

EXECUTIVE SUMMARY

2018 Key Metrics for Philanthropy-Serving Organizations

United Philanthropy Forum’s *2018 Key Metrics for Philanthropy-Serving Organizations* report provides comprehensive benchmarking data and analyses on the finances, membership, services and programs, operations, and governance of regional and national philanthropy-serving organizations (PSOs), based on the responses of 56 PSOs. The report provides PSOs with data, information, and knowledge to learn from their peers and benchmark themselves against similar organizations, and provides funders with key data and trends about a critical component of the philanthropy field. The report is an important contribution to the Forum’s ongoing and growing work to lead change and increase impact in philanthropy. Key findings include:

PSO Diversity, Equity & Inclusion

- PSO boards are more diverse than nonprofit boards overall but less diverse than the U.S. population.** Two-thirds (67%) of PSO board members identify as white, compared to 84% of nonprofit board members in the country.¹ However, PSO boards are not as diverse as the population of the United States, which is 61% white,² suggesting that PSOs need to make additional progress with their boards to reflect the full diversity of the country.
- Most PSOs have strategies and resources focused on diversity, equity, and inclusion.**

More than four out of five PSOs (83%) report having guiding principles or a strategic plan referencing diversity, equity, and/or inclusion (DEI). An even larger share of PSOs (89%) conducted at least one program with a DEI focus in the past 12 months. In addition, about two-thirds (65%) of PSOs report having at least one staff member with job duties that include a focus on DEI.

PSO BOARD DIVERSITY

Percentage of Board that are white of non-Hispanic/Latinx origin



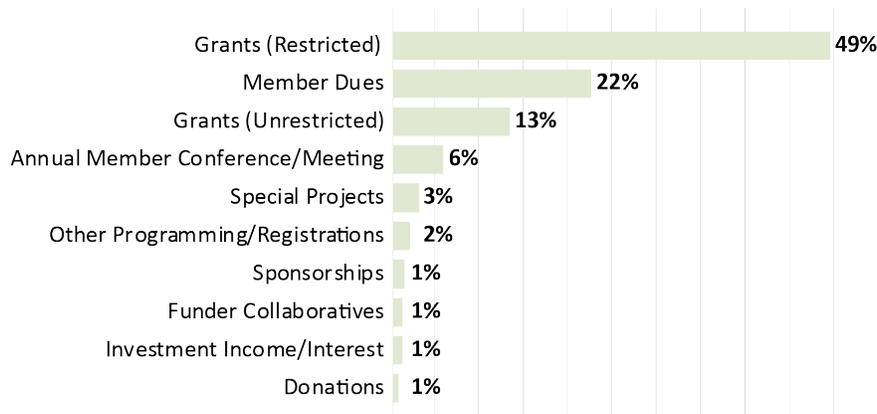
PSO Finances

- Restricted grants are largest source of PSO revenue.** For PSOs overall, restricted grants represented the single largest share of their revenue (49%), followed by member dues (22%) and unrestricted grant support (13%). Regional PSOs reported a notably larger share of their revenue coming from member dues than national PSOs (32% versus 14%). Smaller PSOs are far more dependent on member dues than larger PSOs, with dues comprising at least 40% of revenue for PSOs with revenue under \$1 million and just 16% of revenue for PSOs with revenue of more than \$2.5 million.

¹ See *Leading with Intent: 2017 National Index of Nonprofit Board Practices*, BoardSource, 2017.

² Population Distribution by Race/Ethnicity, The Henry J. Kaiser Family Foundation; see <http://www.kff.org/other/state-indicator/distribution-by-raceethnicity>.

TOP 10 PSO REVENUE SOURCES



- Half of PSO expenses go to employee salaries and benefits.** As is true for all nonprofit organizations,³ employee salaries and benefits account for the single largest share (50%) of overall PSO expenses. Regional PSOs reported slightly higher combined salary and benefits expenses (56%) than national PSOs (44%). However, national PSOs reported spending more on consulting support than did regional PSOs (15% versus 12%).
- PSOs remain mostly positive about the economic outlook, but there are small signs of weakness.** Nearly three out of five PSOs (59%) indicated that their budgets would be higher in 2018 compared to 2017. However, 17% of all PSOs expected their budgets to be lower in 2018, compared to only 7% that had anticipated a smaller budget in the 2017 survey. National PSOs were more likely to expect their budgets to be lower in 2018 than regional PSOs (24% versus 14%).

PSO Membership Renewal & Growth

- PSOs continue to report fairly high renewal rates.** National and regional PSOs both reported a median⁴ 94% membership renewal rate, consistent with 2017. Among their members at year's end, 81% were renewals from the previous year, 5% were members that returned to membership, and 14% represented new members.
- PSOs have positive outlook on membership growth.** Half of all PSOs expect to see an increase in institutional members in the current fiscal year and just 7% expect their membership to decline. National PSOs are more enthusiastic about their membership growth than are regional PSOs. About 63% of national PSOs expect to grow their institutional member base in 2018, compared to 43% of regional PSOs.

PSO Services, Programs & Activities

- PSOs manage a wide range of member networks focused on funding issue areas, population groups, and types of funders.** The most common member networks, offered by half (51%) of all PSOs, focus on corporate funders and education. A majority of regional PSOs also offer networks focused on types of positions (CEO, program officer, etc.), member location, early childhood education, family foundations, community foundations, health care access, and arts and culture. For national PSOs, the most commonly offered member networks focus on civil rights and social justice, the environment, and immigration and refugees.
- Nearly half of PSOs are engaged in coordinating funding collaboratives and/or regrating initiatives.** Overall, 54% of regional PSOs and 37% of national PSOs reported coordinating funding collaboratives and/or regrating

³ See *Operating Ratio Report*, ASAE, 2016.

⁴ The median represents the midpoint between the smallest and largest values reported. Unlike averages, it is not affected by extremely large or small values.

initiatives, consistent with 2017. These PSOs together coordinated a median of one funding collaborative and one regranting initiative in the past year, with a median value distributed of \$633,000.

- **PSOs collaborate regularly with each other.** Fully 96% of all PSOs indicated that they had collaborated with one or more PSOs in the past year, including all of the national PSOs. The vast majority of national PSOs (79%) collaborated with one or more regional PSOs in the past year. Most regional PSOs (82%) collaborated with an issue-focused national PSO in the past year, while 64% collaborated with a practice-focused national PSO and 43% collaborated with an identity-focused national PSO.

PSO Planning and Evaluation

- **Most PSOs have taken advantage of a formal strategic planning process in the past three years to help guide their work.** Almost two out of five PSOs (39%) are currently engaged in a formal⁵ strategic planning process or have completed one within the past 12 months. Within the past three years, roughly 85% of both national and regional PSOs have engaged in a formal strategic planning process.

To learn more, go to www.unitedphilforum.org/keymetrics

About the Forum

United Philanthropy Forum leads, strengthens and informs a national network of 75 regional and national philanthropy-serving organizations (PSOs) that advance philanthropy's impact for the common good. We envision a courageous philanthropic sector that catalyzes a just and equitable society where all can participate and prosper. Forum members represent more than 7,000 philanthropic organizations, making us the largest network serving philanthropy in America. The Forum is creating a new kind of philanthropic network that brings together regional PSOs' deep regional roots and connections with national PSOs' deep content knowledge and reach. Given our network's scale and scope, we can lead change and increase impact in philanthropy in a deeper and broader way than any other organization.

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⁵ For the purposes of this analysis, a “formal” process includes both board engagement and outside consulting support.