

2016

THE ALASKA NONPROFIT CAPACITY REPORT:

OUR STRENGTHS — OUR CHALLENGES — OUR RESILIENCE



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Here at Foraker, we are committed to strengthening Alaska's nonprofits by using the Foraker Nonprofit Sustainability Model to help organizations build their capacity, enhance their leadership and management skills, and foster successful partnerships. As part of our role as your state association, we provide research on the Alaska nonprofit sector to better inform leaders of our impact and the challenges we face. In 2014, for example, we published a report on the sector's positive economic impact. We were able to show that nonprofits are responsible for 12% of the state's workforce and add \$6.5 billion to local economies. We examined the sector's resiliency as we have adapted to dramatic economic shifts. The report illustrated that Alaska nonprofits are an integral part of each community's economic, social, and civic life. We encourage you to learn more from this report, which is available on our website.

Understanding the sector's economic impact is one way to measure our success. Another is to look at our capacity to do the work defined by our missions. Our Partner Assessment Survey, which we have offered since 2003, provides an opportunity for Foraker Partners to check in each year on their capacity goals. We are pleased that many of our Partners use this tool and find it helpful in their planning. In 2013, the M.J. Murdock Charitable Trust encouraged us to use our survey, along with an expanded set of benchmarks, to create a new tool to measure our own effectiveness and that of nonprofits throughout the Northwest region. To do this, we worked with our peer organizations including the Idaho Nonprofit Center, Montana Nonprofit Association, Nonprofit Association of Oregon, and Washington Nonprofits. The findings of that survey are now available on our website – including a summary document and the complete text of the report.

In this document we have provided the results from Alaska, which are viewed through the same framework as the larger report: mission effectiveness, collaboration, public policy, and use of data and evaluation.

We use the results of this and other surveys both to benchmark Alaska organizations and to enhance the effectiveness of the sector. While we have published some of the findings in other material – including our latest economic report and Foraker's organizational dashboard, both of which are on our website - we are sharing the full report with you this year because we believe all the information it contains will be beneficial for your organization.

Alaska's new economic reality requires us to focus on what matters most and to ensure that we have the right funding and the right board, staff, and partnerships in place to achieve results. At the same time, we urge our funding and government partners to recognize the benefits nonprofits bring to communities and to understand our challenges. Foraker's call to nonprofit leaders, grant makers, and government leaders is to use this information to work with us in creating strong and resilient organizations, which in turn strengthens our Alaska communities. We're on this journey together.



Laurie B. Wolf, MNPL, CFRE
President and CEO, The Foraker Group



Great Land Trust conserved 30 acres of historic Mat-Su Valley homestead land. Photo by Will Koeppen.

ALASKA RESPONDENTS

The results of the survey represents participation from 90 Alaska nonprofits. Roughly one-third listed their location as urban, one-third as rural, and the remaining third as either remote or other. The organizational breakdown for Alaska respondents is found on page 2 of the full report. While 90 participants may not seem like a large response compared to the size of our sector, it is the largest response for Alaska to any national nonprofit capacity survey and a well-represented survey response from our sector. The results provide a useful benchmark of organizations across the state. We encourage you to use the Alaska responses, along with those from the other states, as a tool to reflect on your own organization and those you fund. This reflection may bring you comfort – or spur you to action. Either way, we encourage board, staff, and grant makers to talk about what these findings mean to our collective work.

MISSION EFFECTIVENESS AND CAPACITY GAP

This year, the survey asked respondents to rate whether they had the right “capability and skills” to accomplish their missions and whether they were on target for completing their strategic plans.

MISSION EFFECTIVENESS: *Sufficient Capacity is the Issue*

TABLE 1 shows that overall, respondents rank themselves highly for achieving their mission and appear satisfied that they have the right mix of internal resources to do their work. Still, organizations gave lower ratings by a full point compared to last year when they were asked about having “sufficient capacity” to complete all aspects of their plans, with Alaska showing the deepest reduction of all five states. Importantly, however, is that these ratings reflect the strongest degree of certainty because they garnered the highest positive measurement of all the questions in the survey.

TABLE 1
RATINGS OF MISSION ACHIEVEMENT

Scale equates 1.0 with “Not at All” and 10.0 with “A Great Amount”
Please note that throughout this report “n=” refers to the number of respondents for each particular question.

STATEMENTS ABOUT MISSION ACHIEVEMENT	AK (N=90)
How effective is your organization at accomplishing its mission ?	8.2
Our team has the right capability and skills to accomplish our mission.	7.1
Our organization is on target to complete all aspects of our plan.	6.4
Our organization has sufficient capacity to complete all aspects of our plan.	5.3

MISSION EFFECTIVENESS: *Capacity is a Determinant*

In addition to asking the overall question about mission effectiveness to all organizations, this year, we gauged mission effectiveness relative to organizational capacity. When combined the answers produce a fuller understanding of the results.

To determine the capacity scale, organizations rated themselves in two ways: 1) perception of overall effectiveness and 2) financial capacity. When these numbers were combined, roughly three equal groups emerged. The first group scored a 4 or below (on a 10-point scale). We call this group “low capacity.” The second group (“medium capacity”) had ratings of 5-to-7 and the third group (“high capacity”) had ratings of 8-to-10.

Alaska nonprofits with the highest capacity rate themselves as most likely to achieve their mission and are more likely to have the right capabilities and skills among their staff as seen in **TABLE 2**. This underscores the qualitative finding that the greatest capacity challenge faced by lower capacity organizations is a lack of staff and personnel. Additionally, **TABLE 2** show a gap between respondents’ assessment of their annual budget and their assessment of effectiveness in accomplishing mission. These represent a statistically significant correlation between the two, with organizations rating their mission effectiveness higher as their financial capacity grew. These findings should encourage both grant makers and nonprofit leaders to invest in capacity or to join with others to achieve greater results.

TABLE 2
RATINGS OF MISSION ACHIEVEMENT FOR ALASKA ORGANIZATIONS

Scale equates 1.0 with “Not at All” and 10.0 with “A Great Amount”

STATEMENT ABOUT MISSION ACHIEVEMENT	LOW (N=35)	CAPACITY MEDIUM (N=33)	HIGH (N=22)
How effective is your organization at accomplishing its mission ?	7.6	8.6	8.6
Our team has right capability and skills to accomplish mission.	5.8	7.7	8.1
Our organization is on target to complete all aspects of our plan.	5.3	6.9	7.4

TABLE 3
BUDGET BY CAPACITY LEVEL

BUDGET	LOW (N=35)	CAPACITY MEDIUM (N=33)	HIGH (N=22)
<\$500K	53%	40%	50%
\$500K-\$1M	9%	15%	18%
\$1M-\$2M	9%	9%	4%
\$2M-\$5M	9%	18%	14%
\$5M+	20%	18%	14%
TOTAL	100%	100%	100%

BUDGET RESERVES: A Case for Concern

Alaska nonprofits have a higher level of unrestricted reserves compared to other states in the region. Even so, we see a drop in reserves over the previous year. This finding is a concern because reserves allow organizations to better weather economic instability and delays in government contracts or federal and state Medicaid payments. Reserves also allow organizations the capacity to invest in innovative approaches to meet community needs and/or hire new staff to strengthen internal capacity to achieve results.

As **TABLE 4** indicates, the percentage of organizations in Alaska with very large reserves (12 months or more) has dropped.

TABLE 4
RESERVE LEVELS – 2014 COMPARED TO 2015

RESERVE LEVEL ALASKA (N=92/83)	2014	2015
No Reserve	9%	5%
1-3 Months	34%	40%
4-12 Months	41%	45%
12 Months +	16%	10%
TOTAL	100%	100%

TABLE 5
RESERVES BY CAPACITY LEVEL

RESERVE LEVEL	LOW (N=35)	CAPACITY MEDIUM (N=27)	HIGH (N=19)
No Reserve	11%	--	--
1-3 Months	43%	50%	20%
4-12 Months	35%	39%	70%
12 Months +	11%	11%	10%
TOTAL	100%	100%	100%

REVENUE PRACTICES: *An Opportunity for Growth*

Respondents paint a familiar picture of nonprofit funding in Alaska. They reported that 27% of their budgets come from federal, state, and local government; 34% from earned income including government and other contracts, fees, and investment income; 37% from charitable giving including donations from corporations (6%), foundations (5%), individual donations (18%), planned gifts (1%), and income from special events (7%); while 2% came from gaming revenue. We know from our 2014 economic impact research that Alaska organizations excel in earned income strategies. We also know that in our current economy government funding will continue to decline. The opportunities for growth continues to be in individual philanthropy, both major giving and planned giving. Our organizations are still missing this vital piece of the funding equation.

Perhaps the most revealing statistics pertaining to Alaska inadequacies in fundraising are the responses to a rating question, whose results are presented in **TABLE 6**. Here respondents were asked to rate whether their fundraising practices were “robust and effective” on a 10-point scale. Alaska had significantly lower ratings for this question compared to any other state in all budget sizes. Clearly these are missed opportunities to invest our time, money, and energy in the most robust and effective systems and strategies to grow philanthropy.

TABLE 6
FUNDRAISING PRACTICES ROBUST & EFFECTIVE

Scale equates 1.0 with “Not at All” and 10.0 with “A Great Amount”

LOCATION	ALASKA (N=90)	WASHINGTON (N=656)	OREGON (N=118)	IDAHO (N=84)	MONTANA (N=138)	ALL STATES (N=1259)
<\$500K	4.7	4.7	5.1	5.1	5.7	4.9
\$500K-\$1M	5.7	5.9	7.2	6.0	5.9	6.2
\$1M-\$2M	4.7	6.4	7.8	8.4	7.5	6.8
\$2M-\$5M	4.7	5.6	6.6	5.2	6.3	5.8
\$5M+	5.1	5.3	5.9	4.6	7.3	5.5
All Groups	4.9	5.1	6.1	5.5	6.1	5.8

BOARDS OF DIRECTORS: *A Step Toward Engagement*

In addition to regularly attending meetings, board members are expected to make a personal financial contribution to their organization. The latter is both a measure of organizational leadership and board engagement. This year, as **TABLE 7** indicates, there was growth in the percentage of boards where the majority of members contribute to their organizations.

TABLE 7
PERCENTAGE OF BOARD MEMBERS CONTRIBUTING TO THEIR NONPROFIT – 2014 COMPARED TO 2015

BOARD CONTRIBUTION ALASKA (N=85/88)	2014	2015
25% or less	16%	11%
26-50%	2%	2%
51-75%	7%	8%
76-100%	75%	78%
TOTAL	100%	100%

As another measure of board involvement and board/CEO balance, 78% of Alaska organizations report that they regularly evaluate their executive directors. This is an increase of 6% from 2014.

WRITTEN PLANS: A Way Forward

TABLE 8 shows the percentage of organizations that have specific plans – and of organizations with a written plan, those that find it effective. This year’s results indicate that Alaska nonprofits are using more planning tools than in previous years. However, while almost three-fourths have annual budgets and strategic plans in place, all other planning tools are used less than 50% of the time. We are concerned that any Alaska organization is operating without a basic budget and clearly written strategic and annual definitions of success. Additionally, we are concerned that while organizations express an interest in strengthening their ability to raise more charitable funds and revenue from earned income, the majority lack appropriate planning tools that would guide them toward those goals. Notably those who do have these funding plans do not rate them as highly effective. This could be due to the typical mistake of confusing a list of asking strategies with a comprehensive donor/customer driven plan. The result is often an ineffective plan that does not guide the organization toward financial stability or long-term relationships. Conversely, the data reveals that while smaller numbers of nonprofits have documents such as a theory of change or board improvement plan, those that possess the plans generally find them effective.

Overall these findings offer an important reminder that planning work is not only about making time to craft more comprehensive plans, but it’s about making time and space to integrate the plans throughout the organization.

TABLE 8
PERCENTAGE OF GROUPS WITH SPECIFIC WRITTEN PLANS

SPECIFIC PLAN TYPE (N=90)	HAS PLAN	FINDS PLAN EFFECTIVE
Annual budget	89%	86%
Strategic plan	71%	72%
Annual plan	46%	73%
Fundraising plan	42%	45%
Business plan	31%	39%
Communications plan	28%	56%
Board improvement plan	20%	50%
Emergency succession plan	26%	61%
Executive transition plan	18%	56%
Theory of change	19%	59%

Another way to view the use of planning documents is based on the differing degrees of capacity. **TABLE 9** reflects the obvious contrast between high and low capacity organizations in their use of plans. Interestingly, the medium capacity organizations should take note of the tools that can drive them toward high capacity like fundraising, strategic, and annual plans. Notably all the organizations are remarkably low in their board development planning, which confirms an ongoing struggle in Alaska nonprofits.

TABLE 9
PERCENTAGE OF GROUPS WITH SPECIFIC WRITTEN PLANS

SPECIFIC PLAN TYPE	CAPACITY		
	LOW (N=35)	MEDIUM (N=33)	HIGH (N=22)
Annual budget	86%	91%	91%
Strategic plan	66%	70%	81%
Fundraising plan	45%	33%	50%
Annual plan	34%	48%	59%
Business plan	29%	21%	50%
Communications plan	23%	27%	36%
Emergency succession plan	23%	21%	36%
Board improvement plan	14%	24%	23%
Executive transition plan	17%	15%	23%
Theory of change	20%	9%	32%

TOP CAPACITY NEEDS: *An Investment Opportunity*

To better understand the capacity ratings of nonprofits, this year we asked survey takers to identify their top capacity building needs. Regardless of the organization's budget, the top five responses that emerged from open-ended questions generally require unrestricted funds to secure. This type of funding is the most challenging to raise because it requires staff capacity and knowledge to engage in effective individual philanthropy and/or earned income, thus perpetuating a vicious cycle.

The highest capacity priorities were:

1. Administrative and program staff to support mission (52% of responses)
 - Appropriate staff training to maximize impact
2. Increased amount of physical space to maximize the work (18% of responses)
3. Increased skills and engagement of board and staff in fundraising, especially major and planned giving efforts (14% of responses)
4. Increased communication including access to hardware and software to use technology in tracking data (10% of responses)

COLLABORATION

COLLABORATION AND COLLECTIVE ACTION: *A Path for the Willing*

Foraker is committed to helping organizations achieve goals that strengthen Alaska communities. Frequently this means focusing on the solutions to complex problems rather than single missions and individual institutions. Collaboration is often touted as the path toward this greater efficiency and effectiveness, and yet, with all the possibilities comes a range of challenges. Collaboration as a tool has many variations ranging from shared information and knowledge to mergers and the creation of new entities that are the best of many. We asked organizations a series of questions to better understand the potential and the challenges of effective collaborations. For the first time, we also analyzed the results based on the capacity of organizations. Overall, organizations rated their ability to address big issues by working with other nonprofits at 6.7, with government at 5.7, and with businesses at 5.1. While these numbers are all slightly lower than 2014, as seen in **TABLE 10**, not surprisingly, organizations with more capacity are better able to come together with each other, with business, and with government to address issues.

TABLE 10
RATINGS OF COLLABORATION AND COLLECTIVE ACTION

Scale equates 1.0 with “Not at All” and 10.0 with “A Great Amount”

STATEMENT ABOUT COLLABORATION AND COLLECTIVE ACTION	CAPACITY		
	LOW (N=35)	MEDIUM (N=33)	HIGH (N=22)
Nonprofits come together to address big issues.	6.1	7.1	7.0
Nonprofits come together with businesses to address issues.	4.5	5.4	5.8
Nonprofits come together with government to address issues.	5.1	5.9	6.5

COLLABORATION FACILITATORS: *What’s Working*

In 2015, survey takers were asked to provide additional details about their collaboration efforts. The goal was to more thoroughly understand what assisted nonprofits and what stood in the way. Organizations were first asked what had most facilitated effective collaboration. Respondents noted their top four influences when they consider collaboration efforts:

1. Exposure to the idea of collaboration mostly through conferences. Specifically noted was Foraker’s role as a convener, connector, and catalyst on the topic and the influence of Foraker’s Leadership Summit (58%).
2. Influence of understanding shared goals. Specifically noted were the roles of regional and sub-sector convening, coalitions, and cross-sector group convening like MAPP, Arctic Alliance, and United Ways to highlight these goals. Small community peer-to-peer relationships were also noted as an influence in this category (15%).
3. General communication about the concept of collaboration (6%).
4. Grant maker influence (1%).

COLLABORATION BARRIERS: *What’s in the Way*

The barriers identified to collaboration in Alaska were at best disheartening. While organizational leaders may understand at some level that working with others is in the best interest of solving complex community issues, the candid feedback reported in this study shows deeply held beliefs that we all must work to change if we want to create healthy systems in our communities. We must continue to break down these barriers by focusing on organizational

culture and building trust. All too often, collaboration is seen as a straightforward process. However, failure to deal with the emotional connections that leaders bring to the table and without understanding the real fears of loss of funding and identity, no amount of time, money, or effort will be effective.

Following are the top four themes from the narrative responses in the survey regarding barriers to collaboration:

1. Internal capacity including staffing, funding, and time (54% of responses)
 - Existing funding that restricts funds to be spent on new approaches
 - Funding that focuses on process outputs rather than outcome results
2. Attitude mostly spurred by the perception of competition for funding and turf followed by a perception that collaboration is a sign of weakness or failure (29% of responses)
3. Lack of communication both internally and externally about the definitions of success (20% of responses)
4. Prioritization of the preservation of the institutional structure more than solving the problem (3% of responses)

DATA AND EVALUATION

EVALUATION FINDINGS: A *Tool to Use*

In the 2015 survey, we probed more deeply the use of data and evaluation findings by nonprofit board and staff. Survey questions reveal that across all states and all capacity levels, evaluation results are primarily used to provide updates or reports to boards and to inform programs and strategies. Capacity of an organization then starts to affect the organization’s use of data to inform its other decisions. Thankfully, relatively few organizations report that they **“have not used”** evaluation findings even though as **TABLE 11** shows, low capacity organizations still need help using data to inform their work.

TABLE 11
USE OF EVALUATION FINDINGS

USE OF EVALUATION FINDINGS	CAPACITY		
	LOW (N=35)	MEDIUM (N=33)	HIGH (N=22)
Update or report to board	60%	67%	68%
Plan or revise programs	49%	61%	64%
Plan or revise strategies	46%	46%	55%
Use in proposals to funders	37%	49%	59%
Communicate to stakeholders	26%	58%	55%
Make resource allocations	31%	52%	55%
Make staffing decisions	31%	55%	50%
Share best practices	17%	42%	27%
Support advocacy/policy work	20%	24%	32%

PUBLIC POLICY

PUBLIC POLICY: *Understanding our Current Environment*

Survey results presented in **TABLE 12** indicate that the majority of organizations agree that public policy work is important to their missions, although there were some changes from last year. When asked whether the local policy environment was friendly toward nonprofits, the Alaska average dropped from 6.3 in 2014 to 5.9 this year. Other small shifts occurred in the belief of nonprofits that policy work is important to accomplishing mission with a drop from 7.4 to 7.1; or that nonprofits have a role in public policy decision-making with a drop from 6.5 to 6.2; or that nonprofits have a voice in the public policy decision-making with a drop from 6.2 to 5.8. As with several indicators earlier in this report, these decreases may be attributable to our fiscal climate.

While all organizations believe to a similar degree that public policy is important to mission regardless of capacity, organizations with greater capacity feel they have more influence in the process as noted in **TABLE 12**.

TABLE 12
RATINGS OF POLICY ENVIRONMENT

Scale equates 1.0 with “Not at All” and 10.0 with “A Great Amount”

STATEMENT ABOUT POLICY ENVIRONMENT	CAPACITY		
	LOW (N=35)	MEDIUM (N=33)	HIGH (N=22)
How important is policy work to accomplishing your mission ?	7.3	7.2	7.0
The policy environment is friendly to nonprofits.	5.2	6.3	6.4
Nonprofits have a role in the policy decision-making process.	5.8	6.6	6.5
Nonprofits have a voice in the policy decision-making process.	5.2	6.2	6.1

OUR VOICE IN PUBLIC POLICY: *What’s Working*

Like the focus on collaboration, this year the survey also included two open-ended questions about policy work. The first focused on identifying positive contributions to nonprofits doing policy work and the second concerned the most pressing policy needs and/or barriers in the sector.

When describing the things that helped nonprofit leaders do policy work, Alaska aligned with the other four states, although how we rated the themes varied widely as seen in **TABLE 13**:

- Legislative engagement:** Nonprofits noted the importance of having and building relationships with legislators, engaging in activities that build connections with legislators, and securing access to legislators to involve them in their issues.
- Collaboration:** While survey takers, as a whole, have a mixed view of collaboration (as shown by the previous results), they noted its importance in policy work, especially collaboration with their colleagues and the use of issue networks to speak with one voice.
- Advocacy groups:** Comments noted the importance of creating a more prominent voice on the issues and pointed to organizational structures for doing this, including organizations like Foraker and topic focused coalitions and advocacy networks.
- Community knowledge:** Data, education, and awareness in the community at large are essential to creating policy change. Comments noted the importance of working to shift public opinion and values, engaging with communities, and ensuring that leaders are visible and involved with their communities.

TABLE 13
CONTRIBUTORS TO POLICY WORK

CONTRIBUTOR	ALASKA (N=90)	WASHINGTON (N=656)	OREGON (N=118)	IDAHO (N=84)	MONTANA (N=138)	ALL STATES (N=1259)
Engagement	28%	20%	19%	27%	20%	21%
Collaboration	18%	10%	9%	3%	11%	10%
Advocacy groups	27%	15%	41%	27%	44%	22%
Community knowledge	23%	15%	26%	18%	27%	18%
NA or Don't Know	5%	42%	9%	29%	4%	31%

OUR VOICE IN PUBLIC POLICY: *Significant Barriers*

Respondents were also asked to identify the most significant issue of public policy that needs to be addressed for them to succeed. Out of the 129 responses, 38% focused on the need to recognize specific issues like education, suicide prevention, and health care. We would expect nonprofits to focus first on issues directly related to their mission. However, if we subtract the specific mission issues from the equation, 31% of the responses closely linked the remaining issues to our state’s economy and the funding challenges that have created instability and urgency.

Twenty-four percent focused on reducing barriers characterized as “red tape,” like access to Medicaid, taxation issues, paperwork processing, and other factors that limit effectiveness and efficiency of service delivery. Fifteen percent called out the desire for government officials to recognize the economic impact and importance of the nonprofit sector in our communities. Respondents also expressed frustration that this connection is either misunderstood or not acknowledged by elected officials. Foraker shares this concern and we are continuing to focus on delivering powerful and positive messages about the collective work of the sector in Alaska. In particular, we have increased our public policy efforts, engaged government officials on the topic of our significant economic impact in Alaska communities and convened the sector in a variety of ways to share strategies to amplify their stories and voices. We have more work to do.

TABLE 14
SIGNIFICANT POLICY BARRIERS

SIGNIFICANT BARRIERS	ALASKA
Red tape	24%
Funding	31%
Economy	22%
Lack of understood value of the sector	15%
NA or Don't Know	8%

PUBLIC POLICY AND THE ROLE OF THE STATE ASSOCIATION: *Foraker's Responsibility to the Sector*

At Foraker, we see our role as two fold. First, we provide capacity building services to the Alaska nonprofit sector that strengthens their ability to deliver mission, and second, we are Alaska’s nonprofit association. In 2010, we marked our officially sanctioned role as the state association, but from our inception we have been serving as the voice of the sector in public policy to influence issues that affect the sector locally, statewide, and nationally. We continue to engage in our public policy role in four key ways:

- Conducting research on the nonprofit sector that specifically affects Alaska
- Using Foraker’s voice on issues that are important to the Alaska nonprofit sector
- Convening the nonprofit sector to highlight an issue, raise awareness, and encourage collaboration on important issues
- Providing resources to link organizational leaders to information on public policy issues

Overall, survey respondents rate Foraker’s ability to amplify the sector’s voice in public policy decision-making at a 6.1, and the extent to which we add value to the organization at 6.8. While these scores are slightly lower than some of our counterparts in the Northwest, we are committed to increasing our role and helping organizations know they have Foraker as an advocate and resource.

TABLE 15
RATINGS ABOUT STATEWIDE ASSOCIATION

Scale equates 1.0 with “Not at All” and 10.0 with “A Great Amount”

STATEMENT ABOUT STATEWIDE ASSOCIATION	ALASKA (N =90)	WASHINGTON (N =653)	OREGON (N =118)	IDAHO (N =84)	MONTANA (N =138)
My association amplifies the sector’s voice in public policy decision-making.	6.1	5.0	6.5	6.3	7.6
Extent to which you personally value your statewide association.	6.8	5.3	7.3	7.6	8.2

Campers and their counselor explore Kenai Lake at Camp Fire Alaska’s Camp K.



LET'S TAKE THE NEXT STEP

This survey was designed to highlight the importance of investing time, money, and energy in nonprofit capacity. In a world that still considers internal capacity to be “overhead” and, therefore, not as essential to fund as projects, securing financial support is a challenge. Through the information presented in this report, we set out to show that each investment can make a difference in an organization’s ability to deliver mission.

We designed this survey to help funders better understand where their investments in nonprofit capacity can make a significant difference. We also designed it to help nonprofit staff and board leaders better understand where their organization is positioned relative to the fundamental building blocks of organizational capacity, such as focusing on mission and founding principles, implementing strategies and programs, collaborating with others, and improving data collection and evaluation.

In Alaska, we have amazing nonprofit organizations that are working on important missions with outstanding board, staff, and volunteers. Because of that, we see encouraging results in this survey. For example, Alaska nonprofits are more likely than most other organizations in our region to have written strategic plans and budgets, and to use evaluation tools – all important components in continuing to improve operations. Still, there are some areas of concern:

- Nonprofits can improve the way they engage staff and board in the use of planning and evaluation tools.
- Organizations can do better at overcoming ways of thinking that place them in “siloes” – instead of moving toward effective collaborations within the sector, or with business and government.
- And room exists to diversify and strengthen funding models – especially those that bring in unrestricted funds.

We are in a state of economic change in Alaska. This change brings more demand for nonprofits to be

effective, stable, and adaptive. We must also be better prepared to meet the growing demands on the sector to provide for the health and well-being of Alaskans. To do this, we must take the following actions:

- **Look within our structures and systems for barriers to collaboration and commit to removing those barriers.**
- **Renew our resolve to dismantle those same structures and systems when they prevent people, neighborhoods, and whole communities from moving ahead.**
- **Strengthen our nonprofit voices and engage our boards, our supporters, and civic leaders to demonstrate the important role the sector plays as part of better solutions, rather than as part of a problem.**
- **Engage in public policy conversations that move beyond our own organizational needs and look to the larger impact of the sector and the role we play in our communities.**

Our ability to succeed starts with our board and leadership staff, as well as our donors and grant makers. We all need to be asking questions about our stability and our resiliency. We should regularly step back and evaluate whether we are still on track, and if we are making sound decisions to achieve our mission.

This report, along with its companion findings on the health of the sector in the Northwest region, is a call to action to make space for these discussions at staff and board meetings, with our donors and funders, and with our elected leaders. This report can help us see where we are employing best practices to assure our organizations are strong, and where the challenges exist.

Together, with a clear understanding of where we are today, and through the work of our dedicated nonprofit professionals, we can continue to strengthen the sector and in turn strengthen our communities into the future.

WE ARE READY TO TAKE THOSE STEPS WITH YOU.



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