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*Financial and Operational
Business Consulting*

Working for A Nonprofit:

What Does It Mean?

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Not-for-Profit Statistics and Basics

NFP Orgs: National

- 1.4 million registered with IRS in the US
- 5.2% of GDP
- 1 in 12 Americans works in the nonprofit sector
- 8.3% of wages and salaries pd in US
- % change from 1994 – 2004 = 27% increase

NFP Orgs - Indiana

- 60,000 in Indiana
- 17,000 in Central Indiana

Types of Nonprofits

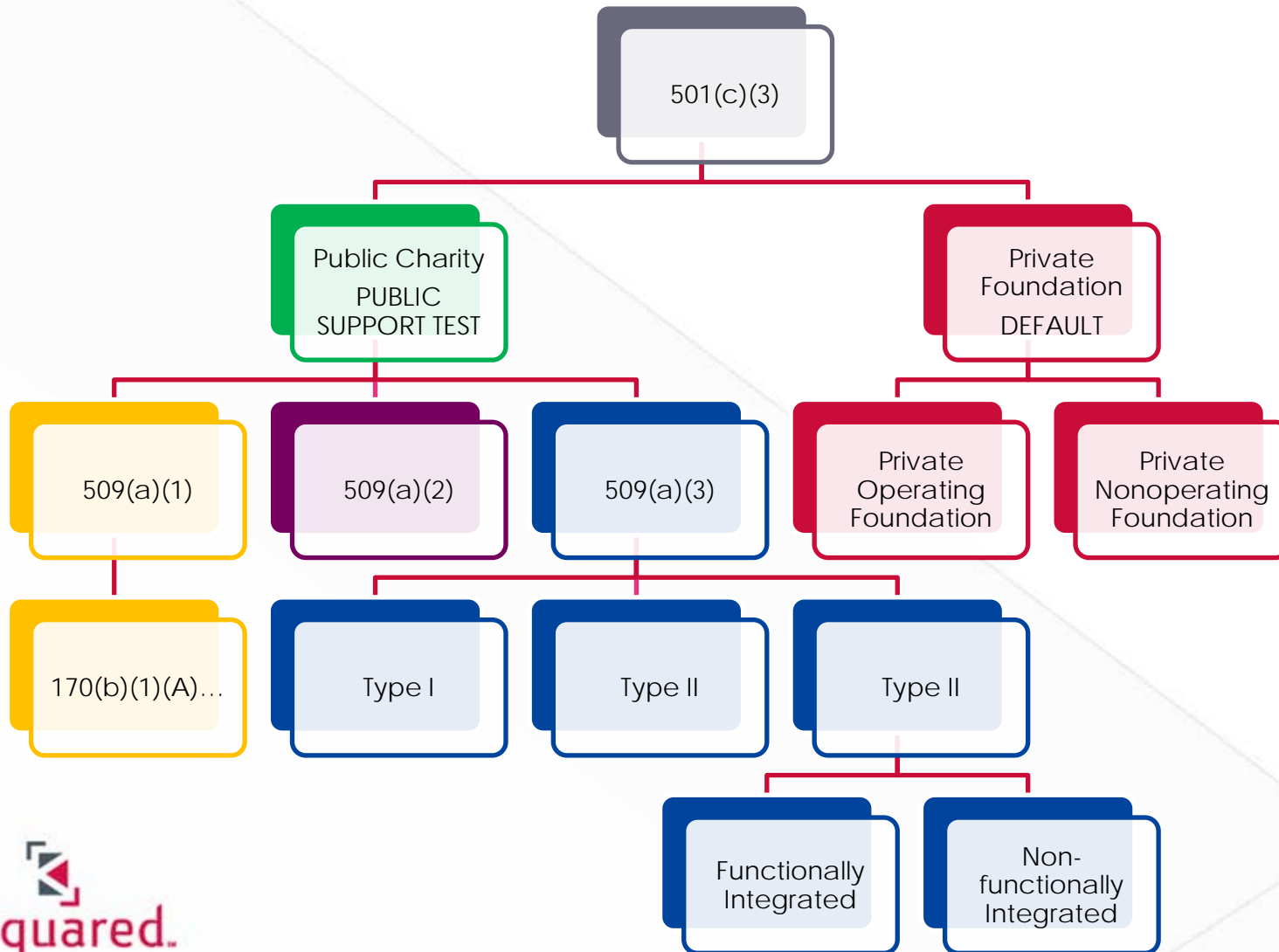
- 501(c)3: Organizations formed for educational, scientific, literary, charitable or religious pursuits

(only classification for which donations are deductible)

Types of Nonprofits

- 501(c)4: Social welfare organization – usually focus on advocacy
- 501(c)5: Labor unions and agriculture
- 501(c)6: Business and trade associations
- 501(c)7: Social and recreational clubs
- 501(c)10: Domestic fraternal societies and associations
- In total, there are 28 different 501(c) org's!

“Not-for-Profit”



“Not-for-Profit”

- Arts & Culture
- Human Services
- Health
- Education
- Environment
- Economic Development
- Advocacy and Lobbying

“Not-for-Profit”

- Religious
- Fraternal
- Service
- Professional Societies
- Private Foundations

Not-for-Profit



Cannot Make a Profit

Three major differences

- The profit
- The ownership
- The composition of the board of directors

Not-for-Profit Organizations

Top Ten Myths

Top Ten Myths

1. No one makes any money

- You have to starve; Making money is bad
 - Compensation is more competitive
 - Some compensation is public info
- Benefits aren't good
 - Non-monetary benefits

Top Ten Myths

2. It's for people that can't make it in the business world

- Transitioning from FP to NFP
- Importance of skill-set

Top Ten Myths

3. No upward mobility – no real career path; the work isn't challenging
- Leadership opportunities
 - Unparalleled growth opportunities
 - Can shift skill sets quickly
 - The company “universe” gets smaller
 - Nonprofits value business skills

Top Ten Myths

4. Everyone is nice

- Probably higher percentage of “kind” people, but.....

Top Ten Myths

5. It's not competitive

- Missions in direct opposition
- Competing for the same audience
- Providing same services

Top Ten Myths

6. NFP organizations are all inefficient – it's all a waste of time and money
- Measurement of success more challenging
 - There are inefficient and disorganized for profit organizations...

Top Ten Myths

7. NFPs only do direct service work – I can't deal with people that way

Top Ten Myths

8. They are informal and lack resources

Top Ten Myths

9. All NFPs support left-wing causes

- Many exist to provide services the government does not provide
- Most are unable to have a political agenda
- NFP's on all ends of the spectrum and in between:
 - PPIN
 - NRA
 - Chamber
 - Boy/Girl Scouts

Top Ten Myths

10. It's just like volunteering

- Yeah, right.....

Board and Staff Responsibilities

- Be the voice of the organization
- Connect others to the organization
- Be informed about mission, services, programs, policies
- Participate in organizational visioning and implementation

5 Key Questions:

1. Why are we here?
2. How do we define success?
3. How can I add value to the organization?
4. What behavior do I want to model?
5. What key metrics the organization track?

Why did I choose to work at a
Not-for-Profit organization?
...and what kept me connected?

THE MOST IMPORTANT ITEM:

A PASSION FOR THE MISSION !



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- The opportunity to change the world is around every corner

“Be the change you
wish to see in the
world.”

- Gandhi

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