



# A Case for Capacity Building

A report on the High Desert's Fragile Social Services Infrastructure©  
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## Executive Summary

The High Desert region of San Bernardino County is experiencing explosive population growth accompanied by a myriad of problems associated with that growth: growing congestion, increasing gang violence, demographic shifts, lack of local jobs, housing un-affordability, rising cost of living, and a lagging infrastructure to name a few. In addition, the area is home to a disproportionate and growing number of low and moderate income families, plus an undereducated workforce.

A key element of the community's infrastructure, and one that is often overlooked, is the community's social services sector; those organizations that serve the disadvantaged and provide a safety net for residents on the verge of becoming disadvantaged. Providing services such as job training, counseling, health care, senior and youth services, housing assistance, and basic needs; they include charities, public agencies, schools, houses of worship, and various clubs and ministries.

The purpose of this report was to examine the challenges facing this sector, with the aim of developing resources to mitigate those challenges. While many subject areas were examined, the overwhelming issue local groups struggle with is raising sufficient funds to provide their services.

### Key Findings:

- The majority of organizations reported serving low-income residents - the group with the greatest range of needs.
- Ninety percent of respondents claim that demand for services is increasing.
- Ninety percent of the organizations surveyed reported needing assistance in the area of fundraising, with 57% indicating that their organization was in "great" need of fundraising assistance.
- Less than 50% of respondents had boards of directors that were active in fundraising.
- The most often cited barrier to providing services is funding.
- Staffing and funding levels for resource development tasks are inadequate.

As an example of the difficulty High Desert organizations have in raising funds, it is interesting to note that according to a recent report from The James Irvine Foundation, our community receives less than \$6 per capita in foundation giving. To put this in perspective, San Francisco County receives more than \$600 in per capita funding.

It is our intent to use this information to guide the development of training and technical assistance with the goal of strengthening this fragile segment of our community's infrastructure. It is our hope that this information will be a catalyst for further discussions about and increased investments in solutions.

Vici Nagel

President/CEO

## Introduction

This report focuses on community organizations operating in the High Desert region of San Bernardino County in Southern California. Several dimensions of organizational operations including governance, planning, marketing, program operations, funding/resource development, human resources, and infrastructure are discussed. Respondents were asked to identify characteristics of their organization and rate their organization on various aspects of operations.

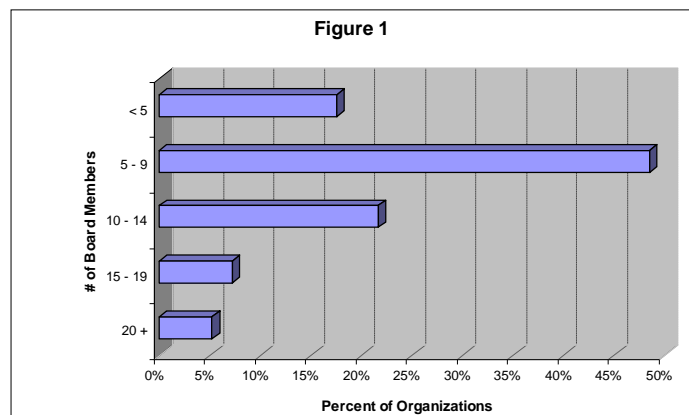
Representatives from 115 community organizations provided the data via an online survey in February and March 2007. The data represents a diverse assortment of community organizations including nonprofits, churches, schools, and faith-based groups. These organizations vary greatly in the length of time they have been serving the High Desert as well as the size of organization based on annual budget. Such a broad array of survey respondents helps provide a description of the state of the community organizations serving the High Desert.

In an effort to identify variations in organizational capacity and need, the association between respondents' survey responses and other variables, such as the size of the organization, measured by size of the organization's annual budget, and length of time operating in the High Desert region, are examined.

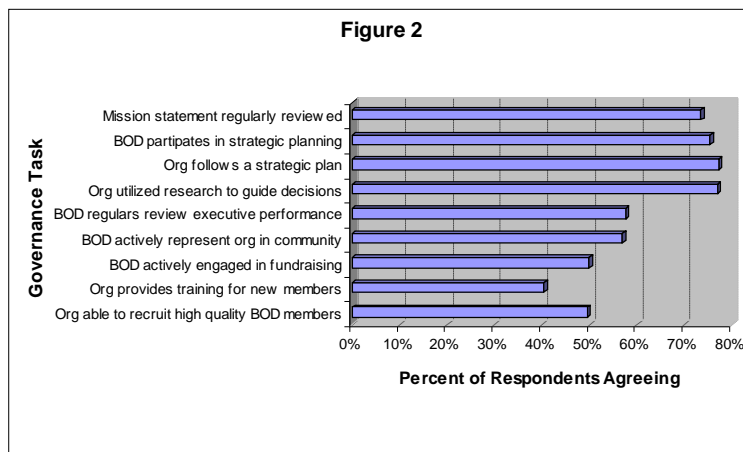
## Governance

This section of the report deals with organizational leadership, primarily focusing on the board of directors and its functions. Respondents were asked how well they thought their organization performed certain governance-related functions. Associations between performance issues and potential influences such as size of the board, size of the organization's budget, and age of organization are also examined.

The number of board members for community organizations varies greatly. About two-thirds of the organizations represented in the survey have less than ten board members while just over 12% have fifteen or more members. Figure 1 shows the size of the boards of directors for organizations represented in the survey. Both the length of time operating in the High Desert and annual budget size are positively associated with the size of the board of directors. In other words, older and more wealthy organizations tend to have larger boards of directors.



The survey respondents were presented a series of statements regarding governance-related activities of their organization and rated how strongly they agreed or disagreed with the statements. In general, boards of directors were rated much higher on some activities than others. Overall, boards were given high marks for reviewing mission statements, utilizing research for decision making, strategic planning, and following a strategic plan. Boards of directors were rated less effective in the areas of representing the organization within the community, and rating performance of executive directors. Boards of directors rated worse in the areas of fundraising, recruiting, and training new board members. Figure 2 shows the percent of respondents indicating their organization does well in various governance tasks.



In general, community organizations and their boards were rated higher for activities that are internally focused, such as reviewing an organization’s mission or evaluating executive performance, than those that require reaching out beyond the organizational structure, such as fundraising or recruiting and training new members.

The length of time operating in the High Desert, the organization budget size, and the size of the board of directors were rarely statistically associated with governance related activities and when a significant statistical association was present the correlations were small.

## Marketing

Respondents were asked what types of media exposure or advertising their organization had received or used during the past year. The media exposure or advertising could be for any reason such as fundraising, promoting services, or special events. Respondents were not asked if the media exposure was positive or negative; however, it is likely that most types of media exposure would be positive since it often requires some effort on behalf of the organization. Overall, 80% of the respondents reported their organization received some type of media exposure. It is also significant to note that 20% of respondents reported no media exposure at all.

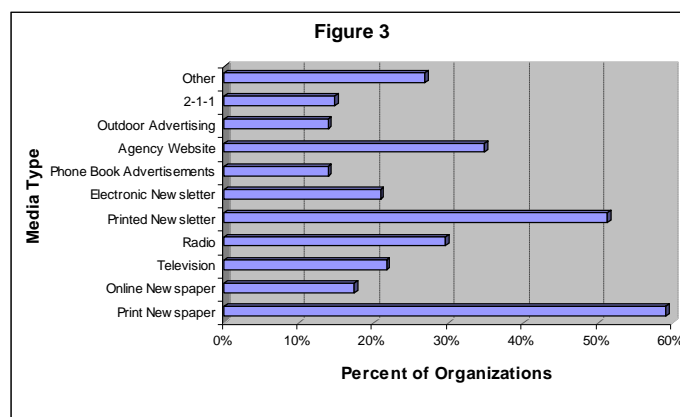


Figure 3 shows the percent of organizations indicating their organization experienced a particular type of media exposure. Certain media exposure types were much more prevalent. Only two types of advertising, printed newspapers and printed newsletters, were used by more than 50% of

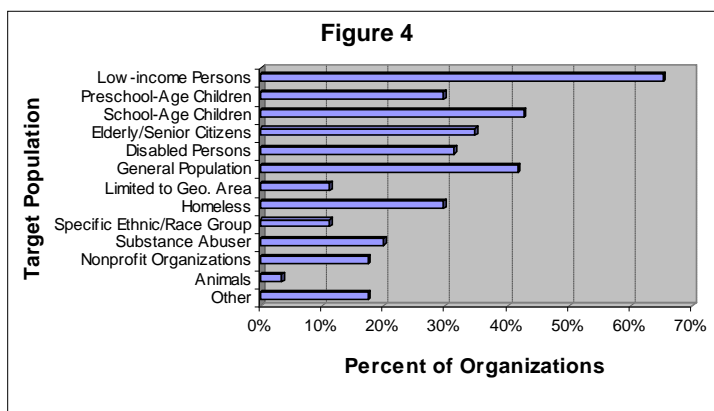
the organizations. About one-third of the agencies reported having a website. Over 20% of organizations reported using radio, television, and electronic newsletters. For the remainder of the media types, between 10% and 20% of the organizations reported experience with them during the previous year. Print media usage is more prevalent than its electronic counterparts. Furthermore, when electronic media such as newspapers or newsletters are used, they are most often used in conjunction with print media. Rarely is an electronic medium used exclusive of its print counterpart.

A small positive statistical association exists between the overall number of types of media exposure and the size of the organization’s budget. Organizations with larger budgets are more likely to have websites, use radio advertising, and use outdoor advertising. Organizations with smaller budgets were more likely to indicate using some “other” type of advertising, especially flyers. Annual budget size is not statistically related to having utilized the other types of media listed.

### Target Population

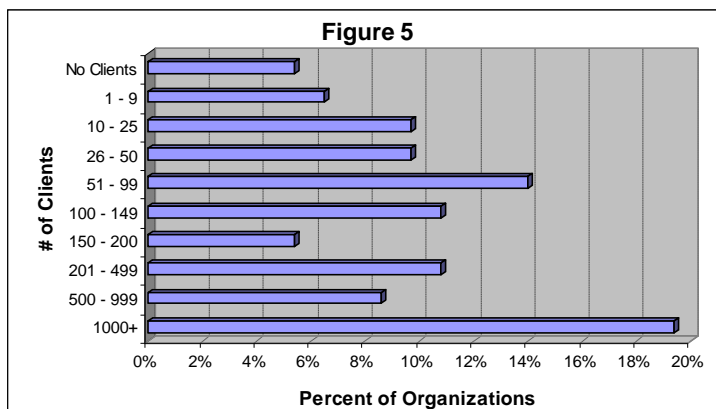
A number of questions were asked about program target populations including numbers served and barriers to service.

The first aspect of program operations examined is the target population of the community organizations. Figure 4 shows the percent of organizations that serve a particular target population. A



diverse array of target populations are represented. Most organizations (80%) serve multiple target populations. Forty-one percent of the organizations serve the general population within their geographic service region, meaning that they will serve anyone who can use their services. The single largest target population is low-income persons. Approximately two-thirds of the surveyed community organizations serve low-income persons.

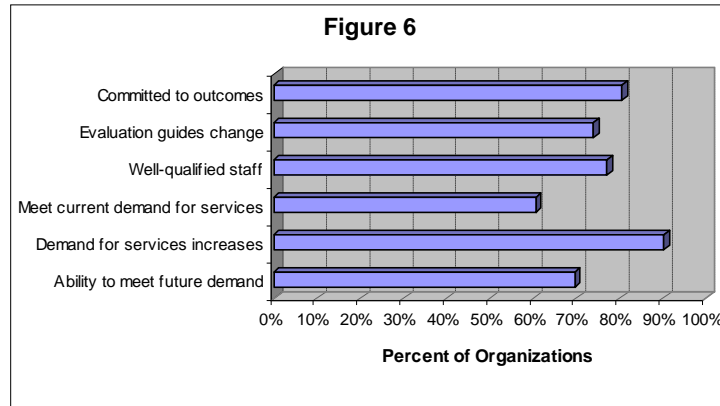
Questions were asked regarding the number of clients served by an organization. The organizations represented in this survey serve varying numbers of clients. Figure 5 shows the variation in the number of clients served by the community organizations operating in the High Desert. Several organizations reported serving no clients while almost 20% of the sample report serving more than 1,000 clients per month. Overall, almost half (45%) of the community organizations in the High Desert serve fewer than 100 clients per month.



## Program Operations

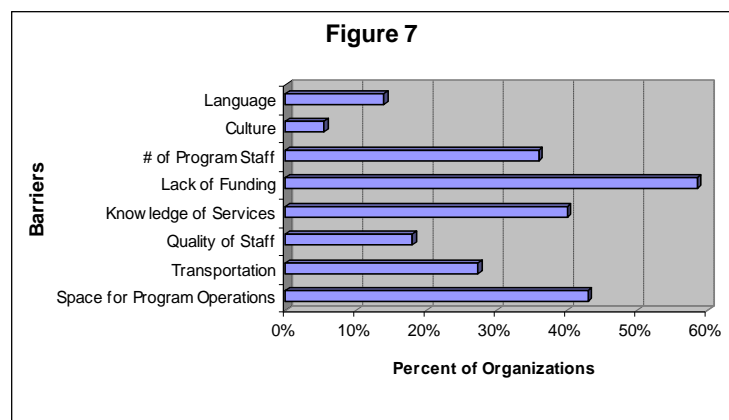
Respondents were asked a series of questions pertaining to organizational commitment to providing outcomes-based programs, using the program evaluation results to guide changes, and the quality of program staff. Questions were asked about demand for services and the organizations ability to meet those and future demands. Additional questions were asked about barriers to providing service.

The percent of respondents answering positively to the program operations questions are presented in Figure 6. Overall, the results are optimistic. Eighty percent of the respondents indicated that their organization is committed to high quality outcomes-based programs, 74% of respondents indicated their organization uses program evaluations to guide changes, and 77% of respondents believe their organization has well-qualified program staff. On the other hand, fewer respondents were less sure of their organizations ability to meet current demands for services (60%). Surprisingly, most respondents (70%) are confident their organizations can meet future demand for services even though 90% of respondents claim that demand for services are increasing.



Survey respondents were also asked about the barriers faced in their effort to provide services to their target populations. Figure 7 shows the percent of organizations facing particular barriers to service. The most often cited barrier is funding (58%), followed by having adequate space for program operations (43%), potential clients having knowledge of services (40%), having enough program staff (36%), and transportation for clients (27%). Potential barriers that were identified less than 20% of the time include quality of program staff, language barriers, and culture.

When looking at different types of organizational characteristics and their relationship to program operations, older organizations, organizations with larger budgets, and organizations serving more clients were slightly more likely to use program evaluation to guide changes, but no more likely than younger organizations to be committed to providing outcomes-based programs. Based on survey respondents assessment, organizations with larger



budgets and organizations serving more clients were more likely to have well-qualified professional staff and more likely to report that demand for services are increasing. Having a larger budget is associated with greater feeling of being able to meet current program demands.

## Funding & Resource Development

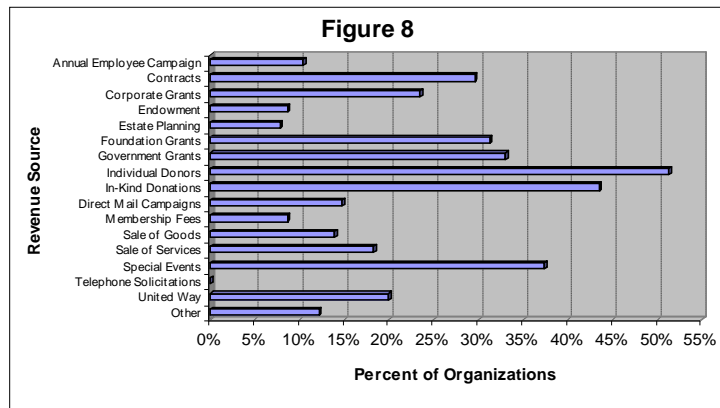
This section of the report covers the area that survey respondents indicated as the operational area where their organization needs the most help, funding and resource development. Survey respondents answered questions about resource development planning & funding and revenue sources. Although still largely positive, the results were less optimistic than those regarding program operations.

When asked about fund development plans, almost 60% of respondents felt that their organization had realistic short-term and long-term financial goals. Just over 20% of respondents disagreed in each instance; the remaining 20% of respondents were noncommittal. The size of the organization’s budget, and how long the organization has been operating in the High Desert region were not statistically associated with respondents’ answers regarding financial goals.

Staffing and funding levels for resource development tasks was not considered adequate by many of the survey respondents. Only 34% felt that resource development was adequately staffed while 37% felt that resource development at their organization was funded at the proper level. In both instances, the percent of respondents responding negatively to the questions outnumbered those answering positively. Like the responses to questions regarding financial goals, organization budget size and length of time operating in the High Desert region were not statistically associated with respondents’ answers.

Forty-three percent of the survey respondents indicated that their organization was overly dependent on a single source of revenue, while 31% of respondents disagreed. Figure 8 shows the percent of organizations receiving revenue of various types. The only category of income that most organizations have in common is individual donors, which 51% of respondents identified as a source of revenue for their organization. The next most common type of revenue was in-kind donations (44%), followed by special events (37%), government grants (33%), foundation grants (31%), contracts (30%), corporate grants (24%), and United Way (20%).

Three-fourths of the organizations had 5 or fewer types of revenue, only 8% of the organizations had 10 or more types of income. Having a larger budget was statistically associated with having a greater diversity of income types. Having a larger annual budget was also positively associated with particular types of income including contracts, corporate gifts, estate planning income, foundation grants, and government grants.

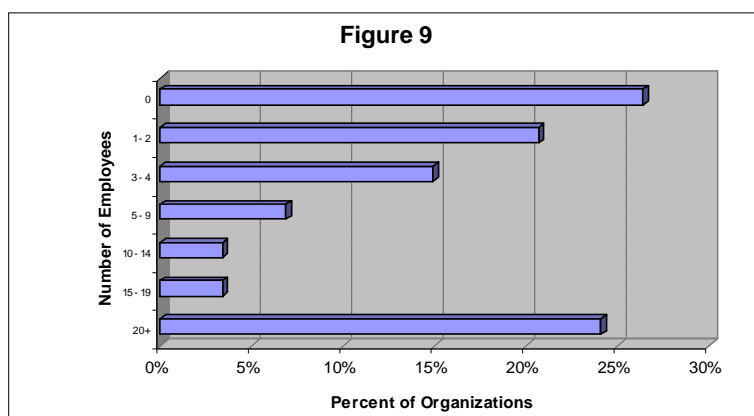


Respondents were asked if their organization was able to increase its budget on an annual basis. Forty-three percent of the survey respondents indicated that their organization was able to increase its revenue each year; however, 29% of the respondents indicated that their organization was not able to increase its revenues each year. The remaining respondents were uncertain of their organization’s ability to increase revenues annually. Respondents’ answers were not statistically associated with the current size of their organization’s budget.

## Human Resources

This section, perhaps more so than any other, overlaps the others because, without the human element, none of the other activities could take place. This section examines the people who make up an organization and their roles within the organization.

We begin by examining the number of employees working at community organizations in the High Desert. Figure 9 shows the percent of organizations with different levels of employees, measured in the number of FTEs. Over 25% of the organizations represented in the survey have no paid personnel.



A majority of the organizations, 62%, have fewer than 5 paid employees. At the opposite extreme, 24% of the organizations have 20 or more employees. Not surprisingly, there is a very strong and positive statistical correlation between the size of an organization’s budget and the number of paid employees. In fact, 95% of the organizations with 20 or more employees have a budget greater than \$1,000,000.

The survey respondents were also asked to identify employee benefits offered by their organization.

Seventeen percent of the respondents at organizations with employees did not identify any employee benefits offered by their organization. Figure 10 shows the percent of organizations offering particular kinds of benefits. The most common employee benefits offered are paid vacation (67%), health insurance (61%), paid sick leave (56%), and dental insurance (53%). The least offered benefits are child care (2%) and telecommuting (9%). As might be expected, organizations with larger budgets tend to offer a greater number of employee benefits.

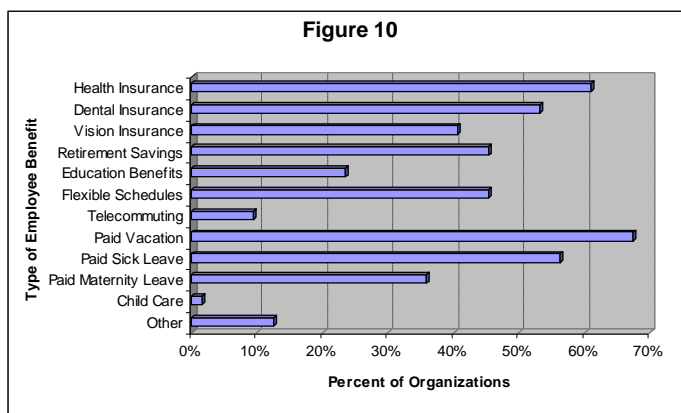
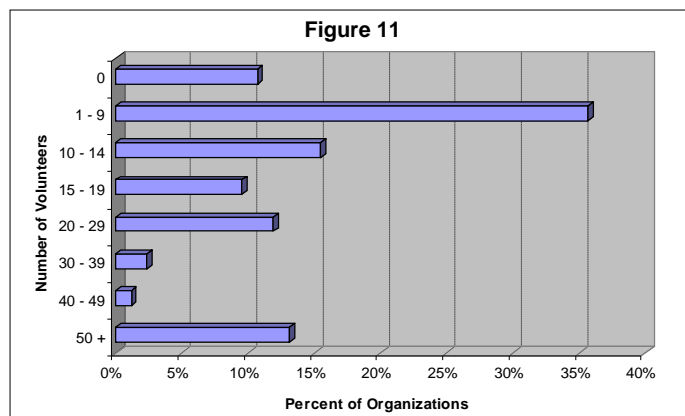


Figure 11 shows the number of volunteers per month working with community organizations. The overwhelming majority of the survey respondents (90%) reported that their organization uses volunteers. One-third of the organizations represented in the survey use between 1 and 9 volunteers each month. At the high end of volunteer usage are the thirteen percent of the community organizations that use fifty or more volunteers per month. This 13% of the community organizations accounts for at least 35% of all the volunteers used, probably more.



Organizations with larger budgets tend to have greater numbers of volunteers than smaller organizations. However, the association between annual budget size and the number of volunteers isn't nearly as great as the association between annual budget size and number of employees. The length of time an organization has been operating in the High Desert also is positively associated with the number of volunteers that work with an organization each month.

The role of employees, volunteers, and consultants was also examined. For every type of role, organizations were more likely to have an employee performing the work, rather than a volunteer or consultant. In only two categories of tasks, grant writing and accounting, were consultants more likely to be used than volunteers. Volunteers are most often utilized for program operations, administrative tasks, and volunteer training & management; volunteers are least likely to be used for human resources management, information technology, and research tasks. Consultants are rarely used for administrative tasks and volunteer training & management functions.

### Physical and Technical Infrastructure

This section examines the physical and technical infrastructure necessary for a modern organization to function efficiently, including personnel with technical skills.

Most organizations require a physical facility of some sort to conduct business. Survey respondents were asked about the quality of their organization's physical facilities. The respondents were split equally between those that felt that their organization had adequate facilities and those that felt their organization's physical facilities were not adequate. Responses did not vary according to budget size or length of time the organization has operated in the High Desert region.

Along with a suitable physical facility organizations require technology such as computers, software, internet access, copiers, fax machines, and printers to function efficiently. More respondents indicated that their organization had adequate technology (51%) than not (42%). The size of the organization's annual budget was not statistically associated with the respondents' answers about adequate technology.

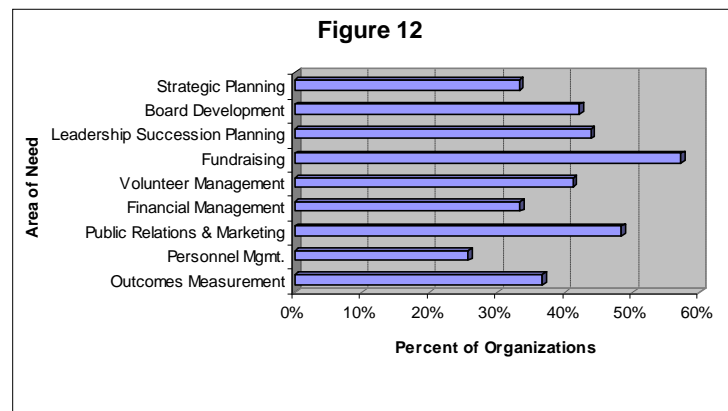
Some of the most important technology is associated with collecting, storing, and reporting information about an organization. Some of the most important information is about the clients served by an organization and the organization’s financial information. Three-fourths of the survey respondents indicated that their organization used electronic databases to collect information about program clients and two-thirds of the respondents indicated that their organization used databases to track financial information. In general, organizations with larger budgets tend to make more use of electronic databases.

Technology requires qualified persons to make use of it. About one-fourth of the respondents felt that their organization lacked technically qualified personnel.

## Organizational Needs

An important goal of this report is to identify the needs of the community organizations serving the High Desert. Questions were asked about each of the functional areas examined in the report. Ninety-seven percent of the respondents indicated that their organization could use assistance in at least one area. On average, respondents indicated their organization could use some level of assistance in 7 of the 11 functional areas examined.

Respondents were asked to rate what level of help their organization needs regarding various organizational functions. To measure the intensity of the needs, the percent of organizations with responses indicating the highest two levels of need is examined. Figure 12 shows the percent of organizations with the high levels of need for each function asked about. Fifty-seven percent of the respondents indicated that their organization was in great need of fundraising assistance. Over 40% of the survey respondents indicated that their organization needed help with board development, public relations & marketing, leadership succession planning, and strategic planning.



The size of an organization’s annual budget tends to be related to some needs for assistance but not others. The smaller the organization, the more likely respondents were to identify fundraising and financial management as areas of need. Annual budget size was not related to the other needs included in the survey. In other words, organizations were equally likely to need assistance in areas other than fundraising and marketing, regardless of annual budget.

The relationship between size of the organization and the number of needs was also examined. Statistical analysis shows a small negative association between the number of areas in which an organization needs assistance and the size of the organization. In other words, smaller organizations tend to need assistance in a greater number of functional areas.

## **Summary**

This report has provided some basic information regarding the community organizations serving the High Desert region. This report is a cross-sectional survey that describes community organizations at a single point in time, early 2007. As such, no effort has been made to attribute causality, only association. In other words, this report presents a snapshot of the state of the community organizations as they currently exist.

In addition to basic descriptions, more detailed information has been presented regarding various aspects of functional areas of community organizations. Respondents were also asked to identify types and levels of assistance needed in their organization. It is interesting to note that many of the needs and problem areas revolved around funding. Ninety percent of the organizations represented reported needing assistance in the area of fundraising.

Hopefully, this report will serve as a guide to better understanding the challenges facing community organizations currently serving the High Desert and offer insights to areas needing improvement.

### **Respondent Comments – “What is the greatest challenge facing your organization?”**

“Developing a broad base of funding streams. Very few opportunities for foundation and corporate grants here.”

“Finding the funds to grow at the same rate/pace as the community in general.”

“Growth in the population brings added obligations to provide services but we have limited resources to do so.”

“Attracting a board that is knowledgeable in non-profit operations.”

“Increasing needs and decreasing revenue.”

“Ongoing, sustainable funding for our core services. Funders continually change their priorities and/or don't fund operating costs, making it difficult to maintain the ongoing services that our community needs.”

“Program expansion with lack of funding.”

“Funding -- competition among agencies remains stiff, with many agencies vying for the same funding pool.”

“Raising operating funds.”

“Having a reliable and giving board.”

“Securing the financial resources necessary to fulfill our mission.”