

14th Annual

Report Card on Charitable Giving for Metro Milwaukee



Struggles continue as demand increases and contributions lag

Last year was one most nonprofits would like to forget. Increased demand and decreased support created a perfect storm that many organizations struggled to weather. But weather it they did. Local nonprofits saw little positive change in 2010 as they were still clearly stressed and stretched with financial concerns.

This is the 14th year the Greater Milwaukee Foundation has published the annual *Report Card on Charitable Giving*. The only comprehensive measure of giving to local nonprofits, the *Report Card* has become a valuable tool in measuring the health of these organizations.

During the current economic downturn, the *Report Card* has adapted to provide more relevant and valuable information about the state of local nonprofit organizations. As it did last year, the *Report Card*, which is researched by the Public Policy Forum, surveyed a wide-ranging group of nonprofit organizations. This effort provides a broader and more complete picture of the many, often complex issues facing nonprofits during tough times.

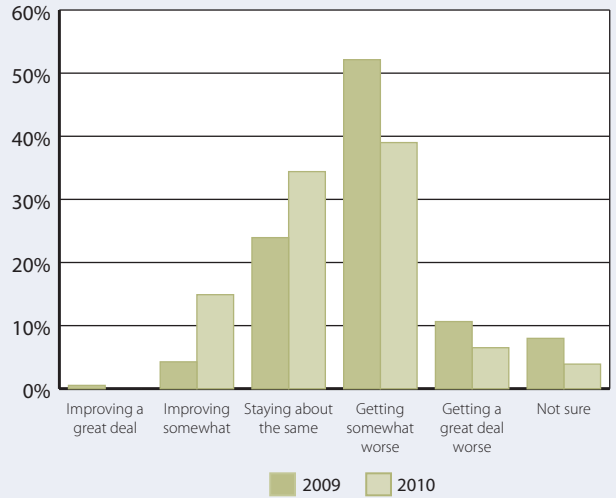
The results of this survey may also indicate nonprofit organizations – like the rest of the community – realize the economy will continue to pose challenges for years to come and are scaling back their expectations. Last year, a record high 63 percent felt the state of philanthropy in metro Milwaukee was getting worse. While that number decreased in 2010, the 45 percent who believe the state of philanthropy is getting worse is the second highest percentage in 14 years.

State of philanthropy

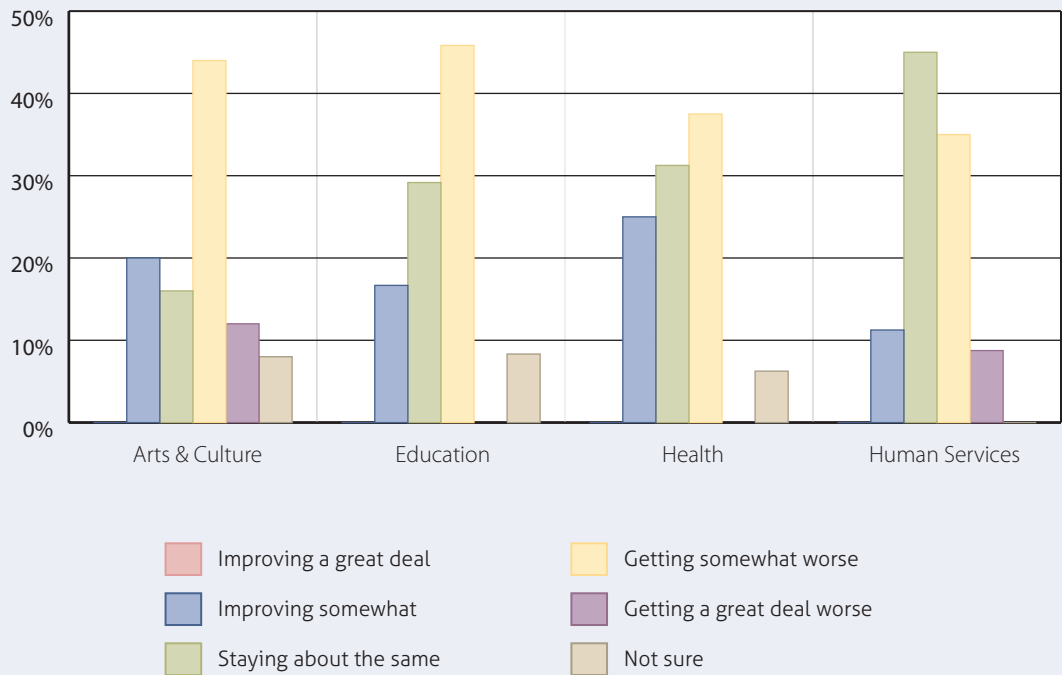
One hundred-fifty four nonprofit organizations from the greater Milwaukee area participated in the 2010 *Report Card on Charitable Giving* survey. While there has been a slight decrease in the percentage of respondents who feel the state of philanthropy is getting worse, it is still at its second highest level since the *Report Card* began collecting data. The highest year was 2009 when 63 percent of agencies felt the state of philanthropy was getting worse.

Continuing concern

Forty-five percent of nonprofits feel the state of philanthropy is getting somewhat or a great deal worse.



State of philanthropy by sector

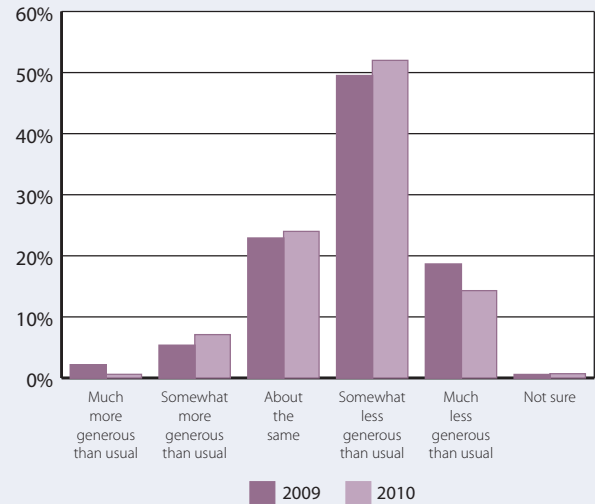


Tough times for giving

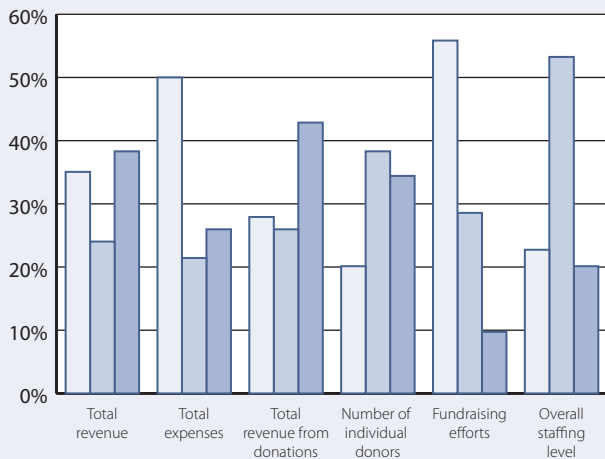
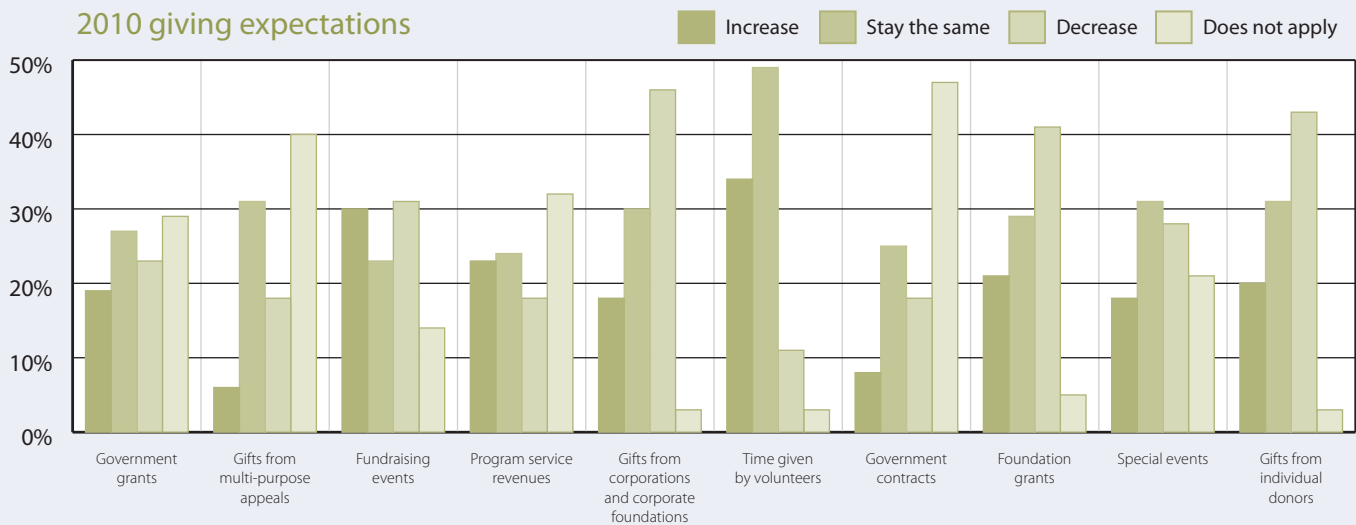
Local nonprofit organizations are still struggling with decreased financial support at times of increased need and demand for their services. Of the organizations responding to the survey, 66 percent say giving is down; only 8 percent say support has increased due to economic conditions.

While nonprofits are not as pessimistic about giving as last year, organizations are skeptical 2010 will be considerably better. Not a single organization expects gifts from individuals to increase a great deal, and 43 percent anticipate fewer gifts from individuals. Decreases are also expected from corporations and corporate foundations and other foundations. For the second year, organizations anticipate increased time given by volunteers.

Giving during the recession



2010 giving expectations



2009 vs. 2010 revenue

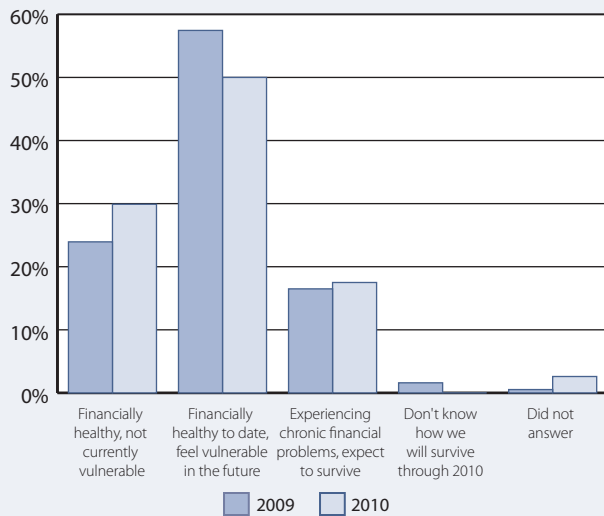
Legend: Increase, Unchanged, Decrease

Nonprofits continued to see revenue slide in 2010 while expenses increased for half of all agencies.

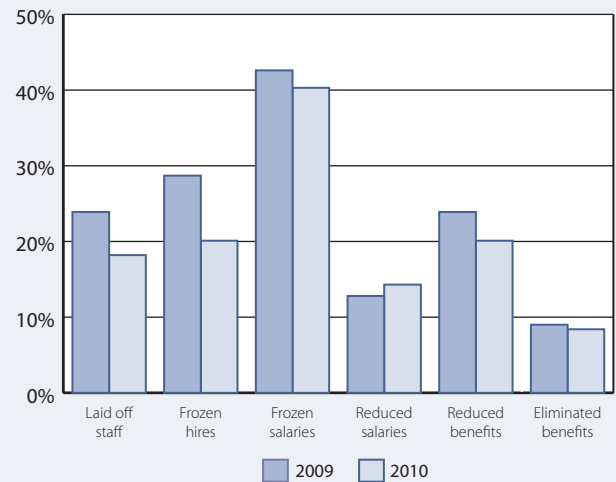
Financial health

Nonprofits continue to tighten their belts to provide needed services to the community. Nearly 80 percent of organizations have cut their budgets and many continue to freeze salaries or lay off staff to bridge budget gaps. Organizations remain cautious about their current financial health and one-third expect to run a deficit in the current fiscal year.

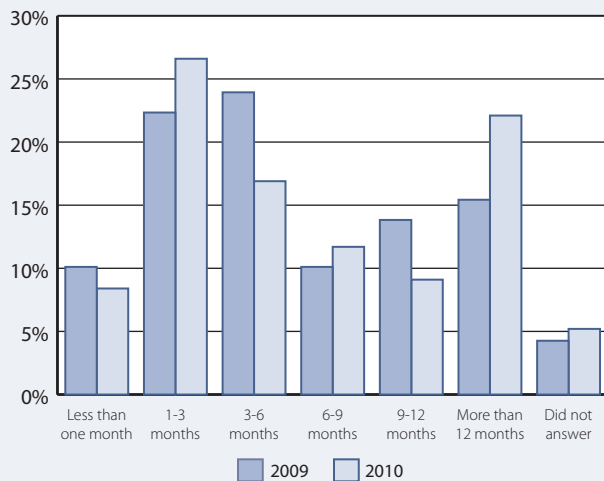
Current health of organization



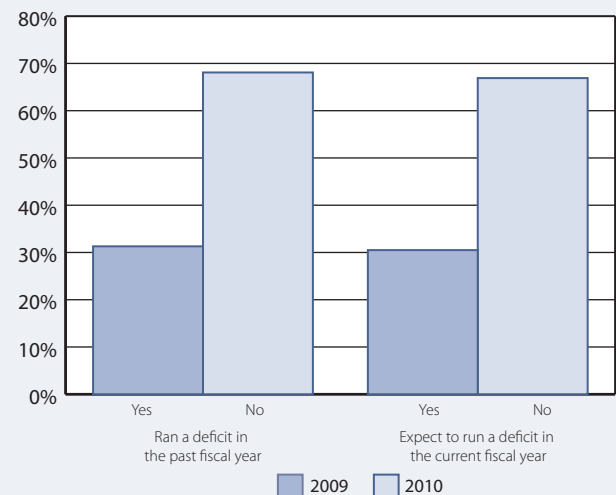
How nonprofits have controlled costs



Operating reserve



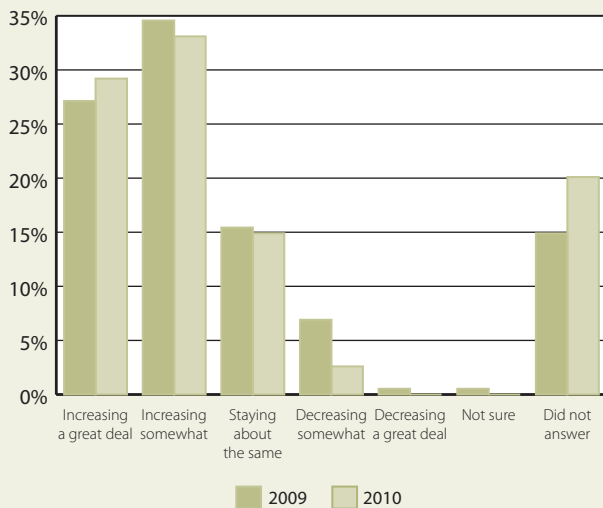
Deficit spending



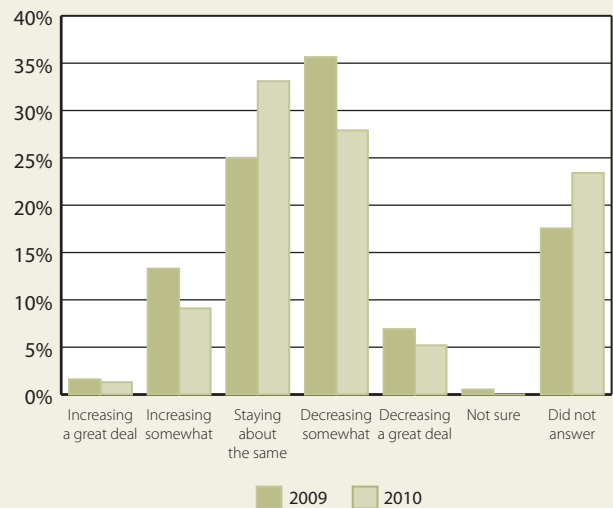
Demand for services

Demand for services from local nonprofits continues to be strong while giving to support increased need remains soft. More agencies report being “not confident at all” to meet the demand for services and one-third say growth in clients is a major challenge. More than 63 percent of organizations responding to the survey indicate recruiting new donors is a major challenge in this tough economy.

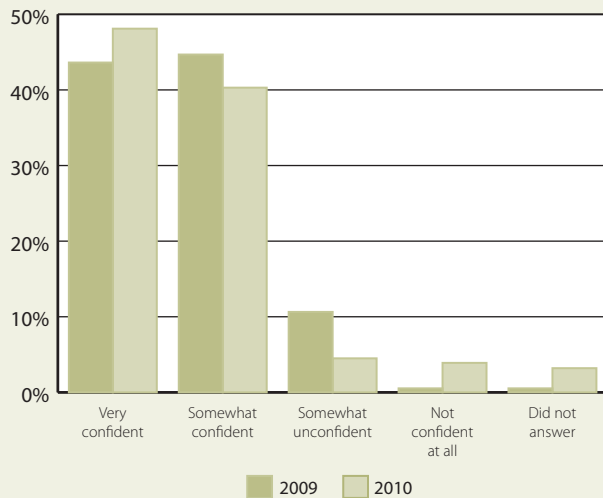
Demand for services



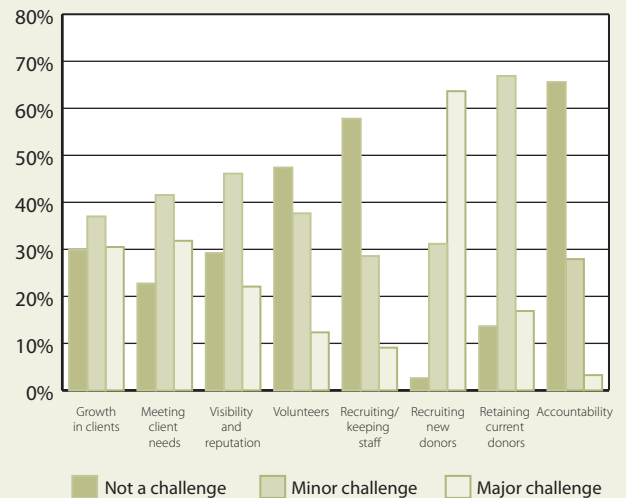
Giving to support increased demand



Confident that organization can meet demand for services



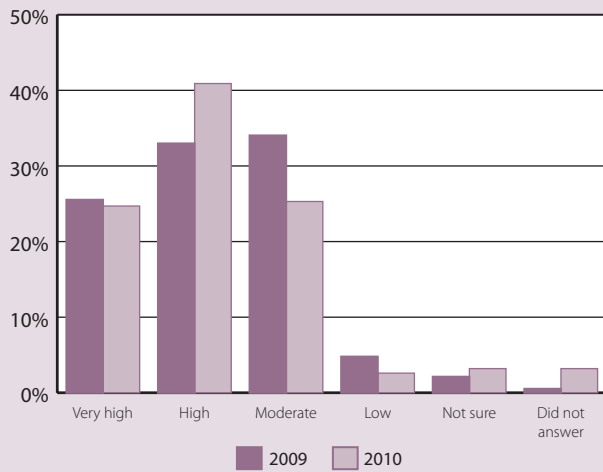
Challenges due to local economy



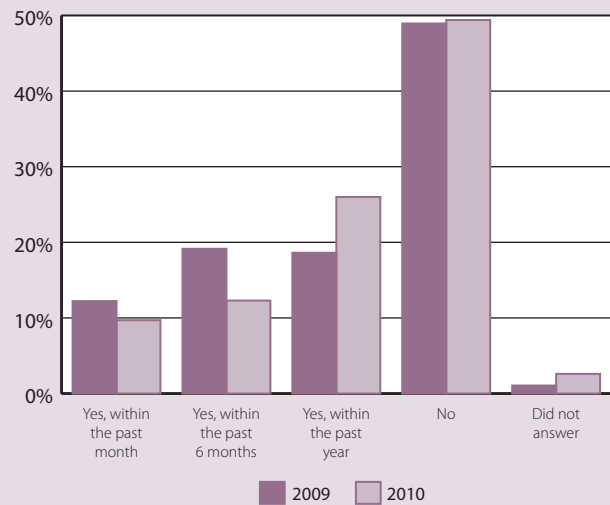
Facing the future

Despite tough economic times, nonprofit organizations remain positive about the future. More organizations are optimistic about their long-term sustainability and success. Nonprofits were more likely to have explored collaborating with other nonprofits to share administrative functions, but mergers and closures were considered by fewer organizations in 2010.

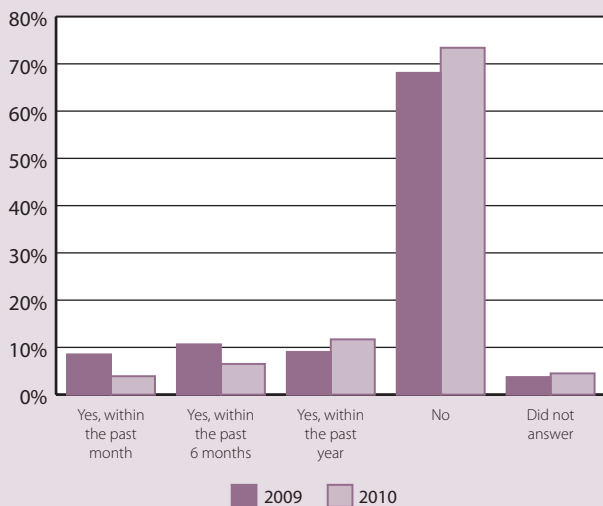
Long-term sustainability for organization



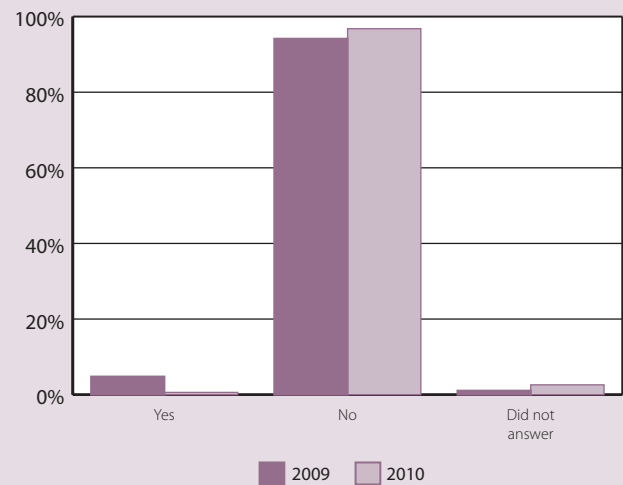
Explored collaboration with another nonprofit, i.e. sharing accounting, IT or HR services



Explored merging with another nonprofit



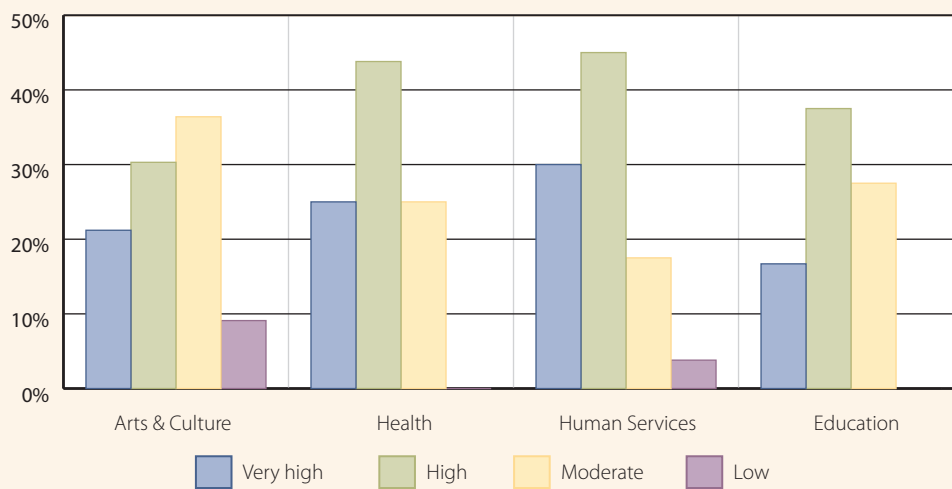
Considered closing your organization



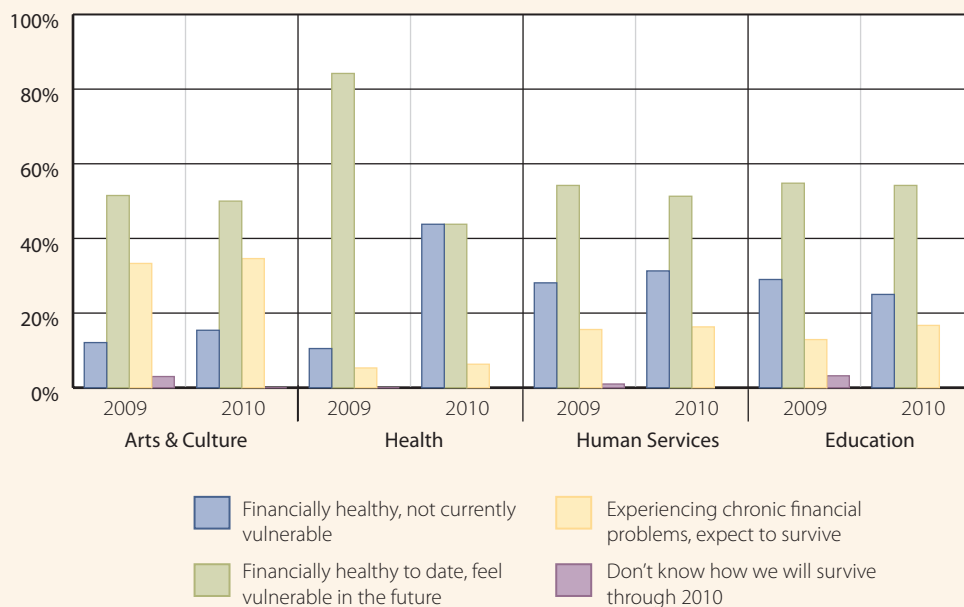
Key sector findings

Overall, all sectors are struggling with the results of the weakened economy. However, as was the case last year, the arts and culture sector seems to be hit a bit harder. Arts and culture organizations are more likely than others to list their long-term sustainability as low and are also more likely to indicate they are experiencing chronic financial problems but expect to survive.

Sustainability by sector



Current financial health



About the Report Card on Charitable Giving

The *Report Card on Charitable Giving* survey was distributed to 412 nonprofit arts and culture, education, environment, health, human services and funding organizations in metropolitan Milwaukee. The organizations sampled have a wide range of operating budgets and the data were collected in July. One hundred-fifty four organizations completed the survey for a response rate of 37 percent. Fifty-two percent of the responding organizations were from the human services sector. Seventy-eight percent of the nonprofits provide services in Milwaukee County. The *Report Card on Charitable Giving* is researched by the Public Policy Forum.

Due to small sample sizes and low response rates, sector data for the environmental and funding sectors is unavailable. However, responses for those sectors are included in all aggregate data.

The Foundation is grateful to the organizations that completed this survey and to our generous sponsoring organizations, Donors Forum of Wisconsin, The Faye McBeath Foundation, and United Way of Greater Milwaukee. This executive summary can be found on the website of the Greater Milwaukee Foundation, which publishes the *Report Card on Charitable Giving*. Full copies of the report can be found on the websites of our sponsoring organizations and the Public Policy Forum.

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