



# **N**ONPROFITS

*Scope and Community Dimensions*

Indiana Nonprofit Capacity Survey Series  
Report #3

## **NONPROFIT CAPACITY ASSESSMENT: INDIANA'S ARTS AND CULTURE ORGANIZATIONS, 2010**

SUBMITTED TO THE INDIANA ARTS COMMISSION

FINAL REPORT, JUNE 2010

KIRSTEN A. GRØNBJERG  
AND KELLIE MCGIVERIN-BOHAN  
WITH  
JENNA CLUVER, SUZZY MANGAS,  
AND JESSICA WECHTER

THE SCHOOL OF PUBLIC  
AND ENVIRONMENTAL AFFAIRS  
AT INDIANA UNIVERSITY



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**Prepared by  
KIRSTEN A. GRØNBJERG**

Project Director

Efroymsen Chair in Philanthropy, Center on Philanthropy at Indiana University  
School of Public and Environmental Affairs at Indiana University

**KELLIE MCGIVERIN-BOHAN**

School of Public and Environmental Affairs at Indiana University

With

**JENNA CLUVER, SUZZY MANGAS, AND JESSICA WECHTER**  
School of Public and Environmental Affairs at Indiana University

For more information, see [www.indiana.edu/~nonprof](http://www.indiana.edu/~nonprof)

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## **ACKNOWLEDGMENTS**

We express our deep-felt gratitude to the many Indiana arts and culture providers who completed our survey. Without their cooperation, we would have nothing to report. We are especially grateful to Lewis Ricci, Executive Director of the Indiana Arts Commission (IAC), for inviting us to undertake the survey and to Michelle Anderson, Jayant “Jay” Singh Chauhan, April Blevins, Laura Frank, Sarah Heying, and Rex Van Zant, for their valuable feedback and assistance with the project. We also thank Stephanie Cave, Laney Cheney, Helen Liu, Li-Chuan (Tammy) Liu, Rebecca Nannery, and Becky Nesbit for their contributions to the project design and analysis. The support and efforts of all of these strengthened this work enormously and we are grateful to them all. Of course, any remaining problems reflect our shortcomings entirely.

In addition to funding from IAC, support has been provided through the ongoing project on the Indiana Nonprofit Sector: Scope and Community Dimensions. This project, directed by Kirsten Grønberg, Efroymsen Chair in Philanthropy at the Center on Philanthropy, is currently funded by the Efroymsen Fund at the Indianapolis Foundation (an affiliate of the Central Indiana Community Foundation), the Indiana University Center on Philanthropy’s Indiana Research Fund (supported by Lilly Endowment, Inc.), and the School of Public and Environmental Affairs at Indiana University.

## **SUGGESTED CITATION**

***Capacity Assessment: Indiana’s Arts and Culture Organizations, 2010***. Nonprofit Capacity Assessment Survey Series, Report #3, Final Report. Kirsten A. Grønberg and Kellie L. McGiverin-Bohan with Jenna Cluver, Suzzy Mangas, and Jessica Wechter (Bloomington, IN: Indiana University School of Public and Environmental Affairs, June 2010).

An electronic version of this report is available on the Indiana Nonprofit Sector Project Web site, see <http://www.indiana.edu/~nonprof/results/npcapacity.html>.

# NONPROFIT CAPACITY ASSESSMENT: INDIANA’S ARTS AND CULTURE ORGANIZATIONS

## PROJECT ON INDIANA NONPROFITS: SCOPE & COMMUNITY DIMENSIONS

### NONPROFIT CAPACITY SURVEY SERIES: REPORT #3

A JOINT PRODUCT OF

THE CENTER ON PHILANTHROPY  
AT INDIANA UNIVERSITY  
AND  
THE SCHOOL OF PUBLIC &  
ENVIRONMENTAL AFFAIRS  
AT INDIANA UNIVERSITY

KIRSTEN A. GRØNBJERG  
AND  
KELLIE L. MCGIVERIN-BOHAN

**JUNE 2010**

## CONTENTS

I. Introduction.....	2
A. Project Purpose.....	2
B. Survey Focus .....	3
C. Sample and Survey Procedures .....	3
II. Executive Summary .....	4
A. Capacity Building Challenges .....	4
B. Nonprofit Views .....	5
C. Summary and Recommendations .....	6
III. Key Findings.....	7
IV. Methodological Notes.....	9
A. Multivariate Analysis .....	9
B. Factor Analysis .....	9
V. Capacity Building: Challenges and Assistance .....	11
A. Capacity Building Challenges .....	11
1. Financial Resources.....	11
2. Networking and Advocacy.....	23
3. Marketing.....	36
4. Programs and Planning.....	43
5. Information Technology (IT).....	55
6. Human Resources .....	65
7. Operations and Governance.....	73
B. Assistance for Challenges .....	83
1. Relationships among Different Forms of Assistance.....	85
2. Financial Assistance .....	85
3. Peer Learning Assistance.....	102
4. Technical Assistance .....	107
5. Assistance from the IAC.....	119
C. Regional Comparisons.....	126
D. Broader Context.....	131
VI. Arts and Culture Agency Views .....	133
A. Extent of Capacity Building and Technical Assistance Needs.....	133
B. Capacity Building.....	133
C. Technical Assistance .....	136
VII. Summary and Recommendations .....	139
A. Major Capacity Building Challenges.....	139
B. Major Types of Assistance in Meeting Capacity Building Needs .....	140
Appendix A: References .....	142
Appendix B: Sampling and Survey Procedures.....	143
Appendix C: Detailed Coding Categories for Open-Ended Questions.....	145
Appendix D: Descriptive Statistics and Multivariate Analysis .....	151
Appendix E: Project Publications and Reports .....	227

## VII. SUMMARY AND RECOMMENDATIONS

In this section, we first briefly summarize our key findings about the extent to which responding organizations report major challenges across all categories of capacity building. We then turn to a more explicit consideration of what nonprofits said would be most helpful to them and highlight those we believe are of particular relevance to funders.

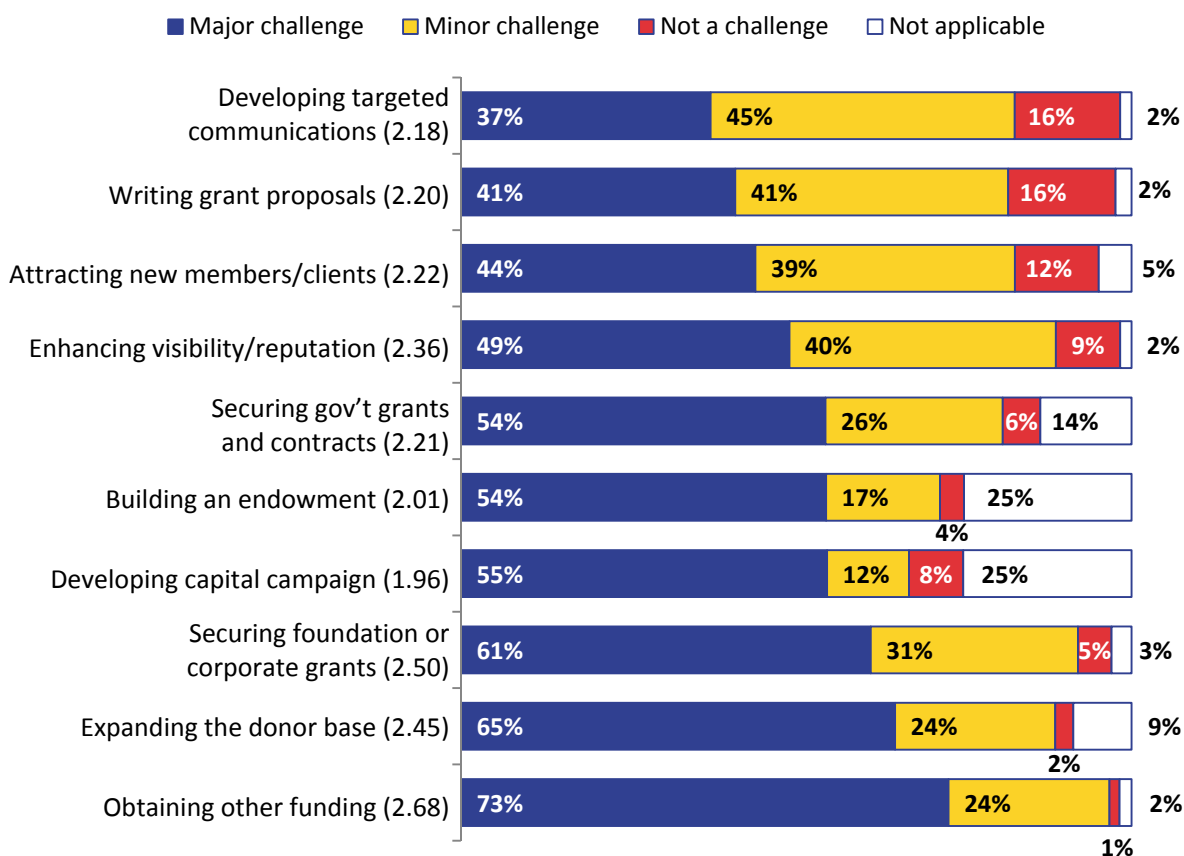
### A. MAJOR CAPACITY BUILDING CHALLENGES

Focusing on the extent to which particular types of capacity building present major challenges, we find that seven of the top ten challenges all relate to securing various forms

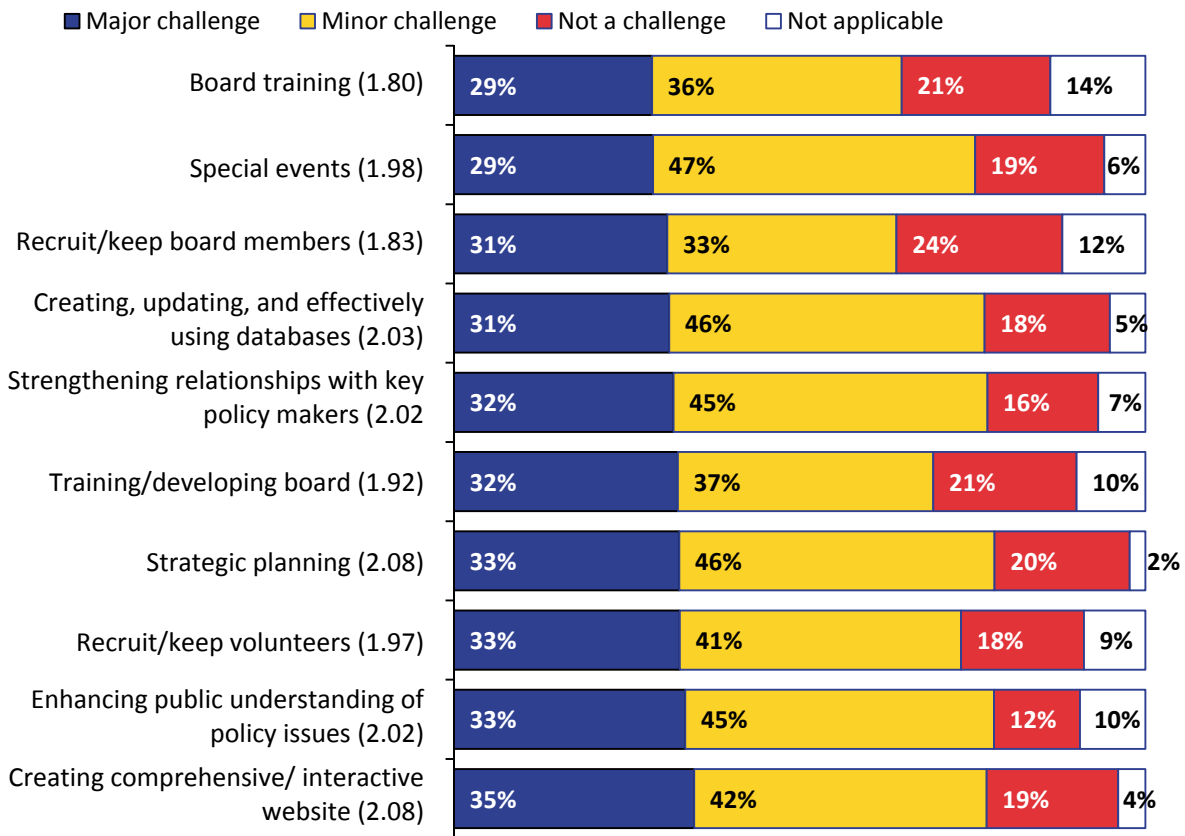
of funding (including the top six) with the remaining three indirectly related to funding. As Figure 247 shows, obtaining other funding is a major challenge for 73 percent, followed by expanding the donor base (65 percent), securing foundation or corporate grants (61 percent), and developing a capital campaign, building an endowment, or securing government grants and contracts (all 54 to 55 percent). Writing grant proposals is a major challenge to 41 percent.

The other three items in the top ten are at least indirectly related to securing financial resources: enhancing the visibility or reputation of the organization (a major challenge for 49 percent), attracting new members or clients (44 percent) and developing targeted community communications (37 percent).

**Figure 247: Ten Top Major Challenges (n=335-344)**



**Figure 248: Top Ten to Twenty Major Challenges**



A review of the next ten major challenges (identified by 29-35 percent of the respondents) shows greater spread among the seven broad capacity building categories (see Figure 248). These include two information technology related tasks: creating comprehensive and interactive websites (a major challenge for 35 percent) and creating, updating, and effectively using databases (31 percent), as well as three items related to board issues: training and developing the board (32 percent), recruiting and keeping board members (31 percent) and board training (29 percent). Two networking and advocacy issues are also included: strengthening relationships with key policy makers (32 percent) and enhancing public understanding of policy issues (33 percent), as are strategic planning (a major challenge for 33 percent), recruiting and keeping volunteers (33 percent) and conducting effective special events (29 percent).

## **B. MAJOR TYPES OF ASSISTANCE IN MEETING CAPACITY BUILDING NEEDS**

As we noted earlier (see Figure 142 in Section V.), there is widespread agreement that funding assistance appears to be the most helpful way to address the challenges, followed by peer learning support and technical assistance. Among the specific types of funding assistance we examined, multi-year funding and general overhead funding are ranked as most helpful overall with more than 80 percent of respondents considering these as “very helpful” when asked for an overall assessment of specific types of assistance. When asked about helpful assistance from IAC, operations and project funding were both considered very helpful by about the same percentages. Finally, when asked to describe what type of assistance would be most helpful in addressing the organization’s own top three capacity building or technical

assistance challenges, some reference to funding was included in respectively 40 and 28 percent of the descriptions. Peer learning is considered very helpful by 44 percent when asked about their general assessment of this type of assistance but is rarely included in descriptions of the most effective ways to address their own top capacity building or technical assistance challenges. Finally, workshops and training opportunities and access to outside consultants are considered very helpful by respectively 29 and 33 percent of respondents when asked for a general assessment, and by 35 percent when asked about workshops and training opportunities provided by the IAC.

However, all types of external assistance, including consultants, student interns, loaned executives, and workshops or training, were included in only 14 percent of descriptions of what would be helpful to address the organizations own top three capacity building challenges and in 18 percent of descriptions for addressing technical assistance challenges (many of which relate to information technology).

Based on our analysis of what respondents view as the most helpful types of assistance to meet various types of capacity building and technical assistance needs, we identify four priorities for the IAC and other funders in the arts and culture field.

***Top Priority – Funding Assistance.*** More than 80 percent see multi-year funding and general overhead as very helpful. We recommend that Indiana funders give serious consideration to providing this type of support to arts and culture organizations seeking assistance with capacity building needs. Such funding provides maximum flexibility for arts and culture organizations and allows them to shift focus as new challenges emerge. Endowment funding, small grants and challenge grants targeted at particular areas of capacity building are also

likely to be quite useful. We suspect, based on results from our 2007 survey, that some of these types of funding support may be more helpful for capacity building challenges that are more clearly defined, such as marketing, as opposed to operations and governance.

***Second Priority – Peer Learning.*** The opportunity to interact with and learn from peer organizations is seen as very helpful by 44 percent of respondents. Thus, we recommend that arts and culture funders give serious consideration to creating structured opportunities for peer interactions and information sharing among executives and others in key arts and culture management positions, such as marketing directors, volunteer managers, special event coordinators, grant writers, and the like.

***Third Priority – Joint activities with other organizations.*** More than 32 percent indicate that joint activities with other organizations are very helpful, with 85 percent finding it at least somewhat helpful. We therefore recommend that funders and other community leaders explore ways to facilitate collaborative activities among arts and culture organizations, while also recognizing that there are potential costs and constraints associated with such efforts.

***Fourth Priority: Support for Technical Assistance.*** Outside consultants, student interns, and workshops and other off-site trainings are viewed as very helpful by about three in ten or more of respondents and at least somewhat helpful by three-fourths or more. Workshops and trainings provided by the IAC were also seen as very helpful for more than a third. Thus, we recommend that funders give particular attention to identifying and supporting high quality consultants, student internship programs, and training opportunities for arts and culture organizations.

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