

Nonprofit Sustainability

Finding New Dollars

June 17, 2009

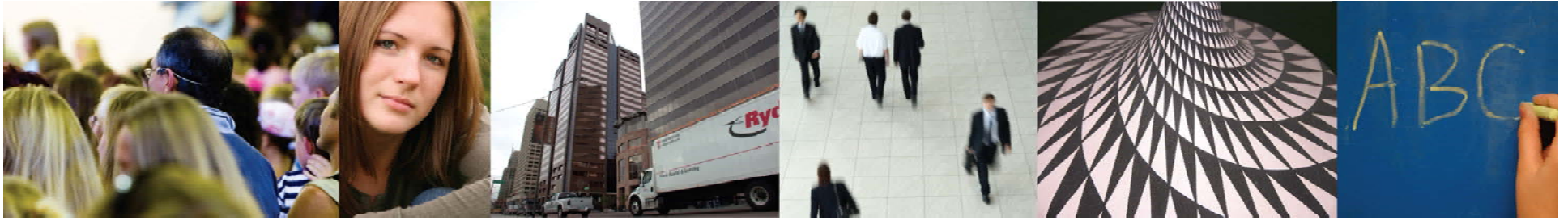




What is a Nonprofit Business Model?

- Know what support is required
- Donor analysis
- Realistic assumptions





Where Does the Money Come From?





Sources of Income

Comparative Gross Expenditures

U.S. GDP	ca. \$12 trillion
Government Expenditures	ca. \$4 trillion
Nonprofit Expenditures	ca. \$1 trillion

Sources of Nonprofit Income*

(all subsectors)

Earned	43%
Government	32%
Donated (All sources)	25%

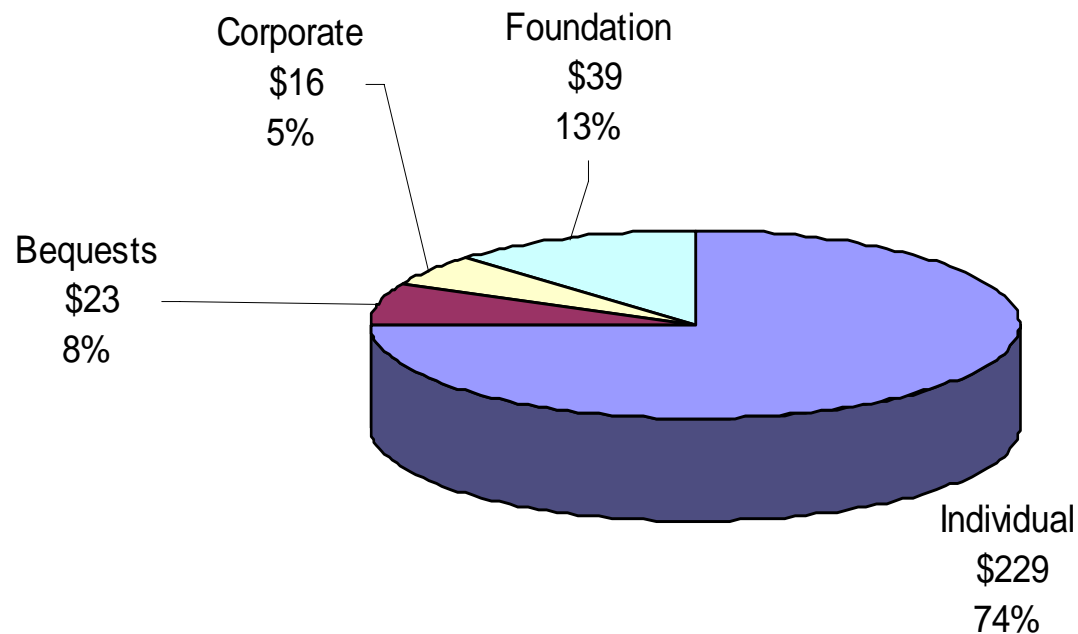
Income Sources by Sub sector*

	Earned	Gov't	Donated
Human Services	25%	60%	15%
Arts	50%	10%	40%
Health	54%	45%	1%
Education	70%	10%	20%
International	20%	20%	60%

Sources of Contributions

Total Giving National = ~\$306 billion

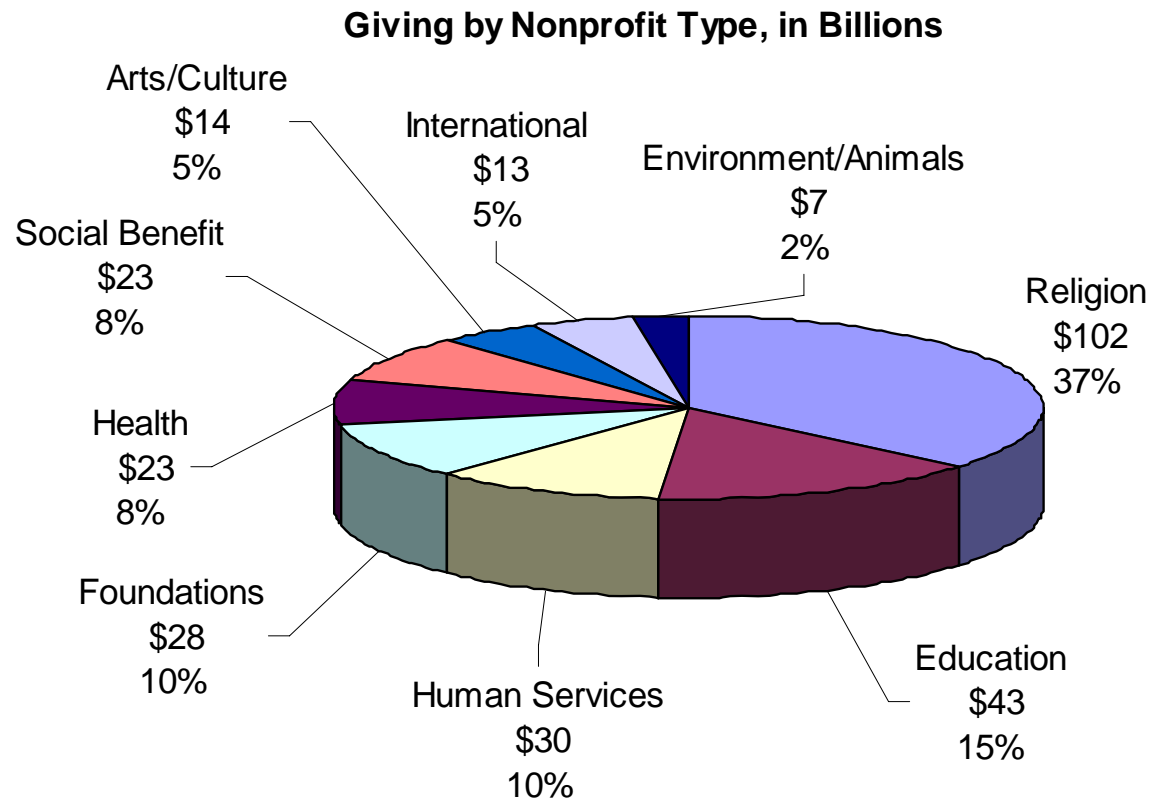
Donations to Nonprofits, in Billions



Source: Giving USA Foundation, *Giving USA 2008*



Sources of Contributions



Source: Giving USA Foundation, *Giving USA 2008*





Individuals

- Annual Giving
- Direct Mail
- Online Giving
- Major Gifts





U.S. Individual Giving is Strong

- In 2007, more than 67% of U.S households donated to charity, contributing over \$300 billion
- Average contribution per return = 2.47% of AGI; that is more than Americans save each year
- Most wealthy 3% of households (>\$200K) contributed 66% of total (\$126 billion)
- Around 60% of individual contributions support religious organizations

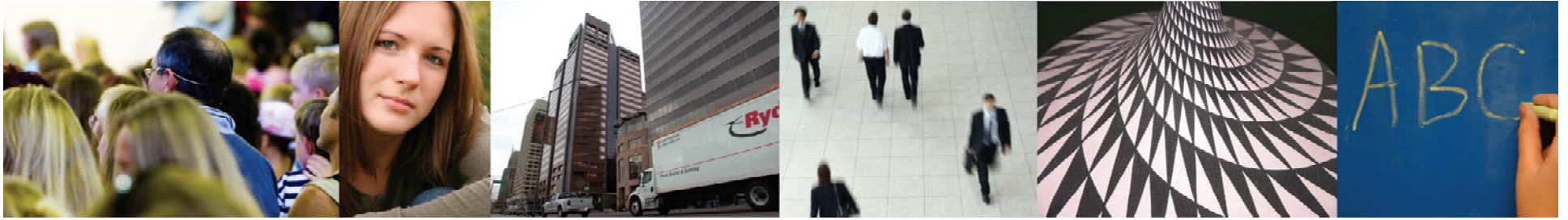




Generational Strategy

- \$41 trillion transfer of wealth from one generation to next 2005 to 2055
- Arizona share is \$596 billion
- If 5% is donated, that is \$30 billion in Arizona
 - Over \$2 billion in 2010 alone - \$100 million
 - Coconino, Mohave, Apache, and Navajo Counties: 2010 \$191.5 million, translating to more than **\$9 million in donations**

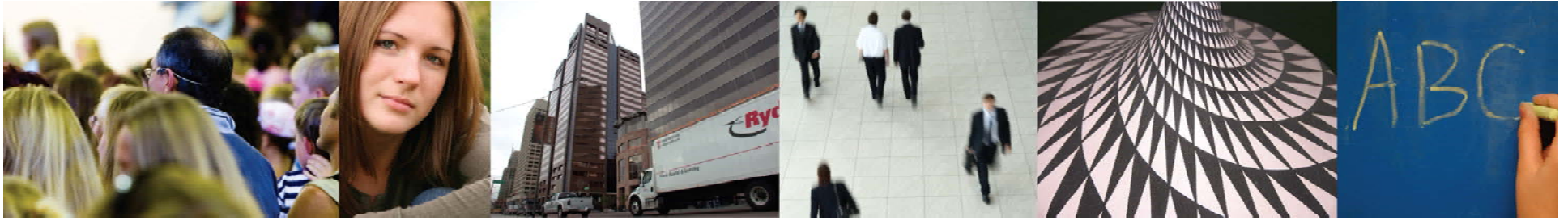




Grants

- Foundations
- Corporations
- Tools – Just Grants, GrantStation





Institutional Charitable Giving

Institutional giving in Arizona is small

- Philanthropic assets (public and private foundations) have more than doubled since 2000.
- Arizona has 2% of U.S. population but less than 0.8% of foundation assets.
- The top 25 largest private and public foundations in Arizona represent 75% of total foundation assets and approximately 47% of total grants.
- Since Jan 2004, more than 190 new foundations have registered in Arizona with assets totaling \$123 million. Only 23 have assets greater than \$1 million.

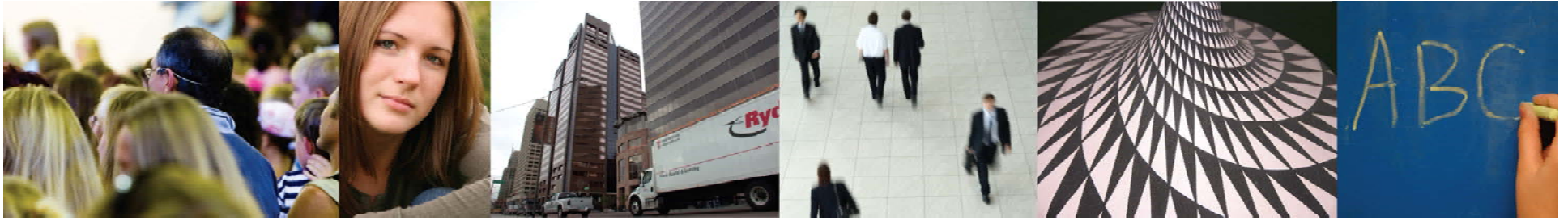




Foundation Grants Made to Nonprofits (1999-2006)

	# of Grants	Total Grant Dollars
Grants From All Foundations to AZ Nonprofits	24,992	\$913,381,059
Grants From AZ Foundations to All Nonprofits	22,489	\$996,134,215
Grants From AZ Foundations to AZ Nonprofits	10,723	\$449,434,736





Grants From Out of State

- **Top 200:** \$117.7 million in 2004-2006 from foundations outside Arizona
- 64 of those 200 (32%) were to organizations based outside Phoenix (and others in statewide projects)





Sponsorships

- Corporate marketing dollars
- Cause related marketing
- “advertising”





Special Events

- Traditional
- Benevon model





Earned/Membership

- Dues
- Fees for service

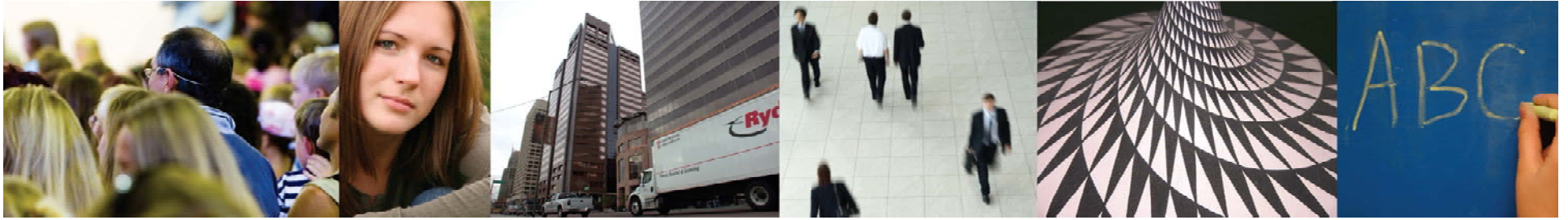




Social Enterprise

- For-profit activities that generate unrestricted income





In-Kind

- Services
- Property/Space
- Software/Materials





Alliance

OF **ARIZONA**

NONPROFITS