

Funding Trends

- ▶ New Tax law could reduce incentive for charitable giving
- ▶ % of Budget for “discretionary spending” decrease
- ▶ Outcome/ reimbursement-based funding
- ▶ Interest in investing in business needs
 - Workforce
 - Education
 - Healthcare reduction
- ▶ DE donors increase giving by 2% vs US average of 4%*
- ▶ Donor Advised Funds
- ▶ New arrivals create funding opportunities
 - New businesses
 - New donors moving into DE
- ▶ Foundations raising the bar on grants
 - Expect to see collaborations and sustainability plans
 - Limits on application frequency

Government

Private Donors

Funding Trend Implications

New Funding streams may be required to sustain mission

- Diversify donor base
- New Strategies for Donor Acquisition and Retention
- Better Story Telling
- Identify new fee-based services
- Expand cash reserves

Sustainability may require focus

- Focus on what one does best and what one can get “paid” for
- Transition away from low value services
- Reposition to new opportunities

Technology

- ▶ Improving efficiency and reducing cost to serve
- ▶ Increased sensitivity to data security
- ▶ Customer access to technology and comfort using it
- ▶ Access to data remotely and ‘on-time’
- ▶ Technology to tell the story
- ▶ More frequent updates and obsolescence

Technology Addressing Need



Technology Trend Implications

Different operating model and cost structure to adapt

- ▶ Cost to manage IT/technology shifts will increase budget
- ▶ Staff ability to adapt to shift in technology
- ▶ Customer expectations of technology shift

Leveraging Technology to remain competitive

- ▶ Quickly adapting new technology which reduce costs
- ▶ Technology to acquire and retain Donors/customers

Scenarios using trends

Growing Senior Population

- 6.4% of Delaware population 65+ lives below the poverty line*.
- 14,282 seniors in 10 years below poverty (+3332)
- ▶ Impact to...
 - New services
 - Funding needs
 - Operations
 - Volunteer support

Delaware Nonprofit providing reading support to children ages 6 –9 years across the State

- ▶ 1,938 more children at this age range since 2010
- ▶ 52% of students are at grade level reading* so 930 more children need reading assistance since 2010 (hence need to increase services)
- 10 years from now see a decline in population for this age range

What Considerations should nonprofits in this space make?

Workforce Development Nonprofit

Trend: Workforce age Hispanics in Delaware will increase by 31% in next 10 years while all other workforce age population grows .6%

- ▶ Small DE businesses will need support understanding this workforce cultural considerations
- ▶ This workforce will need support to get training needed to compete for jobs

Business Model	Strategy One	Strategy Two
New Program Potential	Training for Small Business Owners	Job search coach for Hispanic workforce
Customer Description	small businesses, family owned, often less than 20 people	May be first generation, naturalized, green card. Different ethnic and cultural dynamics
Potential Customer Population	15,292	21,568
Potential Market Share	10%	10%
Customer Ability to Pay	medium	low
Donor Description	Foundations and government who care about employment and thriving business economy	Foundations, donors, and government who care about healthy communities and stable families
Donor Count	4	300
Average Gift	\$10,000	\$200

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Potential Customer Population	15,292	21,568
Potential Market Share	10%	10%
<u>Expenses To Deliver</u>		
Staffing (2.5 FTE)	\$175,000	\$175,000
Marketing/Promotion	\$3,000	\$5,000
Materials	\$53,522	\$32,352
Travel	\$5,000	\$1,000
Facility Rental	\$2,500	\$2,500
Other	\$1,500	\$1,500
Total Expense	\$240,522	\$217,352
Cost to serve/target	\$157	\$101
Customer Price	\$100	\$50
Net Needed Subsidize	\$87,602	\$109,512
<u>Revenue Sources</u>		
Fee for Service	\$152,920	\$107,840
Donations	\$40,000	\$60,000
Government Contracts	\$50,000	\$50,000
Total Revenue	\$242,920	\$217,840
Net Program Revenue	\$2,398	\$488

Incorporating Trendwatching into your planning

- ▶ Identify which trends matter for your mission and sustainability model
- ▶ Set aside one time/year when the board discusses the trend and considers implications
- ▶ Build the trend information into your case statement for funding support (particularly if it is an innovation or expansion)
- ▶ Report back on the actual result and evaluate your assumptions to learn for future planning

Free Trend Data

- ▶ U.S. Census
- ▶ Industry Specific Sources
 - ShareDelaware.org
 - Delawarefocus.org
 - Philanthropy.com
- ▶ Research Institutions
 - Universities
 - Urban Institute/Pew etc.
- ▶ Trend Institutions
 - Trendwatching.com
 - Shapingtomorrow.com



Want to learn more?

- ▶ Call DANA we can provide you and your board with additional guidance on trend evaluation and planning support
- ▶ sbravo@delawarenonprofit.org.