

Berks Vital Signs

Nonprofits in Berks County



BERKS COUNTY
COMMUNITY FOUNDATION



HOUSING

HEALTH

SHELTER

HUNGER

VOLUNTEER

HOUSING

FOOD

HUNGER

SUPPORT

SHELTER

HOUSING

HEALTH

CLOTHING

HUNGER

HUNGER

HOUSING

HEALTH

SHELTER

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CLOTHING

CLOTHING

HOUSING



BERKS COUNTY
COMMUNITY FOUNDATION

Berks County Community Foundation was founded in 1994 to help individuals, families, organizations and businesses achieve their charitable objectives and improve the quality of life for the residents of Berks County. Since that time, the Community Foundation has grown to manage hundreds of charitable funds. Each year, those funds distribute scholarships and grants to support local students and assist a variety of nonprofit organizations and causes.



The O'Pake Institute was established in 2012 at Alvernia University to foster and promote ethical leadership and public service. The Institute serves as a catalyst for creating strategic community partnerships, supporting the broader community in developing leadership capacity and promoting dialogue on important civic issues and fostering public engagement.

The O'Pake Institute produced the Berks Vital Signs 2014 for the Berks Community Foundation. (<http://issuu.com/alverniauniversity/docs/berksvitalsigns?e=5238587/6505989>)

This report is one in a series of reports on specific aspects of life in Berks County.

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Berks County is a mix of urban, rural and suburban communities in Southeastern Pennsylvania. While considered part of Pennsylvania Dutch Country, Berks County is located in close proximity to Philadelphia (approximately 65 miles) and within 125 miles of New York City. The county is bordered by Schuylkill, Lebanon, Lancaster, Lehigh, Chester and Montgomery counties.

Established in 1752, Berks County covers 866 square miles, most of which is in the Delaware River Basin. The county is comprised of 73 municipalities and includes 18 school districts.

Situated between the Blue and the South Mountains, Berks County is part of the Great Valley, which was the passageway for early pioneers to migrate west and south from Pennsylvania into Virginia, North Carolina and Kentucky. The county's iron furnaces, canals and railroads fueled the Industrial Revolution, while farming in the county served as the breadbasket for America throughout much of the early years of the nation.

BERKS COUNTY NONPROFITS

Berks County is blessed with hundreds of nonprofit organizations, groups that serve the residents of the county, and, in many cases, residents outside of the county's boundaries. These organizations provide vital human services, health care, educational programming, and other services. Some serve religious or ethnic constituencies, specific communities, or governmental entities. Some rely almost entirely on volunteers, others have small staffs, some of whom may work part-time, and still others have a large complement of paid staff. But they each share a common trait: they are a corporation or association that conducts their business for the benefit of the broader community without pursuing a profit and without being accountable to shareholders. In many instances, regardless of their purpose, scope or size, they share common challenges, obstacles, and opportunities.

The Berks County Community Foundation, in cooperation with the O'Pake Institute for Ethics, Leadership and Public Service, recently asked 150

nonprofit organizational leaders to participate in a detailed survey exploring a number of issues related to Nonprofit Operations and Governance. Sixty of those leaders responded to the survey request. This report analyzes these results. In addition, the report draws on information about nonprofits in other communities. In the end, this report attempts to identify the successes of and the challenges facing nonprofit groups in Berks County as well as the opportunities for improvement. We've divided the report into four basic sections: Nonprofit Organizations; Nonprofit Leadership and Staff; Nonprofit Governance; and Lessons from Other Communities.

Nonprofit Organizations

Based on a cursory review of the web database *Guidestar*, there are well over a seven hundred nonprofit organizations located in Berks County. They range from major health systems and colleges to small, community-based volunteer organizations with very limited funds. The sample that was selected for this report was generated by the Community Foundation. Because it is a limited sample, it may not reflect the entire universe of nonprofits active in the community, but it is a good representation of the issues, challenges, and opportunities facing nonprofits in Berks County. The diversity of these organizations is displayed in the focus areas of the various organizations that responded to the survey (Chart A).

Chart A: Types of Organizations

Music/Arts	15.0%
Health/Human Services	35.0%
Children and/or Youth Development	22.5%
History/Preservation	5.0%
Community Development	15.0%
Education	32.5%
Library	7.5%
Faith Based	5.0%

Many of the organizations are place-based, serving a local community, groups of communities or neighborhoods within a community. Most of the organizations that participated in our survey represent constituencies across Berks County and in some instances outside of the county (Chart B).

Our quick review of the *Guidestar* database indicated that the majority, nearly 60 percent, of the nonprofits in the county have income under \$1,000,000 (Chart C).

The other measure of size is the number of employees in the organization. Again, the sample from our survey captures the diversity of nonprofit organizations in terms of the number of employees (Chart D).

Chart B: Service Territory

Location	Response Percent
Reading	9.8%
Another Berks County borough or township	18.0%
Berks County as a whole	62.3%
Pennsylvania	1.6%
Other (please specify)	8.2%

Chart C: Operating Budgets

	Percent
Less than \$100,000	16.4%
\$100,000-\$500,000	27.9%
\$500,000-\$1,000,000	19.7%
\$1,000,000 - \$5,000,000	21.3%
\$5,000,000-\$10,000,000	3.3%
Over \$10,000,000	11.5%

Chart D: Employees

Number of Employees	Percent
Less than 5	27.9%
5-10	26.2%
11-24	16.4%
25-50	9.8%
Over 50	19.7%

The majority of nonprofits report that they rely heavily on volunteers to perform their work (Chart E). Managing a significant cadre of volunteers can pose unique challenges for organizational leaders that are not found in other sectors of the economy.

All of this is to say that there are not only a large number of nonprofits active in Berks County, but they are also extremely diverse in terms of mission, scope and size. While our survey may not exactly represent the profile of all of these organizations in their entirety, it certainly offers us a window into their work.

Most of the organizations that responded to the survey viewed themselves as mature and stable, grounded in both the community and their work (Chart F). A significant portion were relatively new, but stable organizations. A smaller number have been around for some time, but are now facing particular challenges which will be explored elsewhere in this report.

Most leaders felt that their organization is managed very well, better than other organizations in the county, and significantly better than how nonprofits are managed overall (Chart G). Nonprofit leaders are generally satisfied with the quality of the leadership of their organization, even if they feel that that organization has challenges, which in some cases can be significant.

Chart E: Reliance on Volunteers

Answer Options	Response Percent
Not at all	12.0%
Somewhat	36.0%
Heavily	52.0%

Chart F: Organization Stability

	Percent
Mature and stable	65.1%
Developing and stable	21.3%
Mature and unstable	11.5%
Developing and unstable	1.6%
Start up	1.6%

Chart G: How Nonprofits Are Managed

	Nonprofits Managed	Berks County	Your Organization
Extremely well	0.0%	0.0%	14.0%
Quite well	28.0%	42.0%	58.0%
Moderately well	60.0%	50.0%	24.0%
Slightly well	10.0%	6.0%	2.0%
Not at all well	2.0%	2.0%	2.0%

“Non-profit leaders are generally satisfied with the quality of the leadership of their organization, even if they feel that that organization has challenges, which in some cases can be significant.”

THE BIGGEST CHALLENGE

The nonprofit leaders were asked to identify the biggest challenge facing their organization. They responded by identifying nearly a dozen significant challenges. Those most often mentioned were communications and marketing; finances; grant writing and fundraising; and staffing and training. When asked to rank four specific challenges, the respondents provided the following:

1. Fundraising
2. Board and Governance Issues
3. Personnel Issues
4. Program Quality and Program Outcomes

While Board Governance was ranked second overall, for a significant number of organizational leaders governance was the lowest ranked concern. Personnel issues, including recruiting, training and retaining staff, were also a significant concern.

Finances

Fundraising and financial management are particular challenges for nonprofit organizations. About half of the organizations surveyed say that they maintain a fund balance equal to six months or more of the operating expenses (Chart H). Over a quarter have a fund balance of less than a month, with 17 percent not maintaining an operating reserve. Slightly over half of the organizations (54 percent) met their fundraising goals for the prior year. At the same time, virtually all of the organizations were setting the same goal or higher for next year, with nearly a quarter of the organizations seeking significant increases from their fundraising efforts.

Nonprofits employ a wide variety of fundraising tactics, many using multiple ways to generate revenues (Chart I). These include seeking grants from outside funding sources, holding special fundraising events, using direct mail, and targeted one-on-one solicitation. Increasingly, nonprofits are using social media as a fund raising tool. The nonprofit leaders suggested that soliciting from their board and using their board to solicit outside support is a significant element of their fundraising activity. Many organizations rely on their CEO to solicit funding. Membership organizations depend on their members to aid in fundraising. And some larger organizations have staff dedicated to fundraising.

Chart H: Fund Balance

Fund Balance	Percent
We do not maintain operating reserves	17.0%
1 month or less	10.6%
3 months	23.4%
6 months	21.3%
1 year or longer	27.7%

Chart I: Fundraising Tactics

Fundraising Tactic	Response Percent
Apply for grants	86.0%
Special events	80.0%
Direct mail campaign	70.0%
One on one donor relations	64.0%
Social media	62.0%
Earn revenue through sales/services	40.0%

Most of these strategies have been employed by nonprofit organizations for years. But the advent of social media, both as a communications tool and as a means of raising funds, is still relatively new. It poses special problems for small, relatively under-resourced organizations. And the speed with which this technology is advancing creates special challenges in terms of training and equipment. Some organizations are making extensive use of social media, while over 40 percent of the organizations use social media infrequently, if at all (Chart J).

Chart J: Use of Social Media

Frequency	Response Percent
Daily	30.0%
Weekly	8.0%
Monthly	20.0%
Quarterly	22.0%
Never	20.0%

Nonprofit leaders identified nearly a dozen significant challenges facing their organization. Those most often mentioned were communications and marketing; finances; grantwriting and fundraising; and staffing and training, with fundraising emerging as the most significant challenge.

NONPROFIT LEADERSHIP AND STAFF

Background and Training of Nonprofit Leaders

Who are the nonprofit leaders in Berks County? By and large they tend to be non-Hispanic, white women (72 percent of our respondents were female; 89 percent were white, non-Hispanics.) The preponderance of nonprofit leaders are older adults ages 46 to 54 (42 percent); but a quarter of the respondents were 65 or older. In contrast, about 14 percent were under the age of 35. One in five of the leaders surveyed live outside of Berks County, while an equal number live in the same zip code in which their organization is headquartered.

A third of those surveyed have served as the leader of their organization for more than 10 years, with 7.7 percent having served 15 years or more (Chart K). At the same time, a third have served in their position less than three years.

A third of the leaders said that they expected to continue to serve in their leadership position an additional five years or less. An almost an equal number said that they expected to be serving more than five more years. The other third was uncertain about their tenure with the organization. A third of the leaders also indicated that they expected to retire within the next five years.

When asked about their previous nonprofit experience, 30.8 percent of the nonprofit leaders indicated that they had work experience in a nonprofit before they assumed their current position (Chart L). The survey revealed that three-quarters of the leaders had not expected to work in the nonprofit sector. That said, a majority indicated that if they were to seek another leadership position it would be in the nonprofit sector.

Approximately 90 percent of nonprofit leaders have a college degree at the Associate level or higher (Chart M).

Chart K: Tenure in Position

Tenure	Percent
Less than one year	15.4%
1-3 years	20.5%
4-5 years	17.9%
6-10 years	12.8%
10-15 years	25.6%
More than 15 years	7.7%

Chart L: Previous Experience

Previous nonprofit experience	Percent
Yes	30.8%
No	69.2%

Chart M: Education

Some college but no degree	10.3%
Associate degree	5.1%
Bachelor degree	38.5%
Graduate degree	46.2%

Job Satisfaction

Nonprofit leaders were asked to rank both their job satisfaction and performance on a scale of one to ten (one being the lowest and 10 being the highest) (Chart N). By and large, most leaders are extremely satisfied with their job, but one in ten expressed significant job dissatisfaction. At the same time, most leaders are very satisfied with their personal job performance, although interestingly significantly more said that they were extremely satisfied with their position (rating it a 10 on the scale) than those who rated their own performance at that level, perhaps indicating a personal need to improve their own performance.

Chart N: Job Performance and Satisfaction

	JOB SATISFACTION	JOB PERFORMANCE
1	0.0%	0.0%
2	0.0%	0.0%
3	4.9%	0.0%
4	1.6%	0.0%
5	3.3%	4.9%
6	3.3%	3.3%
7	11.5%	16.4%
8	27.9%	34.4%
9	19.7%	36.1%
10	27.9%	4.9%

When asked to rank factors that create a sense of satisfaction in their job, in order of importance from one to four, the leaders identified a sense of purpose and the opportunity to make a difference as the key elements, and much more significant than the work environment and the other staff with whom they work (Chart O). (For example, 25 of the respondents identified “Sense of Purpose and Mission” as their number one priority.)

Chart O: Ranking of Factors Affecting Job Satisfaction

	1	2	3	4
Sense of purpose and mission	25	22	4	6
Opportunity to make a positive difference	27	20	8	2
Quality colleagues	4	12	31	11
Work environment	4	5	14	37

But when asked what would improve their job satisfaction, most suggested stronger board leadership, increased financial support for the organization, and a higher salary. Others suggested garnering recognition and broader appreciation for their work and the opportunity to be more innovative and creative would enhance their experience. These leaders were interested in professional development training in a number of key areas: fundraising; management and governance; website and electronic media, and time management. They also expressed a strong interest in networking with other nonprofit leaders.

Nonprofit Staff

Despite the wide variation in terms of size of their staff complement, there was significant agreement on staffing issues. Many organizations identified recruiting and retaining competent staff as an important concern. Those organizations that tend to rely more on volunteers suggested that recruiting and training volunteers was a hurdle. Other small organizations identified the use of part-time staff as a challenge. Competitive salaries and benefits were also challenges for smaller groups. But organizations of all sizes and genres identified the importance of team building within the organization as extremely important to the success of the organization, and hence identified it as an important training need. Other areas of training need included effective communication skills, customer service training, and time management skills. Recognizing the growing importance of technology in fundraising, marketing and messaging, training and support in website development and the use of electronic media were other areas of staff training needs.

Who do nonprofit organizations turn to for their training needs? As Chart P indicates, their first preference is to turn to their colleagues in the nonprofit sector for assistance. Most frequently, they look to their colleagues in the nonprofit sector (Chart P). For technical assistance, they seek out professionals in finance, communications, or electronic media. They do make use of consultants and coaches, but are much less likely to look to academia for help.

Chart P: Who do they look to for assistance?

Choices for Outside Support	1	2	3	4
Technical assistance providers	9	21	16	12
Colleagues	40	14	1	4
Consultants or coaches	9	14	22	14
Colleges or universities	1	10	21	28

Nonprofit Governance

Most nonprofits have a governing board, but the size of these boards can vary significantly. The majority of nonprofit boards are composed of six to twenty-five members (Chart Q). Most boards, 81.3 percent, have specific terms for their board members. About two-thirds have limits on the number of terms that their board members can serve.

Chart Q: Governing Board Size

Less than 5 people	2.1%
6-10 people	39.6%
11-16 people	27.1%
17-25 people	29.2%
More than 25 people	2.1%

Nonprofits recruit members from a number of sources, using current board members, donors, and the agency director as the major source for identifying potential board members. Some organizations have affiliations with a parent or some other partner organization and some have their appointments controlled by government or governmental agencies. Several leaders identified the Leadership Berks program and the United Way Volunteer Solutions as avenues for board recruitment. A limited number of organizations looked for specific expertise in recruiting board members. Most were looking for individuals committed to the agency's mission or a passion for its work. Connections in the community, the ability to make donations, and leadership within the broader community were also important board candidate attributes.

By and large most boards are not involved in day-to-day operations, focusing instead on strategic planning and fundraising.

Board Training

Most nonprofits offer little or no training for their governing boards and most of what they offer is a one-time program (Chart R). Nearly 40 percent of nonprofits provide no board training. One in five provided an orientation for new board members.

Chart R: Formal Board Training

None	38.8%
Orientation	18.4%
Written Materials	10.2%
Rely on others (state organization, conferences)	6.1%
Electronic	8.2%
Ongoing	6.1%

Other Opportunities

Our review of nonprofits in other communities and the organizations that assist them identified a number of additional areas of interest for nonprofit organizations in Berks County. These opportunities are briefly reviewed below.

Advocacy:

Advocacy is a specialized form of communications, where an organization or institution is trying to make a case with an outside audience for funding or a policy position.

Evaluation and Assessment:

Evaluation and assessment involves establishing performance criteria, creating metrics and developing assessment tools.

Strategic Planning:

Strategic planning involves an analysis of the organization's strengths and weaknesses, scenario planning ultimately leading to the development of a strategic plan, including mission and vision statements and identifying tactics and timetables.

Negotiation, Mediation and Conflict Resolution:

Managing in the nonprofit sector often requires negotiating with both inside and external interests and resolving conflicts in a number of strategic areas.

Managing Volunteers:

As difficult as it can be to manage paid staff, managing volunteers often requires special skills, including addressing performance issues and motivating volunteers.

Managing Change:

While most of the nonprofits surveyed said that they were mature and stable, that doesn't mean that they are immune to change. Economic forces, demographic changes, and other sometimes unforeseen forces can rapidly change the context in which many nonprofits operate.

Ethics:

It is common to assume that people, particularly in volunteer positions, who have been recognized community leaders, will behave ethically. But many organizations have found it not only helpful, but important to provide ethics training for their staffs.

KEY FINDINGS

While the nonprofit community in Berks County is extremely diverse, both in terms of the scope of programs and the size of their budgets and staff, they do share some basic concerns.

There are a number of broad finance-related issues that most nonprofits confront, including:

- Fund Raising
- Searching for Grants and Grant Management
- Financing Capital Projects
- Sound Financial Planning and Financial Management

There are also a number of communications-related issues that most nonprofits are addressing to different degrees of success:

- Marketing
- Strategic Communications
- Electronic Social Media
- Crisis Communications
- Advocacy Training
- Negotiations and Conflict Management

There are personnel-related areas that most nonprofits are concerned with:

- Managing Volunteers
- Recruiting and Retaining Staff
- Employee Compensation
- Fostering a Culture of Customer Service
- Team Building
- Time Management

There are mission-related areas that require focus and attention:

- Strategic Planning
- Measuring Success
- Managing Change

Many nonprofits need help in identifying, recruiting and training members for their governing boards. That training should include on-going training for board members, not just a one-time orientation to the board. It should provide some basic understanding of the role of the board within the organization, the role of individual board members, and some ethics training. It should include a basic understanding of finance as well as fiscal and program performance metrics. It might include conflict management and crisis communications.

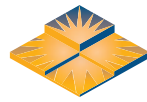
Most nonprofit leaders did not plan on a career in nonprofit management. While many of the skills that these positions require are transferable from other

employment sectors, there are aspects of nonprofit leadership that may require additional training or expertise. Consultants and personal coaches can be used to address these needs, but not every nonprofit may have the resources for these types of interventions. Peer to peer discussions can help in this area as well. Given the age and expected tenure of incumbent nonprofit leaders creating succession plans, recruiting new leadership, and addressing leadership transitions could be increasingly important.

Given the profile of existing nonprofit leadership at both the CEO and board levels, there is a clear need to address issues of diversity. The relatively recent creation of the Blueprint for Leadership program, built on the framework of the successful Leadership Berks program, is an effort to recruit and train minorities for leadership positions in the nonprofit sector.

Sources and Acknowledgments:

This report is largely based on the results of a survey of 60 nonprofit leaders in Berks County. It also relied on information from the online website *Guidestar* and an online review of nonprofit organizations and organizations that support nonprofits in other regions. The report was produced by the O'Pake Institute for Ethics, Leadership and Public service at Alvernia University. Sean Cullen, Tania Hollos and David Myers produced the report. This report was funded through a grant from the Hawley and Myrtle Quier Fund of the Berks County Community Foundation.



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