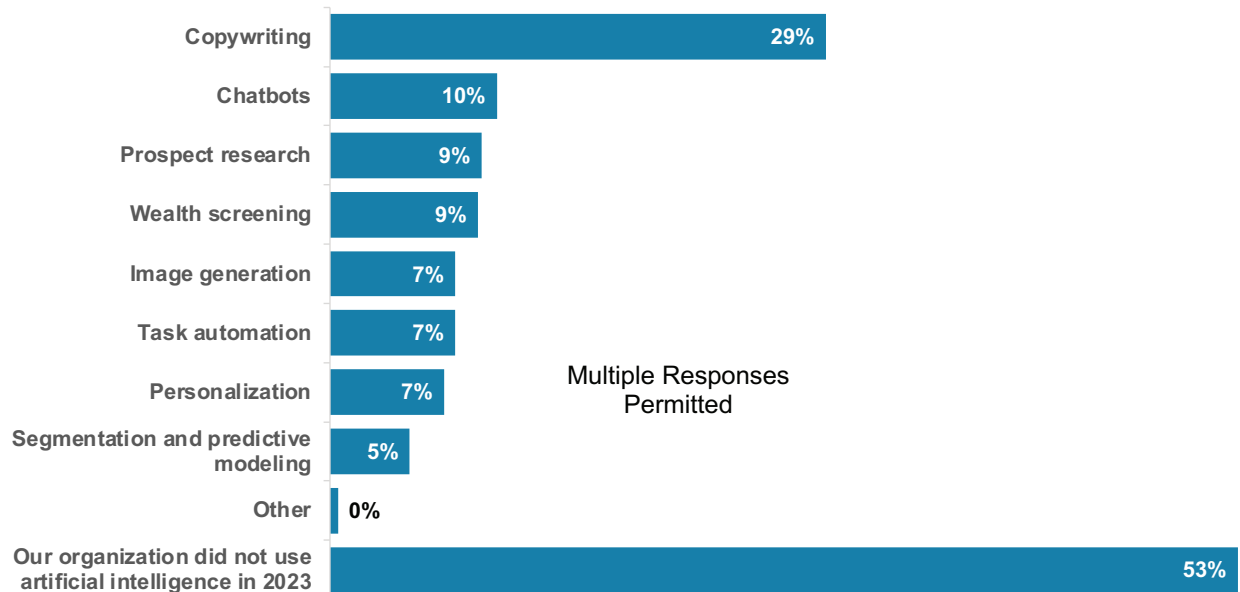


Which of the following technologies has your nonprofit used to improve donor relationships?
 (Select all that apply)
 n = 453



In anticipation of artificial intelligence gaining momentum, we asked respondents how their organizations used artificial intelligence in 2023. Not surprisingly, copywriting was the biggest category, with 29% of organizations testing its writing capabilities (Figure 14). Chatbots also reached double-digit use (10%).

Figure 14: Artificial Intelligence Use in 2023



In what ways did your organization use artificial intelligence in 2023?
n = 454

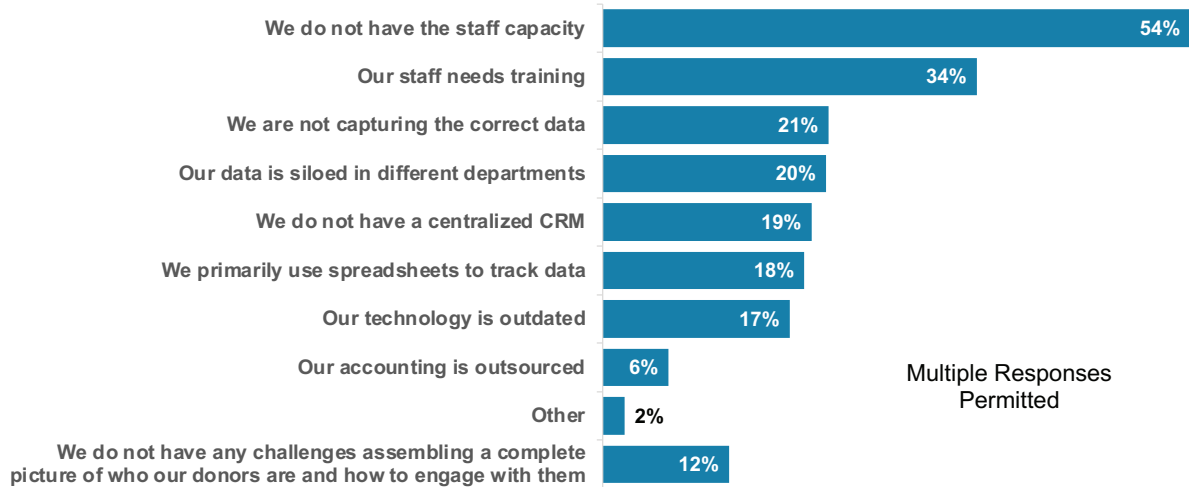
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The biggest surprise was that 53% of organizations did not even attempt to utilize the time-saving benefits of artificial intelligence last year. Though nonprofits shouldn't view artificial intelligence as a replacement for staff, it does help them to perform jobs more efficiently. Whether that's crunching data or writing fundraising letters, it saves nonprofit professionals valuable time by streamlining manual tasks.¹⁰

There was also a decrease in respondents citing donor research as a resource that is lacking (Page 9, Figure 8), which 40% of respondents cited as an issue — tied with impact data, but down 6 percentage points over the last year.

A donor data and engagement challenge that still persists is staff capacity, which 54% of respondents cited as a challenge. The need for staff training, capturing the correct data and unsiloing data were also among the top responses (Figure 15).

Figure 15: Donor Data and Engagement Challenges



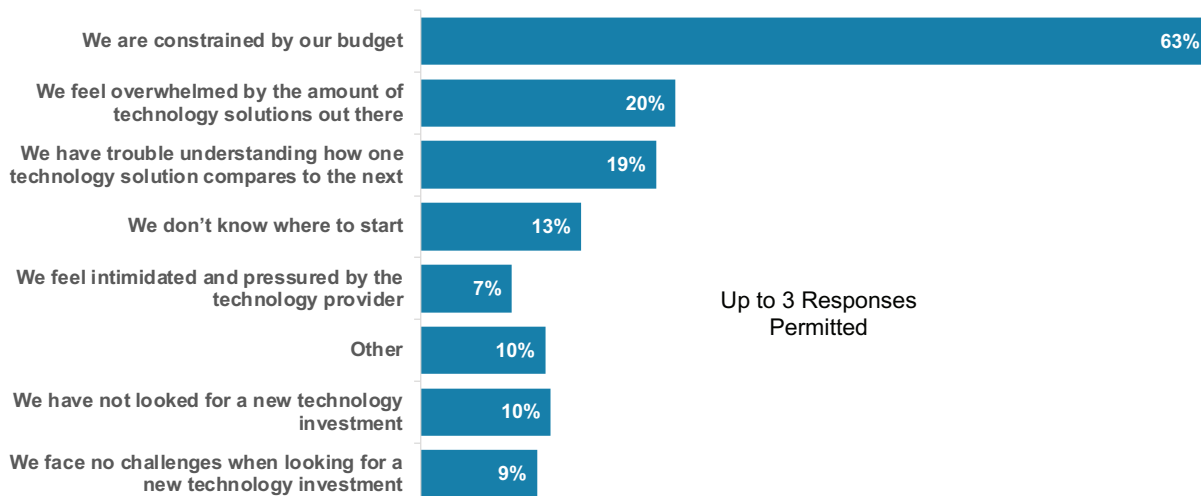
What challenges does your organization face when trying to assemble a complete picture of who your donors are and how to engage them? (Select all that apply)
n = 452

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However, those who do not have any challenges with this are more likely to be using nearly all listed donor relationship technologies (Page 14, Figure 13), and much more likely to be using “donor management” and “event management” technologies.

Despite challenges surrounding implementing technology, the ability to commit to new technology remains highly focused on budget — or lack thereof. A staggering 63% of respondents are constrained by budget, which continues to be the No. 1 challenge — and even rose 8 percentage points over 2023's outcome (Figure 16).

Figure 16: Biggest Challenges for New Technology Investments

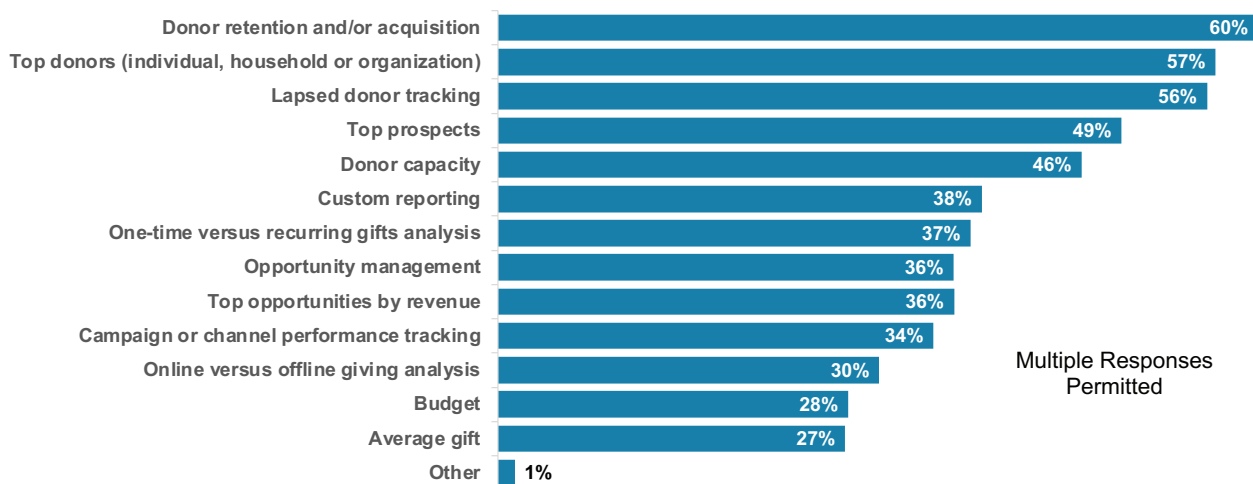


When looking for a new technology solution to invest in, what are your organization's biggest challenges? (Select up to three)
n = 450



With the influx of acquisition and retention troubles, nonprofits identified donor retention and/or acquisition reporting to be the most beneficial reporting available. Other types of reporting that a majority of respondents cited as helpful included top donors and lapsed donor tracking (Figure 17).

Figure 17: Beneficial Reporting for Fundraising

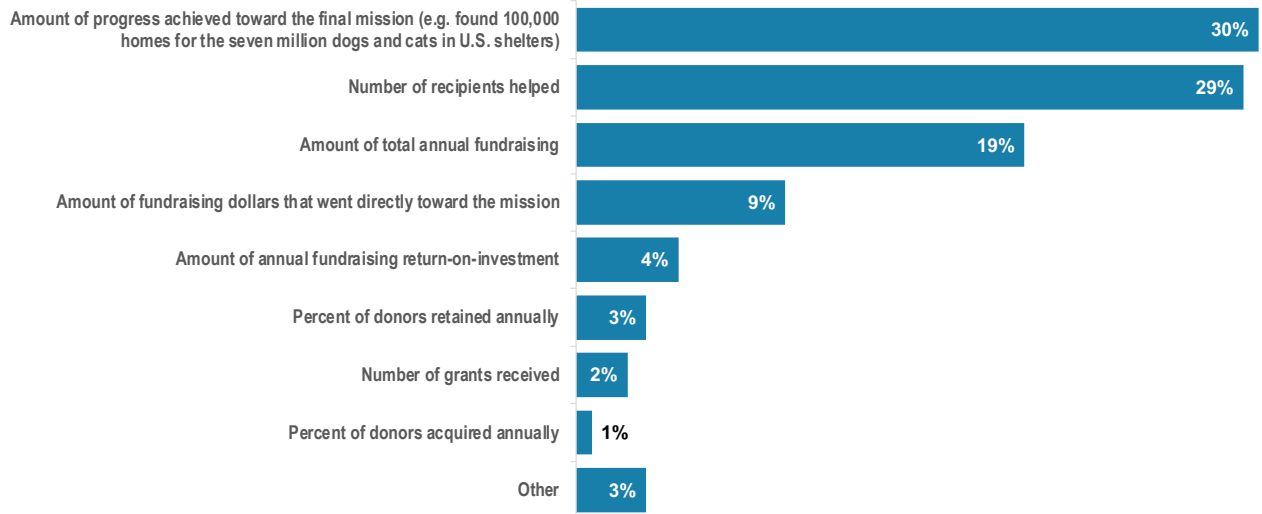


What type of reporting are/would be beneficial for your fundraising initiatives and outcomes? (Select all that apply)
n = 445



When it comes to measuring impact, the key is data. Respondents' top impact outcome measurements remained roughly the same as last year, with mission progress and the number of recipients helped being the top two indicators (Figure 18).

Figure 18: Most Important Impact Outcome

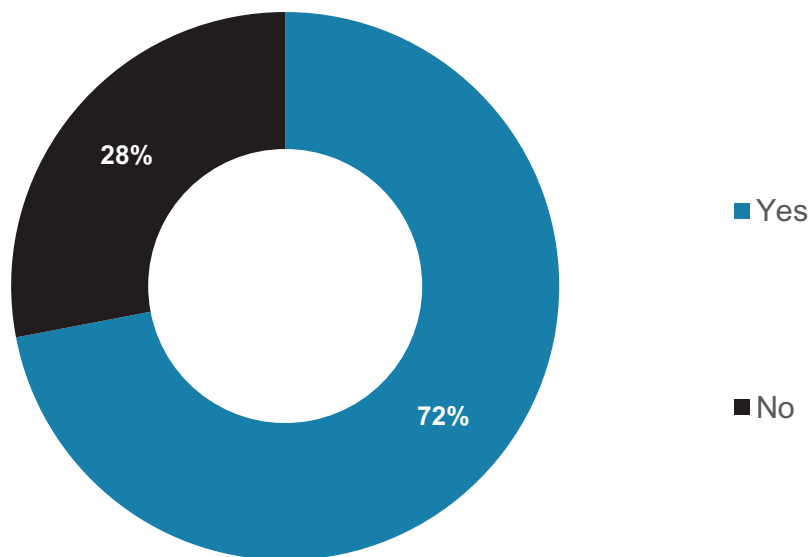


What does your nonprofit consider to be the most important outcome when measuring for impact?
n = 454

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Additionally, 72% of respondents use an impact or annual report to support their fundraising efforts, a 6-percentage-point increase over last year (Figure 19). Of those who use this option, 56% find it very or moderately effective for those fundraising efforts (Figure 20).

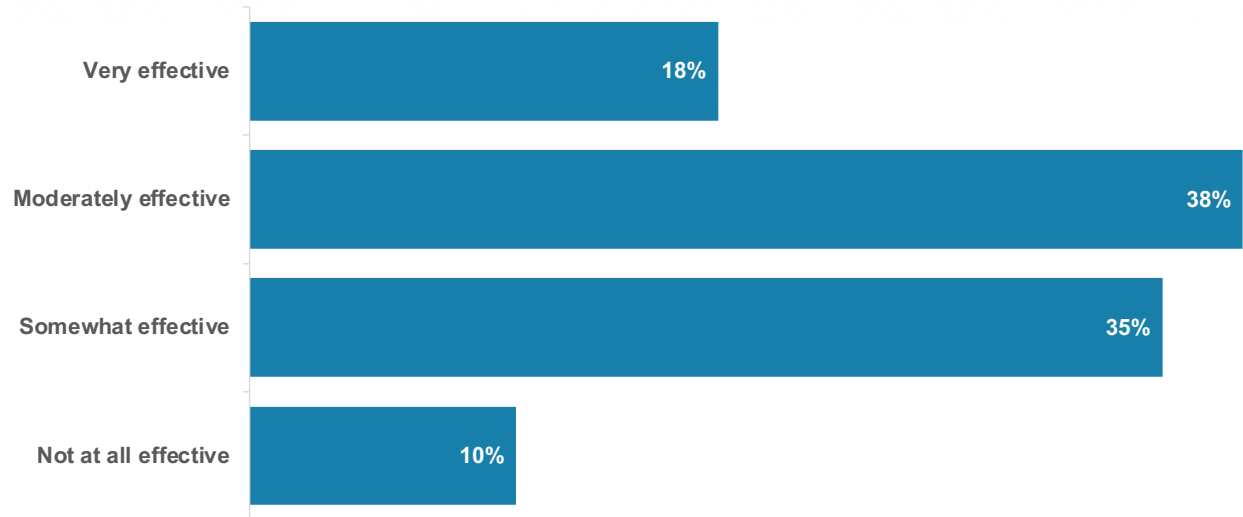
Figure 19: Use of Impact/Annual Report



Are you using an impact or annual report to support your fundraising efforts?
n = 455

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Figure 20: Impact/Annual Report Effectiveness



How effective has the impact or annual report been in supporting your nonprofit's fundraising efforts?

n = 327 respondents who are using an impact or annual report to support their fundraising efforts

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Despite the large number of nonprofits that use an impact report, 40% of respondents indicated impact data as a resource their nonprofit is lacking (Page 9, Figure 8). That figure is north of the 28% who did not have an impact report (Page 18, Figure 19), and the 10% who found it to not be effective (Figure 20). However, when used properly, an impact report is a valuable tool to show stakeholders your organization's progress toward achieving its mission.

Our data shows that 61% of smaller organizations — those with operating budgets less than \$1 million — are creating impact reports. Larger organizations with budgets exceeding \$1 million were much more likely to not only utilize impact reports (81%), but also invest in nearly all technology types, including artificial intelligence, that help them analyze and create those impact reports (Page 14, Figure 13).

VIII. CONCLUSION

As nonprofit leadership continues to grapple with the current decline in donor participation, it's important they implement a robust strategic plan that includes a variety of revenue streams to make up for any unexpected losses in one area of funding. These efforts may include adding new revenue streams, improving staff satisfaction to retain more talent, involving your board members in your fundraising efforts, becoming more data-driven and utilizing impact reports to share organization achievements with various stakeholders.

IX. REFERENCES

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4. [“Fundraising Effectiveness Project: Donor Participation Wanes for Seventh Consecutive Quarter”](#) by Amanda L. Cole. *NonProfit PRO*.
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9. [“Volunteer Engagement and Retainment: Tips for Keeping Volunteers Coming Back”](#) by Rick Kearney. *NonProfit PRO*.
10. [“How I Use ChatGPT to Create Copy for Nonprofit Communications in Less Time”](#) by Sami Sheehan, CFRE. *NonProfit PRO*.

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NonProfit PRO is the go-to source for nonprofit management and strategy. Developed for thought leaders and innovators, we cover an array of topics focused on leadership management, development, fundraising strategy, technology and much more. We offer a magazine, website and daily e-newsletter, NonProfit PRO Today, with a fresh look and quick, hard-hitting content as the go-to source for modern nonprofit professionals. NonProfit PRO also offers a wide range of tools, including a live, multiday conference, webinars, video, custom publishing, research and more.

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