

WHAT DO NONPROFITS STAND FOR?

Renewing the nonprofit value commitment

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 **PRODUCTIVE**

 **EMPOWERING**

 **EFFECTIVE**

 **ENRICHING**

 **RELIABLE**

 **RESPONSIVE**

 **CARING**

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The Listening Post Project is a collaborative undertaking of the Center for Civil Society Studies at the Johns Hopkins University Institute for Policy Studies, the Alliance for Children and Families, the Alliance for Nonprofit Management, the American Alliance of Museums, the Arc, Community Action Partnership, LeadingAge, the League of American Orchestras, Lutheran Services in America, Michigan Nonprofit Association, the National Council of Nonprofits, and United Neighborhood Centers of America. Its goal is to monitor the health of the nation's nonprofit organizations and assess how nonprofits are responding to important economic and policy changes. Support for the Listening Post Project has been provided by the Carnegie Corporation of New York, the Bill and Melinda Gates Foundation, the Ewing Marion Kauffman Foundation, the Kresge Foundation, the Charles Stewart Mott Foundation, the Rockefeller Brothers Fund, and the Surdna Foundation.

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THE CHALLENGE

Nonprofit organizations are under assault today as perhaps never before, with consequences that could be profound for the future of these organizations and for those they serve.

Proposals to cap the federal tax deduction for charitable contributions have become an increasingly common feature of budget-balancing measures from both ends of the political spectrum; a growing number of state and local governments have imposed new taxes and other fees on nonprofits, and shifts in government payment methods that advantage for-profit businesses have led to a significant loss of market share for nonprofits in a number of traditional nonprofit fields of activity.¹

WHY NOW?

That nonprofits find themselves in this situation is due in important part to the pressures they are under to survive in an increasingly competitive environment—pressures that have pulled them away from their historical modes of operation and from widespread public assumptions about how nonprofits are supposed to operate.

As discussed in *The State of Nonprofit America* by Lester Salamon of the Johns Hopkins Center for Civil Society Studies, America's nonprofit organizations are caught in a force field with powerful impulses pulling them simultaneously in different directions. As reflected in **FIGURE 1**, Salamon identifies four of these impulses as particularly powerful—pulling nonprofit organizations toward their voluntaristic past, toward greater professionalism, into expanded civic activism, and into deeper engagement with commercialism and the market. Which of these impulses gains ascendance will have enormous implications for what nonprofits become, how they go about their work, and what role they play in American life.²

Indeed, some of these implications have already made their appearance, a product of the recent ascendance of the commercial impulse in the life of America's nonprofits. As Salamon notes in *The State of Nonprofit America*: "Of special note in recent years has been the growing impact of the commercial/managerial impulse, eclipsing the professional emphasis on effectiveness and the voluntaristic emphasis on expressiveness, and potentially undermining as well much of the sector's historic attention to civic activism."³

FIGURE 1:
Four impulses affecting the nonprofit sector



Source: Lester M. Salamon, *The State of Nonprofit America*, Second Edition, Brookings Institution Press, 2012.

WHAT CAN NONPROFITS DO?

While this movement toward a more commercial model has given nonprofits access to new funding streams and greater emphasis on efficiency, the resulting movement *away* from the most deeply held public conceptions of the sector has occasioned a series of challenges, including a key erosion of public trust.

In the *State of Nonprofit America*, Salamon identifies three alternative courses the nonprofit sector can take in response and advocates the third course, which he terms the "**RENEWAL STRATEGY**" (see FIGURE 2). At the center of such a strategy, Salamon argues, must be a clarification of the sector's core values—the distinctive qualities and attributes nonprofits bring to American society—and a rethinking of how these qualities can best be preserved and advanced in light of the current realities of nonprofit operations.

But, given the enormous diversity of the nonprofit sector, forging such a consensus about what those core values are poses an enormous challenge.

FIGURE 2:
A renewal strategy for the nonprofit sector

1. CLARIFY THE CORE NONPROFIT VALUES
2. IMPROVE THE GOVERNMENT-NONPROFIT PARTNERSHIP
3. STRENGTHEN NONPROFIT FINANCE
4. IMPROVE PUBLIC UNDERSTANDING

Source: Lester M. Salamon, *The State of Nonprofit America*, Second Edition, Brookings Institution Press, 2012.

THE NONPROFIT VALUES SOUNDING

This report grows out of a first step toward meeting this challenge: to see whether there is a meaningful degree of consensus about the distinctive values of the nonprofit sector among a significant portion of the sector's organizations. More than that, the work on which this report is based also sought to explore two other matters: first, how well nonprofit organizations feel they actually embody the values they profess; and second, how successful they feel the sector has been in conveying these values to key stakeholders and supporters.

To shed light on these matters, the Johns Hopkins Nonprofit Listening Post Project surveyed the 1,500 nonprofit organizations in the three core fields of human services, community development, and the arts that have agreed to serve as the Project's eyes and ears on major developments affecting the nonprofit sector across the country.⁴ The results reflect the responses of 731 organizations—enough to provide a statistically significant sample of nonprofit organizations of various sizes, and of nonprofit activity, in these fields.⁵ While we do not claim these results are representative of the nonprofit sector as a whole (hospitals and higher education, for example, are not included), we do believe they are representative of both the total number of organizations and the lion's share of the nonprofit activity in these three core fields, which embrace a significant portion of all nonprofit organizations.⁶

WHAT WE FOUND

Two key findings emerged from this survey:

- **First**, despite their diversity, this broad group of U.S. nonprofits is **in basic agreement about the attributes that comprise the nonprofit sector's core values**.
- **Second**, these organizations are concerned that **key stakeholders in government, the media, and the general public do not seem to understand these core values** of the nonprofit sector and that **the consequences could be harmful for the sector** unless steps are taken to correct this.

DETAILED FINDINGS

WIDESPREAD CONSENSUS ON VALUES

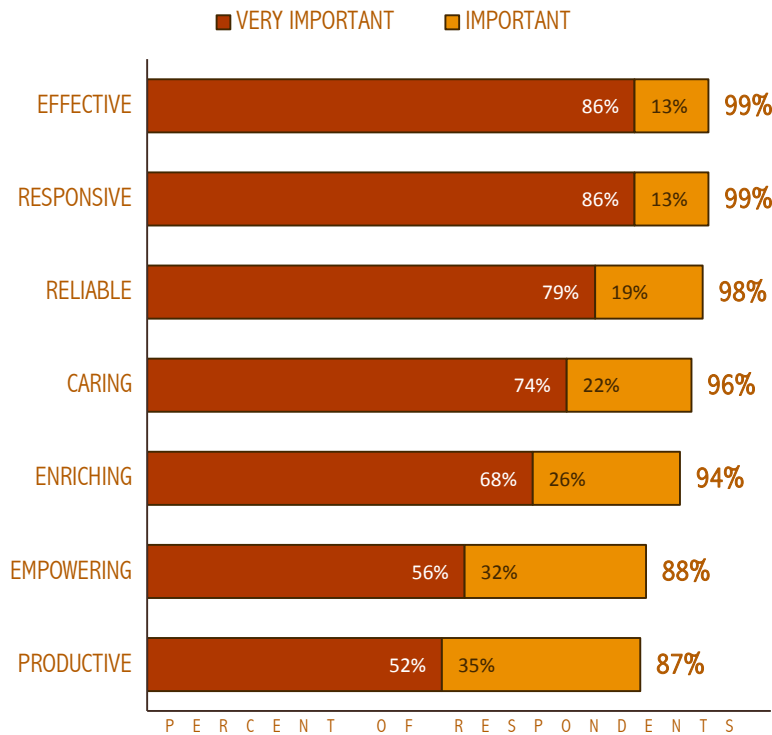
Based on a literature review and extensive consultations with experts and practitioners, we identified seven features commonly associated with the nonprofit sector⁷—being **productive, effective, enriching, empowering, responsive, reliable,** and **caring** (see **FIGURE 3** for detailed descriptions of these values). The survey asked respondents to indicate how important they considered each of these values to be to the nonprofit sector, and what other values, if any, they would add to the list.⁸

FIGURE 3:
Seven core values of the nonprofit sector



Source: Johns Hopkins Listening Post Project Nonprofit Values Sounding

FIGURE 4:
Nonprofits are in basic agreement about the core values that characterize their sector*



*Weighted average.

Source: Johns Hopkins Listening Post Project Nonprofit Values Sounding

“Over 75 years, our programs have demonstrated their effectiveness at helping young people achieve economic self sufficiency in adulthood. This comes from tracking graduates in the last 35 years. We have data on more than 2/3 of the group and more than 94% no longer live in poverty.”

A mid-sized children and family services organization on being EFFECTIVE

As shown in **FIGURE 4**, there was broad consensus that these seven attributes do indeed capture the core of the nonprofit sector’s values, with over 85 percent of respondents indicating that each of these seven attributes is "important" or "very important."

Despite this consensus, there were some potentially significant differences in the relative importance assigned to the different values. For instance, while over 85 percent of respondents rated effectiveness and responsiveness as being "very important," only 56 percent gave the same rating to being empowering. This is surprising because civic advocacy has long been considered a critical function of the nonprofit sector. The fact that fewer respondents identified this function as "very important" seems to add credence to concerns that fiscal pressures on nonprofits, limitations on financial support for advocacy, and the drive toward more readily measurable functions as part of a shift toward commercialism may have muted this function. However, it is important to note that a substantial majority of organizations do continue to see this function as being important on some level.

An even smaller 52 percent rated being *productive* as "very important." This may simply reflect the fact that many nonprofits do not think of themselves in terms of their economic function. But given the current emphasis on jobs and economic recovery, this may be an important misperception to correct as part of any "renewal strategy"—especially since existing data show that nonprofits do, in fact, have substantial economic impact, as shown in **FIGURE 5**. Understanding and highlighting this economic contribution of nonprofits in their communities and nationwide is increasingly important to the sector’s ability to retain its public support and legitimacy.

FIGURE 5:
The productivity of the nonprofit sector*

NONPROFITS ARE...
ENHANCING LOCAL ECONOMIC VITALITY
CREATING JOBS AND ECONOMIC VALUE
MOBILIZING ASSETS TO ADDRESS PUBLIC PROBLEMS

PRODUCTIVE



*Includes 501(c)(3) and 501(c)(4) organizations

Source: Lester M. Salamon, *America's Nonprofit Sector: A Primer*, Third Edition, Foundation Center, 2012.

“ We built our new facility in an economically depressed area of the community because it is where many of the people we serve are living. It was a \$3 million investment in an area that for-profits haven’t invested in, and brought 50 employees and activity to a neighborhood sorely in need of it.”

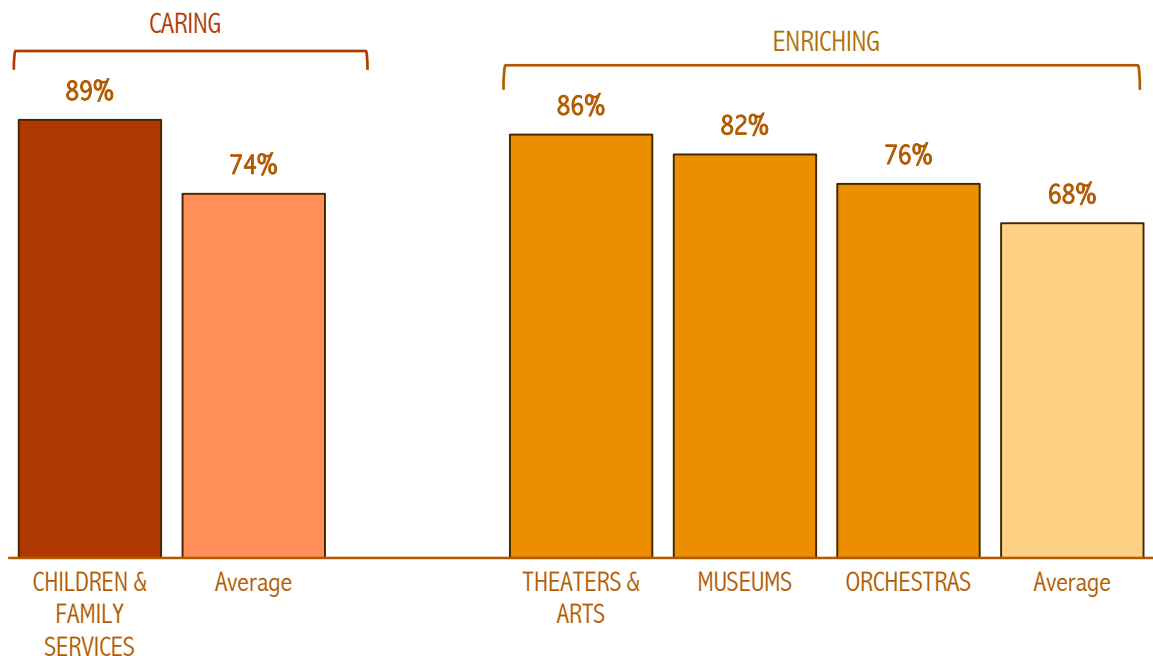
A large children and family services organization on being PRODUCTIVE

Not surprisingly given the diversity of the sector, some interesting differences surfaced when the responses were broken down by organizational size and field of activity, though these seem to follow logically from the missions of the different types of organizations. For example, children and family service agencies stood out in terms of the share that considered *caring* to be a "very important" attribute of nonprofits. Similarly, arts and culture organizations stood out in terms of the importance they attached to being *enriching* (see FIGURE 6).⁹

In addition, respondents with revenues under \$500,000 were the group most likely to rank being *enriching* as "very important," probably due to the fact that arts organizations are disproportionately represented among smaller organizations.

Somewhat surprisingly, little variation surfaced among agencies of different sizes in the share that ranked being *productive* as a "very important" attribute, suggesting that even among large nonprofits no more than half view their economic heft as a very significant part of their overall contribution.¹⁰

FIGURE 6:
Mission-based differences in ratings of "very important"*



*Weighted average

Source: Johns Hopkins Listening Post Project Nonprofit Values Sounding

SUCCESS IN EMBODYING THESE VALUES

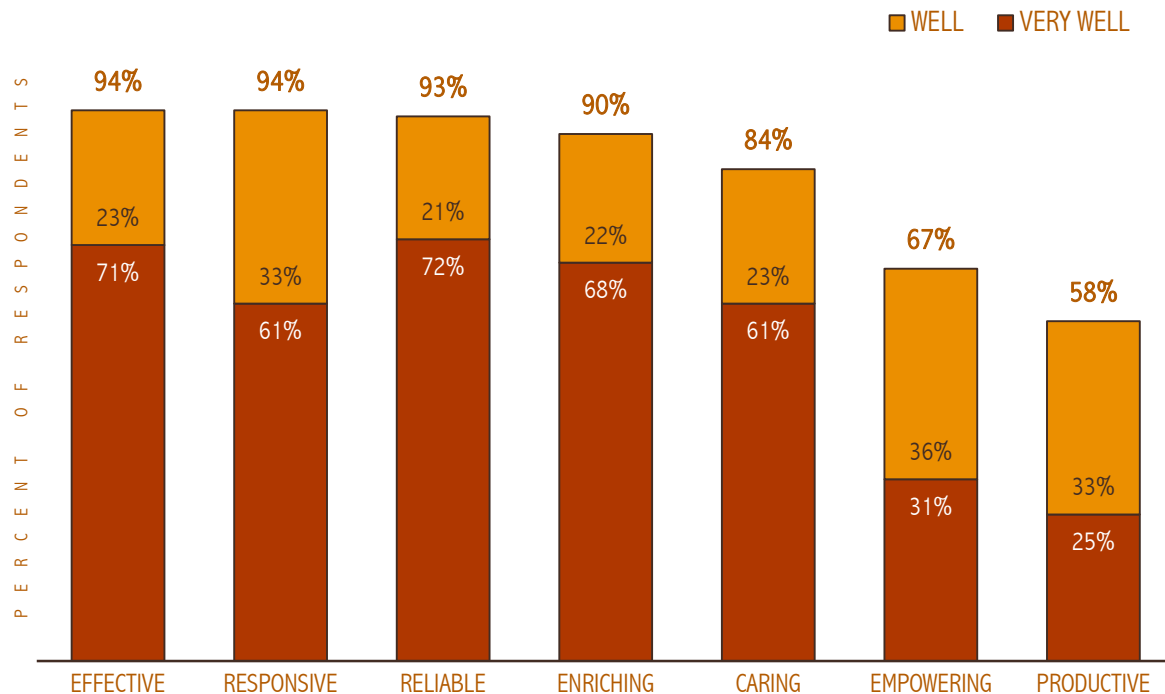
Respondents generally felt that they successfully embody most of these core attributes, with over 80 percent of nonprofits claiming to embody five of the seven attributes "well" or "very well."

As shown in **FIGURE 7**, however, significantly fewer organizations reported being satisfied with how well they embody the attributes of being *empowering* and *productive*. Only 67 percent of respondents reported that their organization embodies being empowering "well" or "very well," and an even smaller 58 percent felt the same about being productive. More telling, only 31 and 25 percent, respectively, responded that they embody these values "very well."

“ We offer free children’s arts and crafts classes three weeks in July, twice per week. In our Appalachian foothills community, it is critical that we stimulate creativity during the summer hiatus from the classroom, and that we use ‘tools’ that are readily available in the home, so that students can go back to their environment and continue the arts activities with their neighbors and siblings.”

A small arts and culture organization on being CARING

FIGURE 7:
Respondents claiming to embody core values "well" or "very well"*



*Weighted average

Source: Johns Hopkins Listening Post Project Nonprofit Values Sounding

Some additional key takeaways from these findings are:¹¹

- **Productive.** Even among the largest organizations, those with revenues in excess of \$3 million, only 33 percent responded "very well" to the question of whether their organizations are *productive* contributors to the economy. This finding is particularly striking in light of the fact that the nonprofit sector is a major employer and generates significant revenue, as shown in Figure 5.
- **Empowering.** Even among community development groups—the organizations with particularly strong connections to disadvantaged communities, and the field with the highest proportion reporting satisfaction with the way they embody the value of being *empowering*—the share of agencies claiming to embody this value "very well" was a fairly modest 39 percent. This further testifies to the challenge nonprofits are facing in promoting this long-standing nonprofit value.¹²
- **Enriching.** In line with their missions, organizations in the arts and culture field were especially likely to report embodying the *enriching* value "very well," with 72-93 percent claiming this level of success in embodying this value. But substantial majorities of other types of organizations also reported embodying this value "well" or "very well."
- **Caring.** Similarly, the vast majority of all types of respondents indicated that they embody the *caring* attribute "well" or "very well." Not surprisingly, social service providers in particular felt they are doing a good job of this, with 75 percent of all elderly housing and services organizations and 88 percent of children and family services agencies stating that they embody this attribute "very well."

“During a weather emergency that had government agencies and roads closed for several days, our volunteer corps walked to make wellness checks and deliver meals to our frail elderly clients.”

A large elderly housing and services organization on being RELIABLE

“2,048 schoolchildren who visit on field trips would not otherwise be challenged or experience art, history, and science in this rural community, nor in a context relevant to them.”

A mid-sized museum on being ENRICHING

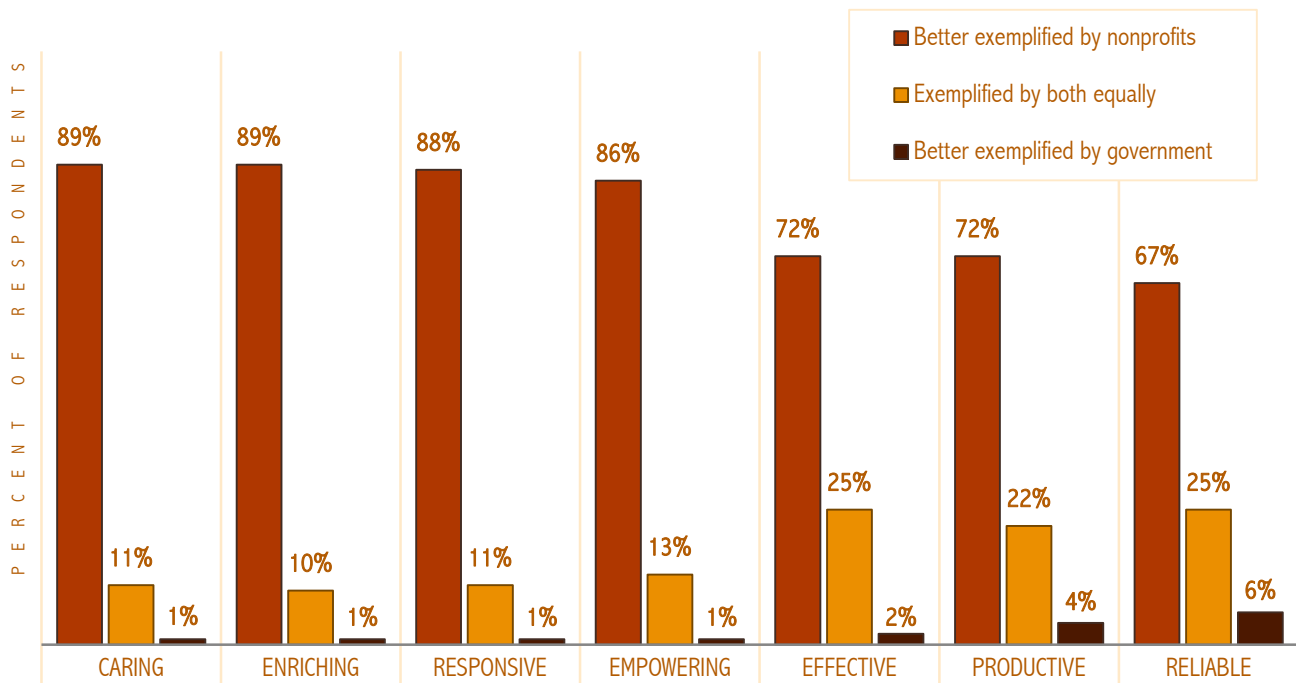
NONPROFITS VS. OTHER SECTORS

As shown in **FIGURE 8**, 67-89 percent of respondents agreed that nonprofits exemplify all seven attributes better than government. With respect to only one value—being reliable—do even close to a third of respondents credit government with being better than, or equal to, nonprofits.

“ After Katrina, when there were no other social service agencies in our community, we rapidly shifted to meet the needs of the community and adapted our methods, techniques and foci as the needs changed and time progressed. Government and the for-profit sector lacked this social entrepreneurship and were late to the game.”

A small community and economic development organization on being RESPONSIVE

FIGURE 8:
Nonprofits believe they exemplify all core values better than government*



*Weighted average

Source: Johns Hopkins Listening Post Project Nonprofit Values Sounding

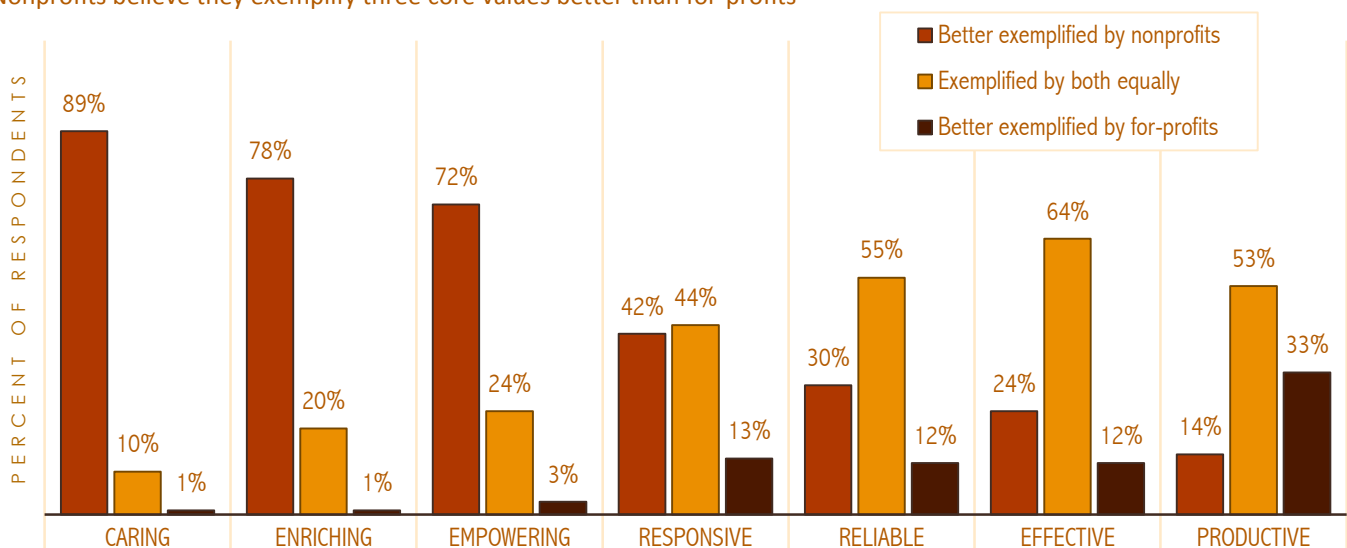
“ We stress the importance of helping our participants understand how important their participation is when it comes to being active in their community. Whether before public officials or within their community, we equip our participants with the skills and financial tools to create a better future for their families and communities. We use organizing and advocacy as ways to grow this ability to empower citizens to take control of their own circumstances.”

A mid-sized community and economic development organization on being EMPOWERING

However, as **FIGURE 9** shows, when it comes to the comparison with for-profits the story is far more complicated. The responses to this question help to reveal the **true, special "value-adds"** of the nonprofit sector in the minds of sector leaders—being *caring*, *enriching*, and *empowering*—which large majorities of the respondents felt nonprofits exemplify better than for-profits. Substantial majorities of respondents also felt that they do better than, or are at least on a par with, for-profits with respect to three of the other attributes—being responsive, reliable, and effective.

Again, however, the attribute of being *productive* stands out—with a third of respondents indicating that the for-profit sector better exemplifies this value. This is, of course, an area where for-profits have claimed a virtual ideological monopoly. But, as we have seen throughout this report, there also appears to be a general failure among nonprofits to fully grasp and embrace their economic contribution, and this perhaps leads them to underestimate their effectiveness in embodying this attribute. It is important to note, however, that despite this overall tendency, even here two-thirds of nonprofit respondents rated their sector on a par with or better than for-profits.

FIGURE 9:
Nonprofits believe they exemplify three core values better than for-profits*



*Weighted average

Source: Johns Hopkins Listening Post Project Nonprofit Values Sounding

INADEQUATE COMMUNICATION OF THESE VALUES

Of particular importance to the effort to preserve and enhance the nonprofit sector's public trust and advantages, over 50 percent of respondents said that neither the **general public** nor **government officials** have a solid grasp of the nonprofit sector's special qualities. Of equal importance is the belief by over a third of respondents that both the **media** and **organizational funders** are also missing this information, as are nearly a quarter of their current and potential clients, customers, patrons and members, as seen in **FIGURE 10**.

These findings are critical to understanding why the sector is facing some of the challenges it is today. Understanding **WHY** these messages have failed to penetrate external audiences and **HOW** they can be better communicated will be crucial to facing those challenges successfully.

When given the opportunity to elaborate on *why* their external stakeholders have such a poor grasp of the values that their organizations embody, respondents cited a variety of reasons including individual *biases and stereotypes* that can make it hard for nonprofits to gain acceptance within their communities, and the *complex nature of many nonprofit services and programs*, which can make it difficult for people outside the organization to understand their operations. Also, 54 percent of all respondents felt that the task of articulating and communicating these values has become more difficult over the past three years as public attention has turned to the economy and growing budget deficits.

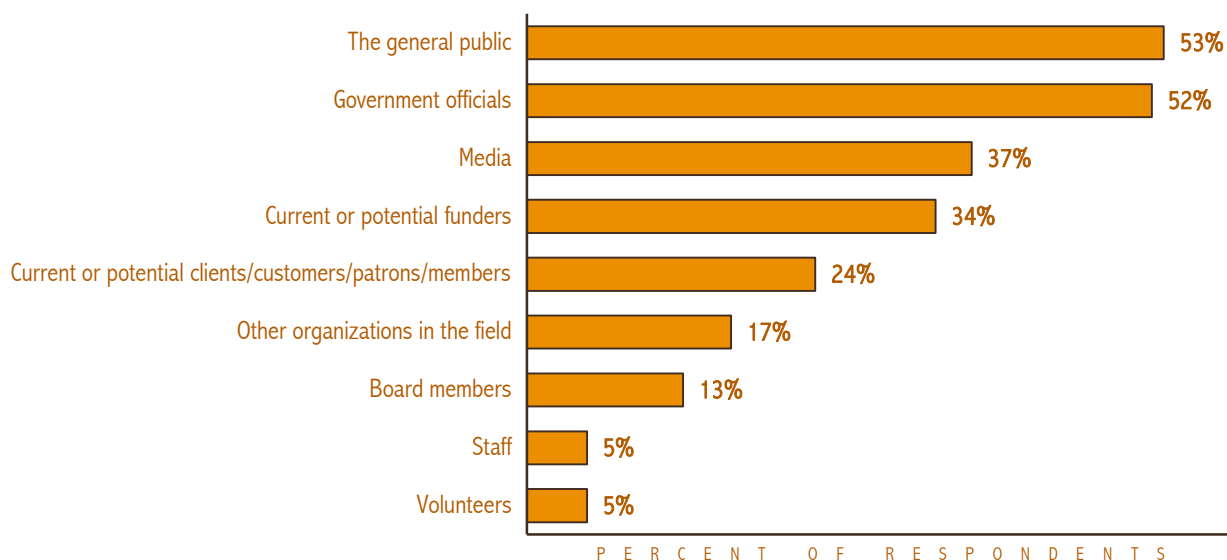
“ We serve a group of individuals who are somewhat scary to people and who have enormous and expensive needs. As a result it is hard to get appropriate attention as well as sustainable funding levels.”

Large elderly housing and services organization

“ Media emphasizes stories of nonprofits behaving badly (or accused of that) rather than stories which highlight our qualities and attributes.”

Small museum organization

FIGURE 10:
Nonprofits feel many key stakeholders do not "get" these nonprofit values



*Weighted average

Source: Johns Hopkins Listening Post Project Nonprofit Values Sounding

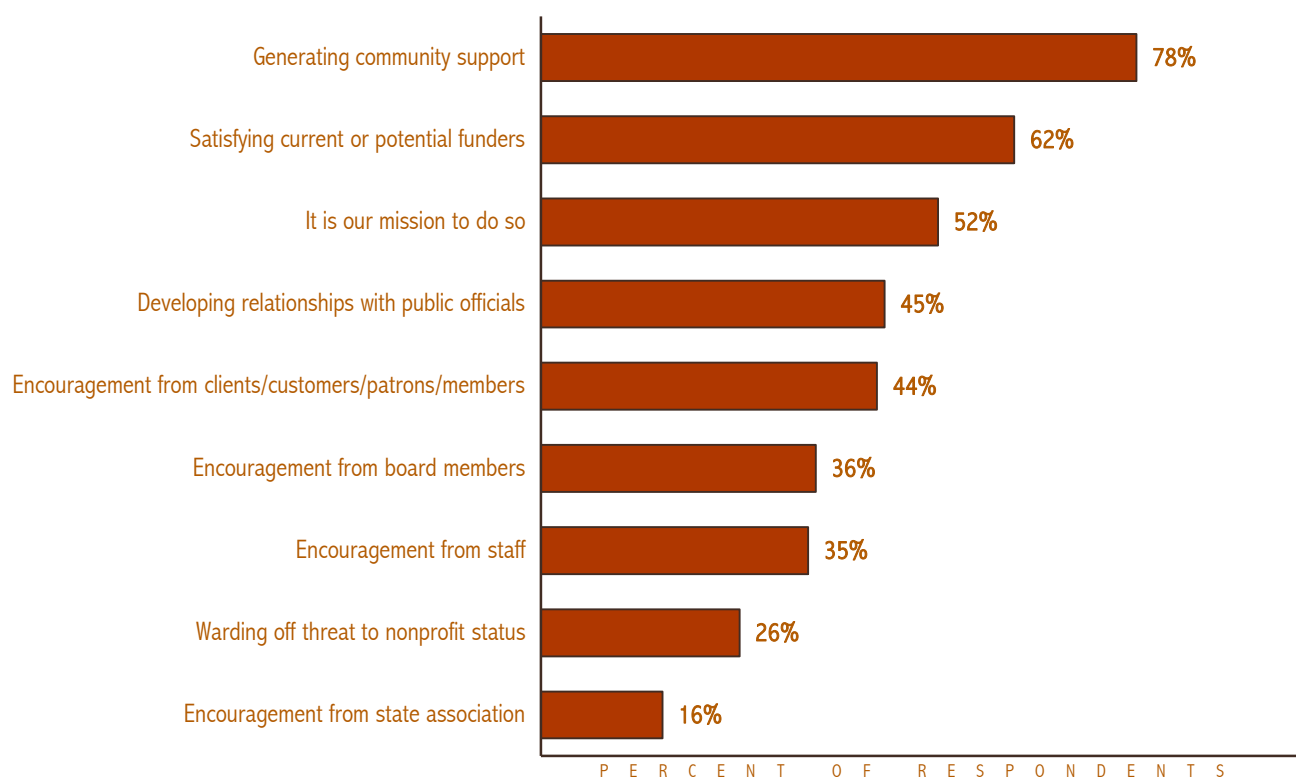
“ Nonprofit arts organizations face an increasing challenge to raise money because many corporations and individuals want to give to ‘basic needs’ charities. It’s difficult to convince people that we DO fulfill a basic need.”

Mid-sized orchestra organization

However, the problem cannot be blamed on these external barriers alone. **Fully 62 percent of respondents acknowledged that the nonprofit sector does a poor job of articulating its special qualities to people outside the sector**, and 43 percent of all respondents disagreed with the statement, “organizations like mine do a good job of articulating their public benefit to others.” It thus appears that a significant part of the responsibility for the limited understanding of the nonprofit sector’s core values on the part of key external stakeholders lies with the sector itself.

In fact, respondents were in fundamental agreement that it is critical for nonprofits to do something about this shortcoming for a number of reasons, as reflected in **FIGURE 11**.

FIGURE 11:
Reasons respondents cited as "very important" for more effectively highlighting and articulating nonprofit values*



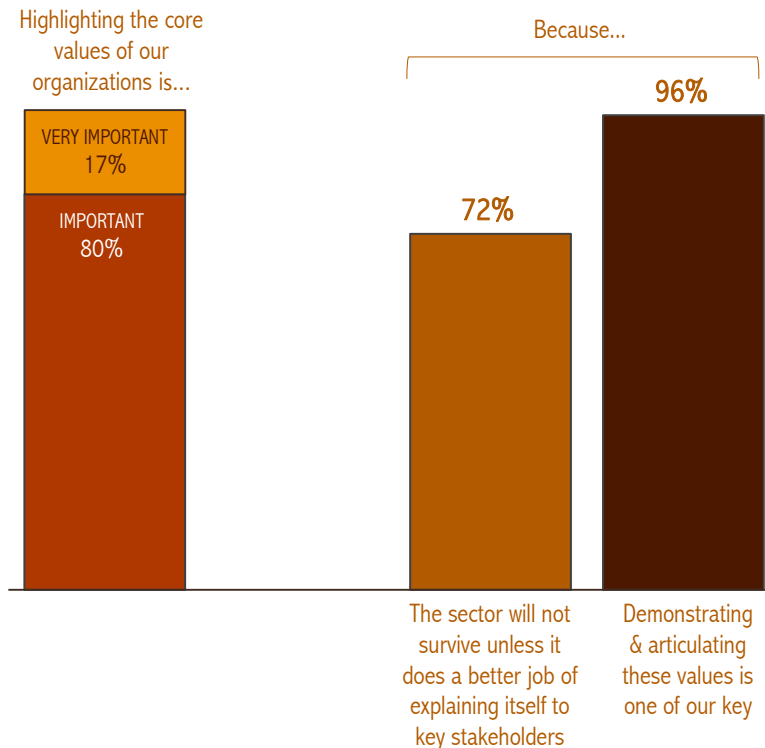
*Weighted average

Source: Johns Hopkins Listening Post Project Nonprofit Values Sounding

Overall, the numbers in favor of boosting efforts to communicate these attributes were striking, as demonstrated by the responses in **FIGURE 12**. In another positive sign, 56 percent noted that their organization has increased its efforts to highlight or promote its core attributes since the onset of the recession.

However, the survey revealed that nonprofits will need access to a number of resources, detailed in **FIGURE 13**, in order to undertake a serious, concerted, and coordinated campaign to promote understanding of their core values. Especially notable among these were respondents' recognition of the need for "better understanding" of what these values are, how to define them, and how to articulate them to others—features that we hope that the work outlined here has begun to address.

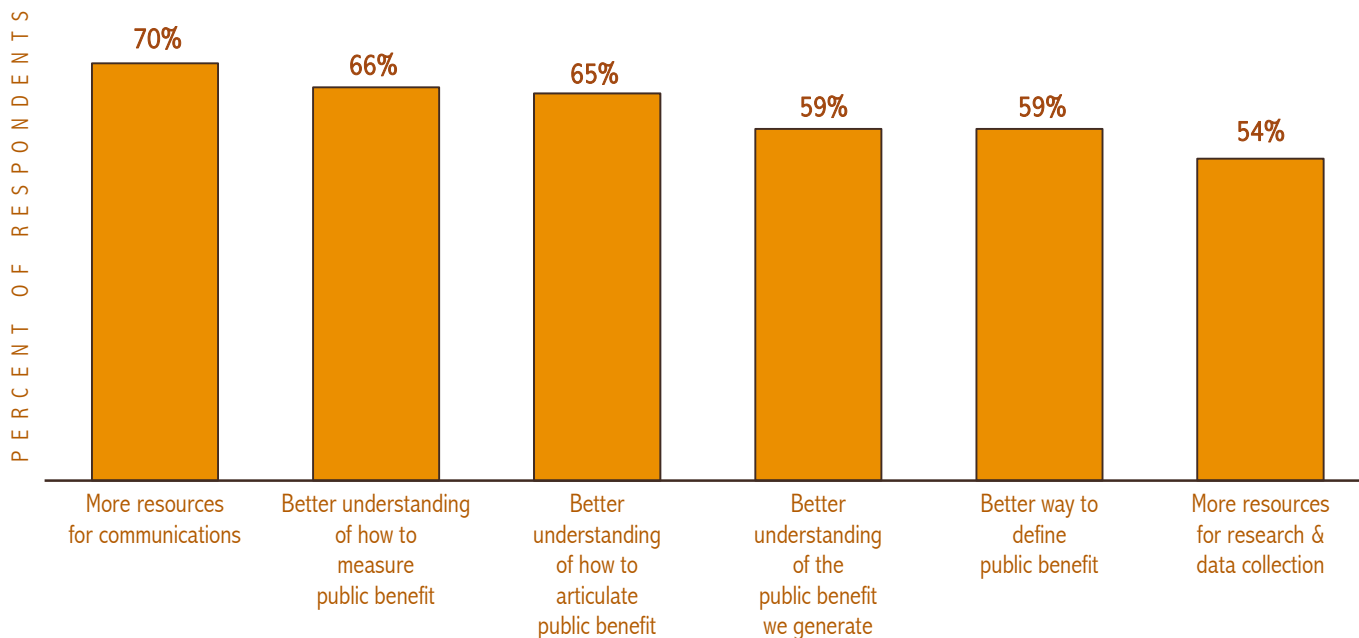
FIGURE 12: Support for boosting efforts to communicate the core nonprofit values*



*Weighted average

Source: Johns Hopkins Listening Post Project Nonprofit Values Sounding

FIGURE 13: Resources considered to be “very useful” to boost understanding of the nonprofit sector’s core attributes*



*Weighted average

Source: Johns Hopkins Listening Post Project Nonprofit Values Sounding

TOWARDS RENEWAL

The nonprofit sector is a valued contributor to American society. Sector leaders are in widespread agreement about the core values their organizations embody—powerful values of *caring, effectiveness, reliability, responsiveness, empowerment, productiveness*, and social and cultural *enrichment*. Significantly, these values—rather than the structural features such as voluntarism and charitable giving so prominent in the public's perception of the sector—are what define nonprofit organizations in the minds of nonprofit leaders when given the chance to reflect on the topic.

At the same time, our survey reveals significant difficulties in manifesting these attributes and conveying them to key target audiences. Difficulties are apparent in several domains:

- An historically critical attribute—the sector's role in *empowering* and mobilizing citizens and contributing to public discourse—seems to be attracting somewhat less vigorous endorsement from sector organizations.
- Sector leaders seem less certain about the *productiveness* of their efforts—the contribution they are making to the economy through their role as significant job producers and economic engines. This seems to be a critical area where improved understanding is needed within the sector to address the pervasive under-estimation of the sector's ability to achieve significant economic impact. After all, the nonprofit sector is the **3rd largest employer among U.S. industries**, and even managed to create new jobs through the recent recessionary period.¹³ Given the current state of the economy, it is crucial that this message penetrate to those who will be advocating for the sector.
- Serious doubts exist about the success with which the sector is articulating and communicating its core values, and hence about whether key stakeholders—in particular the general public and government officials—truly credit nonprofits with these values.
- Grassroots nonprofit leaders in the key fields covered by our survey are convinced that this is a problem that needs to be addressed for the sector to survive in the years ahead and that a serious effort to clarify and project the sector's core set of values would be an important next step for the nonprofit sector to undertake.

“ Our clients are the nonprofit sector. Many don't understand the need to be engaged, continually trained, and participatory in the sector as a whole. Their focus is too narrow on their field and don't value the advantages of embracing the entire nonprofit community.”

Small nonprofit services respondent

America's nonprofit organizations are a national treasure, yet they stand at a crossroads today. To retain their special role in American life they need to be firmly grounded in a set of defining values, but those values cannot be static or backward-looking. Now is a time for revisiting those values and renewing the sector's understanding and commitment to them. Armed with a consensus around a critical set of sector values and attributes and a substantial body of examples of how those values are being exemplified in the day-to-day operation of actual nonprofit organizations, the nonprofit sector will be well positioned to preserve its special role in American society.

We hope that this report will be just the first step in exploring this important issue and implementing a nonprofit renewal strategy. Rather than the last word on this topic, we see it as the opening of an important—and much larger—conversation about the values that nonprofits should embody and pursue. We recognize that there are many other types of nonprofits than the ones covered here and that perspectives may differ along a number of lines. At the same time, we remain hopeful that a significant element of consensus will emerge from the discussion that results. We encourage you to join this conversation—either to agree or disagree with the findings reported here. We also urge you to share this document with others in your network. In order to engage as many voices as possible, we have launched a multi-faceted campaign of dissemination and feedback, and plan to expand that campaign throughout 2013.

Beyond this, we have already begun to amass a battery of examples of ways in which organizations embody these attributes and invite others to offer examples from their own experiences. We are developing a series of online venues for sharing these stories among sector organizations and with the public at large.

Please join us at the links to the right to become part of this conversation, and help us stimulate the broader discussion that is needed.

JOIN THE CONVERSATION TODAY!

READ → ccss.jhu.edu/blog

TWEET → [@JHUCCSS](https://twitter.com/JHUCCSS) | [#nonprofitvalues](https://twitter.com/JHUCCSS)

LIKE → [facebook.com/JHUCCSS](https://www.facebook.com/JHUCCSS)

EMAIL → listeningpostproject@jhu.edu

APPENDIX A: METHODOLOGICAL NOTE

PROJECT BACKGROUND

The Listening Post Project is a collaborative undertaking of the Johns Hopkins Center for Civil Society Studies and eleven partner organizations— the Alliance for Children and Families, the Alliance for Nonprofit Management, the American Alliance of Museums, the Arc, Community Action Partnership, LeadingAge, the League of American Orchestras, Lutheran Services in America, Michigan Nonprofit Association, the National Council of Nonprofits, and United Neighborhood Centers of America. The Listening Post Project was launched in 2002 to provide more reliable and timely information on the major challenges facing U.S. nonprofit organizations and the promising approaches nonprofit managers are applying to cope with them.

FOCUS: THE TARGET POPULATION

Given the enormous diversity of the nonprofit sector, decisions had to be made about the focus of this project. Because considerable information is already available on the two largest components of the sector—hospitals and higher education—the decision was made to exclude these two segments and to focus on the remaining core of the 501(c)(3) universe of nonprofit organizations, including particularly organizations operating in the various areas of social services; youth development; elderly services; community improvement and support; arts, culture, and recreation; and advocacy.¹⁴

Altogether, just under 300,000 organizations fall into these categories, as reflected in filers of the Form 990 required of all nonprofit organizations with at least \$25,000 in revenue. As shown in **TABLE A1**, the vast majority of these organizations (73 percent) are small, with annual revenues of under \$500,000. However, this 73 percent of the organizations accounts for only 4 percent of the activity of nonprofits in these fields as reflected in organizational revenues and expenditures. By contrast, 84 percent of the revenues are spent by the 8 percent of organizations with over \$3 million in revenue each. Under these circumstances, a straight random sample of this segment of the nonprofit sector would miss the vast majority of nonprofit activity unless the sample were enormously large.

TABLE A1:
Population distribution

REVENUE SIZE CATEGORY	N	TOTAL REVENUE	% OF ORGANIZATIONS	% OF REVENUE
Under \$500,000	210,085	\$22,416,568,758	73%	4%
\$500,000-\$3million	54,208	\$65,900,817,453	19%	12%
>3million	24,429	\$451,514,960,873	8%	84%
TOTAL	288,722	\$539,832,347,084	100%	100%

SAMPLING STRATEGY

To avoid this outcome, we adopted a *stratified* sampling strategy. A stratified sampling strategy makes it possible to include a large enough sample of both small and large organizations to be able to make statistically valid statements about both the overwhelming majority of the activity and about the overwhelming majority of the organizations, and to determine whether the picture differs much between these two.

To accomplish this, we proceeded as follows:

- First, we recruited a "directed sample" of organizations recruited from among the members of our partner intermediary organizations. This approach was chosen because of the potential assistance the partners promised to provide in following up with potential respondents, a major challenge in survey research aimed at nonprofit organizations.
- Second, in order to make sure that the partner-organization members did not constitute a skewed sample of organizations in their respective fields, we picked a random sample of organizations in the same fields using Internal Revenue Service listings of 990 filers in these fields as our sampling frame.
- Third, because this process still yielded too few small organizations to give us confidence in making statistically valid observations about the universe of in-scope small *organizations*, as opposed to the universe of in-scope nonprofit *activity*, we supplemented this sample further in preparation for the present survey in two ways: (a) by reaching out to another roughly 7,000 small nonprofits to ensure we could boost our projected small-organization respondents to a statistically adequate size; and (b) by forging a partnership with Guidestar under which a link to our Sounding was posted in Guidestar E-Newsletters.

For the present Nonprofit Values Sounding, these steps yielded a robust sample of 731 responding organizations. Of these, 583 resulted from the 1,436 organizations in our directly recruited random and directed samples, yielding a response rate of 42 percent. The remaining 148 respondents resulted from the Guidestar posting.

As noted in **TABLE A2**, 34 percent of the resulting sample of respondents were part of the directed sample made up of members of our partner organizations, and 66 percent were randomly selected participants, including those generated through the Guidestar posting.

TABLE A2:

Shares of directed and random subsamples

	SAMPLE	
	N	%
Directed	250	34%
Random	481	66%
TOTAL	731	100%

Source: Johns Hopkins Listening Post Project Nonprofit Values Sounding

WEIGHTING

As noted in **TABLE A3**, this sampling strategy resulted in a substantial improvement in the participation of smaller organizations in the study, boosting their share to 44 percent of the sample. At the same time, this still left them well below their 70+ percent share in the overall population. With the substantial number of small organizations now in the sample, however, it was statistically valid to weight the sample to resemble the population of organizations using standard statistical weighting procedures. In particular, we used a weighting system based on the probability of selection to each of the three size categories—small, medium and large. The results of these weights on the sample distribution by size are shown in Table A3.

TABLE A3:

Distribution of unweighted sample, weighted sample, and population of in-scope organizations, by size

SIZE CATEGORY	UNWEIGHTED SAMPLE		POPULATION	WEIGHTED SAMPLE
	N	PERCENT	PERCENT	PERCENT
Under \$500,000	323	44%	73%	70%
\$500,000-\$3million	166	23%	19%	18%
>3million	209	29%	8%	8%
Unknown	33	5%		4%
TOTAL		100%	100%	100%
N=	731		288,722	731

Source: Johns Hopkins Listening Post Project Nonprofit Values Sounding

SAMPLE DISTRIBUTION

The effects of the weighting system on the sample can be further demonstrated by examining unweighted and weighted distributions in relation to the population by region. As shown in **TABLE A4**, the geographical distribution of the weighted sample closely resembles that of the unweighted sample, as well as that of the population of in-scope organizations. The only slight deviation is the slight over-representation of Midwestern organizations compared to their representation in the population of organizations due very likely to the inclusion of a special Michigan component in the project. However, the weighted sample has the effect of reducing this over-representation compared to the unweighted sample.

TABLE A4:

Distribution of unweighted sample, weighted sample, and population of in-scope organizations, by region

REGION	POPULATION N=288,722		UNWEIGHTED SAMPLE N=730	WEIGHTED SAMPLE N=731
	N	PERCENT	PERCENT	PERCENT
Northeast	74,467	26%	24%	23%
Midwest	66,081	23%	31%	29%
South	78,688	27%	25%	26%
West	68,029	24%	20%	21%
Other/missing	1,457	1%	1%	1%
TOTAL	288,722	100%	100%	100%

Source: Johns Hopkins Listening Post Project Nonprofit Values Sounding

REPORTING FORMAT

Thanks to the expansion of our small-organization sample and the addition of statistical weighting procedures, we consider the sample used in this Communiqué to be reasonably representative of the population of nonprofit organizations under investigation. As noted above, however, given the skewed composition of the resources of this segment of the nonprofit sector, being representative of the population of organizations is not the same as being reasonably representative of the activity carried out by this segment of the nonprofit sector. To ensure that both of these dimensions of the sector's reality were taken into account in interpreting the results, we proceeded as follows:

- We first determined whether there were significant differences in the responses of large and small organizations to determine if the picture using the sample weighted to represent the population of organizations would produce noticeably different results from the unweighted sample, which provided a better picture of the bulk of the activity.
- If no significant differences were identified, we reported the weighted results.
- If differences were detected, we supplemented the reporting using the weighted sample with data comparing results by size of organization.
- As it turned out, size differences were not evident in virtually any of the results.

APPENDIX B: DETAILED SURVEY RESPONSES

TABLE B1:

Respondents noting core attributes are "very important" or "important" for the nonprofit sector to embody, by field and class size*

	EFFECTIVE		RESPONSIVE		RELIABLE		CARING		ENRICHING		EMPOWERING		PRODUCTIVE	
	VERY IMPORTANT	IMPOR-TANT	VERY IMPORTANT	IMPOR-TANT	VERY IMPORTANT	IMPOR-TANT	VERY IMPORTANT	IMPOR-TANT	VERY IMPORTANT	IMPOR-TANT	VERY IMPORTANT	IMPOR-TANT	VERY IMPORTANT	IMPOR-TANT
BY FIELD														
Children & family	97%	3%	91%	9%	88%	11%	89%	11%	62%	34%	56%	32%	56%	33%
Community & economic development	84%	14%	88%	13%	77%	23%	76%	22%	54%	37%	64%	27%	60%	32%
Elderly services	86%	14%	89%	11%	86%	14%	78%	19%	51%	38%	50%	36%	54%	38%
Museums	75%	23%	75%	23%	71%	26%	51%	43%	82%	18%	46%	48%	40%	44%
Orchestras	79%	21%	83%	17%	66%	31%	59%	28%	76%	21%	37%	43%	50%	27%
Theaters & arts	88%	11%	76%	22%	75%	25%	70%	23%	86%	9%	50%	30%	44%	41%
BY SIZE														
<500,000	85%	14%	86%	13%	80%	19%	75%	21%	72%	23%	58%	31%	51%	34%
500,000-3m	86%	13%	86%	15%	76%	24%	74%	24%	60%	34%	57%	31%	52%	37%
>3million	91%	8%	87%	12%	80%	19%	74%	22%	54%	33%	44%	43%	51%	42%
TOTAL	86%	13%	86%	13%	79%	19%	74%	22%	68%	26%	56%	32%	52%	35%

*Weighted average

Source: Johns Hopkins Listening Post Project Nonprofit Values Sounding

TABLE B2:

Respondents claiming to embody core attributes "very well" or "well," by field and class size*

	EFFECTIVE		RESPONSIVE		RELIABLE		CARING		ENRICHING		EMPOWERING		PRODUCTIVE	
	VERY WELL	WELL	VERY WELL	WELL	VERY WELL	WELL	VERY WELL	WELL	VERY WELL	WELL	VERY WELL	WELL	VERY WELL	WELL
BY FIELD														
Children & family	79%	19%	78%	19%	74%	22%	88%	9%	60%	25%	38%	36%	29%	43%
Community & economic development	57%	33%	56%	33%	70%	25%	69%	23%	51%	27%	39%	34%	33%	27%
Elderly services	75%	22%	64%	33%	78%	17%	75%	11%	46%	40%	26%	46%	31%	43%
Museums	49%	44%	49%	44%	63%	28%	34%	34%	72%	25%	21%	43%	21%	34%
Orchestras	89%	11%	50%	46%	66%	35%	27%	40%	93%	7%	14%	38%	31%	28%
Theaters & arts	73%	17%	48%	38%	74%	12%	44%	28%	85%	9%	17%	34%	17%	23%
BY SIZE														
<500,000	70%	24%	63%	31%	72%	21%	61%	22%	70%	20%	31%	37%	24%	31%
500,000-3m	71%	22%	56%	38%	70%	27%	60%	25%	62%	27%	35%	31%	24%	42%
>3million	70%	27%	59%	35%	81%	15%	63%	24%	60%	30%	28%	41%	33%	46%
TOTAL	71%	23%	61%	33%	72%	21%	61%	23%	68%	22%	31%	36%	25%	33%

* Weighted average.

Source: Johns Hopkins Listening Post Project Nonprofit Values Sounding

NOTES

- ¹ See for example: Lester M. Salamon and Stephanie L. Geller, *Taxing the Tax-Exempt Sector—A Growing Danger for Nonprofit Organizations* (2011) [ccss.jhu.edu/publications-findings?did=244]; Jonathan Weisman, "Democrats Like a Romney Idea on Income Tax," *New York Times*, November 12, 2012 [nytimes.com/2012/11/13/us/politics/democrats-like-a-romney-idea-to-cap-tax-deductions.html]. Over the past decade the nonprofit share of private employment has decreased by nearly 8 percent in the social assistance field, by 4 percent in the education field, and by 2 percent in the health field as for-profit employment has expanded. Lester M. Salamon and Stephanie L. Geller, *Holding the Fort: Nonprofit Employment during a Decade of Turmoil* (2012) [ccss.jhu.edu/publications-findings?did=369].
- ² For a more detailed discussion of these impulses, see Lester M. Salamon, "The Resilient Sector: The Future of Nonprofit America," in *The State of Nonprofit America*, edited by Lester M. Salamon. Second Edition. (Washington, D.C.: Brookings Institution Press, 2012), 13-19.
- ³ Salamon, "The Resilient Sector: The Future of Nonprofit America," in *The State of Nonprofit America*, Salamon, 2012, 20.
- ⁴ For a fuller description of the Listening Post Project and its methodology, see **APPENDIX A**.
- ⁵ More specifically, the Project first fielded this Sounding to its enlarged nationwide sample of organizations during the fall of 2011 and winter of 2012. 583 Listening Post organizations responded, producing a response rate of 42 percent, which is quite respectable in this sector, particularly at a time of economic hardship. To help ensure the results reflected an even broader swath of the sector, we then circulated the survey through Guidestar's spring monthly e-newsletters, boosting the total number of respondents to 731. See Appendix A for a fuller description of the sampling method and the composition of the resulting sample of respondents.
- ⁶ Unless otherwise noted, when we refer to nonprofits in discussing the findings of this survey here, we are referring to the nonprofit respondents to this survey weighted to represent the population of organizations in these fields.
- ⁷ We are indebted to our Project Steering Committee, which represents leading nonprofit intermediary organizations, as well as to several outside experts who helped in the identification of these key value components.
- ⁸ Although a quarter of the respondents identified an additional attribute they would add to this list, most of these were already embraced in the seven we had identified (e.g., being "accountable," which several respondents proposed to add, was an element identified as being part of being "reliable;" and being "benevolent," identified by others, is a synonym for being "caring," one of the seven initially identified).
- ⁹ These slight differences in the emphasis that respondents gave to various attributes is understandable enough given the considerable diversity of the organizations in our sample. As noted in Appendix A, once weights were applied, 70 percent of our respondents were small organizations, and roughly 22 percent were in the field of social services, 34 percent in arts and culture, and 14 percent in community development. Indeed, given the diversity of the sample what is most notable is the degree of consensus on the key attributes rather than the degree of difference. Nevertheless, some differences of emphasis were apparent and deserve mention. For the most part they make logical sense.
- ¹⁰ See **APPENDIX TABLE B1** for a detailed breakdown of these data.
- ¹¹ See **APPENDIX TABLE B2** for a full breakdown of these responses.
- ¹² For further evidence of the challenge nonprofits are facing sustaining this empowerment function, see Lester M. Salamon and Stephanie L. Geller, *Nonprofit America: A Force for Democracy?* (2008) [ccss.jhu.edu/publications-findings?did=260].
- ¹³ Lester M. Salamon and Stephanie L. Geller, *Holding the Fort: Nonprofit Employment during a Decade of Turmoil* (2012).
- ¹⁴ In addition to hospitals and higher education, this focus excluded several other specialized types of nonprofits, including organizations focusing on science and technology (NTEE Group U), social science (NTEE Group V), international, foreign affairs and national security (NTEE Group Q), crime and legal related (NTEE Group I), medical research (NTEE Groups G and H), and mental health treatment (NTEE Group F30).