

National Look at the State of Nonprofits

David L. Thompson

May 30, 2024



National Council of Nonprofits



National Look at the State of Nonprofits

David's Goals Today

Goal #1

- Share 3 Big Trends
- Are you seeing these too?

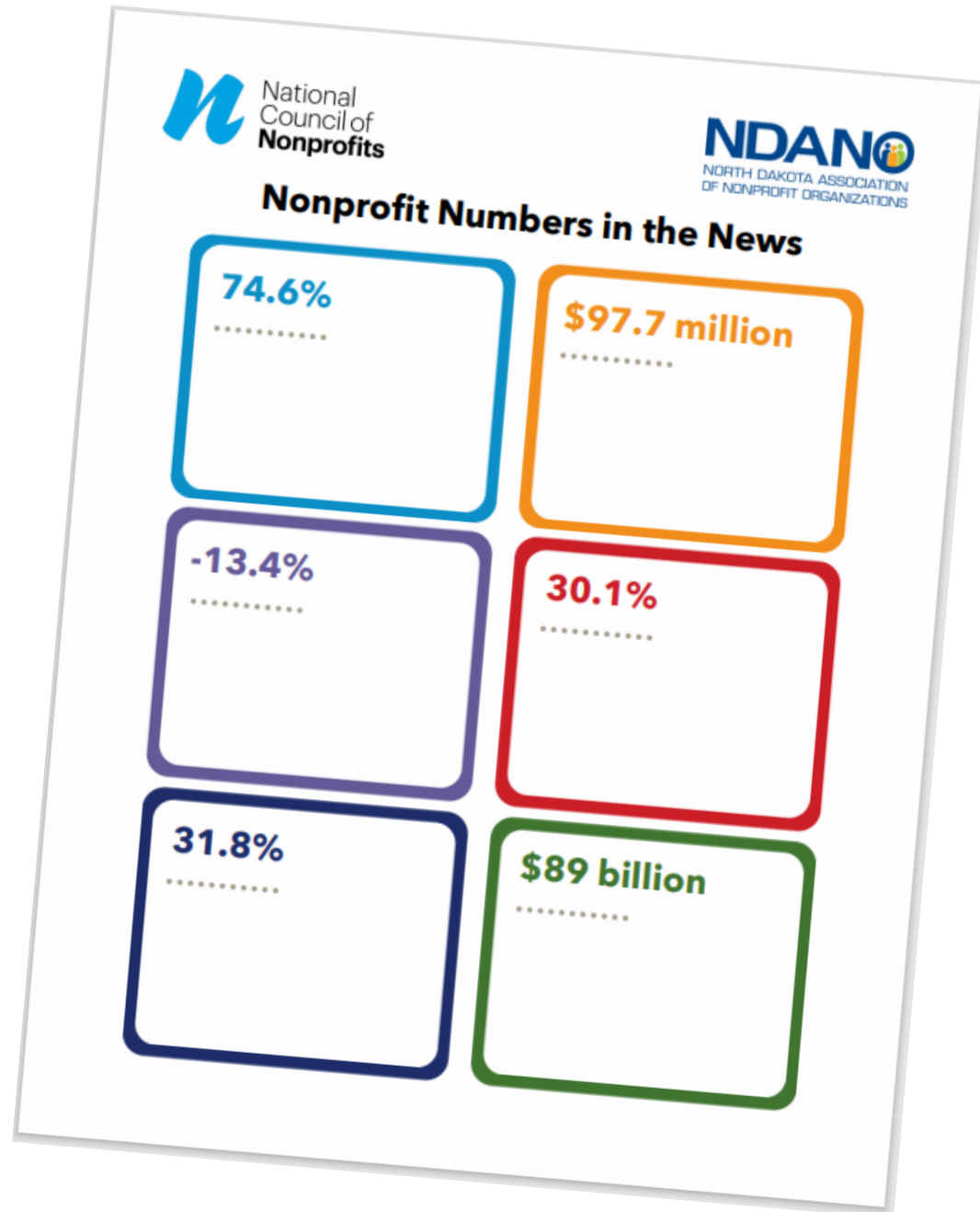
Goal #2

- Identify Solutions
- For you to push locally and in 2025 legislative session?

Goal #3

- Show where the money is sitting
- Ready for the asking!

As we get started

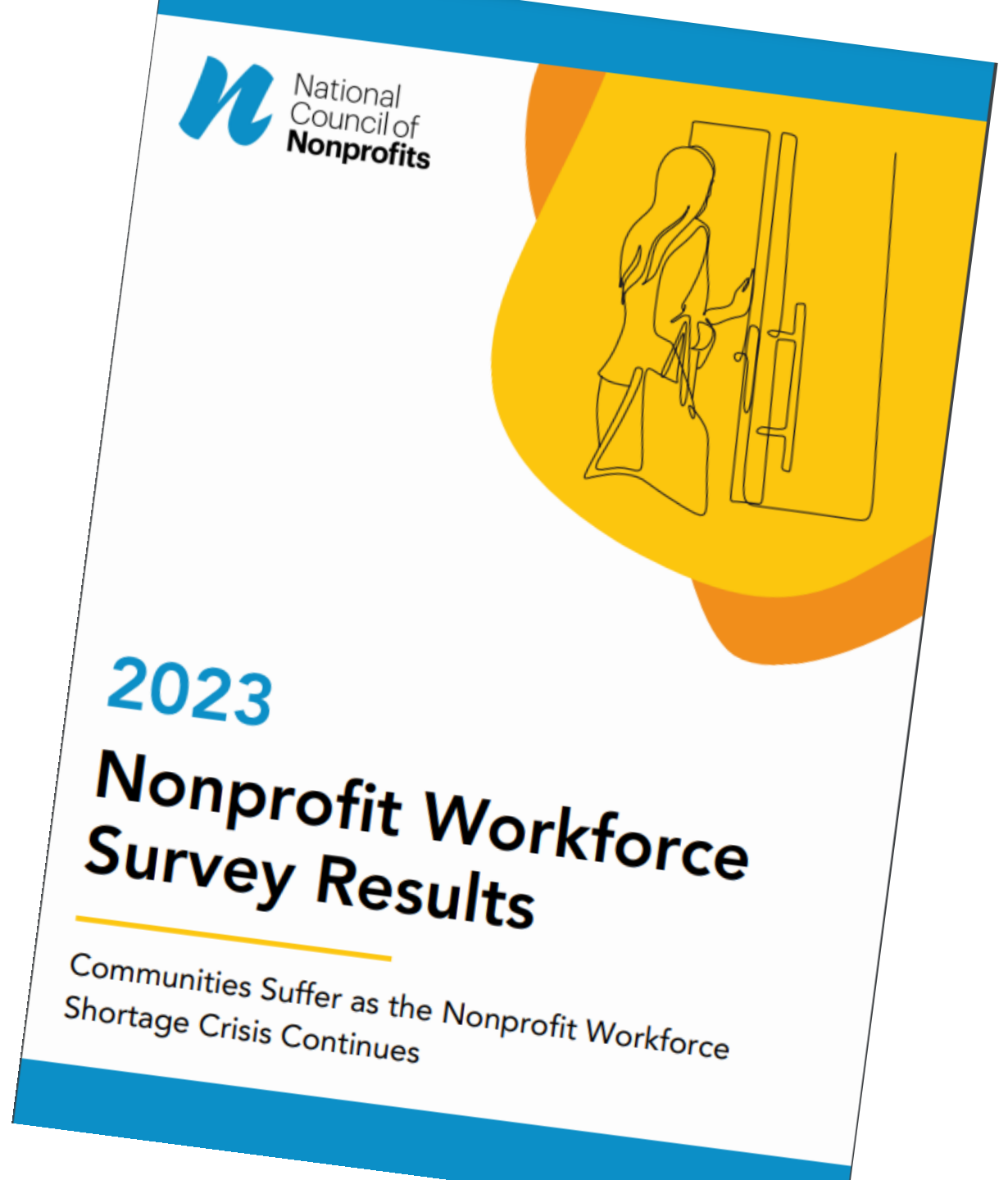


Can you imagine what David's going to cover?

First Big Trend

Nonprofit Workforce Shortage Crisis

Is your nonprofit having trouble hiring and retaining qualified staff?



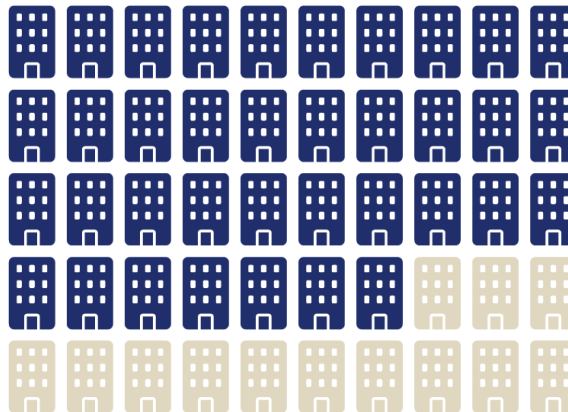
Nonprofit Workforce Shortage Crisis

Nonprofits Answered Yes

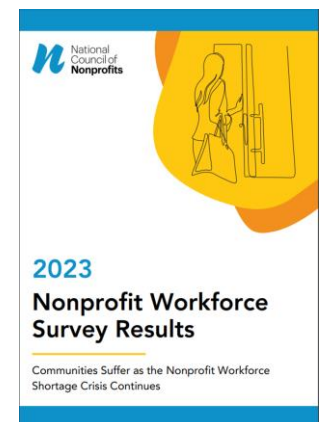
Nonprofit Workforce Shortage Continues

74.6%

of over 1,600 nonprofits surveyed in April 2023 reported job vacancies.



Champions for the public good.



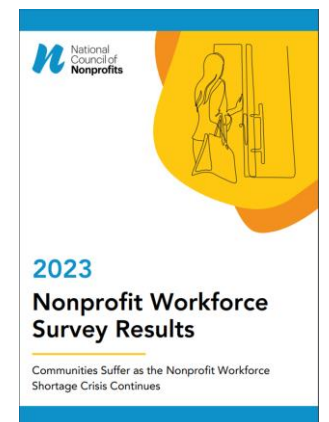
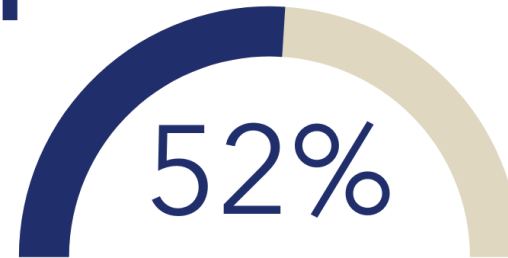
Nonprofit Workforce Shortage Crisis

Nonprofits Answered Yes

Nonprofit Workforce Shortage Continues

More than Half

of the nonprofits surveyed in April 2023 reported that they have more vacancies now than before the COVID-19 pandemic.



Nonprofit Workforce Shortage Crisis

Nonprofits Answered Yes

Top 3 Reasons for Vacancies



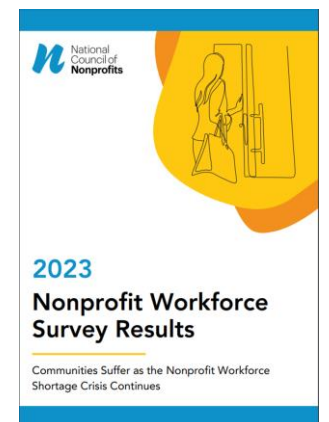
Salary
Competition



Budget Constraints
& Insufficient Funds



Stress &
Burnout



Nonprofit Workforce Shortage Crisis

Nonprofits Answered Yes

Top 3 Job Categories with Vacancies



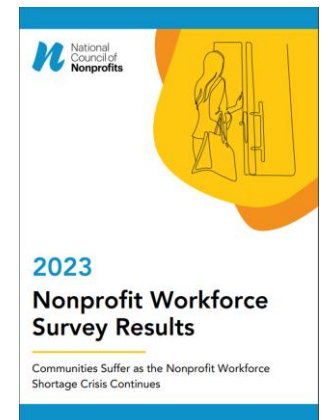
Program &
Service Delivery



Entry Level



Administration &
Human Resources



Nonprofit Workforce Shortage Crisis

Nonprofits Offered **Solutions**

Top 4 Policy Solutions for the Nonprofit Workforce Shortage



Reform
Government Grants
and Contracts



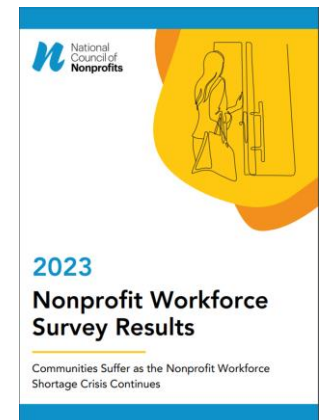
Adopt Charitable
Giving Incentives



Strengthen the Public
Service Loan
Forgiveness Program



Increase Access &
Supports for
Affordable Child Care



Nonprofit Workforce Shortage Crisis

Nonprofits Offered *Solutions*

Coping with Workforce Shortages

Child Care

A problem for nonprofits as providers and as employers. And a problem for businesses and governments too. **2024** bills:

- ✓ Employer Tax Credits (**AL**, ME, MO)
- ✓ Child Care Block Grants (**ID**)
- ✓ Expanded Child Care Subsidies (**IN**)
- ✓ Expanded Provider Subsidies (VT, WI)
- ✓ Regulatory, Certification Reforms (**KY**, **NE**)

Top 4 Policy Solutions for the Nonprofit Workforce Shortage



Reform Government Grants and Contracts



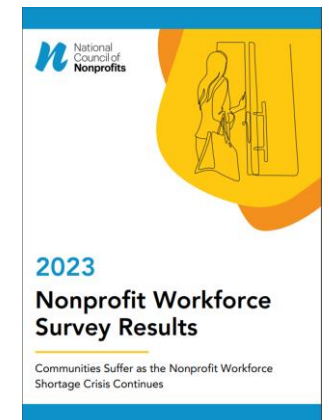
Adopt Charitable Giving Incentives



Strengthen the Public Service Loan Forgiveness Program



Increase Access & Supports for Affordable Child Care



Nonprofit Workforce Shortage Crisis

Nonprofits Offered **Solutions**

Coping with Workforce Shortages

Child Care

Student Loan Support

- State-Specific Relief Programs to reward public service
- Promotion of federal **Public Service Loan Forgiveness** (PSLF)
21% notified workers of their eligibility for PSLF

Top 4 Policy Solutions for the Nonprofit Workforce Shortage



Reform Government Grants and Contracts



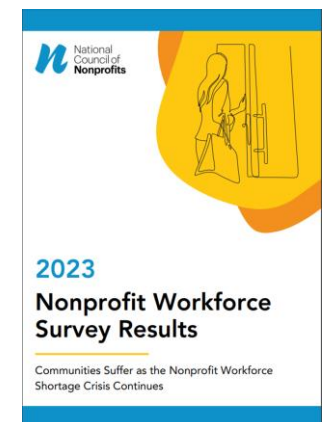
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Nonprofit Workforce Shortage Crisis

Nonprofits Offered **Solutions**

Coping with Workforce Shortages

Child Care

Student Loan Support

- State-Specific Relief Programs to reward public service
- Promotion of federal **Public Service Loan Forgiveness** (PSLF)

North Dakota loans forgiven:
(1,630 borrowers as of April 2024) **\$97.7 million**

Top 4 Policy Solutions for the Nonprofit Workforce Shortage



Reform Government Grants and Contracts



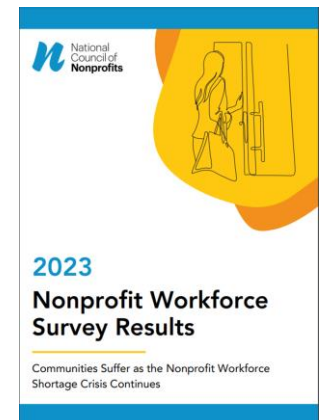
Adopt Charitable Giving Incentives



Strengthen the Public Service Loan Forgiveness Program



Increase Access & Supports for Affordable Child Care



Second Big Trend

Charitable Giving
(is it keeping up?)

Charitable Giving

Is it keeping up

- **With inflation?**
- **With Needs?**

Nationally

In 2022

- Giving by individuals dropped by 10.4 percent or **- 13.4%** when adjusted for inflation

Charitable Giving

Is it keeping up

- **With inflation?**
- **With Needs?**

Nationally

In 2022

- Giving by individuals dropped by 10.4 percent or **- 13.4%** when adjusted for inflation.

In 2023

- There was a **2.8 percent** decline in total giving compared to 2022.
- **3.4 percent** decline in individual donors.

Charitable Giving

Experience with Non-Itemizer Deduction

North Dakota

2021 Non-itemizer Deduction: 30.1%

The percentage of North Dakota returns that reported that they claimed a charitable deduction if they took the standard deduction in Tax Year 2021 - \$600 couples/\$300 individuals.

2020 Non-itemizer Deduction: 26.7%

The percentage of North Dakota returns that reported that they claimed a charitable deduction if they took the standard deduction in Tax Year 2020. \$300 couples or individuals.

Charitable Giving

Experience with
Non-Itemizer
Deduction

North Dakota

The Non-Itemizer Deduction

A policy that works.

Support the **Charitable Act**
(S. 566/H.R. 3435)

30.1%

that reported that they
took the standard
deduction for \$300 individuals.

26.7%

of North Dakota returns that reported that they
claimed a charitable deduction if they took the standard
deduction in Tax Year 2020. \$300 couples or individuals.

Third Big Trend

**Reforming Government Grants and
Contracts**

Why Government Grants Matter

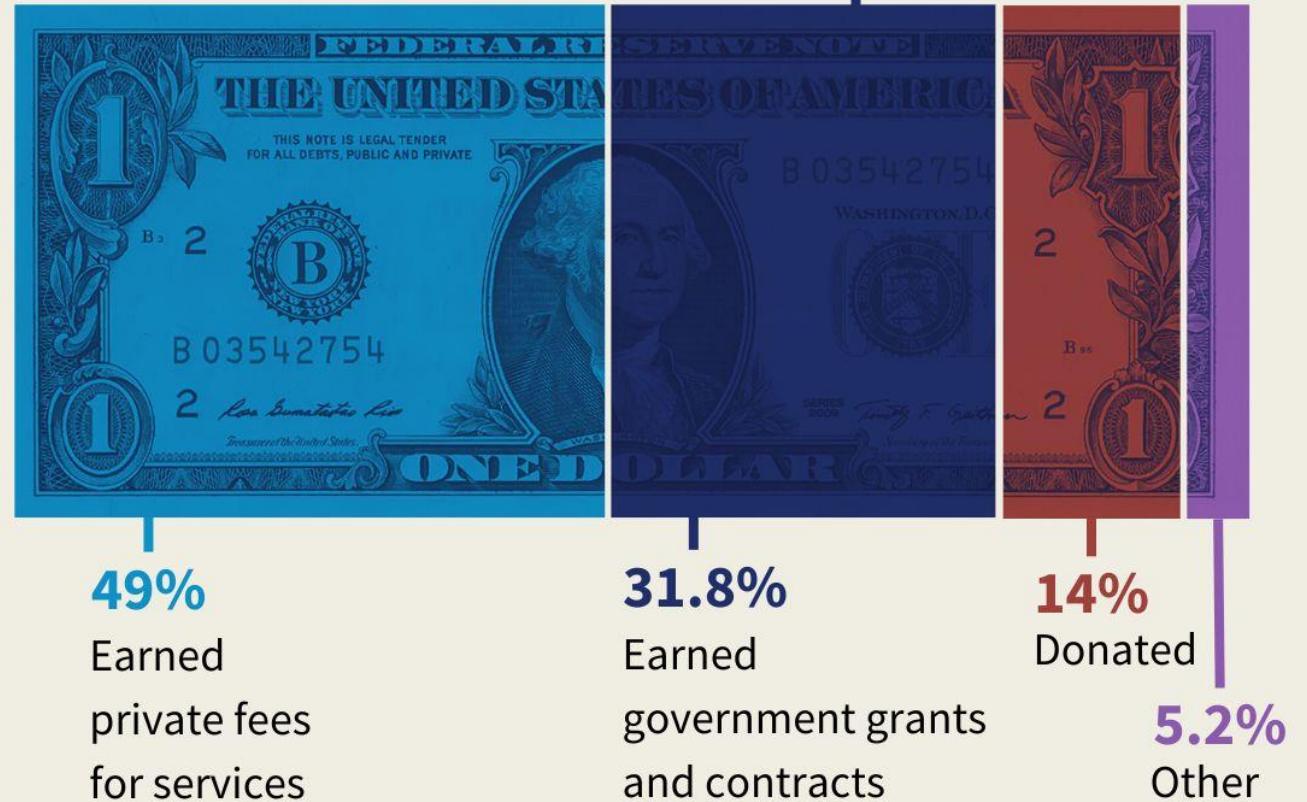
Nonprofit Revenue
31.8%

vs.

Donated Revenue
14%



Dollars earned through government grants and contracts account for **nearly 1/3** of the nonprofit sector's revenue.



Government Grants and Contracts

Historic Challenge for Charitable Nonprofits



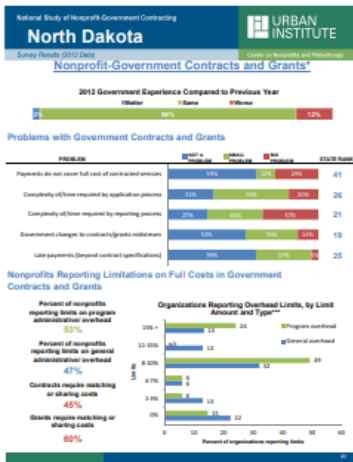
Nationwide Survey

Top Five Problems

1. Failure to Pay Full Costs
2. Application Aggravations
3. Reporting Requirements
4. Mid-Stream Changes to Contracts
5. Late Payments

Government Grants and Contracts

Historic Challenge for Charitable Nonprofits



Nationwide Survey

Top Five Problems

1. Failure to Pay Full Costs
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3. Reporting Requirements
4. Mid-Stream Changes to Contracts
5. Late Payments

ND

41

26

21

19

25

Government Grants and Contracts

Nonprofits Advancing Solutions



Federal Solutions

OMB Uniform Guidance

- ❖ Effective Oct. 1, 2024
- ❖ Higher Indirect Cost Rates - Mandated
- ❖ Less Complex Applications and Reporting Requirements
- ❖ Reduce Barriers to Entry; Advance Equity
- ❖ Nationwide Webinar: This Afternoon!

Government Grants and Contracts

Nonprofits Advancing Solutions



Federal Solutions

OMB Uniform Guidance

Federal Legislation

- ❖ **Streamlining Federal Grants Act** (S. 2286/H.R. 5934)
- ❖ Simplifies Applications (NOFOs)
- ❖ Asks Nonprofits for Input
- ❖ Elevates Technical Assistance for Nonprofits

Great Big Opportunity

State and Local Fiscal Recovery Funds
(*SLFRF*)

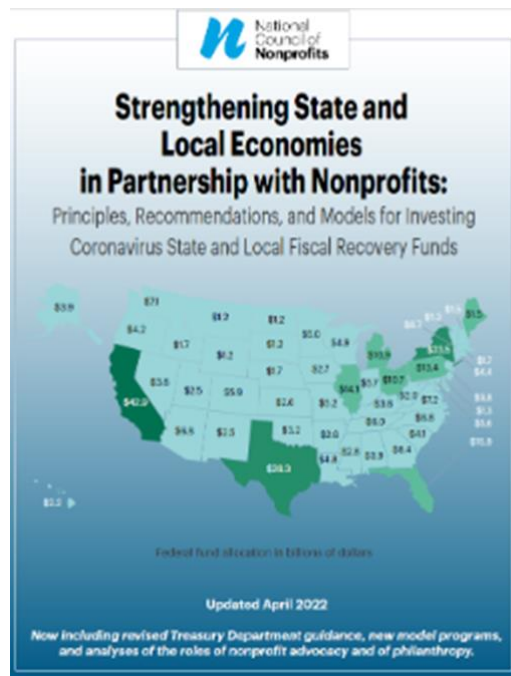
Pandemic Relief

**Important
Pandemic-Era
Funding
Streams that
have run out**

- ✓ **Paycheck Protection Program**
- ✓ **Economic Injury Disaster Loans**
- ✓ **Federal Reserve Loan Program**
- ✓ **Save Our Stages**
- ✓ **Employee Retention Tax Credit**

Pandemic Relief

Last Big Fund Standing



State and Local Fiscal Recovery Funds (SLFRF)

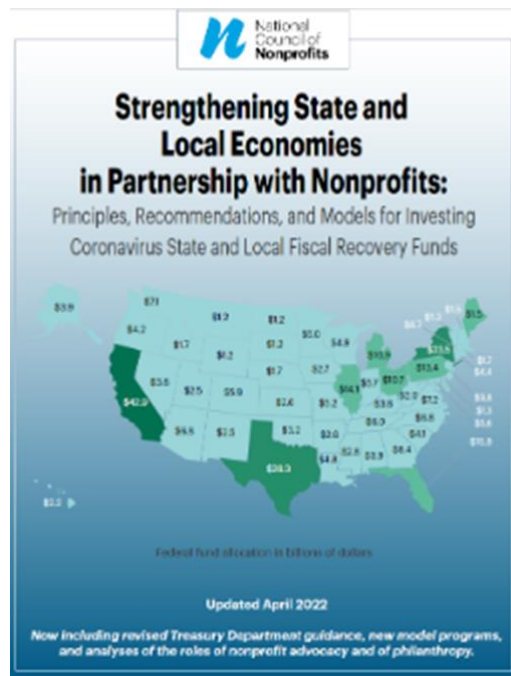
Enacted as part of the American Rescue Plan Act of 2021

\$350 billion in allocations to states, localities, tribes and territories.

For use in providing “assistance to households, small businesses, **and nonprofits**, or to aid impacted industries.”

Pandemic Relief

Last Big Fund Standing



State and Local Fiscal Recovery Funds (SLFRF)

Enacted as part of the American Rescue Plan Act of 2021

\$350 billion in allocations to states, localities, tribes and territories.

Governments can provide SLFRF grants to **nonprofits** as

- **Beneficiaries** of relief **AND**
- **Providers** of relief to others

Pandemic Relief

**How much
money are we
talking about?**

State and Local Fiscal Recovery Funds (SLFRF)

Enacted as part of the American Rescue Plan Act of 2021

\$350 billion in allocations to states, localities, tribes and territories. To **North Dakota** ...

\$1.0 billion to the state

\$145 million to ND's 49 counties

\$41 million to Bismarck, Fargo, and Grand Forks

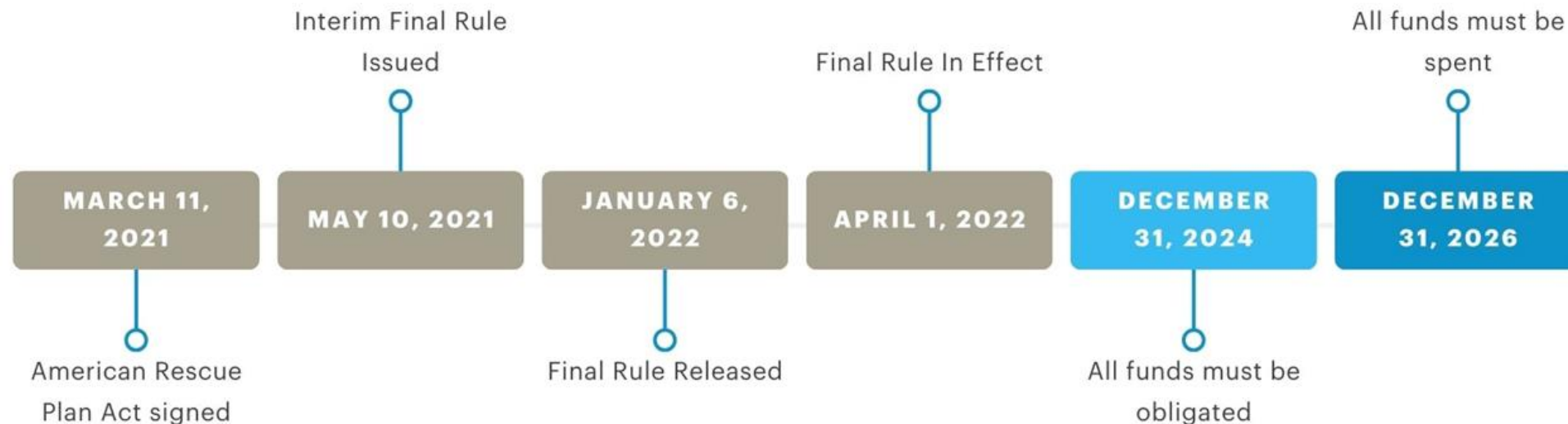
\$53 million to "non-entitlement areas"

Pandemic Relief

Last Big Fund Standing

State and Local Fiscal Recovery Funds (SLFRF)

Enacted as part of the American Rescue Plan Act of 2021



Pandemic Relief

Last Big Fund Standing



State and Local Fiscal Recovery Funds (SLFRF)

Enacted as part of the American Rescue Plan Act of 2021

SLFRF Money Still Unspent Nationwide

\$89 billion

Must Be Obligated by 12/31/2024!

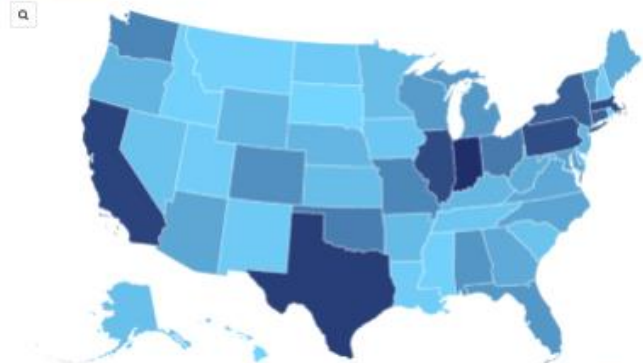
Pandemic Relief

Last Big Fund Standing

State and Local Fiscal Recovery Funds Data
Nonprofit Projects through December 31, 2023

This map shows the projects reported by state and local governments that mention nonprofits ("nonprofit," "non-profit," "not for profit," or "not-for-profit").

2 277



Source: U.S. Census Bureau 2021 Boundaries, U.S. Department of the Treasury



State and Local Fiscal Recovery Funds (SLFRF)

Enacted as part of the American Rescue Plan Act of 2021

SLFRF Money Still Unspent in North Dakota

???

Must Be Obligated by 12/31/2024!

Pandemic Relief

Last Big Standing

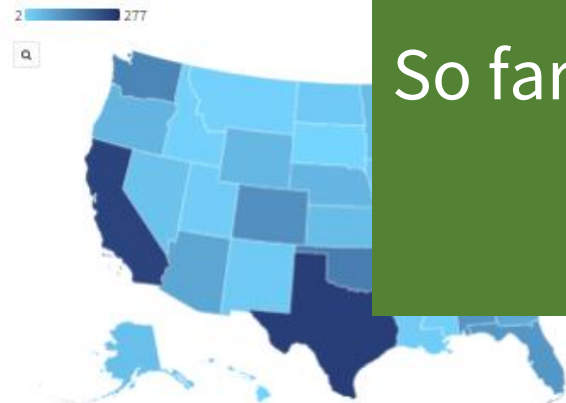
Estimated North Dakota SLFRF Dollars Remaining

\$72+ million

So far

\$2.5 million spent on Charitable Nonprofits!

State and Local Fiscal Recovery Funds Data
Nonprofit Projects through December 31, 2021
This map shows the projects reported by state and local governments as "non-profit," "not for profit," or "not-for-profit".

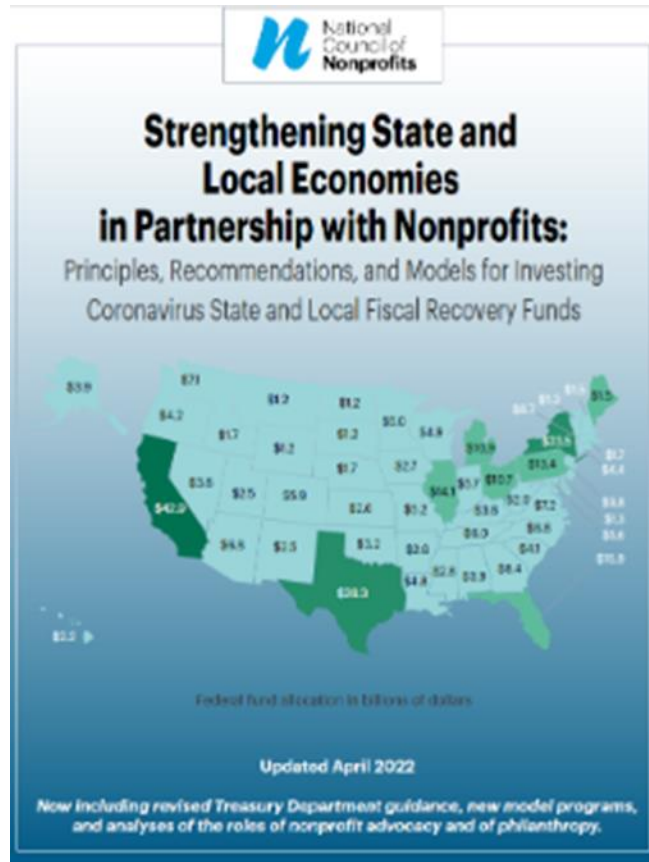


Source: U.S. Census Bureau 2021 Boundaries, U.S. Department of the Treasury



Must Be Obligated by 12/31/2024!

Pandemic Relief



State and Local Fiscal Recovery Funds (SLFRF)


Steps for Accessing SLFRF Dollars

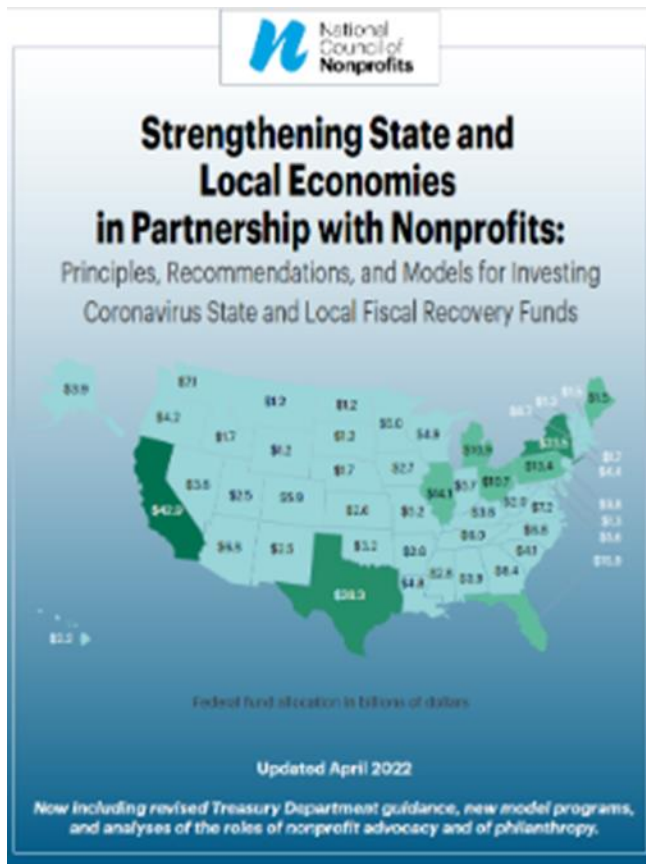
1. Locate Remaining Funds
2. Prepare Your Proposal
3. MAKE THE ASK!

Pandemic Relief

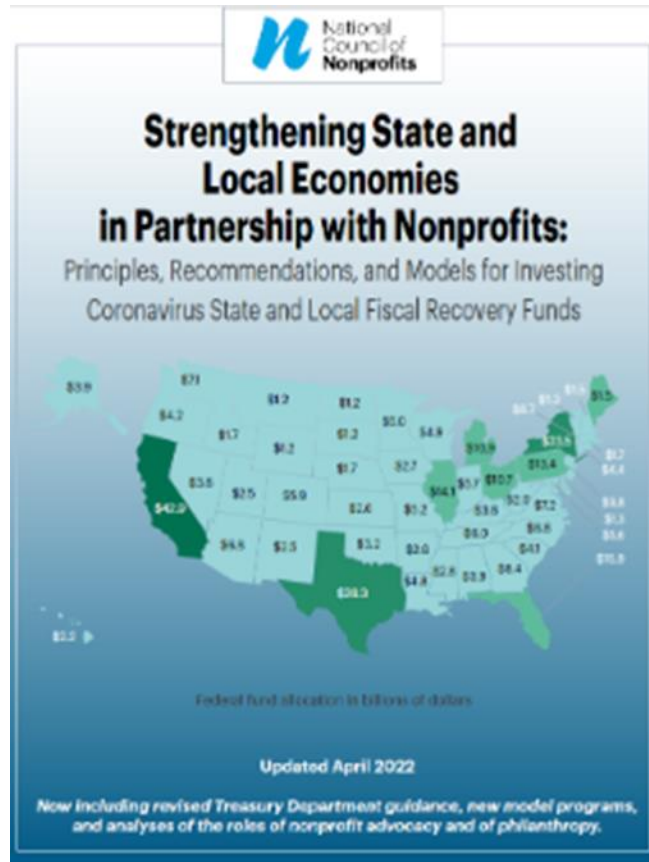
State and Local Fiscal Recovery Funds (SLFRF)

Who can help?

- ✓ Friendly government officials
- ✓ Philanthropy/Funders
- ✓  and its national network



Pandemic Relief



State and Local Fiscal Recovery Funds (SLFRF)

Guides for Accessing SLFRF Dollars

- State and Local Fiscal Recovery Funds Still Available for the Asking. So Ask!, May 20, 2024.
- State and Local Fiscal Recovery Funds: Nonprofit Projects through December 31, 2023, Apr. 22, 2024.
- Accessing State and Local Fiscal Recovery Funds, NCN website, updated regularly.

Q&A

About NCN

National Council of Nonprofits

Communities thrive when nonprofits succeed. For more than 30 years, the National Council of Nonprofits has mobilized the nation's largest sector-wide network of nonprofits to achieve transformative results. We champion, connect, and inform nonprofits across the country. Join our collective efforts to ensure a connected and powerful nonprofit community equipped to champion the public good.