



Nonprofit Survey Series  
Report #3

# INDIANA NONPROFITS: IMPACT OF COMMUNITY AND POLICY CHANGES

A JOINT PRODUCT OF

THE CENTER ON PHILANTHROPY  
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AND

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government for most of their revenues are no more likely than other nonprofits to indicate that the community condition impacted them.

## II. POLICY CONDITIONS AND CHANGES

*Nonprofits in the health and human services fields, those that have relatively high revenues or that depend on government for the majority of their funding are the most likely to report that public policies have changed during the last three years (almost all report that policies became stricter). They are also the most likely to indicate that the policies had an impact on their organizations.*

**Nonprofits and government policies:** Nonprofits come into contact with governments at all levels and in several broad policy arenas, but these relationships are likely to be more relevant to some nonprofits than others.<sup>24</sup>

*Government spending* decisions affect nonprofits indirectly by influencing the need for their services. But they also affect nonprofits directly since government is an important source of nonprofit revenues in some fields, especially health and human services. Thus changes in public spending priorities or eligibility conditions (e.g., education, health, or welfare policies) are likely to impact some nonprofits more than others.

Government also impacts nonprofits in the *regulatory* arena, when establishing general health and safety regulations or by requiring employers to make accommodations for people with disabilities. Government (and professional societies) may impose licensing requirements on some organizations or occupations where nonprofits are active. In addition, some regulations are particularly relevant to nonprofits, such as those specifying the types of organizations eligible for tax-exempt status, the procedures under which nonprofits secure this status, the types of activities they can undertake, and the kinds of public disclosure they must make. Similarly, government restricts the political and legislative activity of some nonprofits more so than others, and in different ways.

Finally, government *taxation policies* affect nonprofits directly and indirectly because they are exempted from taxation and since donations to charities are deductible from the taxable income of individual taxpayers, corpo-

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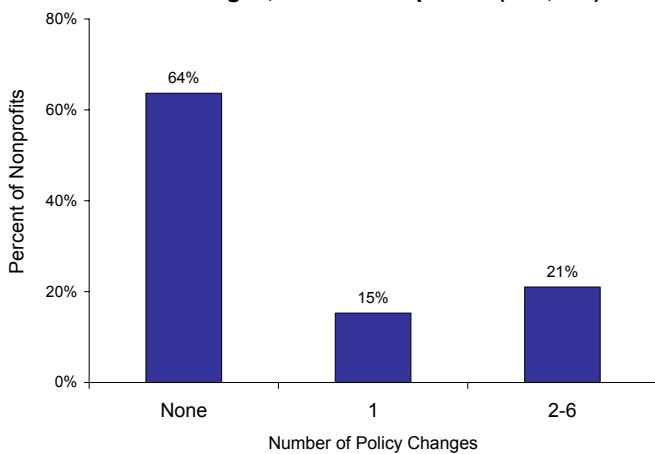
<sup>24</sup> For a more extensive discussion of government-nonprofit relations, see “Devolution, Marketization, and the Changing Shape of Government-Nonprofit Relations” by Kirsten A. Grønberg and Lester M. Salamon, pp. 447-70 in Lester M. Salamon (ed.), *The State of Nonprofit America* (Washington, D.C. Brookings Institution, 2003).

rations, and estates taxes (all within certain limits). Thus changes in tax rates or in what is taxable are likely to have important impacts on nonprofits.

**Indiana nonprofits and policy conditions:** We asked Indiana nonprofits to give their perceptions of changes in just a few of the many policy issues we could have examined: health and safety regulations (e.g. OSHA); client eligibility for government programs; professional licensing requirements; personnel/legal regulations; and government contract procurement policies. We also asked about any “other” policy changes to give everyone a chance to respond if we hadn’t captured a condition of potential relevance to all nonprofits. We asked them to indicate whether these policy conditions became more relaxed, stricter, or did not change over the last three years. (See Appendix B for actual survey questions.)

- **Scope of Changes:** Only 36 percent of Indiana nonprofits indicate that at least one policy changed (i.e. became more or less strict) over the last three years, including 21 percent (overall) which reported that two or more policies did so. See Figure 40. These perceptions vary by field, size, funding profile, and region.

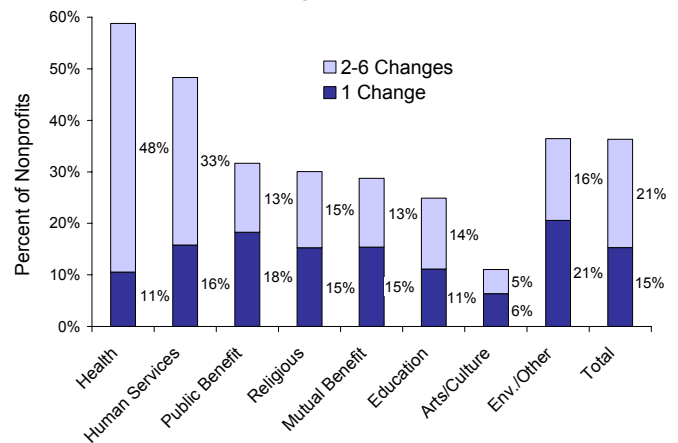
**Figure 40: Percent reporting policy changes, by number of changes, Indiana nonprofits (n=1,647)**



- **Nonprofit field:** These percentages, however, understate policy realities for some nonprofit fields, especially health and human services nonprofits. Thus three-fifths (59 percent) of health nonprofits—almost double the overall percentage—indicate that at least one policy changed over the last three years and almost half

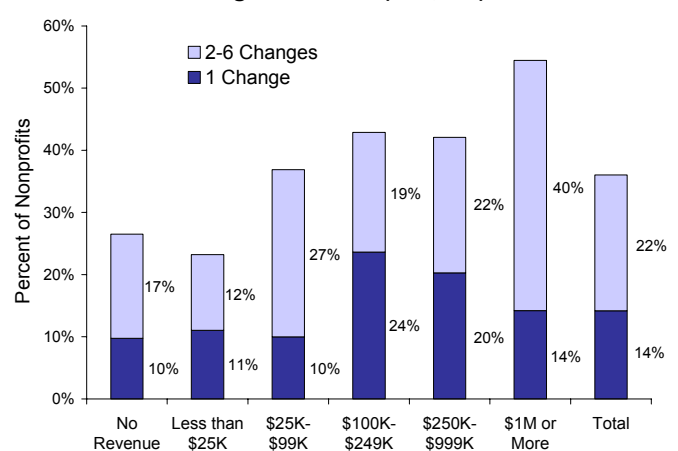
(48 percent overall) report that multiple policies changed. See Figure 41.

**Figure 41: Percent reporting policy changes, by major field of activity (n=1,647)**



- Human services nonprofits follow a similar pattern, although not as dramatic. One-third (33 percent overall) report that two or more policies changed over the last three years while 16 percent (overall) report that only one did so.
- **Size:** The percentages in Figure 40 also hide notable differences by size of revenues. Large nonprofits are more than twice as likely as smaller ones to indicate that at least one policy changed over the last three years. See Figure 42.

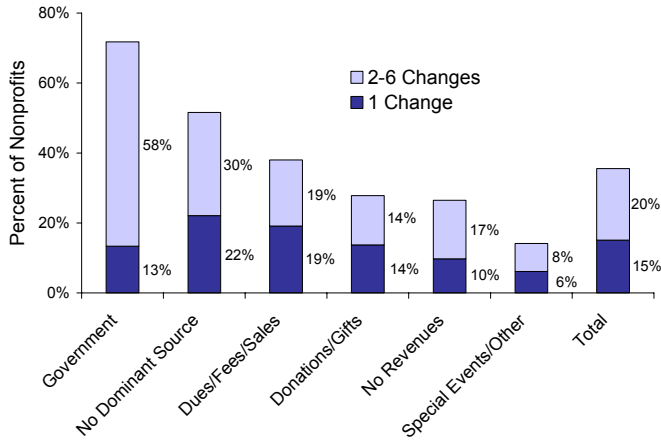
**Figure 42: Percent reporting policy changes, by number of changes and size (n=1,345)**



- **Primary source of funding:** Nonprofits that rely on government for more than one-half of their funding are far more likely than nonprofits that

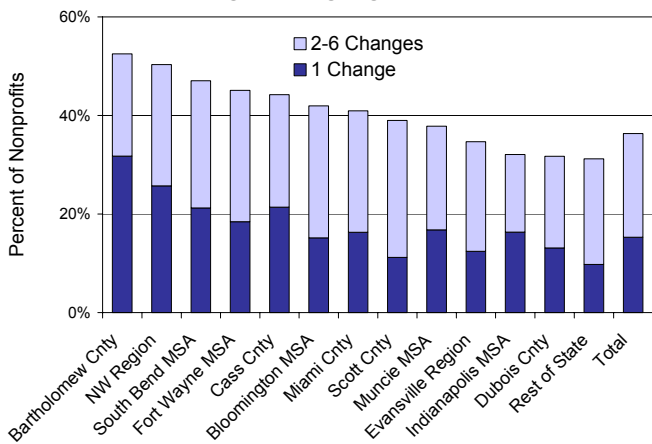
depend on other sources of funding to indicate that multiple policies changed. See Figure 43.

**Figure 43: Number of policy changes, by primary source of funding (n=1,540)**



- **Region:** Nonprofits from the various regions in Indiana differ somewhat in their views on the number of policies that have changed during the last three years. See Figure 44.

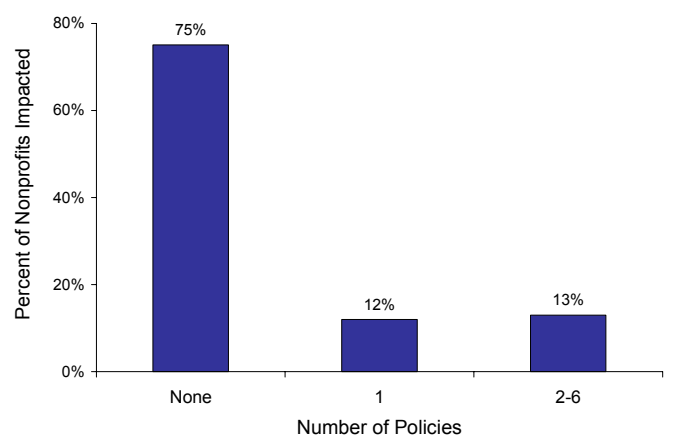
**Figure 44: Percent reporting policy changes, by number of changes and geographic area (n=1,647)**



- There are no differences among nonprofits with different ages in the number of policy changes that they report.
- **Scope of Impact:** Fully 75 percent of Indiana nonprofits report that none of the policy conditions had an impact on their organization. The rest (25 percent) split about evenly between those that reported an impact by one condition or more than one. See

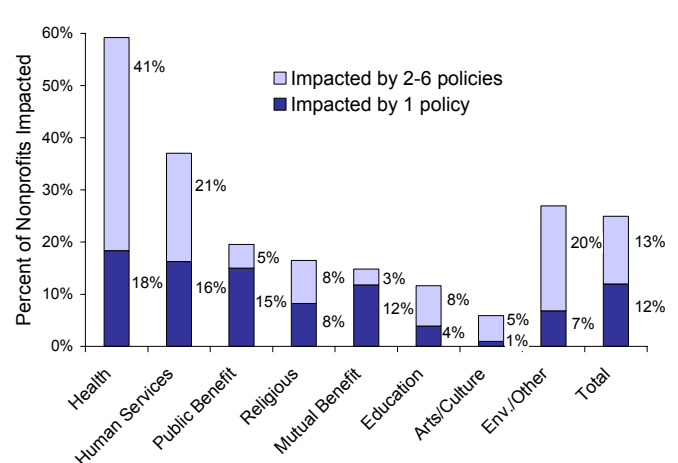
Figure 45. The impact varies by nonprofit field, size, and funding profile.

**Figure 45: Percent of nonprofits impacted by policies, by number of policies (n=1,654)**



- **Nonprofit field:** Although policies do not impact most Indiana nonprofits, there is great variation among nonprofit fields. Almost three-fifths (59 percent) of health nonprofits report that at least one policy impacted their organization, including 41 percent (overall) that say two or more policy conditions impacted them, far greater than any of the other fields. See Figure 46.

**Figure 46: Percent of nonprofits impacted by one or more policies, by major field of activity (n=1,654)**

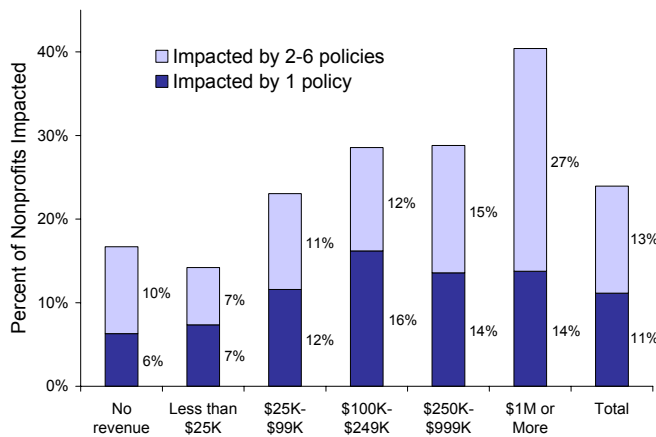


- While human services nonprofits are similar to health nonprofits in reporting that only one of the policies impacted them (16 percent vs. 18 percent), they are only half as likely as health nonprofits to report that two or more policies

impacted them (21 percent vs. 41 percent). Even so, this is still more than double the percentages in other fields.

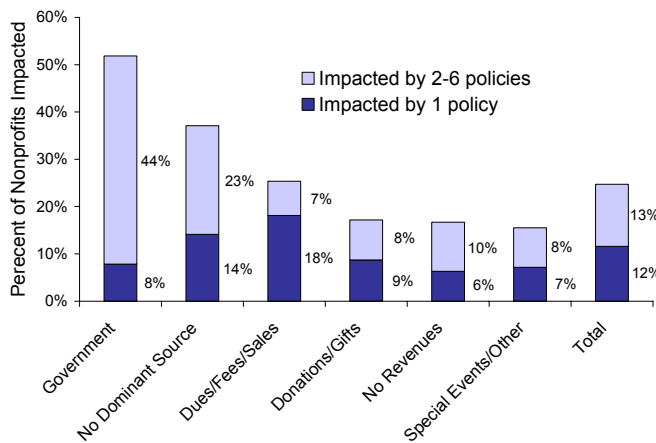
- **Size:** Large nonprofits are more likely than small ones to report that public policies had an impact on them. Nonprofits with \$1 million or more in revenues are especially likely (27 percent) to report that multiple policies impacted them. See Figure 47.

**Figure 47: Percent of nonprofits impacted by one or more policies, by size (n=1,351)**



- **Primary source of funding:** Not surprisingly, nonprofits that rely on government for most of their funding are the most likely to say that multiple policies impacted them. See Figure 48.

**Figure 48: Percent of nonprofits impacted by one or more policies, by primary funding source (n=1,547)**

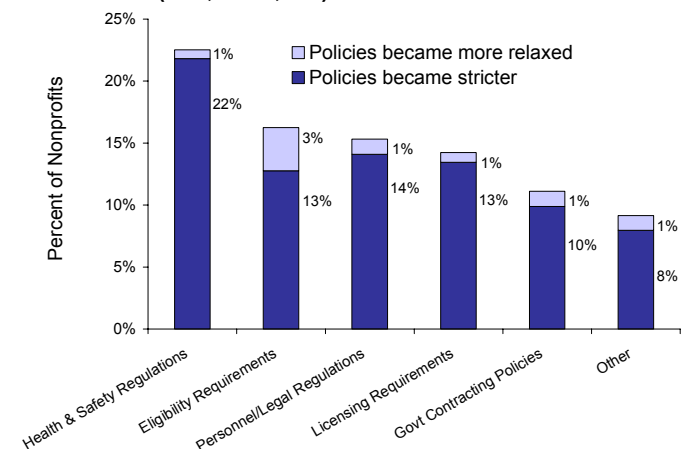


- There is no relationship between the number of policies that impact nonprofits and where the nonprofits are located or how old they are.

- **Assessment of each policy:** We now consider each specific policy condition, whether it became more relaxed or stricter, whether it had an impact on nonprofits, and how these assessments vary among different types of nonprofits.
- **Health and safety regulations:** Of the five policy conditions examined, health and safety regulations ranked first in terms of how many nonprofits thought there had been changes.

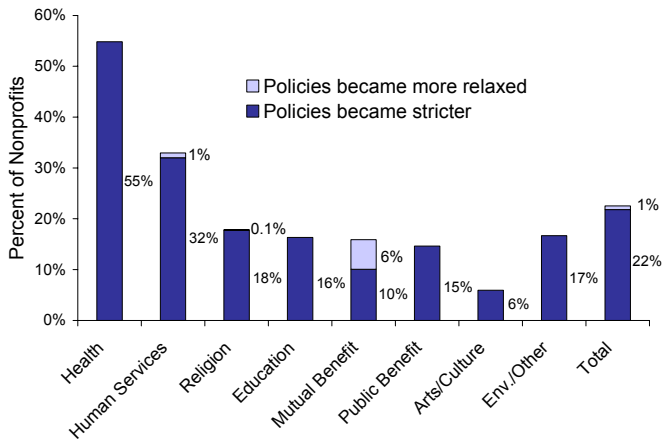
- **Perceived changes in health and safety regulations:** According to our survey, nearly a quarter (23 percent) of Indiana nonprofits indicate that health and safety regulations changed over the last three years. Almost all (22 percent overall) note that they became stricter. See column one in Figure 49. These perceptions vary by nonprofit field, size, funding profile, and target population.

**Figure 49: Percent reporting changes in policy conditions, by type of policy, Indiana Nonprofits (n=1,014-1,507)**



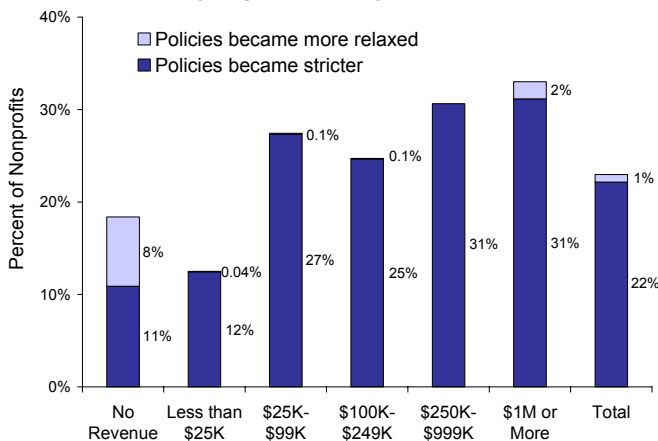
- **Nonprofit field:** More than half (55 percent) of health and almost a third (32 percent) of human services nonprofits reported that health and safety standards became stricter (approximately twice the percentage in the remaining fields). See Figure 50.

**Figure 50: Percent reporting changes in health and safety regulations, by major field of activity (n=1,507)**



- Size:** Large nonprofits were more likely than smaller ones to indicate that health and safety regulations became stricter. We note that nonprofits without revenue were almost as likely to say that policies became more relaxed as they were to say that policies became stricter. See Figure 51. However, the majority of nonprofits, regardless of their size, report that policies have not changed over the last three years.

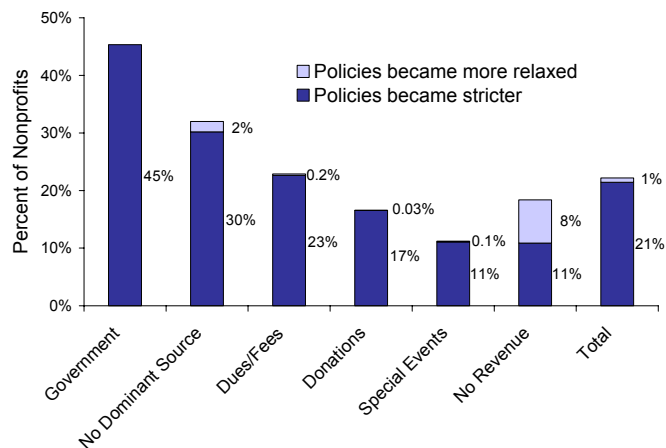
**Figure 51: Percent reporting of changes in health and safety regulations, by size (n=1,238)**



- Primary source of funding:** Nonprofits that rely on government for more than half of their funding are considerably more likely than nonprofits that depend on other sources to report that health and safety regulations

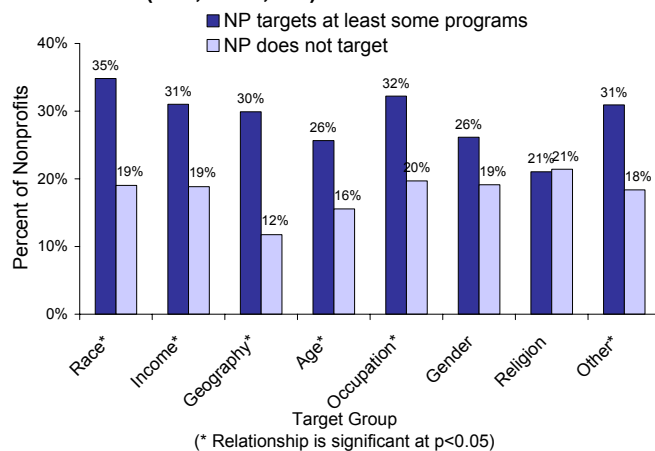
became stricter (45 percent vs. 22 percent overall). See Figure 52.

**Figure 52: Percent reporting changes in health and safety regulations, by primary source of funding (n=1,413)**



- Target group:** Nonprofits that target by race, income, geography, age, and/or occupation are significantly more likely than those that do not target these groups to report that health and safety regulations became stricter during the last three years. See Figure 53.

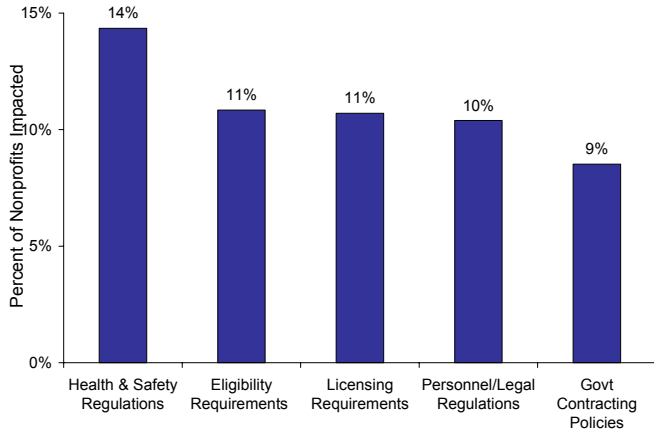
**Figure 53: Percent reporting that health and safety regulations became stricter, by target group (n=1,194-1,313)**



- Nonprofits with different ages and in different regions do not vary in their perceptions of health and safety regulations.

- **Impacts of health and safety regulations:** According to our survey, most of the policy conditions have an impact on only one in ten Indiana nonprofits, although health and safety regulations affected more nonprofits than other types of policies. See Figure 54.

**Figure 54: Percentage of nonprofits impacted by each policy condition, Indiana nonprofits (n=1,457-1,513)**

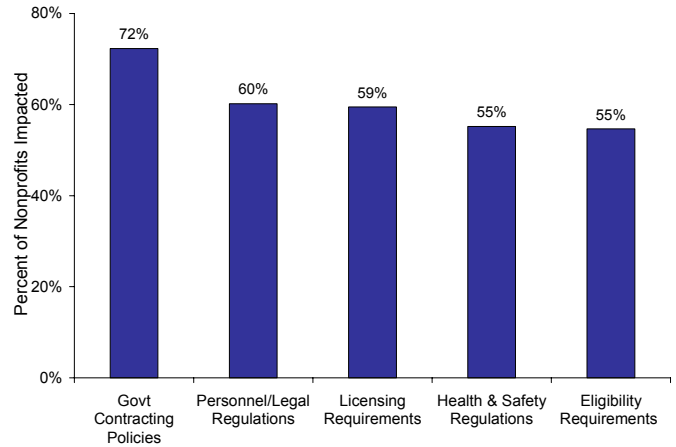


- The overall pattern, however, masks underlying complexities. For example, while only 14 percent of all Indiana nonprofits say that health and safety regulations had an impact on them, this increases to more than half (55 percent) when we focus only on those that said health and safety regulations became stricter. Compare column four of Figure 55 to column one of Figure 54. The impact varies by nonprofit field, size, funding profile, region, and target population.

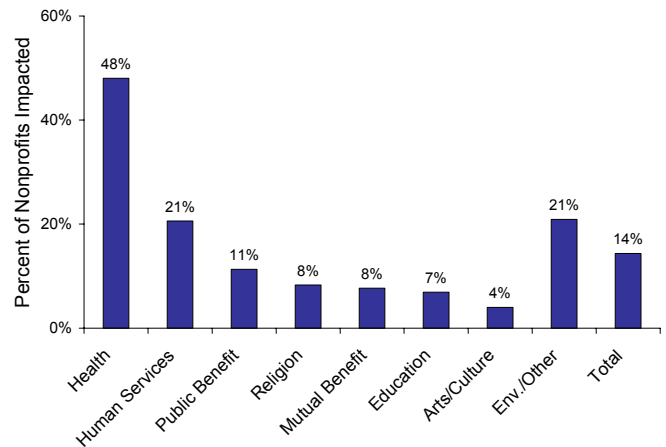
- **Nonprofit field:** The percentages in Figure 54 also understate the impact of policies on certain types of nonprofits. Thus nearly half (48 percent) of nonprofits in the health field said that health and safety regulations had an impact on them, more than twice the rate of nonprofits in other fields. See Figure 56.

- **Size:** One-quarter (26 percent) of the nonprofits with \$1 million or more in revenues report that health and safety regulations affected them, more than three times the rate for nonprofits with less than \$25,000 in revenues, or no revenues (7-8 percent). See Figure 57.

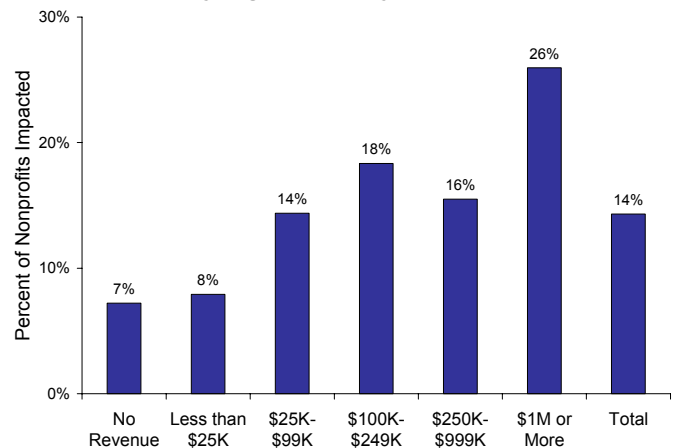
**Figure 55: Percentage of nonprofits impacted by policy condition if the condition became stricter, Indiana nonprofits (n=165-364)**



**Figure 56: Percent of nonprofits impacted by health and safety regulations, by major field of activity (n=1,512)**

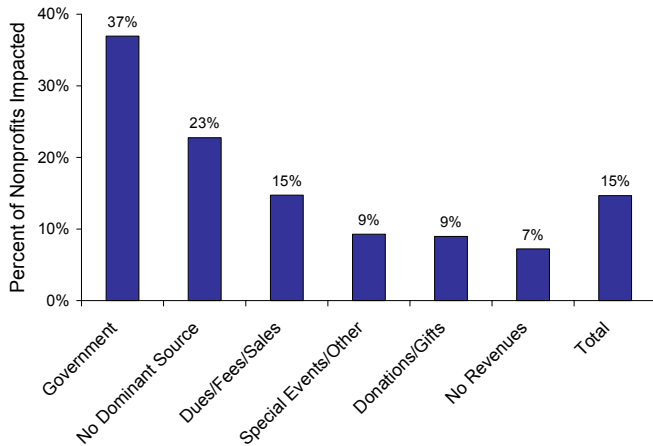


**Figure 57: Percent of nonprofits impacted by health and safety regulations, by size (n=1,242)**



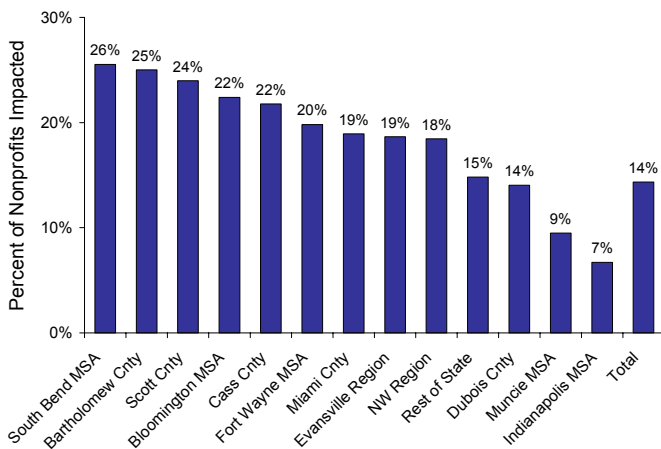
- **Primary source of funding:** Almost two-fifths (37 percent) of the Indiana nonprofits that depend primarily on government for their revenues said that health and safety regulations affected them. Nonprofits that rely on other sources of funding are significantly less likely to say that this is the case. See Figure 58.

**Figure 58: Percent of nonprofits impacted by health and safety regulations, by primary source of funding (n=1,418)**



- **Region:** Nonprofits located in different parts of the state also vary in the degree to which they say health and safety regulations impacted them. See Figure 59.

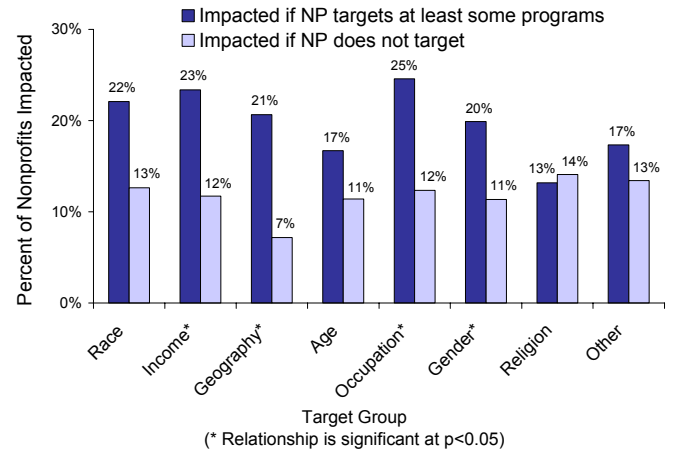
**Figure 59: Percent of nonprofits impacted by health and safety regulations, by geographic area (n=1,512)**



- **Target group:** Nonprofits that target by income, geography, occupation, or gender are

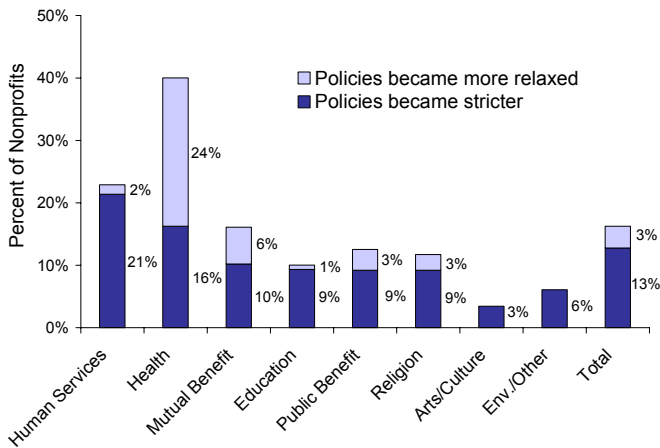
roughly two or three times as likely as those that do not target these groups to report that health and safety regulations impacted them. See Figure 60.

**Figure 60: Percent of nonprofits impacted by health and safety regulations, by target group (n=1,199-1318)**



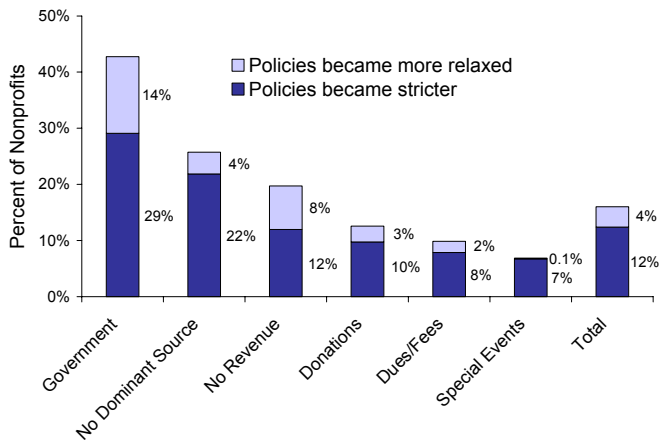
- There is no relationship between the age of Indiana nonprofits and whether health and safety regulations affected them.
- **Client eligibility requirements for government programs:** This policy ranked second in the extent to which Indiana nonprofits perceive that it changed.
  - **Perceived changes in client eligibility requirements for government programs:** According to our survey, changes in client eligibility requirements for government programs were the second most common changes in policies affecting nonprofits. More than one in ten (13 percent) nonprofits in the state indicated that these policies became stricter during the last three years. Three percent said the policies became more relaxed. See the last column in Figure 61. These perceptions vary by nonprofit field, funding profile, region, and target population.
- **Nonprofit field:** Nonprofits in the human services field are the most likely to report that client eligibility requirements for government programs became stricter (21 vs. 12 percent overall). See Figure 61.

**Figure 61: Percent reporting changes in client eligibility requirements for government programs, by major field of activity (n=1,504)**



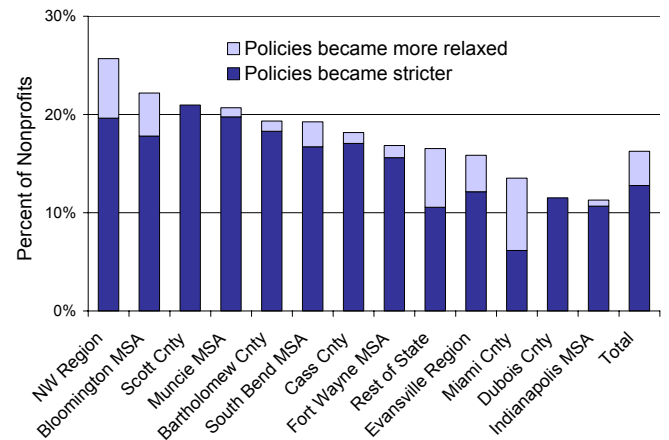
- While only 16 percent of health nonprofits said that client eligibility requirements for government programs became stricter, one-quarter (24 percent) indicated that these requirements became more relaxed.
- Primary source of funding:* About three in ten (29 percent) Indiana nonprofits that rely on government funding for more than half of their revenue say that client eligibility requirements for government programs became stricter, and about half that percentage (14 percent) said these requirements became more relaxed. The rest said they did not change. See Figure 62.

**Figure 62: Percent reporting changes in client eligibility requirements for government programs, by primary source of funding (n=1,409)**



- About 10 percent or less of nonprofits that receive most of their revenues from donations, dues and fees, or special events say that government policies became stricter; most report they did not change at all.
- Region:* Nonprofits in the Northwest Region are significantly more likely than nonprofits in areas such as Miami and Dubois Counties or Indianapolis MSA to report that client eligibility requirements for government programs became stricter. See Figure 63.

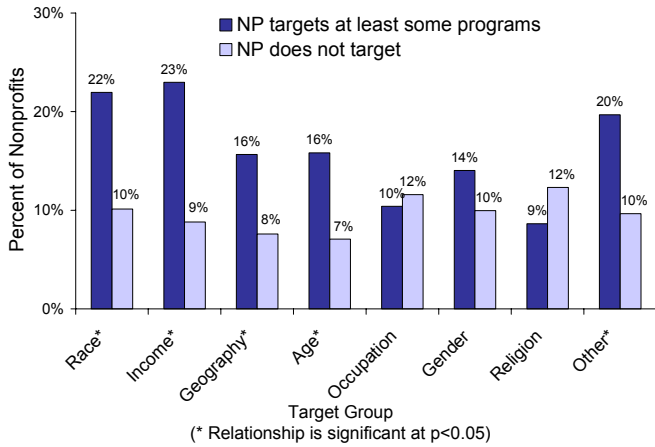
**Figure 63: Percent reporting changes in client eligibility requirements for government programs, by region (n=1,504)**



- Target group:* Nonprofits that target by race, income, age, and/or geography are at least twice as likely as those that do not target by these groups to indicate that client eligibility requirements became stricter. See Figure 64.
- Nonprofits of different sizes and with different ages report similarly about the changes in client eligibility requirements for government programs:

- Impacts of client eligibility requirements for government programs:* According to our survey, 11 percent of Indiana nonprofits indicate that client eligibility requirements for government programs had an impact on their organization. See column two in Figure 54.

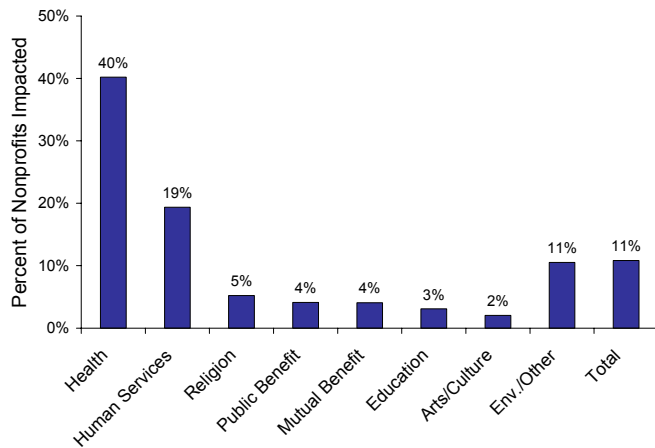
**Figure 64: Percent of nonprofits reporting that client eligibility requirements became stricter, by target group (n=1,190-1303)**



— Focusing only on those that said client eligibility requirements for government programs became stricter we find that over half (55 percent) say that this change impacted their organization. See column five of Figure 55. These perceptions vary by nonprofit field, size, funding profile, and target population.

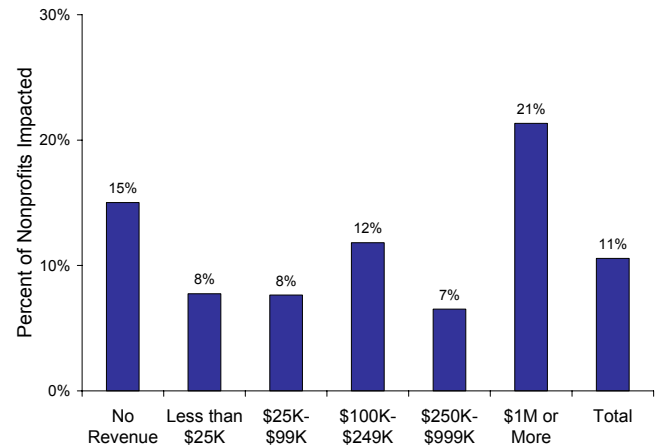
- *Nonprofit field:* As with other policies, government eligibility requirements disproportionately impact health and human services nonprofits. The impact of these policies on religion, education, arts, mutual benefit, and public and societal benefit nonprofits is virtually non-existent. See Figure 65.

**Figure 65: Percent of nonprofits impacted by client eligibility requirements for government programs, by major field of activity (n=1,513)**



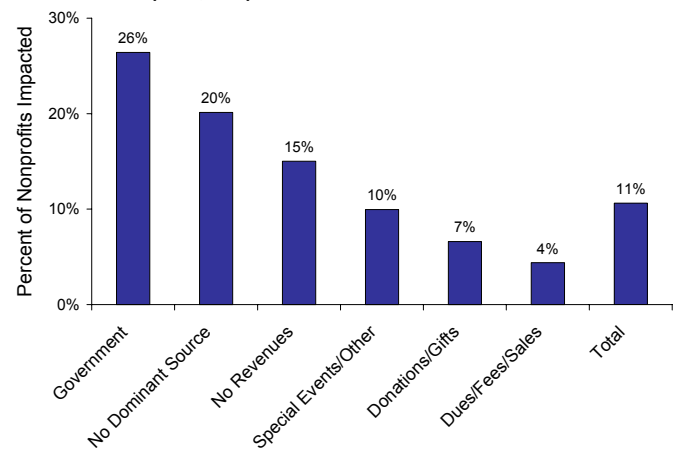
- *Size:* The impact of client eligibility requirements on nonprofits follows a pattern similar to other policies—large organizations are the most likely to report that the requirements impacted them. See Figure 66.

**Figure 66: Percent of nonprofits impacted by client eligibility requirements for government programs, by size (n=1,252)**



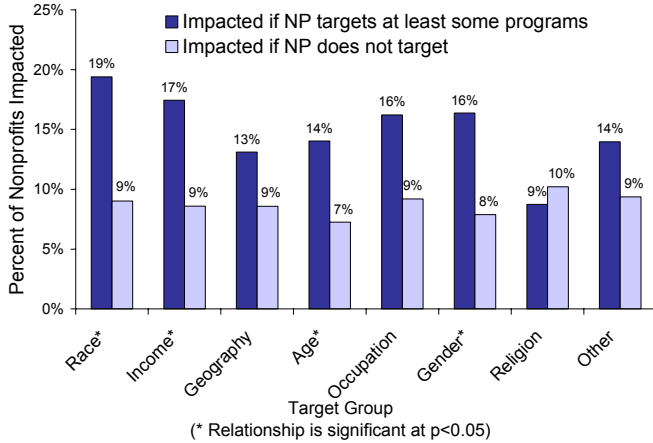
- *Primary source of funding:* Consistent with other policies, organizations that rely heavily on government for revenues are more likely than their counterparts to say that client eligibility requirements for government programs impacted them. See Figure 67.

**Figure 67: Percent of nonprofits impacted by client eligibility requirements for government programs, by primary source of funding (n=1,418)**



- **Target group:** Client eligibility requirements were more likely to impact nonprofits that target people by race, income, age, and gender than those that do not. See Figure 68.

**Figure 68: Percent of nonprofits impacted by client eligibility requirements for government programs, by target group (n=1,196-1,312)**



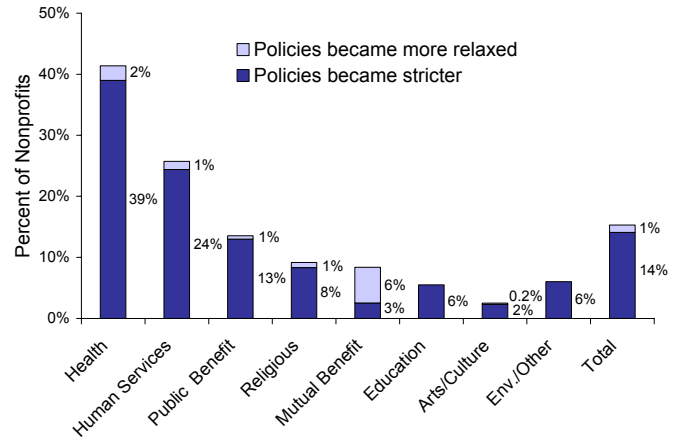
- There are no differences in whether nonprofits with dissimilar ages or from distinct geographic areas say that these requirements impacted them.

- **Personnel or legal regulations:** Personnel and legal regulations ranked third in the extent to which Indiana nonprofits perceived changes in governmental policies.

– **Perceived changes in personnel or legal regulations:** According to our survey, personnel and legal regulations became stricter for 14 percent of all Indiana nonprofits. Only 1 percent said these regulations became more relaxed. See the last column in Figure 69. These perceptions vary by nonprofit field, size, funding profile, age, and target population.

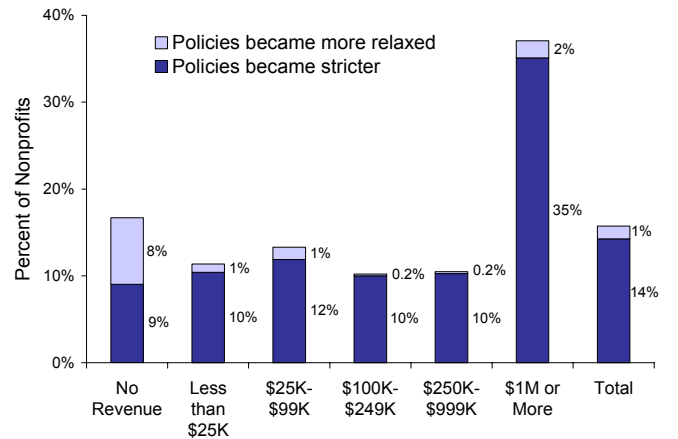
- **Nonprofit field:** Health nonprofits stand out as more likely (39 percent) to report that personnel and legal regulations became stricter, followed by 24 percent of human services nonprofits, compared to 14 percent overall. See Figure 69. Across all the fields, very few nonprofits report that personnel and legal regulations became more lenient.

**Figure 69: Percent reporting changes in personnel/legal regulations, by major field of activity (n=1,449)**



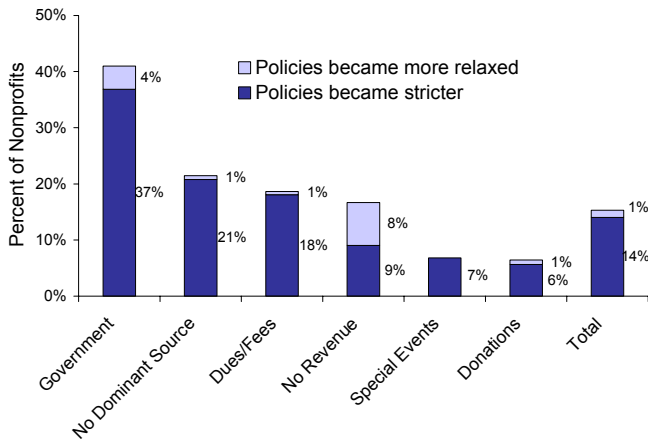
- **Size:** Personnel and legal regulations are considerably more likely to impact nonprofits with \$1 million or more in revenues than smaller ones. See Figure 70.

**Figure 70: Percent reporting changes in personnel/legal regulations, by size (n=1,201)**



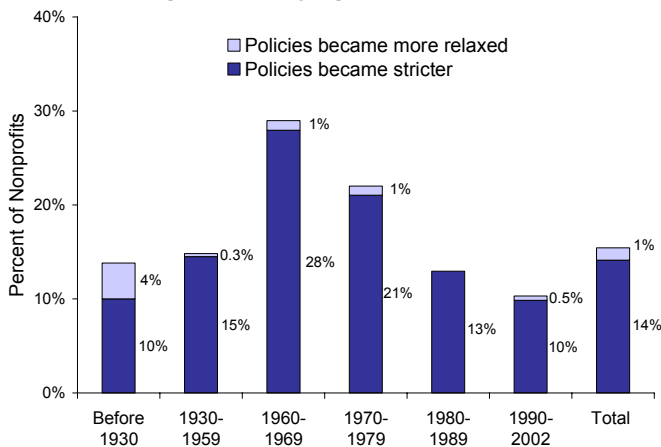
- **Primary source of funding:** More than one-third (37 percent) of the nonprofits that rely on government for the majority of their revenues say that personnel and legal regulations became stricter, compared to only one-fifth (18 percent) of nonprofits that rely on dues and fees and just over one in twenty (7 and 6 percent, respectively) that depend on special events or donations. See Figure 71.

**Figure 71: Percent reporting changes in personnel/legal regulations, by primary source of funding (n=1,360)**



- **Age:** Nonprofits established during the 1960s, and to some extent those founded in the 1970s, are more likely than nonprofits from other time periods to say that personnel or legal regulations became stricter during the last three years. See Figure 72.<sup>25</sup>

**Figure 72: Percent reporting changes in personnel/legal regulations, by age (n=1,363)**



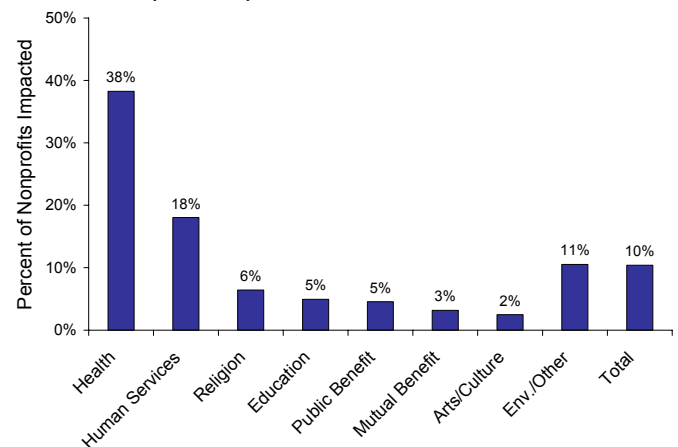
- **Target group:** Nonprofits that target by geography are considerably more likely than nonprofits that do not (20 vs. 7 percent) to say that personnel or legal regulations became stricter during the last three years. The

<sup>25</sup> This pattern – where nonprofits established during the 1960s appear to deviate from those established earlier or later – reoccurs throughout this section of our report. One plausible explanation is that this subset of organizations (those roughly 30 to 40 years old) was established during a unique social, economical, and political climate that still impacts their perspectives on a range of issues.

same holds for nonprofits that target by occupation (23 vs. 12 percent).

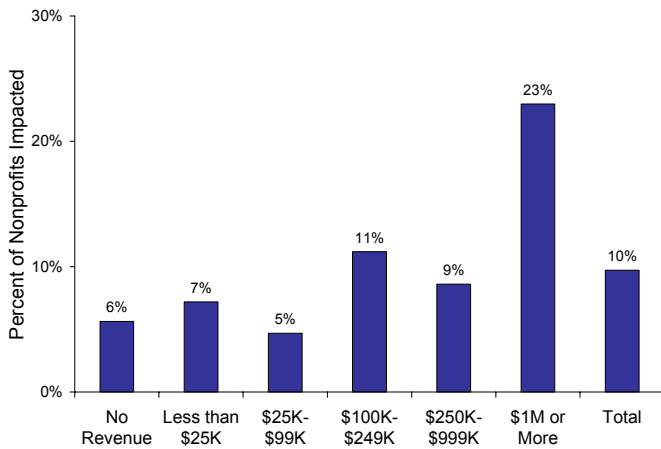
- There are no significant differences in the perceptions of changes in personnel or legal regulations from nonprofits located in different geographical areas.
- **Impact of personnel or legal regulations:** According to our survey, personnel or legal regulations impacted relatively few (10 percent) Indiana nonprofits. See column four in Figure 54.
- Focusing just on those that said personnel and legal regulations became stricter, we find that 60 percent said these changes impacted them. See column two in Figure 55.
- **Nonprofit field:** Nonprofits in the health field are twice as likely as human services nonprofits and at least six or seven times as likely as nonprofits in other fields to report that personnel and legal regulations had an impact on them. See Figure 73.

**Figure 73: Percent of nonprofits impacted by personnel/legal regulations, by major field of activity (n=1,457)**



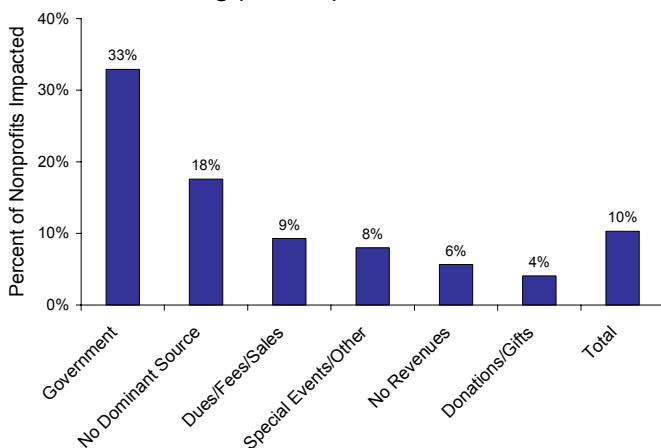
- **Size:** Only about one in ten or fewer nonprofits with revenues below \$1 million say that personnel or legal regulations impact them, compared to one-quarter (23 percent) of those with revenues of \$1 million or more. See Figure 74.

**Figure 74: Percent of nonprofits impacted by personnel/legal regulations, by size (n=1,207)**



- **Primary source of funding:** One-third (33 percent) of the nonprofits that rely on government funding for more than half of their revenue indicate that personnel and legal regulations impacted them, as do 18 percent of those without any dominant source of funding. See Figure 75.

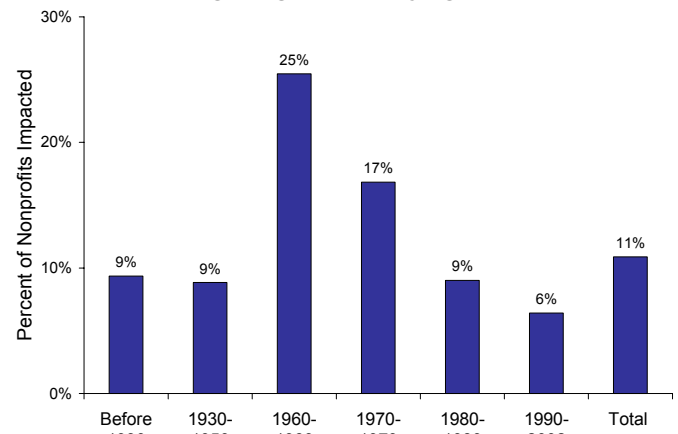
**Figure 75: Percent of nonprofits impacted by personnel/legal regulations, by primary source of funding (n=1,368)**



- **Age:** Nonprofits that were established during the 1960s are the most likely to report that personnel or legal regulations impacted them.<sup>26</sup> See Figure 76.
- **Target group:** Nonprofits that target a particular occupation or industry are the most

likely to report that personnel or legal regulations impacted them (21 vs. 8 percent of those that do not target this way).

**Figure 76: Percent of nonprofits impacted by personnel/legal regulations, by age (1,370)**



- Nonprofits that target by geography are also slightly more likely than those that do not to say that personnel or legal regulations impacted them (14 vs. 7 percent).
- There are no differences among the nonprofits of different regions in the extent to which they report that these types of regulations impacted them.
- **Professional licensing requirements:** Relatively few nonprofits report changes in professional licensing requirements.

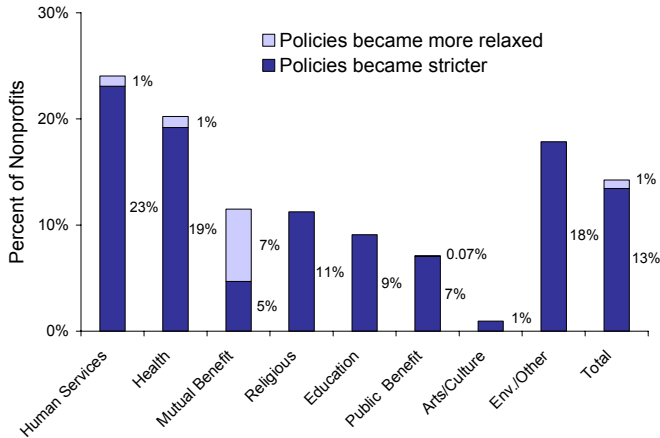
– **Perceived changes in professional licensing requirements:** According to our survey, licensing requirements became stricter for 13 percent of Indiana nonprofits during the last three years. Only 1 percent say they became more relaxed and the rest note that they did not change. See the last column of Figure 77. There is, however, considerable variation in these responses among different types of nonprofits.

- **Nonprofit field:** Professional licensing requirements became stricter for one-fifth or more of nonprofits in the human services (23 percent) and health (19 percent) fields during the last three years. Only a small percentage of the mutual benefit, religion, edu-

<sup>26</sup> See Footnote 25.

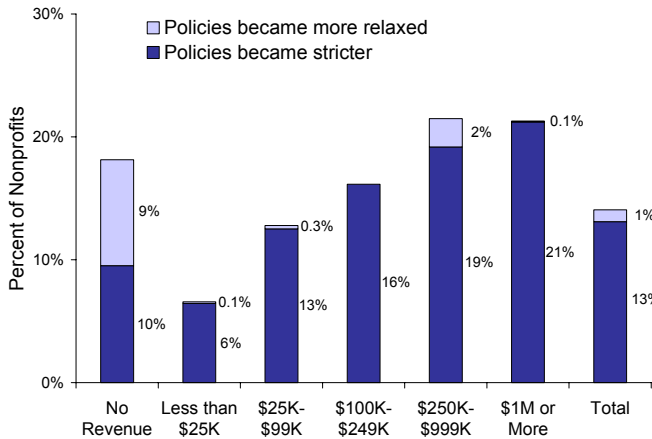
ation, public benefit, and arts nonprofits report likewise. See Figure 77.

**Figure 77: Percent reporting changes in professional licensing requirements, by major field of activity (n=1,458)**



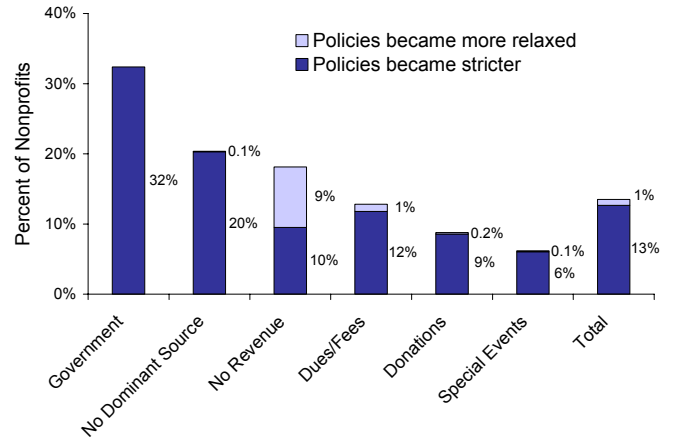
- **Size:** Large nonprofits are slightly more likely than smaller ones to say that professional licensing requirements became stricter, although four-fifths or more of nonprofits of all sizes note that such requirements did not change at all. See Figure 78.

**Figure 78: Percent reporting changes in professional licensing requirements, by size (n=1,200)**



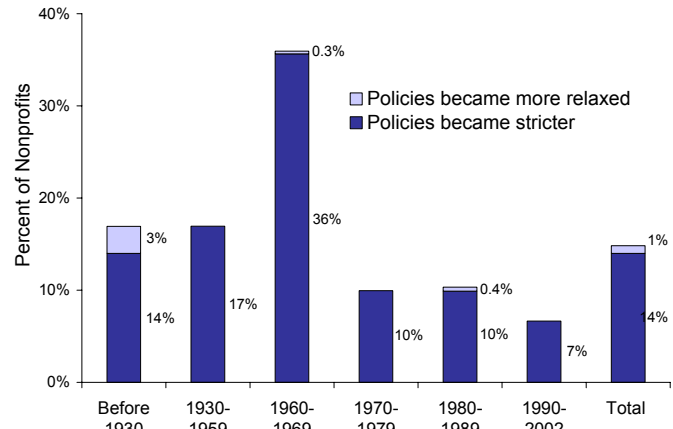
- **Primary source of funding:** Similar to the nonprofits' reports on other policies, nonprofits that rely on government for more than half of their funding are the most likely to say that policy requirements became stricter. See Figure 79.

**Figure 79: Percent reporting changes in professional licensing requirements, by primary source of funding (n=1,367)**



- **Age:** Once again, we find that nonprofits established during the 1960s stand out from those founded during other time periods and more likely to feel that professional licensing agreements became stricter during the last three years. See Figure 80.<sup>27</sup>

**Figure 80: Percent reporting changes in professional licensing requirements, by age (n=1,368)**



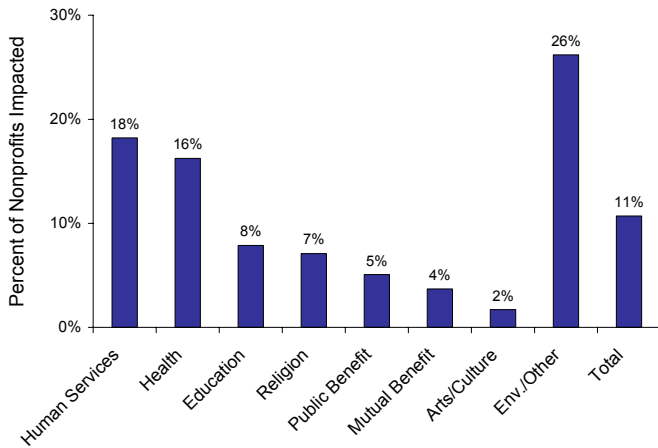
- There are no differences in how nonprofits from the various regions or those that target particular groups<sup>28</sup> perceive this policy change.

<sup>27</sup> See Footnote 25.

<sup>28</sup> The one exception is that organizations targeting by geography are slightly more likely to say that professional licensing requirements impacted them. Eighteen percent of the organizations that target by geography say that this is the case, compared to 10 percent of those that do not.

- **Impact of professional licensing requirements:** According to our survey, professional licensing requirements impacted one in ten (11 percent) Indiana nonprofits. See the third column in Figure 54.
- Closer analysis reveals that when we look only at those nonprofits that say licensing requirements became stricter, nearly three-fifths (59 percent) note that the requirements impacted them. See the third column in Figure 55.
  - **Nonprofit field:** Professional licensing requirements had an impact on more of the health and human services nonprofits than on organizations in the other fields, except for the “other” category (which includes environmental and animal-related nonprofits, where 31 percent reported being affected by professional licensing requirements). See Figure 81.

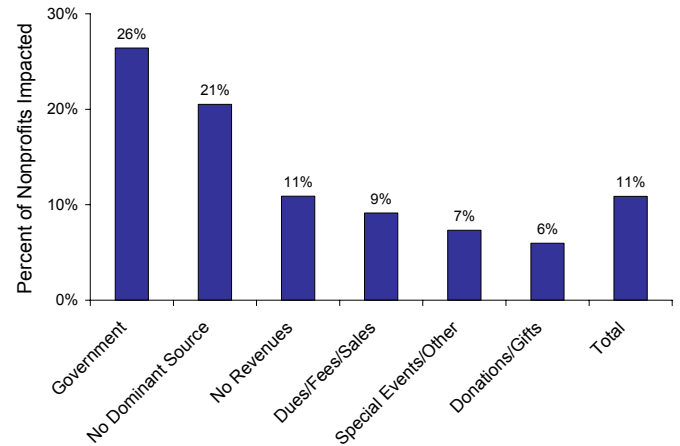
**Figure 81: Percent of nonprofits impacted by professional licensing requirements, by major field of activity (n=1,464)**



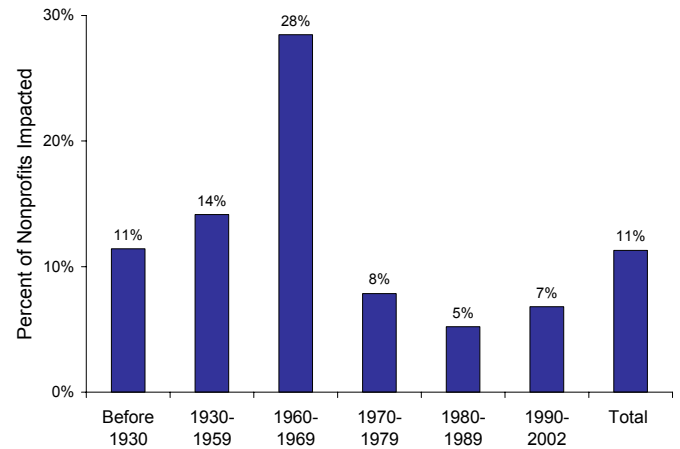
- **Primary source of funding:** Nonprofits that rely on government for the majority of their funding (26 percent) and those that do not have any dominant source of funding (21 percent) are the most likely to say that professional licensing requirements impacted them. See Figure 82.
- **Age:** Nonprofits that were established in the 1960s are considerably more likely than nonprofits founded in other time periods to

say that professional licensing requirements impacted them. See Figure 83.

**Figure 82: Percent of nonprofits impacted by professional licensing requirements, by primary source of funding (n=1,373)**



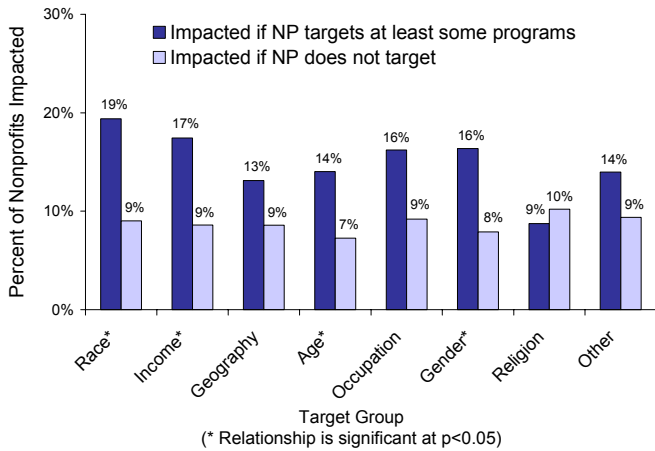
**Figure 83: Percent of nonprofits impacted by professional licensing requirements, by age (n=1,374)**



- **Target group:** Nonprofits that target by race, income, age, and gender are approximately twice as likely as nonprofits that do not target by these groups to indicate that professional licensing requirements impacted them. See Figure 84.
- Different from other policy conditions, the size of nonprofits is not related to whether the organizations report that professional licensing requirements impact them. Neither is there any relationship between where the

nonprofits are located and whether the requirements impacted them.

**Figure 84: Percent of nonprofits impacted by professional licensing requirements, by target group (1,171-1,286)**



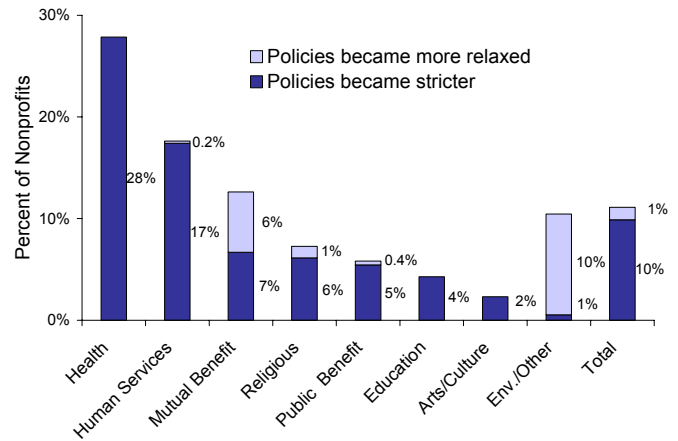
- **Government contract procurement policies:** Government contract procurement policies were the least prevalent of the five policy changes we surveyed.

- **Perceived changes in government contract procurement policies:** According to our survey, government contract procurement policies became stricter for one in ten (10 percent) Indiana nonprofits, 1 percent say they relaxed and the remaining 89 percent indicate that they did not change at all. See the last column in Figure 85. These perceptions vary among nonprofits from the different fields and with different sizes and funding profiles.

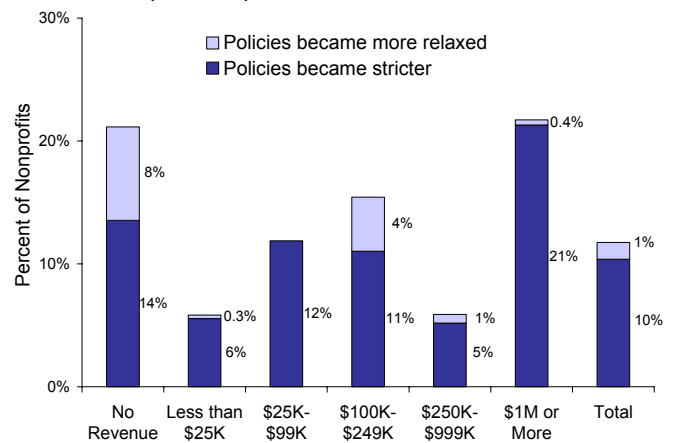
- **Nonprofit field:** Health nonprofits, followed by human services organizations, stand out as the most likely type of nonprofits to report that government contract procurement policies became stricter. See Figure 85.
- **Size:** As with most other policies, very large nonprofits are the most likely to say that the policy became stricter, although the relationship is not as clear. See Figure 86.
- **Primary source of funding:** Likewise, as with all other policies, nonprofits that depend on government for the majority of their funding are considerably more likely than

other nonprofits to say that the policy became stricter (36 percent vs. 14 percent or less for those with other funding profiles). See Figure 87.

**Figure 85: Percent reporting changes in government contract procurement policies, by major field of activity (n=1,473)**

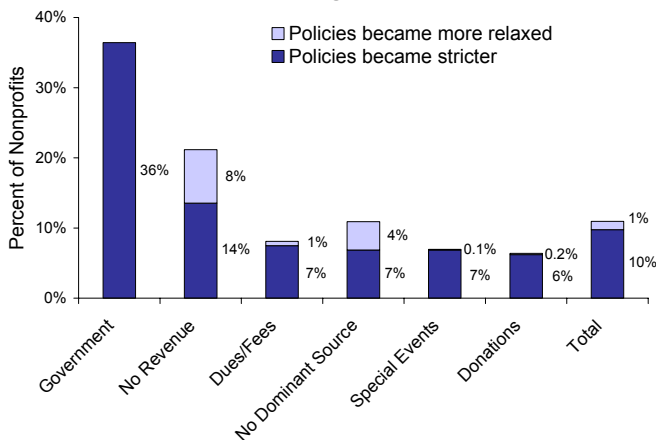


**Figure 86: Percent reporting changes in government contract procurement policies, by size (n=1,217)**

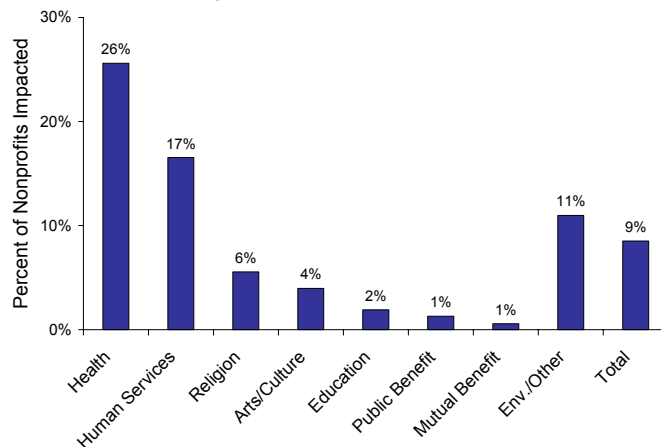


- **Target group:** Nonprofits that target by race, income, and/or age are more than twice as likely as organizations that do not target these groups to report that government contract procurement policies became stricter during the last three years. See Figure 88.
- There are no differences in these perceptions among nonprofits with different ages or that are located in different regions.

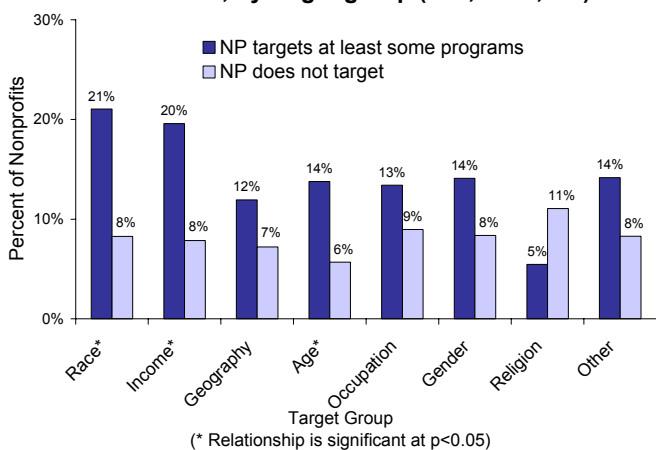
**Figure 87: Percent reporting changes in government contract procurement policies, by primary source of funding (n=1,380)**



**Figure 89: Percent of nonprofits impacted by government procurement policies, by major field of activity (n=1,479)**

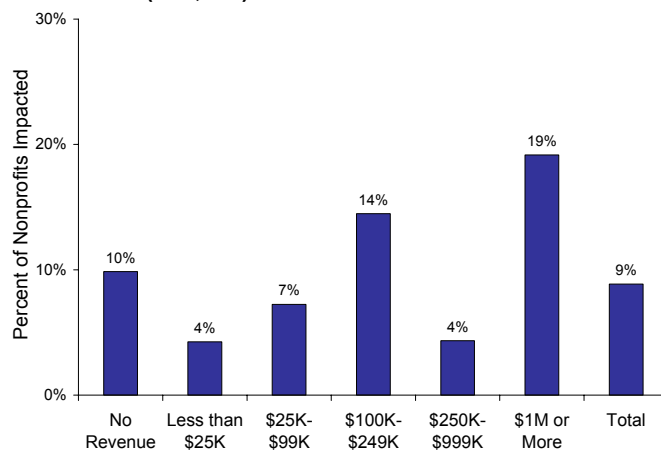


**Figure 88: Percent of nonprofits reporting that government contract procurement policies became stricter, by target group (n=1,160-1,280)**



- **Size:** Nonprofits with \$1 million or more in revenues are the most likely to say that these policies impacted them. See Figure 90.

**Figure 90: Percent of nonprofits impacted by government contract procurement policies, by size (n=1,222)**

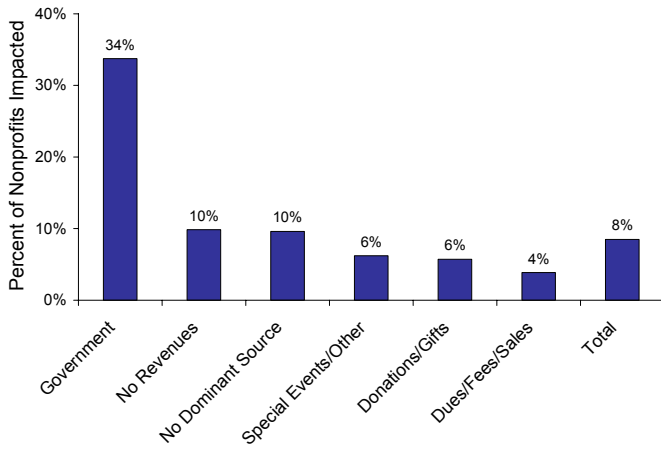


— [Impacts from government contract procurement policies:](#) Although only one in ten Indiana nonprofits say that government contract procurement policies impacted them, when these policies became stricter, more than seven in ten (72 percent) organizations indicate that the policies had an impact on them. Compare the last column in Figure 89 to column one in Figure 55.

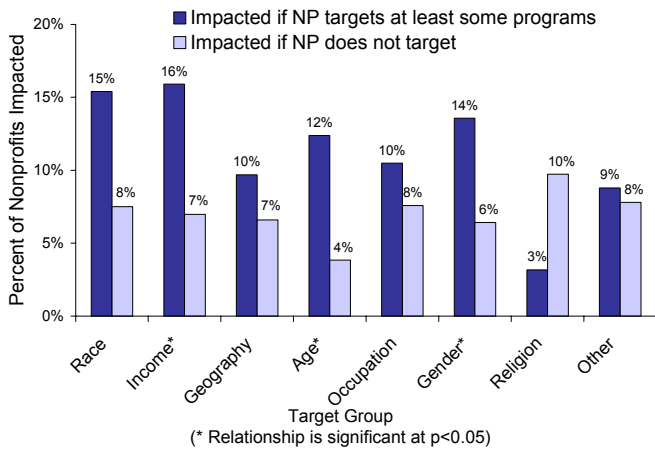
- **Nonprofit field:** Government contract procurement policies impacted one-quarter (26 percent) of the health and 17 percent of the human services nonprofits, compared to only one in twenty or less of the nonprofits in other fields. See Figure 89.
- **Primary source of funding:** Nonprofits that rely on government for more than half of their funding are at least three times as likely as nonprofits that rely primarily on other sources of funding to say that government contract procurement policies had an impact on them. See Figure 91.
- **Target group:** Nonprofits that target by income are the most likely to indicate that government contract procurement policies impacted them, although less than one-fifth

(16 percent) said that this was the case. Organizations that target by age and/or gender are also more likely than nonprofits that do not target these groups to say that procurement policies impacted them. See Figure 92.

**Figure 91: Percent of nonprofits impacted by government contract procurement policies, by primary source of funding (n=1,386)**



**Figure 92: Percent of nonprofits impacted by government contract procurement policies, by target group (n=1,165-1,286)**



- There is no relationship between the ages of Indiana nonprofits or where they are located and the extent to which they report government contract procurement policies impacted them.

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

- Public policy matters:** Overall, these findings confirm that nonprofits are connected to their policy environments. Policies outlined and enforced by government impact many nonprofits to some degree. Even so, there are also many nonprofits (indeed three-quarters of them) that say none of the policies that we considered in the survey had an impact on them.

This striking result may have two interpretations. First, many nonprofits may in fact be immune to a broad range of policy conditions. The data suggests that these are the small nonprofits, presumably limited in scope, that do not rely heavily on the government for funding, and that operate in fields such as religion, mutual benefit, education, arts, and public and societal benefit.

Second, and perhaps more disconcerting, is the possibility that many nonprofits may not recognize the extent to which policies have an impact on their organization. This interpretation suggests that nonprofits are not necessarily immune from policy as much as unaware of the ways in which policies impact their organizations.

- Nonprofit field matters:** Unlike what we found in our analysis of community conditions, policy conditions impact nonprofits in some fields more frequently than others. Policy developments are most relevant to nonprofits in the health and human services fields. On average, these nonprofits are notably more likely than any other fields to perceive the policy conditions and to report being impacted by a wide range of them. Health and human services nonprofits are also, by far, the most likely organizations to report multiple changes in policy strictness over the last few years. This suggests that these nonprofits operate in environments where governmental policies are in flux.

By comparison only about 10 percent of nonprofits in the public and societal benefit, religion, mutual benefit, education, and arts fields indicated that any one policy impacted their organization. The percentages of nonprofits in these fields that reported the policy changed (regardless of whether it impacted them) was only slightly higher.

- Size and funding profile matter:** Policies are most likely to impact large organizations (those with \$1

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million or more in revenues) and those that depend on government for the majority of their revenues. Receiving public funding connects nonprofits directly to government. It is therefore not surprising that perceptions and impacts of policy changes depend on the revenue profiles that nonprofits have, especially when that revenue profile is intimately linked to government.

- ***Region does not matter:*** Unlike the influences of community conditions, which had a differential impact on nonprofits depending on their location, the impacts from policy conditions do not generally depend on the communities in which nonprofits are located. We speculate that this may be because state-wide or federal policies have more impact on nonprofits than those imposed at the local level.
- ***Policy changes have an impact on nonprofits:*** Although most Indiana nonprofits report that any given policy did not impact them, if we look only at those that noted a stricter policy, we find that at least half of the nonprofits (and in some cases many more) say that this change had an impact on their organization.
- ***Organizations that target their programs to particular groups are more vulnerable:*** Nonprofits that target their programs and services to certain groups (especially by race, income, or geography) are more likely than their counterparts to indicate that public policies became stricter during the last three years. They are also more likely to report that these policies had an impact on them.

We speculate that this may indicate that government is actually stricter in regulating organizations that target certain groups, especially at-risk or marginalized groups. Alternatively, it is also possible that nonprofits that target their programs or activities to certain groups *perceive* policies that affect them as stricter because they become aware of how the changing policy environments affect the groups they target.

- ***Results from higher-level analyses:*** Using more rigorous statistical techniques, we considered all the factors examined here (e.g., size, field of activity, and so on) to further explore which combinations is best able to explain the impact of policy conditions on Indiana nonprofits. These findings lend some

support to the argument that health and human services organizations are most likely to report that a given policy impacted them, although the relationship between field of activity and whether the policy impacted the organization is not as pronounced. Controlling for all other factors, the relationship between size of the organization and the impact of policy conditions is also not very clear, while some nonprofits that target their programs to certain groups are more likely than those that do not to indicate that the policy impacted them. Age is rarely a significant factor.

However, nonprofits that rely on government for more than half of their funding are often significantly more likely than organizations that do not depend on the government to say that the policies impacted them, controlling for all other factors. This is different from what we found for the impacts of community changes and is especially the case for government contract procurement policies, professional licensing requirements, and personnel/legal regulations.