



# INDIANA NONPROFITS

*Scope and Community Dimensions*

Nonprofit Survey Series  
Report #5

## INDIANA NONPROFITS: AFFILIATIONS, COLLABORATIONS, AND COMPETITION

A JOINT PRODUCT OF

THE CENTER ON PHILANTHROPY  
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Except for religion nonprofits, which are most likely to be affiliated with other religious organizations, nonprofits in every field are most likely to be affiliated with mutual benefit/membership organizations.

- ***Federated funding is disproportionately distributed:*** A minority (14 percent, overall) of Indiana nonprofits receive support from federated funders such as the United Way (8 percent), religious federated funders (6 percent), or other federated funders (4 percent). Such support, however, is most prevalent among large nonprofits and those that operate in the health and human services fields.

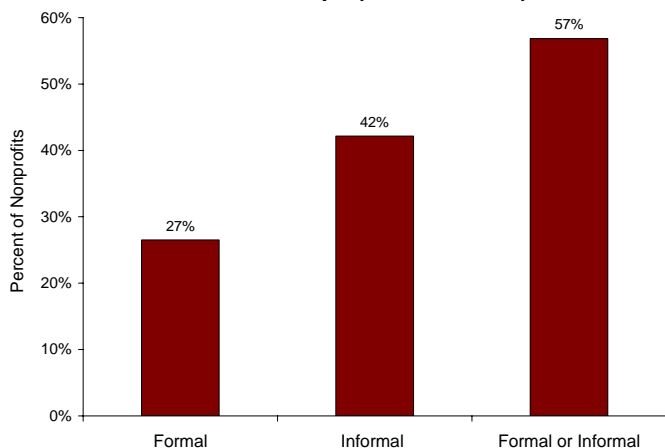
## II. COLLABORATIONS AND NETWORKS ACROSS THE SECTOR

*More than one-half of all Indiana nonprofits participate in formal or informal relationships with other organizations. Such relationships are disproportionately common for relatively large nonprofits and those that have access to basic information and communication technology, such as computers, Internet, e-mail, and a web-site. Holding all else constant, the odds that nonprofits will participate in informal networks are considerably high for organizations in the health field. Additionally, the odds of being involved in formal collaborations are significantly high for organizations in the arts, culture and humanities field.*

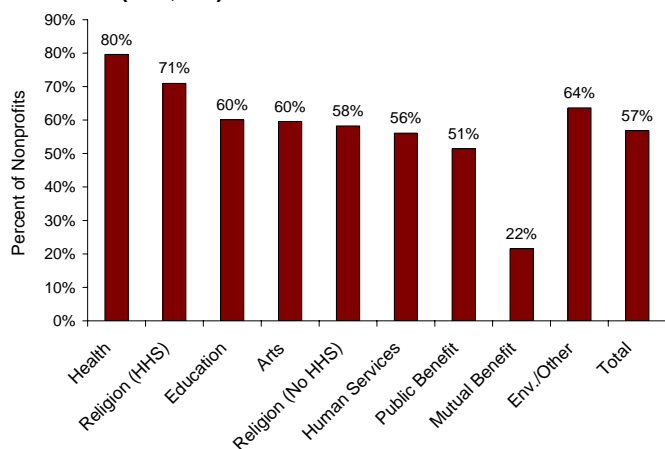
**Formal and informal relationships in the Indiana nonprofit sector:** Nonprofits across the state and in every field of activity participate in relationships with other organizations to expand their capacities and accomplish their missions. The extent to which nonprofits collaborate, however, is a function of certain organizational characteristics. We analyzed these and report our findings below.

- **Participation in networks and collaborations:** We asked Indiana nonprofits whether they were involved in formal collaborations or informal networks.
  - ***Overall:*** More than one-half (57 percent) of Indiana nonprofits participate in formal collaborations or informal networks with other organizations. According to our survey, one-quarter (27 percent) are involved in formal collaborations and two-fifths (42 percent) are involved in informal networks. See Figure 12. One out of ten nonprofits (13 percent overall) participate in both collaborations and networks.
  - ***Nonprofit field:*** Figure 13 suggests that there is some variation among fields in the extent to which nonprofits participate in collaborations or networks. However, multivariate analyses reveal that mutual benefit nonprofits are the only ones to diverge significantly from nonprofits in other fields (they are less likely to participate), once we take into account size, technology, age, and funding source. See Figure 13.

**Figure 12: Percent of nonprofits involved in informal and formal relationships (n=2,025-2,069)**

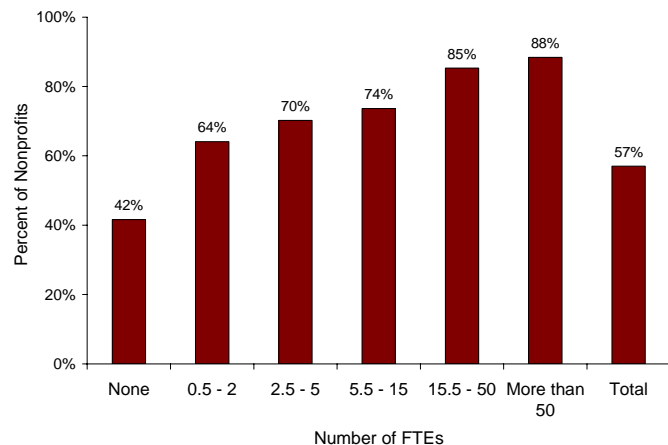


**Figure 13: Percent of nonprofits involved in informal networks or formal collaborations by field (n=2,069)**



- **Size:** The extent to which Indiana nonprofits participate in either formal collaborations or informal networks appears to vary most significantly according to their size. This is true whether we define size in terms of total revenues or number of employees. In either case, small nonprofits are significantly less likely than larger ones to participate in these types of relationships with other organizations.
- Very small nonprofits (i.e. those without any FTEs) are less than half as likely as large ones (i.e. those with more than 50 FTEs) to say that they participate in networks or collaborations with other organizations. See Figure 14.

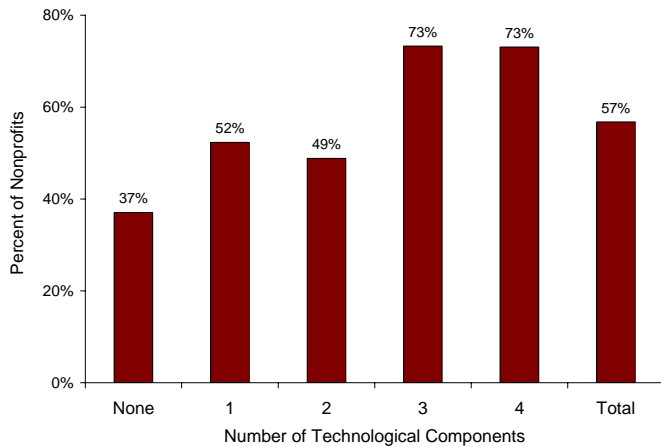
**Figure 14: Percent of nonprofits involved in informal networks or formal collaborations by number of FTEs (n=1,957)**



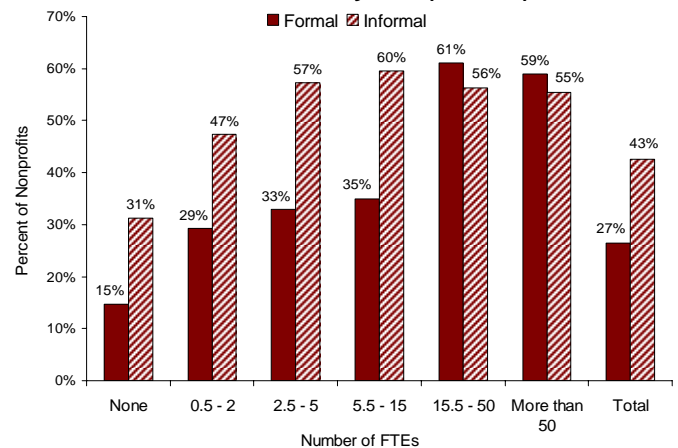
- **Information technology:** The second major factor that relates to whether nonprofits participate in collaborations or networks is their access to information technology. For each additional technological component that nonprofits possess, such as computer access, Internet, e-mail, or a web-site, the odds that they collaborate formally or informally with other organizations increase by approximately 25 percent.<sup>14</sup>
- Figure 15 illustrates the general pattern of this relationship. Only one-third (37 percent) of the nonprofits that do not have access to any of the technological components participate in relationships with other organizations, compared to nearly three-quarters (73 percent) of those with 3 of these tools or more.
- **Informal networks:** The extent to which nonprofits participate in *informal* networks – e.g., coalitions, cooperation, coordination, or other ways of working together – varies by field, age, and access to information technology.
  - **Nonprofit field:** Health nonprofits are considerably more likely than nonprofits in the other fields to participate in informal networks. See Figure 16.

<sup>14</sup> We do not have enough data to determine, however, whether having these components leads to higher rates of collaboration, or whether nonprofits acquire these tools in order to participate more fully in relationships with other organizations. Most likely, both factors are at work.

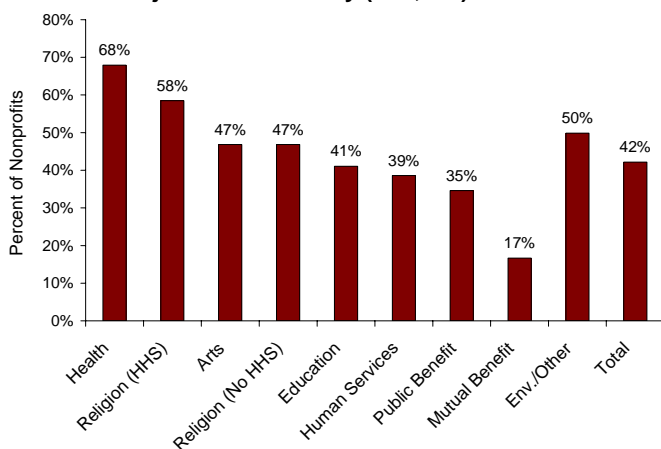
**Figure 15: Percent of nonprofits involved in informal networks or formal collaborations by technology (n=1,974)**



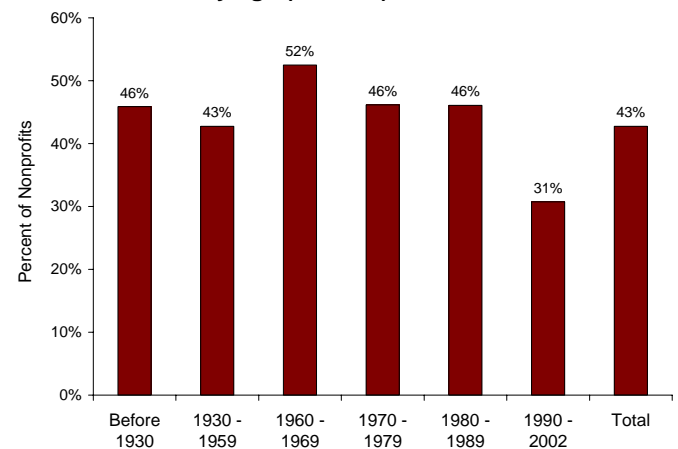
**Figure 17: Percent participating in formal collaborations or informal networks by size (n=1,917)**



**Figure 16: Percent participating in informal networks by major field of activity (n=2,025)**



**Figure 18: Percent of nonprofits involved in informal networks by age (n=1,883)**

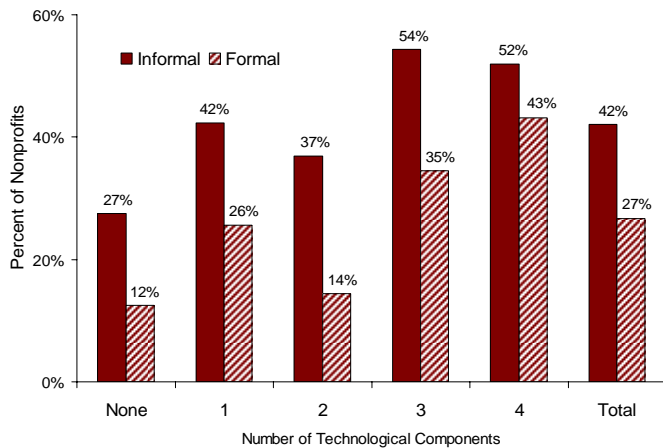


- **Size:** Very small nonprofits (whether defined as having no annual revenues or no employees) are less likely than larger ones to participate in these types of informal relationships. See Figure 17.
- **Age:** Likewise, the odds that nonprofits will participate in informal relationships significantly decrease for very young nonprofits – those established since 1990 – compared to older ones.
  - Only 31 percent of the youngest nonprofits indicate they participate in such relationships, compared to 43 percent or more of nonprofits organizations established before 1990. See Figure 18.

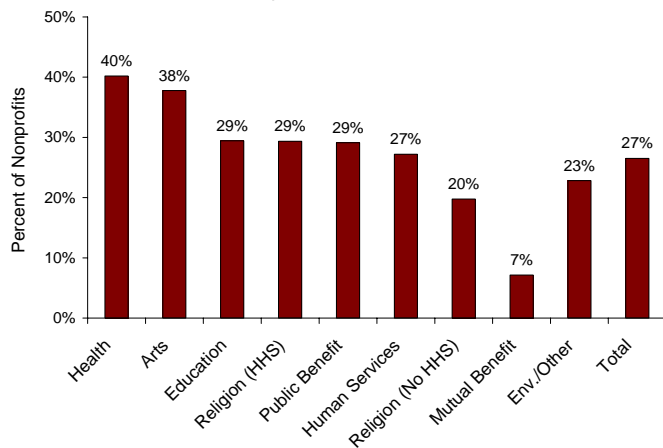
- **Information technology:** Each additional technological tool that nonprofits possess increases the odds that they will participate in informal networks. This is especially apparent in the multivariate analysis, but Figure 19 also illustrates the relationship.
- **Formal collaborations:** The extent to which nonprofits participate in *formal* collaborations – e.g., legal, fiscal, administrative, or programmatic exchanges – varies by field, size, primary source of funding, and access to information technology.
  - **Nonprofit field:** Holding other organizational characteristics constant, the odds of participating in formal collaborations increase significantly for nonprofits in the arts, culture and humanities

field in comparison to nonprofits in the remaining fields. See Figure 20.

**Figure 19: Percent of nonprofits involved in informal networks or formal collaborations by number of technological components (n=1,935)**



**Figure 20: Percent of nonprofits involved in formal collaborations by field<sup>15</sup> (n=2,025)**



- **Size:** The relationship between size and participation in formal collaborations is more pronounced than for participation in informal networks. Whereas for informal relationships small nonprofits stand out significantly in comparison to both mid-sized and large organizations, for formal relationships the odds of participation decrease for small nonprofits in comparison to mid-sized ones, and then increase substantially for larger compared to mid-sized ones (see Figure 17). The fact that health nonprofits are disproportionately large may account for why they

appear (in Figure 20) to participate more frequently in formal collaborations.

- **Primary source of funding:** After controlling for other factors, the odds that Indiana nonprofits participate in a formal collaboration increase for those that rely on a mix of funding sources compared to those that rely on one particular source for the majority of their income. The odds decrease for nonprofits that rely on special events or sales of goods or services, compared to those that depend on a mix of sources.
- **Information technology:** Nonprofits with access to technology are more likely than those with limited access to participate in formal collaborations. See Figure 19 (above).

**Conclusions and implications:** We draw several conclusions and implications from these findings.

- **The majority of Indiana nonprofits participate in collaborative or network relationships with other organizations:** More than one-half (55 percent) of Indiana nonprofits are involved in some form of collaboration or network relationship with other organizations. Informal network relationships are more common (42 percent) than formal collaborations (27 percent); but many participate in both.
- **Size and technology matter:** Overall, large nonprofits are significantly more likely than small ones to be involved in collaborations or networks. The same is true for those that have access to information technology components, such as computers, Internet, e-mail, and a web-site.
- **Involvement in informal networks:** Nonprofits established between 1990 and 2002 are significantly less likely than those founded in previous years to engage in informal networks. Health nonprofits more likely to participate in such networks than nonprofits in other fields.
- **Participation in formal collaborations:** Holding all else constant, arts and humanities nonprofits are more likely than nonprofits in other fields to be involved in formal collaborations with other organizations.

<sup>15</sup> This relationship is significant at p=0.0531.