



# INDIANA NONPROFITS

*Scope and Community Dimensions*

Nonprofit Survey Series  
Report #7

## INDIANA NONPROFITS: A PROFILE OF RELIGIOUS NONPROFITS AND SECULAR CHARITIES

A JOINT PRODUCT OF

THE CENTER ON PHILANTHROPY  
AT INDIANA UNIVERSITY

AND

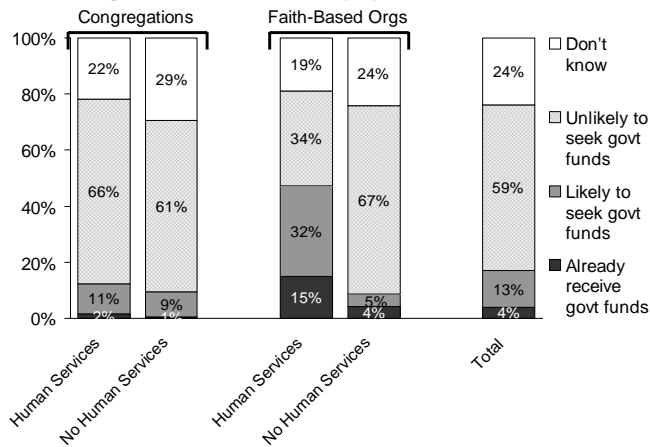
THE SCHOOL OF PUBLIC AND ENVIRONMENTAL AFFAIRS  
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- **Faith-Based Orgs:** Other FBOs that provide health or human services are disproportionately more likely to say that either they already receive government funds (15 percent) or are likely to seek them in the future (32 percent).

**Figure 32: Percent of religious nonprofits that will seek government funds, by type (n=692)**



- **Congregations:** Congregations are relatively unlikely to seek government funds, regardless of whether they provide health or human services or not, and regardless of theological tradition.

## IV. MANAGEMENT CHALLENGES AND CAPACITIES

When given a list of 17 possible management challenges, Indiana’s religious and charitable nonprofits are most likely to indicate that issues related to program management and delivery—such as attracting new members and clients and meeting their needs, strategic planning, and delivering quality programs—are major challenges. Obtaining funding is also frequently identified as a major challenge. Challenges related to board members and staff are relatively minor in comparison.

Indiana religious and charitable nonprofits also have certain capacities and resources that help them address the challenges they face. Some of these are technological, such as computers, Internet access, and computerized financial and membership records; others are financial, such as recently completed audits or reserves dedicated to maintenance or capital needs. Although many nonprofits possess these resources, a surprisingly high proportion does not.

Generally, there are not many differences among Indiana’s congregations in the extent to which they identify certain issues as challenges or possess management resources to address these challenges. However, when there are differences, Catholic congregations consistently appear more formalized than evangelical and mainline Protestant congregations.

In this section we assess the challenges that Indiana’s religious and charitable nonprofits face – or at least that are salient to them. We also look at the management capacities that these organizations have acquired to help them deal with these challenges, while recognizing that having access to these capacities may also make nonprofits more aware of what still needs to be done.

We continue to distinguish between religious and charitable nonprofits that provide health or human services and those that do not. We do this in order to assess whether or not religious organizations, targeted by the “Charitable Choice” provision, face similar challenges and have similar capacities as their secular counterparts.

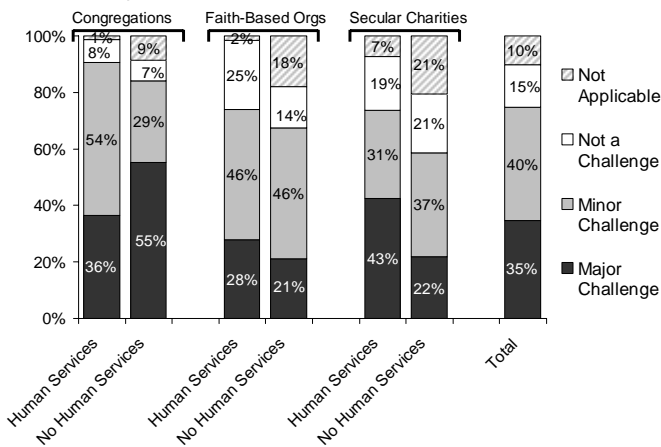
Because a variety of factors such as size, age, or location, may contribute to why some nonprofits face challenges or possess certain capacities, we undertake a more sophisticated multivariate analysis. This allows us to

determine which factors remain important when considered in combination with one another. As we explained earlier in the methodological note on p. 11, for the sake of simplifying our presentation, all figures in this section are based on simple bivariate analysis. However for any instances when organizational type is still significant after controlling for these other factors, we again highlight that in the text following the heading “Overall Assessment.”

**Program Management:** Delivering high quality services, evaluating outcomes, and dealing effectively with clients and members are all key components of managing programs effectively. A majority of Indiana’s religious and charitable organizations indicate that accomplishing these tasks is challenging. Importantly, of the 17 challenges we review in this analysis, the state’s religious and charitable nonprofits are most likely to consider issues related to program management as major challenges.

- **Challenge: Delivering High Quality Programs and Services.** Delivering high quality programs and services is a major challenge for 35 percent of Indiana’s religious and charitable nonprofits; it is a minor challenge for another 40 percent. The rest say it is not a challenge (15 percent) or not applicable (10 percent) to their organization. See the “Total” bar in Figure 33.

**Figure 33: Percent of religious and charitable nonprofits that indicate delivering high quality programs and services is a challenge, by organization type (n=966)**

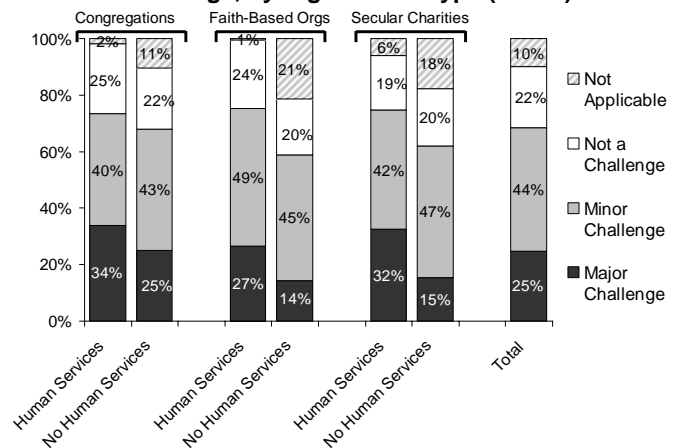


- More than one-half (55 percent) of the congregations that do not provide health or human ser-

vices indicate that delivering high quality programs and services is a major challenge for their organization.

- As we might expect, religious and charitable nonprofits that do not provide health or human services are more likely to note that delivering high quality programs and services is not applicable to their organization than those that do provide them.
- **Overall Assessment:** Congregations that do not provide health or human services are significantly more likely than other types of nonprofits to find delivering high quality programs and services to be a challenge, even after we control for the location, size, and age of the organization.
- **Challenge: Evaluating Program Outcomes.** A majority of religious and charitable nonprofits also view program evaluation as a challenge. On average, nearly 7 in 10 (69 percent) say it is a challenge (including 25 percent who say it is a major challenge). See Figure 34.

**Figure 34: Percent of religious and charitable nonprofits that indicate evaluating program outcomes is a challenge, by organization type (n=960)**

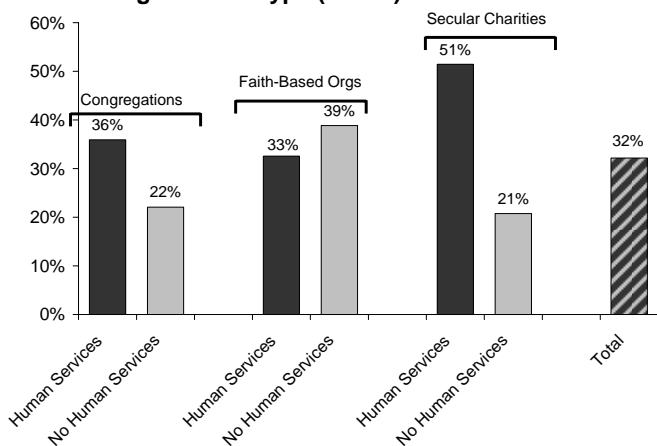


- Religious and charitable nonprofits that provide health or human services are disproportionately likely to identify program evaluation as a major challenge.
- **Overall Assessment:** The odds of identifying program evaluation as a major challenge are particularly low for other FBOs that do not provide

health or human services (in comparison to other types of religious and charitable nonprofits). This is so even after controlling for other organizational characteristics, such as age, size, and location.

- **Capacity: Recent Program Evaluation.** Regardless of their views on whether it is a challenge, only one-third (32 percent) of religious and charitable nonprofits have completed an evaluation of program outcomes or impacts within the last two years. See the last bar in Figure 35.

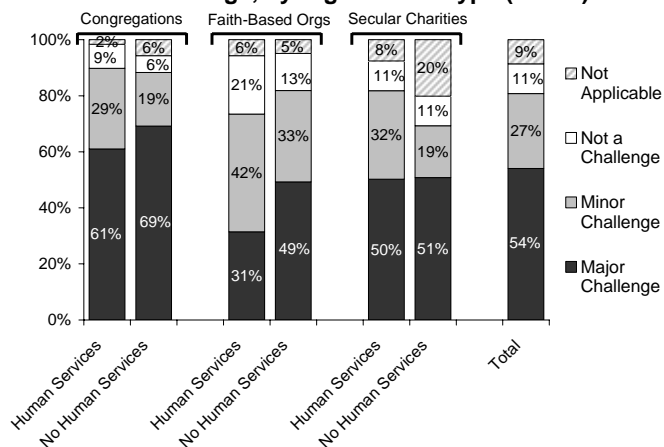
**Figure 35: Percent of religious and charitable nonprofits that have had an evaluation of program outcomes/impacts within the past two years, by organization type (n=980)**



- Secular charities that provide health or human services are the most likely type of organization to report that they completed a recent program evaluation (51 percent). The odds of having done so increase by a factor of more than two for these nonprofits in comparison to the other types.
- Congregations (22 percent) and secular charities (21 percent) that do not provide health or human services are the least likely to have completed program evaluations within the last two years, but only about a third of congregations (36 percent) and other FBOs (33 percent) that do provide such services have undertaken a recent program evaluation.
- **Challenge: Attracting New Members/Clients.** On average, attracting new members and clients is a ma-

ajor challenge for more than one-half (54 percent) of the religious and charitable nonprofits in the state. No other program-related issue appeared to pose such a significant challenge to so many of the organizations. It is a minor challenge for one-quarter (27 percent), and is not a challenge (11 percent) or not applicable (9 percent) to the rest. See the last bar in Figure 36.

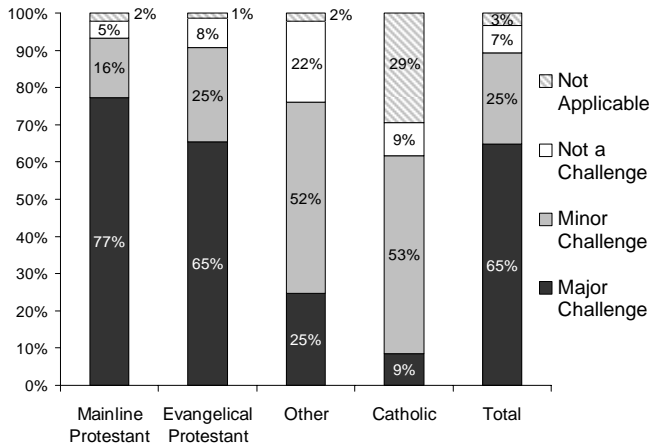
**Figure 36: Percent of religious and charitable nonprofits that indicate attracting new members/clients is a challenge, by organization type (n=974)**



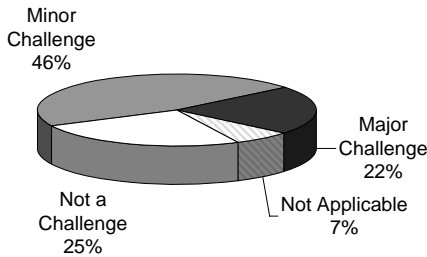
- Attracting new members is particularly challenging for congregations, regardless of whether or not they provide health or human services. They are more likely than other FBOs and secular charities to identify this as a major challenge.
- **Overall Assessment:** Even after controlling for the size, age, and location of the organization, other FBOs that provide health or human services are relatively unlikely to say that attracting new members is a major challenge.
- **Differences among Congregations:** While a majority of congregations in Indiana view attracting new members as a major challenge, only 9 percent of respondents from Catholic congregations report similarly, and 29 percent say that the question does not apply to them. See Figure 37.
- **Challenge: Communicating with Members or Clients.** Indiana’s religious and charitable nonprofits do not differ in the challenges they report in communicating with members or clients. It is a major challenge for one-fifth (22 percent) and a minor

challenge for just under one-half (46 percent). See Figure 38.

**Figure 37: Percent of congregations that indicate attracting new members/clients is a challenge, by congregation type (n=449)**



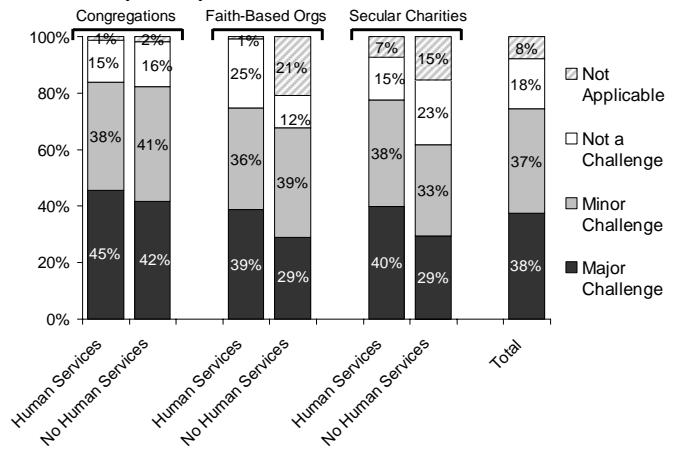
**Figure 38: Percent of religious and charitable nonprofits that indicate communicating with members/clients is a challenge (n=958)**



- **Challenge: Meeting the Needs of Members/ Clients.** Religious and charitable nonprofits are quite likely to say that meeting the needs of their members or clients is a challenge. Thirty-eight percent identify it as a major challenge and another 37 percent view it as a minor challenge. See the “Total” bar in Figure 39.

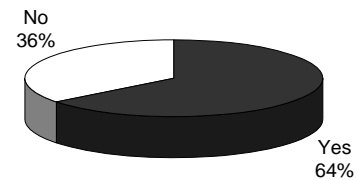
- There are only slight, but statistically significant, variations among the different types of religious and charitable nonprofits in how they view this challenge. The most substantial deviations are with other FBOs and secular charities that do not provide health or human services—these types of organizations are especially likely to note that meeting the needs of members and clients is not applicable to their organizations (21 percent and 15 percent respectively).

**Figure 39: Percent of religious and charitable nonprofits that indicate meeting the needs of members/clients is a challenge, by organization type (n=964)**



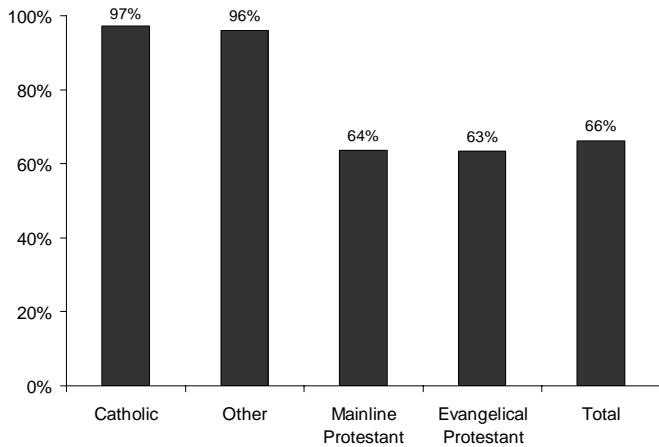
- **Capacity: Computerized Client/Member & Program Records.** Nearly two-thirds (64 percent) of religious and charitable nonprofits in Indiana have computerized client or member program records, with no significant difference among types of organizations. See Figure 40.

**Figure 40: Percent of religious and charitable nonprofits that have computerized client/member program records (n=1,967)**



- **Differences among Congregations:** There are significant differences in the percentages of congregations by theological traditions that have computerized client or member records. This is due primarily to the high likelihood that Catholic and other congregations will have this technology, 96 to 97 percent of which have computerized program records, compared to just 63 percent of evangelical and 64 percent of mainline Protestant congregations. See Figure 41. As we noted earlier, Catholic congregations tend to be larger than congregations from other faith traditions, suggesting that size may be an important driving force here.

**Figure 41: Percent of congregations that have computerized client/member program records, by congregation type (n=457)**



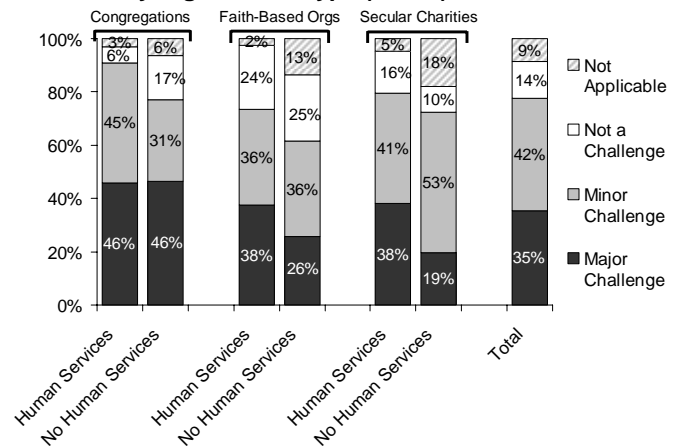
**Governance:** Strategic planning, forming/maintaining good relations with other entities, enhancing visibility, and obtaining funding are integral parts of good governance of an organization. Here we examine the extent to which religious and charitable nonprofits find these tasks challenging. We also evaluate their capacity to face governance challenges based on the availability of such important tools as an annual report, written governance policies, and written conflict of interest policies.

- **Challenge: Strategic Planning.** Nearly four-fifths (77 percent) of Indiana’s religious and charitable nonprofits indicate that strategic planning is a challenge for their organization, including 35 percent who say it is a major challenge. This is one of the most frequently cited challenges.

- Congregations (regardless of whether they provide health or human services) are more likely than other FBOs and secular charities to identify strategic planning as a major challenge. See Figure 42.
- Religious and charitable nonprofits that do not provide health or human services are more likely than those that do to say that strategic planning is not applicable to their organization. This is especially the case for other FBOs and secular charities that do not provide health or human services. These latter two types of organizations are also less likely than their counterparts to identify strategic planning as a major challenge. We don’t know for sure why there are such differences among those that provide health or hu-

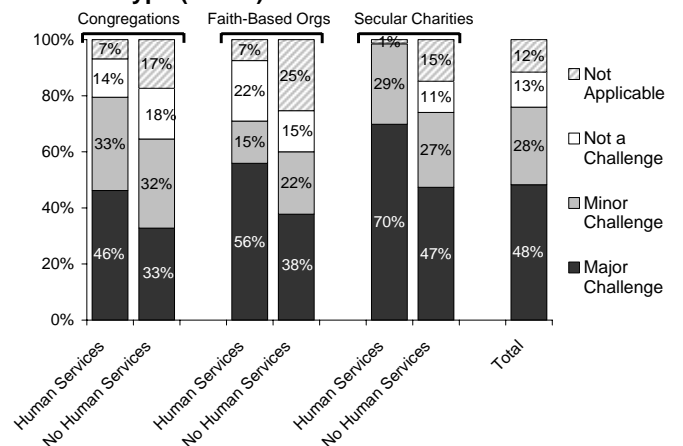
man services and those that don’t, but speculate that the former have encountered more pressures from funders to undertake strategic planning.

**Figure 42: Percent of religious and charitable nonprofits that indicate strategic planning is a challenge, by organization type (n=965)**



- **Challenge: Obtaining Funding.** Obtaining financial resources is challenging for many of Indiana’s religious and charitable nonprofits. It ranks as one of the most frequently identified concerns and is especially the case for secular charities that provide health or human services—70 percent report that it is a major challenge. See Figure 43.

**Figure 43: Percent of religious and charitable nonprofits that indicate obtaining funding or other financial resources is a challenge, by organization type (n=969)**

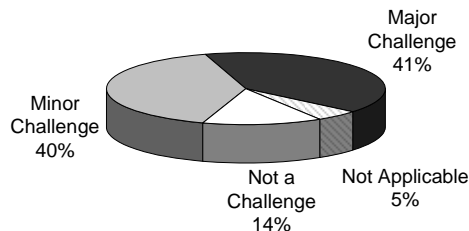


- As with other challenges, obtaining financial resources is particularly problematic for religious and charitable nonprofits that provide health or

human services. Correspondingly, a relatively large percentage of organizations that do not provide health or human services indicate that obtaining funding is not a challenge or not applicable to their organization.

- **Challenge: Enhancing Visibility or Reputation.** Enhancing the visibility or reputation of their organization is a challenge for most of Indiana’s religious and charitable nonprofits. Two-fifths (41 percent) indicate that it is a major challenge and two-fifths (40 percent) identify it as a minor challenge. See Figure 44.

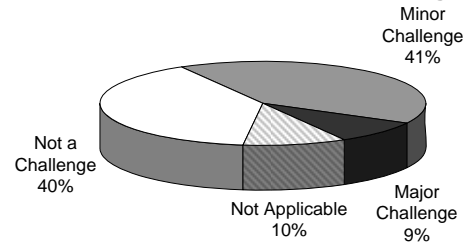
**Figure 44: Percent of religious and charitable nonprofits that indicate enhancing the visibility/reputation of the organization is a challenge (n=973)**



- For the most part, congregations, other FBOs, and secular charities do not substantially differ in how they regard this challenge.
- **Overall Assessment:** Further analyses show that congregations that do not provide health or human services are, in comparison to the other types of nonprofits, especially likely to consider enhancing their visibility or reputation a major challenge once we control for other organizational features, such as age, size, and location.

- **Challenge: Forming/Maintaining Good Relations with Other Entities.** Forming or maintaining good relations with other entities is one of the least challenging issues of the 17 management issues we address in this analysis. One in ten (9 percent) report that it is a major challenge and more than two-fifths (41 percent) identify it as a minor challenge. There are no statistical differences in the way that different types of organizations responded to this question. See Figure 45.

**Figure 45: Percent of religious and charitable nonprofits that indicate forming or maintaining good relations with other entities is a challenge (n=966)**



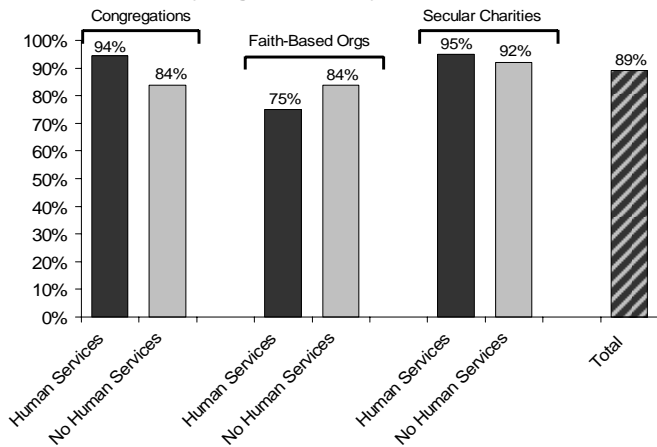
- **Capacity: Annual Report.** Producing annual reports allows nonprofits to take stock of their activities and to communicate their accomplishments to major constituency groups and the general public. Our analysis shows that annual reports are relatively commonplace. Nearly 8 in 10 (or 79 percent) of the state’s religious and charitable organizations produced an annual report within the last year. This does not differ significantly among types of religious and charitable organizations. See Figure 46.

**Figure 46: Percent of religious and charitable nonprofits that produced an annual report in the last year (n=991)**



- **Capacity: Written Governance Policies or By-laws.** Nonprofits that have written governance policies or by-laws have codified their basic structure and established the ground rules for continuing to operate once founders or current members are no longer involved. The vast majority (89 percent) of nonprofits in Indiana’s religious and charitable sector possess such policies. There are statistically, but relatively minor, differences among the various types of organizations. Congregations and secular charities are slightly more likely to have such policies while other FBOs are relatively less likely to have them. See Figure 47.

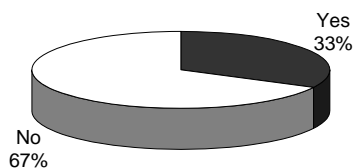
**Figure 47: Percent of religious and charitable nonprofits that have written governance policies or by-laws, by organization type (n=992)**



- Capacity: Written Conflict of Interest Policy.**

Having a written conflict of interest policy indicates that the organization has seriously considered the role of trustees or key staff and volunteers and laid the ground rules to protect the interests of both the organization and those individuals. Written conflict of interest policies are not nearly as common as written governance policies. Only one-third (33 percent) of Indiana’s religious and charitable organizations have written conflict of interest policies regardless of whether they are congregations, other FBOs or secular charities. See Figure 48.

**Figure 48: Percent of religious and charitable nonprofits that have written conflict of interest policies (n=967)**

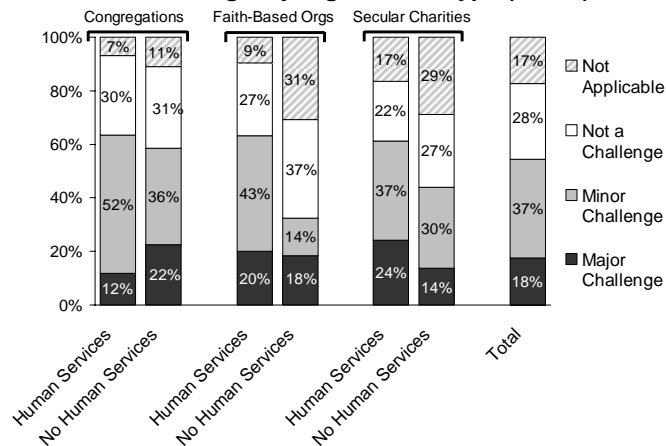


**Human Resource Management:** Any organization with employees must address issues related to staff or volunteer recruitment, training, and related tasks. Here we assess the challenges and capacities that are relevant to managing employees, volunteers, and board members.

- Challenge: Recruiting/Keeping Qualified Staff.** Recruiting and keeping qualified staff is a challenge for just over one-half (55 percent) of the religious and charitable organizations in the state, but only 18

percent say it is a major challenge – a relatively small percentage compared to other issues we assessed.. See Figure 49.

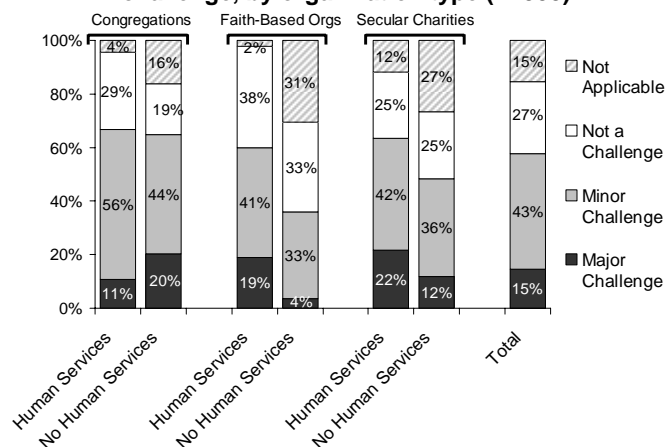
**Figure 49: Percent of religious and charitable nonprofits that indicate recruiting/keeping qualified staff is a challenge, by organization type (n=970)**



- Over one-half of the other FBOs (68 percent) and secular charities (56 percent) that do not provide health or human services report that recruiting or keeping qualified staff is not a challenge or is not applicable to their organization.

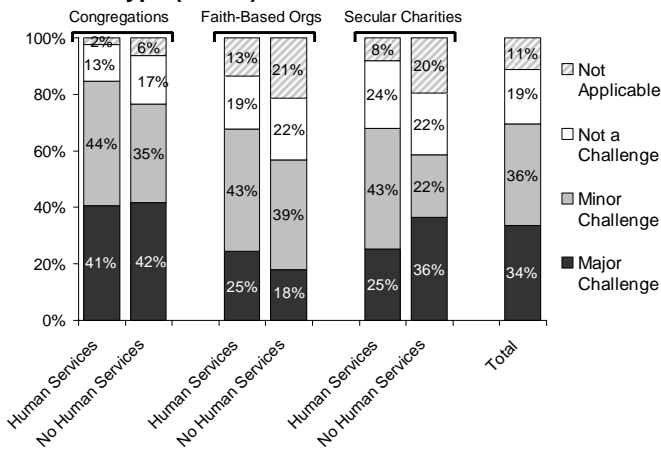
- Challenge: Managing Human Resources.** The percentage that indicates managing human resources more generally is a challenge follows the same pattern as that illustrated in Figure 49. See Figure 50.

**Figure 50: Percent of religious and charitable nonprofits that indicate managing human resources is a challenge, by organization type (n=955)**



- **Challenge: Recruiting/Keeping Qualified and Reliable Volunteers.** Religious and charitable nonprofits in Indiana are almost twice as likely to identify keeping qualified volunteers as a major challenge (34 percent, see Figure 51) than to indicate keeping qualified staff members is a major challenge (18 percent).

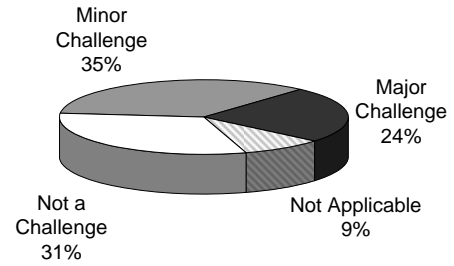
**Figure 51: Percent of religious and charitable nonprofits that indicate recruiting/keeping qualified and reliable volunteers is a challenge, by organization type (n=972)**



– The challenges in recruiting and keeping volunteers appear to be greater for congregations, especially those that provide health or human services. Secular charities and other FBOs are less likely to report that recruiting/keeping volunteers is a major challenge. This is in line with our earlier finding in Section 2 that congregations are more likely to find volunteers very important or essential to their missions.

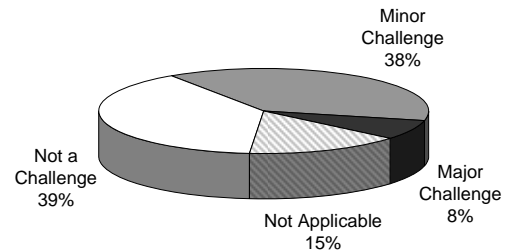
- **Challenge: Recruiting/Keeping Effective Board Members.** Recruiting or keeping effective board members is a major challenge for about one-quarter (24 percent) of Indiana’s religious and charitable nonprofits. See Figure 52. This is smaller than the percentage that views recruiting or keeping volunteers as a problem, but greater than the percentage that identifies recruiting or keeping staff members as problematic. There is no statistical difference in the way congregations, other FBOs, and secular charities report these challenges.

**Figure 52: Percent of religious and charitable nonprofits that indicate recruiting/keeping effective board members is a challenge (n=961)**



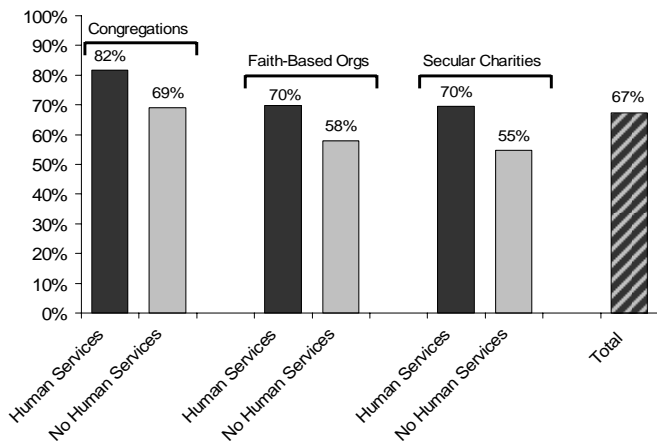
- **Challenge: Managing or Improving Board/Staff Relations.** Compared to other challenges, managing board and staff relations is a rather minor concern for most religious and charitable nonprofits. Over one-half indicate that it is not applicable (15 percent) or not a challenge (39 percent) for their organization. Two fifths (38 percent) say that it is a minor challenge while only 8 percent feel it is a major challenge. See Figure 53.

**Figure 53: Percent of religious and charitable nonprofits that indicate managing or improving board/staff relations is a challenge (n=957)**



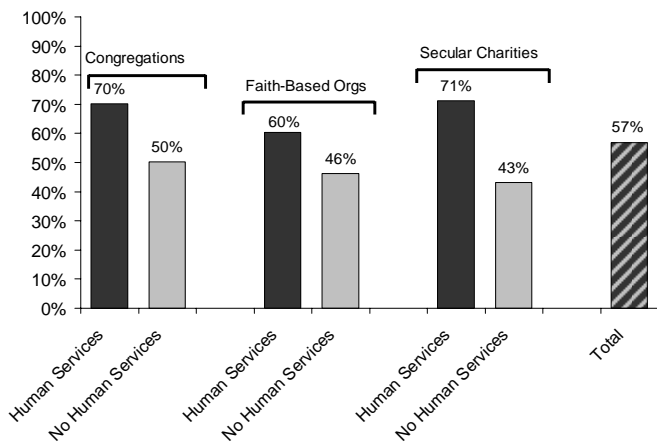
- **Capacity: Written Job Descriptions.** Clearly written job descriptions help to define expectations of employees and/or volunteers. They are also important to protect employer liability in hiring and firing practices. The state’s religious and charitable nonprofits are slightly more likely to have written job descriptions (67 percent) than personnel policies (57 percent, shown below in Figure 55). Again, congregations that provide health or human services are most likely to have written job descriptions (82 percent). See Figure 54.

**Figure 54: Percent of religious and charitable nonprofits that have written job descriptions, by organization type (n=993)**



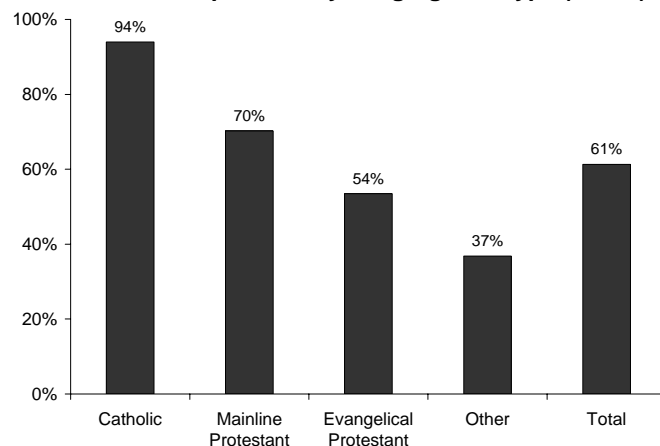
- Capacity: Written Personnel Policies:** Personnel policies establish and codify basic workplace relationships both among staff members (paid or volunteers) and between staff members and the organization. Nearly 6 in 10 (57 percent) religious and charitable nonprofits have written personnel policies. As with most of the previously examined dimensions, nonprofits that offer health or human services are more likely than those that do not to have written personnel policies. See Figure 55.

**Figure 55: Percent of religious and charitable nonprofits that have written personnel policies, by organization type (n=986)**



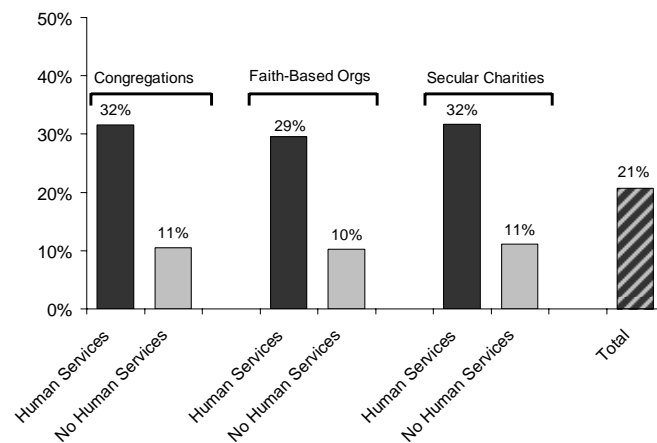
- Differences among Congregations:** Respondents from Catholic congregations are much more likely than those from other congregations to indicate that they have written personnel policies. See Figure 56. We speculate that this may also reflect the larger size of Catholic congregations.

**Figure 56: Percent of congregations that have written personnel policies, by congregation type (n=454)**



- Capacity: Formal Volunteer Recruitment Program.** On average, 1 in 5 (21 percent) religious and charitable nonprofits have formal volunteer recruitment programs. There is, however, a clear distinction between organizations that provide health or human services, which are disproportionately likely to have formalized programs, and organizations that do not provide health or human services, which are quite unlikely to have them. See Figure 57.

**Figure 57: Percent of religious and charitable nonprofits that have a formal volunteer recruitment program, by organization type (n=988)**

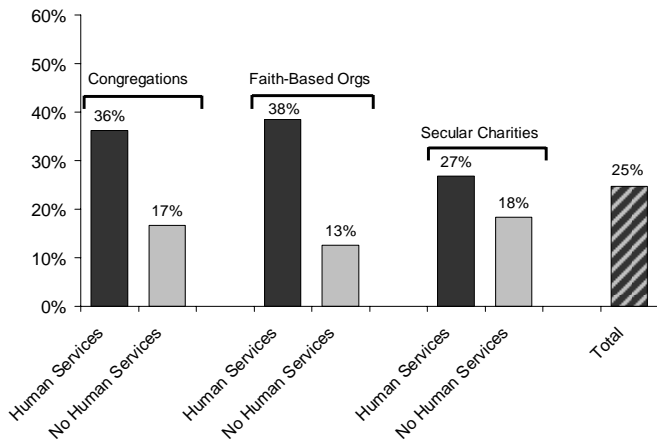


- Overall Assessment:** After controlling for other factors, congregations that provide health or human services are considerably more likely than the other types of nonprofits to have formal recruitment programs; congregations without health or human services programs are substantially less likely to have these programs.

- **Capacity: Formal Volunteer Training Program.**

Only one-quarter of religious and charitable nonprofits have a formal volunteer training program. Similar to recruitment programs, volunteer training programs are most common for religious and charitable nonprofits that provide health or human services. See Figure 58.

**Figure 58: Percent of religious and charitable nonprofits that have a formal volunteer training program, by organization type (n=981)**

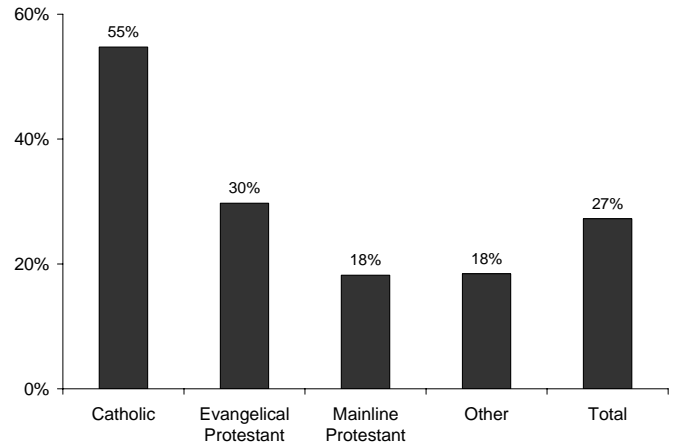


- **Overall Assessment:** The odds are high that congregations that provide health or human services (relative to the other types of nonprofits) have a formal training program, even after accounting for other organizational characteristics.
- **Differences among Congregations:** Different types of congregations also vary considerably in the extent to which they have formalized volunteer training programs. More than one-half (55 percent) of Catholic congregations report having formalized programs, compared to 30 percent of evangelical Protestants, 18 percent of mainline Protestants, and only 18 percent of other types of religious congregations. See Figure 59.

**Information Technology:** Information technology (IT) provides many benefits to nonprofit practitioners by helping to organize records and program information, communicate with other entities, retrieve up-to-date information from the World Wide Web, access grant information, and write and submit grant proposals. Here we examine the extent to which IT poses challenges as well as the availability of technology that is useful for external purposes, such as retrieving information from

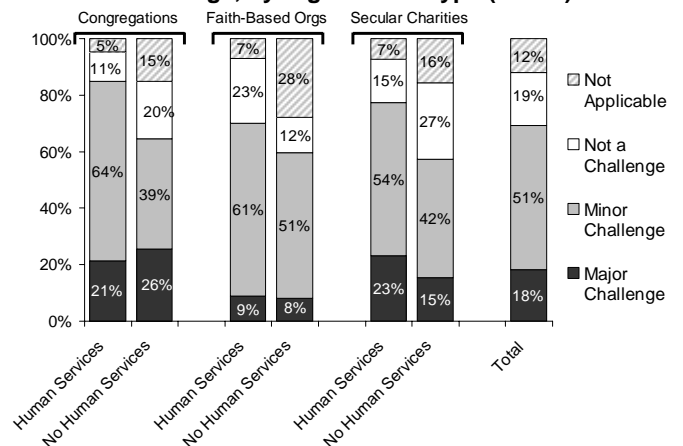
the Web and communicating with other entities electronically, or for internal purposes such as keeping track of finances or program participation.

**Figure 59: Percent of congregations that have formal volunteer training program, by congregation type (n=451)**



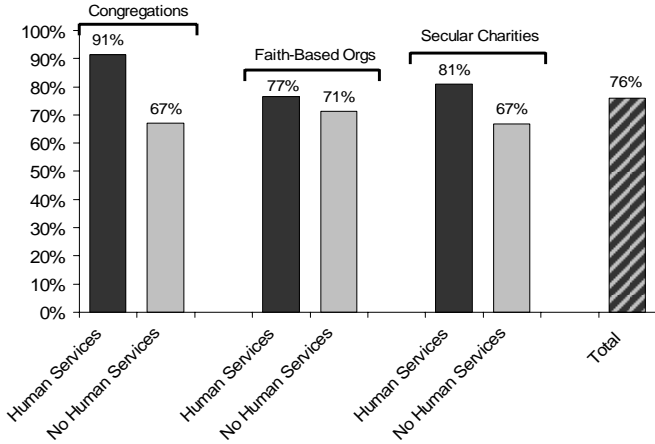
- **Challenge: Using IT Effectively.** Although many religious and charitable nonprofits consider it a challenge to use IT effectively, most do not view it as a major challenge. Congregations that provide health or human services are the most likely to name it as a challenge (85 percent). Organizations that do not provide health or human services are notably more likely to say that the question does not apply to them or that it is not a challenge. Other FBOs are less likely to name it a major challenge, regardless of whether they provide health or human services. See Figure 60.

**Figure 60: Percent of religious and charitable nonprofits that indicate using information technology is a challenge, by organization type (n=964)**



- **Capacity: Computers Available for Key Staff/Volunteers.** One of the most basic technological tools is a computer. Over three-quarters (76 percent) of Indiana’s religious and charitable nonprofits have a computer available for key staff and volunteers. Nearly all (91 percent) congregations that provide health or human services have them. See Figure 61.

**Figure 61: Percent of religious and charitable nonprofits that have computers available for key staff/volunteers, by organization type (n=996)**



- **Overall Assessment:** After controlling for other organizational characteristics, congregations that provide health or human services stand out as especially likely to possess computer technology while congregations that do not provide health or human services are relatively unlikely.

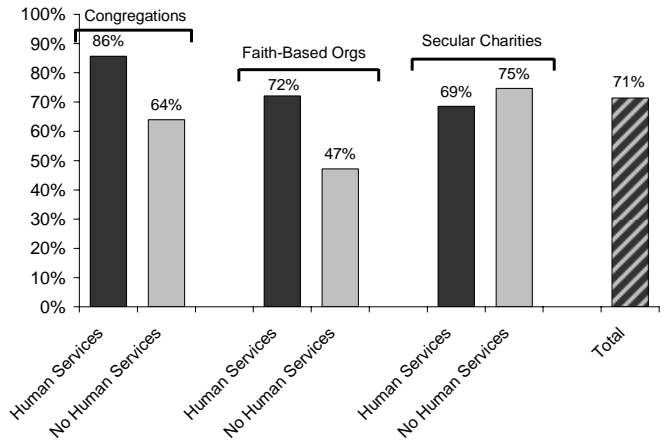
- **Capacity: Computerized Financial Records.** On average, seven in ten (71 percent) religious and charitable nonprofits have computerized financial records, with notable variation among types. See Figure 62.

- **Overall Assessment:** Congregations that provide health or human services are the most likely to have computerized financial records (86 percent), even after accounting for variations in size, age, and location.

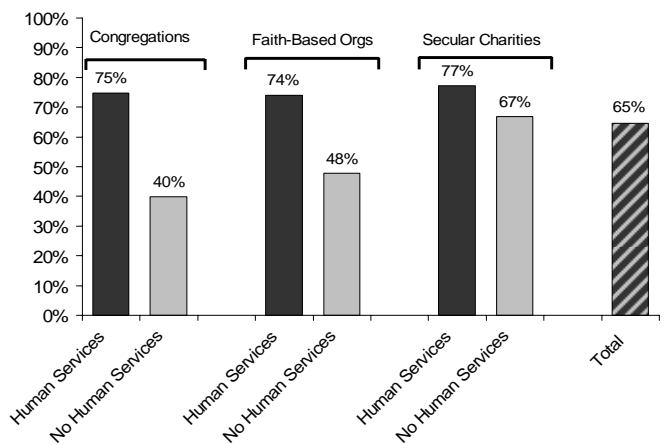
- **Capacity: Direct Internet Access for Key Staff/Volunteers.** One of the most basic information technology components required for external purposes is access to the Internet. On average, 65 percent of the state’s religious and charitable nonprofits

have direct Internet access for key staff or volunteers. See Figure 63.

**Figure 62: Percent of religious and charitable nonprofits that have computerized financial records, by organization type (n=994)**



**Figure 63: Percent of religious and charitable nonprofits that have direct Internet access for key staff/volunteers, by organization type (n=993)**

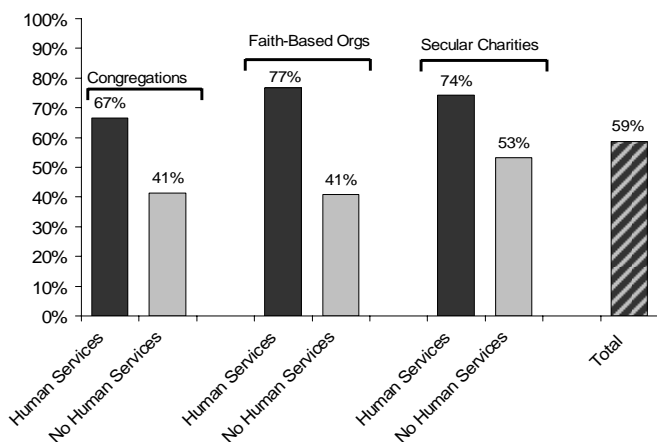


- **Overall Assessment:** Further analyses reveal two types of organizations that stand out after accounting for variations in size, age, and location. First, and as suggested by Figure 63, the odds of having direct Internet access are relatively low for congregations that do not provide health or human services. Second, in comparison to the other types of nonprofits, other FBOs that provide health or human services are especially likely to be connected to the Internet.

- **Capacity: E-mail Address for Organization.** Overall, 59 percent of religious and charitable

nonprofits in the state have an e-mail address for their organization. Approximately 67 to 77 percent of the religious and charitable nonprofits that provide health or human services have an e-mail address for their organization in comparison to roughly one-half or less of the organizations that do not provide health or human services. See Figure 64.

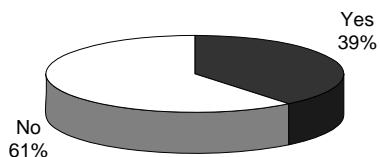
**Figure 64: Percent of religious and charitable nonprofits that have an e-mail address for the organization, by organization type (n=933)**



– *Overall Assessment:* As with Internet access, more detailed analyses suggest that congregations that do not provide health or human services are less likely to have an e-mail address for the organization than other congregations while the opposite is true for other FBOs that provide health or human services.

- **Capacity: Website for Organization.** Only 2 in 5 (39 percent) religious and charitable nonprofits have a website, with no notable variation among types. See Figure 65.

**Figure 65: Percent of religious and charitable nonprofits that have a website for their organization (n=993)**

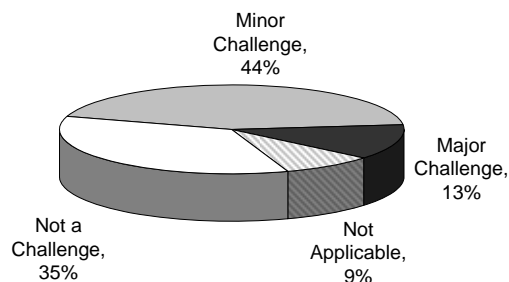


- *Overall Assessment:* Secular charities that do not provide health or human services are considerably more likely than the other types of nonprofits to report that they have a website, after controlling for size, age, and location.

**Financial Management:** In this section we look at the financial challenges facing Indiana’s religious and charitable nonprofits as well as some key resources they possess to address these concerns.

- **Challenge: Financial Management and Accounting.** While slightly more than one-half (57 percent) of religious and charitable nonprofits view financial management and accounting as a challenge, only 13 percent identify it as a major challenge. Indeed, it ranks as one of the least noted challenges, regardless of whether the organization is a congregation, other FBO, or secular charity. See Figure 66.

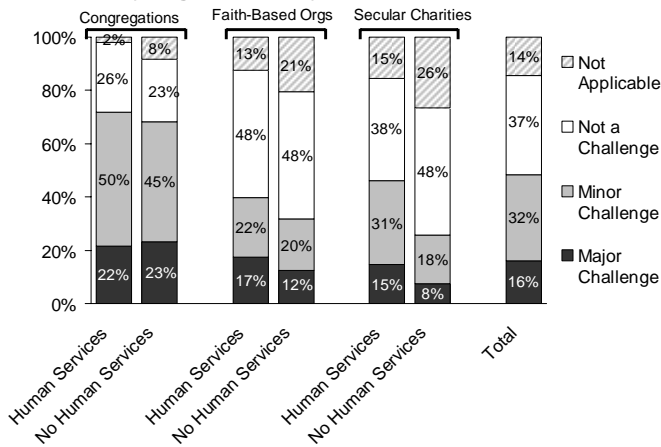
**Figure 66: Percent of religious and charitable nonprofits that indicate financial management and accounting is a challenge (n=963)**



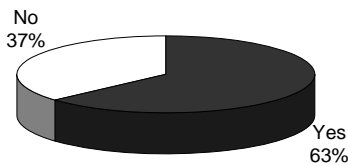
- **Challenge: Managing Facilities.** Another aspect of financial management is managing facilities. This is a challenge for approximately one-half (48 percent) of religious and charitable nonprofits in Indiana, but is particularly challenging for congregations, regardless of whether or not they provide health or human services. See Figure 67. We suspect that many congregations own houses of worship and therefore are more likely to encounter challenges in managing facilities than other types of nonprofits which may operate out of rented or borrowed space.
- **Capacity: Audited Financial Statement.** One important tool in financial management is to have audited financial statements, although this is expensive and not justified for very small nonprofits. We find

that less than two-thirds (63 percent) of Indiana’s religious and charitable nonprofits have produced such a report within the last two years, regardless of whether the organization is a congregation, other FBO, or secular charity. See Figure 68.

**Figure 67: Percent of religious and charitable nonprofits that indicate managing facilities is a challenge, by organization type (n=965)**



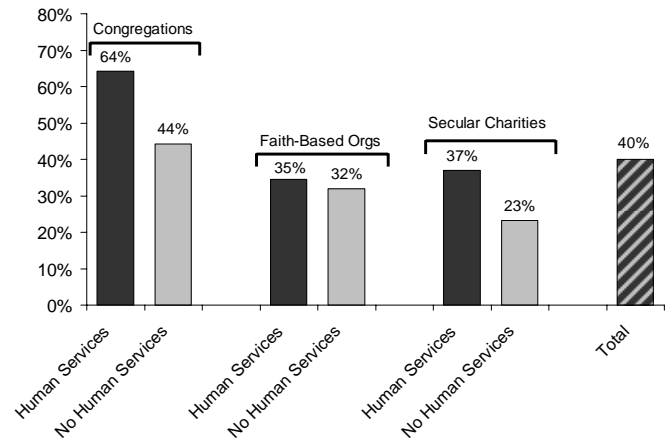
**Figure 68: Percent of religious and charitable nonprofits that have a recent financial audit (n=984)**



- **Capacity: Reserves Dedicated to Capital Improvement.** Two-fifths (40 percent) of Indiana’s religious and charitable nonprofits have reserves dedicated to capital improvement. Congregations that provide health or human services are especially likely to have such reserves. Almost two-thirds (64 percent) of congregations possess them compared to roughly one-third of Indiana’s other FBOs and secular charities. See Figure 69.

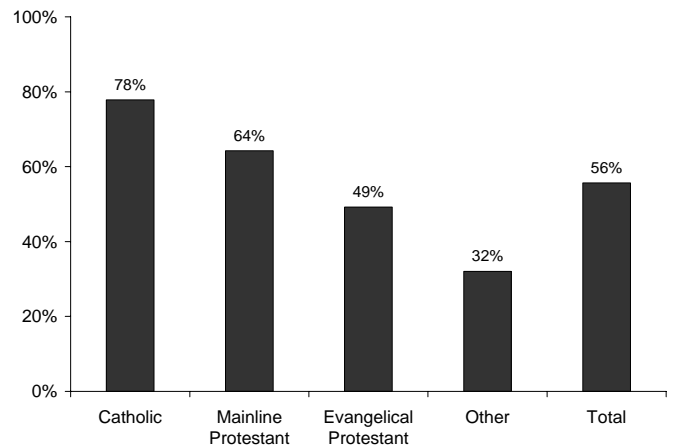
– *Overall Assessment:* The odds of having such reserves are significantly higher for congregations than the other types of organizations considered here, even after accounting for variations in age, size, and location of the organization.

**Figure 69: Percent of religious and charitable nonprofits that have reserves dedicated to capital improvement, by organization type (n=985)**



- *Differences among Congregations:* There are also significant differences in the extent to which different types of congregations throughout Indiana have reserves dedicated to capital improvement. Nearly 8 in 10 (78 percent) Catholic congregations indicate that they have capital reserves, compared to two-thirds (64 percent) of mainline Protestant congregations, one-half (49 percent) of evangelical Protestant congregations and only one-third (32 percent) of other types of congregations. See Figure 70.

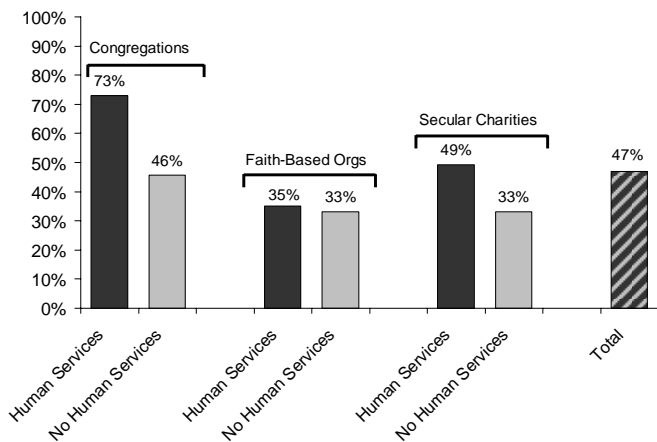
**Figure 70: Percent of congregations that have reserves dedicated to capital improvement, by congregation type (n=453)**



- **Capacity: Reserves Dedicated to Maintenance and/or Equipment.** Overall, most (89 percent) of the organizations that have reserves dedicated to capital improvement also have reserves dedicated to

maintenance and equipment. That is, to a large extent, the same organizations have financial reserves for both of these purposes. On average, however, just fewer than one-half (47 percent) of the state’s religious and charitable nonprofits have reserves dedicated to meeting maintenance needs. See Figure 71.

**Figure 71: Percent of religious and charitable nonprofits that have reserves dedicated to maintenance/equipment, by organization type (n=983)**



- **Overall Assessment:** As with reserves dedicated to capital improvement, congregations that provide health or human services are disproportionately likely to have maintenance and equipment reserves (73 percent), even after controlling for other factors.

## V. REGIONAL VARIATIONS

*For the most part, there are not substantial variations in the basic organizational characteristics, challenges, and capacities of religious and charitable nonprofits across the different areas of Indiana. This suggests that regardless of their location, nonprofits across the state face many of the same pressures and circumstances that shape their organization experiences (including their age, use of volunteers and paid staff, etc.) and perspectives (such as which issues they perceive as challenges).*

**Understanding Regional Variations:** In this section we reassess sections 2 and 4 of this report by paying special attention to regional differences. To do so, we divide the state into seven regions depending on whether we had access to expanded samples and had enough respondents among the religious and charitable nonprofits to warrant separate analysis. Note that what we refer to as a ‘region’ does not, in two instances, make reference to a single unified geographic area; we use the word region in these cases for simplicity in presentation.

We are able to report separately on four metropolitan regions: Indianapolis, Northwest Indiana, Evansville (including here Gibson County), and South Bend,<sup>23</sup> but group all other survey respondents into three categories: ‘Other Metro’ which includes the Fort Wayne, Muncie and Bloomington metropolitan regions; ‘Non-Metro’ which includes Bartholomew, Cass, Dubois, Miami, and Scott Counties; and ‘Rest of State’ which includes all other regions of the state. See Figure 72.

- **Distribution of Religious and Charitable Nonprofits:** There is marginally significant variation in the distribution of other FBOs, congregations and secular charities throughout Indiana. South Bend has a higher proportion of secular charities (53 percent) than the state overall (42 percent). The Other Metro regions, on the other hand, have smaller percentages of them (34 percent). The rest of the state has higher percentages of congregations. See Figure 73.<sup>24</sup>

<sup>23</sup> The Northwest region includes Lake, La Porte, and Porter Counties; the Evansville region includes Gibson, Posey, Vanderburgh, and Warren Counties; the Indianapolis region includes Boone, Hamilton, Hancock, Marion, Hendricks, Morgan, Johnson, and Shelby Counties; the South Bend region includes St. Joseph County.

<sup>24</sup> Since these results are marginally significant they should be interpreted with caution.