

Latest BDO Nonprofit Benchmark Survey

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“How does my organization compare with my peers?”

That’s one of the most frequent questions posed to the experts at the [BDO Institute for Nonprofit Excellence](#). It’s why each year since 2017 they have surveyed hundreds of American organizations across a broad swath of the sector.

The results, along with an “assessment of nonprofit performance” and “insights on challenges and opportunities,” are published annually in an online report titled *Nonprofit Standards: A Benchmarking Survey*.

The fifth edition was released in November 2021 [[downloadable link here](#)], based on responses in June 2021 from over 200 U.S. nonprofits.

The [purpose of the yearly survey](#) is to “give nonprofits a useful barometer to measure performance across a variety of areas, including strategic planning, human resources, operations, scope and impact, and governance matters.”

Of course, this past year or so has been anything but “normal.” Still, this most recent benchmarking survey helps answer “... that persistent question and [provides leaders with actionable insights](#) to drive their nonprofits forward.”

Sector Diversity

BDO explains that its over 100 years’ “experience working with nonprofits” gives it a “unique window into the change-making work of the diverse nonprofit sector.” And while “[n]o two nonprofits are the same – every organization is shaped by its unique history, mission, size, goals, and community – ... the sector [shares a unifying commonality](#): advancing their organization’s mission.”

The researchers that conducted this fifth annual benchmarking survey bring with them this collective institutional knowledge. Each year, the goal is to provide not only the BDO clients but nonprofit sector leaders as well with “... the data needed to make good decisions.” Of course, it’s the sector-diversity itself that makes the task of “evaluating ‘performance to ensure sustainability’” a “‘perennial challenge ‘for the people in the trenches.’”

As with the past benchmarking surveys, the current presentation is visually pleasing and easy to read and understand. It’s 22 pages long, but there are links to more in-depth specific snapshot reports on “revenue earnings, health and human services organizations, education organizations, grantmakers and public charities.

This latest *Nonprofit Standards* takes a deep dive into how organizations are emerging from a tumultuous year.” Specific key areas of focus are:

- “Challenges and opportunities that arose from crisis
- The need to invest in and optimize technology
- How to support and maintain financial health
- The evolving compliance landscape
- The road ahead”

It’s all designed to help nonprofits answer the question: “Is my organization normal?” in this decidedly abnormal era.

The Survey

In *Data Shows Nonprofits are Optimistic for 2022: Benchmark Yourself Against Industry Peers* (November 11, 2021), *BDO Blog*, Adam B. Cole, CPA and Andrea E. Wilson, CPA mention a few key points relating to our current time of uncertainty.

“Over the past 18 months,” they write, “the nonprofit industry has felt an accordion effect of pressures stemming from COVID-19 and its related impacts. Inevitably, there were varied experiences for organizations across sectors, from surges in demand to canceled events, diversified revenues to losses in donations, discontinued programs to fundraising changes and more. Even still, nonprofits rose to the occasion and provided critical resources to communities in need, turning crisis into opportunity.”

And, separately, the firm’s Marisha Chinsky adds: “While COVID-19 continues to send shockwaves through the nonprofit industry, recent data findings show that organizations are turning crisis into opportunity.”

She gives a few examples of intriguing observations: (a) “last year, most nonprofits had less than 4 months of operating reserves. Now, 38% of organizations have over 12 months of excess cash on hand” and (b) “despite the toll of the pandemic, nonprofits experienced positive change, including accelerated investments in technology (60%), new service or program offerings (43%), faster decision-making (43%) and an increased awareness of mission (43%).”

Conclusion

“Packed with actionable insights and exclusive industry data,” the fifth annual benchmarking survey offers “concrete guidance to help nonprofits meet their unique goals and drive their mission forward.”

The BDO Institute for Nonprofit Excellence provides additional excellent information; see the online Resource Center as well as the Nonprofit Standards blog.

– *Linda J. Rosenthal, J.D., FPLG Information & Research Director*