Nonprofit managers and executives share how technology helps them succeed and keep their workforce engaged.
It’s a new world. In this fifth edition of the Nonprofit Trends Report, you find the nonprofit sector is not immune to the changes happening in our societies and economies around the world. Many nonprofits are struggling in certain areas. Employee turnover and burnout are challenges—along with increased expenses. But nonprofit organizations are meeting the moment in the way they often do: with optimism and determination.

In this new world, nonprofits are focusing on employee retention and fundraising. While some organizations are progressing in these areas, digitally mature ones are thriving. The statistics in this report are compelling. Yet they do not tell the whole story.

Why do digitally mature organizations fare better than other nonprofits? Like many Salesforce customers, digitally mature nonprofits recognize that technology empowers people.

Today, when macroeconomic headwinds—like inflation and labor shortages—threaten the sector, technology is a way of creating efficiency, productivity, and cost savings. Digitally mature organizations understand this. As Beth Kanter notes in “The Smart Nonprofit: Staying Human-Centered in an Automated World,” smart nonprofits see technology as a way of automating manual, mundane, and time-consuming tasks. Through automation, these nonprofits create space for nurturing their most valuable relationships—starting with their employees.

While some nonprofits are adding employee retention to their priorities, digitally mature organizations are already prioritizing employees. The higher rates of motivation and healthy cultures among the digitally mature are astonishing—especially when high employee turnover and burnout are general challenges to the sector. It also reinforces what we, at Salesforce, already know from our customers.

Automation reduces manual work, so employees can focus on what matters. This leads to happier, engaged, and more productive employees. Salesforce technology increases nonprofit employee engagement—including communication and collaboration—by 25% on average. Collaboration is 24% faster. There is also a 23% boost to remote employee productivity and team collaboration.* These results have ripple effects across the organization.

In this new economy, efficient and productive nonprofits are more effective at delivering impact. They engage and retain their employees. They fundraise together. They focus on people instead of tasks. They can do more with less and reap the benefits of cost savings to drive their missions forward.

Within this report, we hope you will discover these insights for yourself. We invite you to read the research, uncover the key takeaways, and explore the charts. As you reflect on your own organization, we encourage you to turn these insights into actions. With this report, we hope you unite and empower your teams—making them resilient and ready for the future.

Marie Laxague Rosecrans
CMO, Education & Nonprofits,
Salesforce

* 2022 Customer success metrics study of 119-122 nonprofit customers.
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Executive Summary

Nonprofits thrive on relationships. Delivering a nonprofit mission requires strong connections with stakeholders – including employees, donors, volunteers, program participants, and more.

The fifth edition of the Nonprofit Trends Report unpacks how organizations that have embraced technology have the strongest relationships and highest rates of goal achievement — regardless of their size, revenue, or location. These nonprofits are more likely to use technology as a strategic lever to:

- Build and enrich relationships
- Motivate their employees
- Innovate on program delivery
- Adopt new ways of working
- Prepare their organizations for the future

The Future-Ready Nonprofit

When nonprofits combine technology and people successfully, they are on a path to becoming future-ready organizations.

**Highlights**

1. The strategic use of technology directly links to improved organizational efficiency and performance across operations. Nonprofits with a high level of digital maturity are more likely to exceed their goals and have stronger relationships with all stakeholder groups.

2. Technology has clear benefits for nonprofit culture and workforce. Digitally mature nonprofits report more motivated and optimistic employees, a more positive organizational culture, and lower levels of staff burnout. These organizations are also further along in achieving their goals for climate action and diversity, equity, and inclusion (DEI).

3. Nonprofits recognize the importance of technology to meet their goals but have trouble implementing it to its full potential. While nearly three-quarters (74%) of nonprofits say digital transformation is a “need-to-have” or “must-have,” only 12% score high on the Salesforce for Nonprofits Digital Maturity Index. Barriers to digital maturity may include budget or resource constraints and competing priorities.

4. Nonprofits are doubling down on employee retention and wellbeing to offset internal challenges like increased turnover and staff burnout. Externally, nonprofits are focusing on awareness and fundraising to diversify and rebuild connections with their supporters. Overall, nonprofits feel resilient and ready to face the future.
## Research Methodology

### Quantitative survey

1,629 nonprofit employees with a role of manager or higher were surveyed across seven countries. Organizations surveyed ranged in size from one employee to more than 500 employees, and from under $1 million to over $10 million USD in annual revenues. They were surveyed via an online quantitative survey run by Reputation Leaders, Ltd. between April 25 and June 17, 2022.

<table>
<thead>
<tr>
<th>Country</th>
<th>Survey Sample Size</th>
<th>Qualitative Interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>250</td>
<td>1</td>
</tr>
<tr>
<td>Canada</td>
<td>260</td>
<td>2</td>
</tr>
<tr>
<td>France</td>
<td>250</td>
<td>1</td>
</tr>
<tr>
<td>Germany</td>
<td>126</td>
<td>1</td>
</tr>
<tr>
<td>Netherlands</td>
<td>126</td>
<td>1</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>251</td>
<td>3</td>
</tr>
<tr>
<td>United States</td>
<td>252</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,629</strong></td>
<td><strong>12</strong></td>
</tr>
</tbody>
</table>

### Qualitative interviews

Twelve in-depth qualitative interviews were conducted with senior nonprofit leaders. All interviewees were full-time, paid nonprofit employees at the director level and above. These 30- to 45-minute interviews were conducted by Reputation Leaders Ltd. via telephone between March 22 and April 4, 2022.
The Salesforce for Nonprofits Digital Maturity Index

Digital maturity, a key indicator in this report, is defined by Salesforce based on the average score on a 5-point scale as noted below. Created in the third edition of the Nonprofit Trends Report, the Salesforce for Nonprofits Digital Maturity Index evaluates how advanced nonprofits are when it comes to using technology and data.

Nonprofits self-assessed the extent to which data guides their operations in response to the questions below. Respondents were asked to rate their level of agreement with these statements on a 1 to 5 scale. Their responses were combined and averaged to create the Digital Maturity Index.

1. We make decisions based on data and evidence.
2. When there is a problem to solve that involves different departments across my organization, it is easy to find and share data.
3. We design our programs and services using information about and engagement with the recipients of our programs or services.
4. We are able to personalize messages to specific subgroups of our supporters with digital communications.
5. We are able to accurately forecast income from our fundraising campaigns.

Digital maturity categories are based on an average score.

Percent of respondents by digital maturity level, based on the five-question digital maturity index.

- **High** (4.5 – 5.0): 12%
- **Medium** (3.0 – 4.4): 10%
- **Low** (0 – 2.9): 78%
Chapter 1

The Nonprofit Landscape

Nonprofits Are Cautiously Optimistic About the Future
Over the last 12 months, the majority of nonprofits met or exceeded their overall goals, particularly their program, financial, and mission goals. Nonprofits are less likely to have exceeded their volunteering and technology goals. However, the organizations that exceeded their technology goals also performed better in other areas: They are 30% more likely to have exceeded their mission goals (37% vs. 29%) and 30% more likely to have exceeded their volunteering goals (25% vs. 18%).

**Most NGOs met or exceeded their top goals.**

In the past 12 months, how well have you achieved your organizational outcomes for the following goals?

<table>
<thead>
<tr>
<th>Goal</th>
<th>More than we expected</th>
<th>In line with targets</th>
<th>Total percent met and exceeded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program goals</td>
<td>30%</td>
<td>55%</td>
<td>85%</td>
</tr>
<tr>
<td>Mission goals</td>
<td>29%</td>
<td>55%</td>
<td>84%</td>
</tr>
<tr>
<td>Financial goals</td>
<td>30%</td>
<td>49%</td>
<td>79%</td>
</tr>
<tr>
<td>Marketing goals</td>
<td>27%</td>
<td>52%</td>
<td>79%</td>
</tr>
<tr>
<td>Fundraising goals</td>
<td>27%</td>
<td>48%</td>
<td>75%</td>
</tr>
<tr>
<td>Technology goals</td>
<td>20%</td>
<td>51%</td>
<td>71%</td>
</tr>
<tr>
<td>Volunteering goals</td>
<td>18%</td>
<td>50%</td>
<td>68%</td>
</tr>
</tbody>
</table>

Despite high rates of goal achievement, nonprofits face a litany of challenges ranging from awareness to staff retention to impact measurement and beyond.

Nonprofits struggle with raising awareness and retaining staff.

To what extent, if any, has your organization experienced challenges in the past 12 months related to the following? (Answers of “major issue”)

- Raising awareness for our nonprofit or charity: 30%
- Retaining staff (voluntarily leaving, not part of a layoff or furlough): 28%
- Hosting in-person events: 27%
- Controlling expenses: 27%
- Dealing with increased demand for our organization’s services: 26%
- Implementing new technology tools or solutions: 25%
- Measuring the impact of our programs: 25%
- Reskilling employees for future ways of working: 24%
- Virtual or online events (hosting, creating content, promoting): 23%
- Achieving diversity and inclusion goals with employees, volunteers, and clients: 22%
- Lack of communication or alignment between front-line staff and senior management: 21%
- Challenges with operating in certain countries due to instability, war, or for political reasons: 19%

Despite high rates of goal achievement, nonprofits face a litany of challenges ranging from awareness to staff retention to impact measurement and beyond.
Nonprofit staff in operations and HR both say managing remote employees and volunteers is their top issue. The biggest issue facing the technology function is combining CRM data and non-CRM data. Having the right technologies in place could help many nonprofits address the challenges above.

In the year ahead, nonprofits anticipate challenges related to staffing and the state of the economy, technology, finances, and fundraising. This is reflected in how nonprofits are shifting their priorities over the coming year with 48% placing a greater emphasis on fundraising, 46% on retaining staff, and 44% on employee wellbeing.

Priorities also vary by seniority. Nonprofit executives and those at the VP or director level are prioritizing fundraising, while managers are prioritizing staff retention.

**Priorities vary by job role.**

Thinking ahead to the next 12 months, how will your priorities and resources shift compared to now? (Answers of “higher priority”)

<table>
<thead>
<tr>
<th>By department</th>
<th>Highest priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing HR</td>
<td>Retaining staff</td>
</tr>
<tr>
<td>Fundraising and Grants</td>
<td>Fundraising</td>
</tr>
<tr>
<td>Programs and Operations</td>
<td>Investments in data security, integration, and reporting</td>
</tr>
<tr>
<td>Technology</td>
<td></td>
</tr>
</tbody>
</table>

Employee retention and wellbeing are top priorities, second only to fundraising.

Thinking ahead to the next 12 months, how will your resources and priorities shift compared to now? (Answers of “higher priority”)

- Fundraising: 48%
- Retaining staff: 46%
- Employee wellbeing: 44%
- Grant-seeking: 43%
- Investing in technology to streamline internal communications: 42%
- Program delivery: 42%
- Investing in data security, integration, and reporting: 42%
- Marketing and communications: 41%
- Sustainability or environmental impact: 41%
- Retaining volunteers: 40%
- Reskilling current employees: 38%
- Diversity, equity, and inclusion: 38%
- Measuring and reporting our impact: 36%
The pandemic forced many nonprofits to adapt to remote work and navigate mission delivery in a socially distanced world. Social services organizations also faced increased demand for their programs and services. Technology enabled many of these nonprofits to scale quickly while maintaining or improving stakeholder connections, giving them a level of resiliency. Despite this upheaval, nonprofits feel cautiously optimistic about the future.

**Today, nonprofit leaders are slightly more optimistic about their own organizations (65%) than the broader nonprofit sector in their country (58%). Nonprofits are also confident in the role their organizations play in society: 74% say they believe society trusts nonprofits to do what is right.**

If the first two years of the pandemic were about adaptation, the current era is about flexibility and resiliency.**

* To see what society thinks of nonprofits compared to other industries, see Edelman’s Trust Barometer.
** Learn more about how nonprofits adapted to the pandemic in the fourth edition of the Salesforce Nonprofit Trends Report.
Relationships with Stakeholders

Nonprofits view program participant relationships as particularly strong. Nonprofits report weaker relationships with volunteers and donors – two stakeholder groups that are critical to mission delivery and organizational continuity. The lowest-ranking relationship is with the media. This is understandable – especially given that nonprofits may not always have media relations capabilities. However, prioritizing this group of stakeholders could help nonprofits address the challenges of raising awareness for their organizations.

Relationships with program participants are strongest.

How would you rate the strength of your organization’s relationships with the following stakeholders?

- **Beneficiary recipients**: 66% Strong, 26% Neutral, 5% Weak
- **The general public**: 64% Strong, 28% Neutral, 8% Weak
- **Grantmaking organizations or foundations**: 61% Strong, 30% Neutral, 7% Weak
- **Employees**: 58% Strong, 33% Neutral, 8% Weak
- **Government or regulatory bodies**: 57% Strong, 32% Neutral, 10% Weak
- **In-country program partners**: 57% Strong, 31% Neutral, 9% Weak
- **Other similar nonprofits**: 56% Strong, 32% Neutral, 11% Weak
- **Volunteers**: 55% Strong, 31% Neutral, 12% Weak
- **Donors**: 53% Strong, 33% Neutral, 13% Weak
- **Media**: 52% Strong, 33% Neutral, 14% Weak
Strength of stakeholder relationships varies across the sector.

How would you rate the strength of your organization’s relationships with the following stakeholders? (Answers of “very strong”)

1. Beneficiary recipients
2. General public
3. Grantmaking organizations or foundations
4. Employees
5. In-country program partners
6. Government or regulatory bodies
7. Other similar nonprofits
8. Volunteers
9. Donors
10. Media
Diversification: Nonprofit Heart, Business Mindset

Nonprofit leaders advise that adopting a more innovative or commercial mindset can help strengthen and diversify relationships – among other benefits. “I think, in the nonprofit sector, you come across a lot of individuals who are relationship-oriented and perhaps, don’t have that business acumen, but you need to have both,” counseled the vice president of an American organization. The CEO of a U.K. nonprofit put it this way:

“You have to be innovative, and you have to be pioneering. A more commercial and very business-grounded attitude needs to be taken to future-proof organizations.”

Over the coming year, many nonprofits say they will “diversify their business approach or offering” by focusing on their workforce, seeking new and diverse fundraising sources and investing in technology.

The fact that nonprofits are prioritizing the workforce is wise: In a qualitative interview, one nonprofit leader said organizations should view their employees as a resource that requires investment, attention, and care.

This is especially important for the nonprofits continuing remote or hybrid work arrangements. Because the nature of nonprofit work is so often hands-on, nonprofit leaders advised in qualitative interviews that organizations should offer flexibility but provide opportunities to enable face-to-face interactions such as virtual field visits.
In the next 12 months, nonprofits are prioritizing cybersecurity and privacy (39%), adding new programs and services (27%), or implementing remote working models (26%). Some nonprofit leaders said in qualitative interviews that they are now evolving the short-term interventions put in place during the pandemic into longer-term strategic initiatives.

The greater emphasis on cybersecurity and data privacy is notable. In interviews, nonprofit leaders cited an increasing dependence on technology making cybersecurity essential. Due to digital acceleration and new distributed work models, employees are often seen as the weakest link in security.

One U.K. CEO pointed to the “number of charities getting hit by cybersecurity attacks” as the main reason for their cybersecurity investment. Nonprofits, like other organizations, are vulnerable to these attacks. In times of economic uncertainty, leaders are reacting and investing to mitigate those risks.

Nonprofits are mostly likely to take action on cybersecurity, growth, and moving to online models.

In the next 12 months, how likely is your organization to do the following? (Answers of “highly likely”)

- Pay more attention to cybersecurity and data privacy: 39%
- Add new programs and services: 27%
- Move more to an online remote working model: 26%
- Raise most of our donations online: 26%
- Increase use of hybrid events: 26%
- Better integrate and link data management systems across the organization: 24%
- Invest in ESG and sustainability: 20%
- Invest more in online experiences (events, P2P, gaming): 19%
- Create self-service programs for clients: 18%
- Invest more in major giving: 17%
- Expand use of automation including AI and advanced analytics: 16%
Agile nonprofits have a positive mindset for change.

A sizable minority of nonprofits (46%) say they are quick at making strategic decisions. These agile nonprofits describe their organizations as tech adopters (51%), adaptive (51%), empowered (50%), forward-looking (48%), and innovative (48%). These traits constitute a positive “mindset for change,” which positions nonprofits to pursue strategic evolution and become more resilient.

Agile organizations often use technology to surface insights and trends from data, which can then be shared among teams to enable quicker decision-making. These organizations are often better prepared to address the unexpected – as the executive director of a U.S. nonprofit said:

“The only way you survive is if you have a diverse fundraising base and a diverse set of fundraising sources so that when a foundation decides they’re not going to fund you with a month’s notice, it doesn’t decimate your program.”
Advice from qualitative interviews with nonprofit leaders on innovation, adaptability, and change:

1. **Be pragmatic.**
   Hire specialists or engage with trusted private sector advisors, especially for guidance on technology or legal issues; look to banking partners, board members, and corporate partners for their expertise.

2. **Commercialize the benefit to donors.**
   Think in terms of “packaging” the benefits of becoming a supporter to make them easy to understand and act upon.

3. **Listen to improve.**
   Employ surveys and other listening tools to get feedback from stakeholders, both internal and external.

4. **Aim to multiply impact.**
   Think simultaneously about the new and evolving needs of the end user and the needs of the economy as a whole — e.g. upskilling users in areas where the economy has gaps.

5. **Think collaboratively.**
   Lean into your organization’s skill set(s) and find peers to fill in gaps. Explore partnerships with other nonprofits and businesses.
Chapter 2

Change at Scale

Technology Accelerates Progress
To reach a high level of digital maturity, organizations often undergo a process known as digital transformation. Digital transformation is defined as the integration of digital technology into all areas of an organization, fundamentally changing how the organization operates. For many nonprofits, digital transformation helps organizations become more agile and effective, often by leveraging data to guide decision-making and build connections.

Nearly three-quarters (74%) of nonprofits say digital transformation is essential, and organizations that describe themselves as “tech adopters,” “forward-looking,” or “empowered” are more likely than their peers to say digital transformation is a must-have.

Nonprofits with a strong reliance on technology are more likely to see digital transformation as important.

How important is digital transformation to your organization over the next two years? (Answers of “very important”)

| Nonprofits that say technology helped them be more efficient | 2x | more likely to say digital transformation is a must-have. |
| Nonprofits that say employees understand that technology is critical to success | 2x | more likely to say digital transformation is a must-have. |
| Nonprofits that rank high on the Digital Maturity Index | 2x | more likely to say digital transformation is a must-have. |
| Nonprofits that say they need to invest in technology to increase fundraising | 1.4x | more likely to say digital transformation is a must-have. |
Linking Data to Impact

Most nonprofits consistently leverage data to design programs and services (75%), personalize communications to stakeholders (74%), and make decisions (73%). Uses of information that ranked lower include problem-solving (69%) and forecasting income (58%).

“Data isn’t just for reporting. It’s for making the critical decisions that improve the quality of programs and put relationships at the center.”

Brandi Adams
VP, Advancement, Chinese American Service League

Nonprofits are better at using data to inform near-term efforts.

Please indicate the degree to which you feel your organization engages in the following activities.

- We design our programs and services using information about and engagement with the recipients of our programs or services: 75% Always or often, 17% Sometimes, 4% Rarely or never
- We are able to personalize messages to specific subgroups of our supporters with our digital communications: 74% Always or often, 17% Sometimes, 5% Rarely or never
- We make decisions based on data and evidence: 73% Always or often, 19% Sometimes, 7% Rarely or never
- When there is a problem to solve that involves different departments across my organization, it is easy to find and share data: 69% Always or often, 21% Sometimes, 7% Rarely or never
- We are able to accurately forecast income from our fundraising campaigns: 58% Always or often, 28% Sometimes, 10% Rarely or never
Nonprofits Desire Flexibility and Better Integration

“Nonprofits often think in terms of scarcity, about what they don’t have versus what they need,” says Brandi Adams, VP, Advancement, Chinese American Service League.

Nonprofits must often balance their commitments to program participants with the realities of resource constraints. This lean operational mindset can result in decision-making that prioritizes investments in short-term solutions over long-term transformation. In reality, the right technologies should enable nonprofits to be flexible and grow with them as they scale.

While not all nonprofits pursue comprehensive digital transformation, the majority are aware of its benefits—and where they have room to improve current technologies. Seventy-six percent of nonprofits say people at their organization understand that technology is a critical part of their success, and 77% say technology has helped their organization be more efficient or improve mission impact.

More than half (55%) of nonprofits say their organization needs to invest in technology in order to increase fundraising, and 60% say their donors expect a better experience than their current technology provides.

Technology helps nonprofits be more efficient and improves impact.

How much do you agree or disagree with the following statements? (Answers of “agree” or “strongly agree”)

- **Technology has helped our organization be more efficient or improve our mission impact.**
  - Agree: 77%

- **People at my organization understand that technology is a critical part of our success.**
  - Agree: 76%

- **My organization invests in the right technologies.**
  - Agree: 69%

- **Senior leaders in our organization understand the latest digital technologies.**
  - Agree: 65%

- **Everyone in the organization can easily access key performance metrics.**
  - Agree: 64%

- **Donors expect a better experience than our current technology provides.**
  - Agree: 60%

- **We need to invest in technology to increase fundraising.**
  - Agree: 55%

- **Our marketing team uses data to personalize communications and track performance across channels.**
  - Agree: 54%

- **It’s difficult for our clients to keep track of their progress in our organization’s programs.**
  - Agree: 50%

- **It’s difficult for our employees to keep track of their client relationship tasks.**
  - Agree: 49%

- **Investments in new or upgraded technology are hard to justify.**
  - Agree: 49%

- **My organization has dedicated budget for innovation for the organization’s future.**
  - Agree: 49%
Only 36% of nonprofit professionals are “very satisfied” with the technology they have to do their jobs. Satisfaction is lowest with the integration of data sources and systems (34% very satisfied) and the availability of easy-to-use reporting tools (33% very satisfied). In qualitative interviews, nonprofit leaders said they often have too many systems that don’t integrate with each other (or rely on spreadsheets and manual data entry). This can make it challenging to link donor data to fundraising data to financial data, they said.

“I have absolutely no doubt that there is more we could do with our data. I think one of the weakest links that we have within my fundraising department is data management.”

CEO, U.K. Nonprofit

Less than half of nonprofit professionals are very satisfied with current technologies.

How satisfied are you with the technology you are using at work? (Answers of “very satisfied”)

<table>
<thead>
<tr>
<th>Feature</th>
<th>Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to work and collaborate remotely</td>
<td>46%</td>
</tr>
<tr>
<td>Ability to communicate with teams</td>
<td>45%</td>
</tr>
<tr>
<td>Ability to quickly access timely data</td>
<td>40%</td>
</tr>
<tr>
<td>Your experience with technology support</td>
<td>37%</td>
</tr>
<tr>
<td>Mobile applications available</td>
<td>37%</td>
</tr>
<tr>
<td>The technology you have to do your job</td>
<td>36%</td>
</tr>
<tr>
<td>Integration of data sources and systems</td>
<td>34%</td>
</tr>
<tr>
<td>Easy-to-use reporting tools</td>
<td>33%</td>
</tr>
</tbody>
</table>
Lack of understanding of digital technologies is a common barrier to transformation — both in terms of what a technology does and what it can help an organization achieve. Training and education are critical to ensure both the regular use and usefulness of technologies; nonprofit leaders said in qualitative interviews that it’s crucial to include staff on the digital transformation journey.

Ultimately, nonprofit leaders said in qualitative interviews that they want technology to help streamline the process of collecting, managing, and analyzing data. The ideal technologies enable flexibility, making data accessible across the organization while being easy to use and understand.

“It would be great if we could just open one software and everything would be there.”

VP, French Nonprofit
Chapter 3

Driving Impact

Digitally Mature Nonprofits Outperform Peers
Nonprofits with a high level of digital maturity – 12% of respondents globally – are better able to leverage data to inform decision-making, reach new audiences, personalize communications, and forecast fundraising income. Further, these organizations are more likely to use technology and data to empower cultural change, deepen relationships with stakeholders, and deliver on their missions.

There is a disconnect between behaviors and perceptions: while only one in eight nonprofits have achieved high digital maturity, 81% describe their organizations as “innovative.” This implies that nonprofits view innovation as broader than technology.

Among nonprofits that self-report being behind the curve on digital transformation, there is a perception that technology means only workflow and productivity tools, rather than systems and infrastructure. Some nonprofit leaders also say that relationships have to come first, implying that they may view technology as a barrier to connectedness rather than a facilitator.

**Nonprofits perceive themselves as innovative and forward-looking.**

Thinking about your organization’s mindset for change, which of the following words best describes your nonprofit today?

<table>
<thead>
<tr>
<th>Mindset</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unimaginative</td>
<td>19%</td>
</tr>
<tr>
<td>Status quo</td>
<td>27%</td>
</tr>
<tr>
<td>Tech laggard</td>
<td>29%</td>
</tr>
<tr>
<td>Slow to change</td>
<td>30%</td>
</tr>
<tr>
<td>Cautious</td>
<td>36%</td>
</tr>
<tr>
<td>Innovative</td>
<td>81%</td>
</tr>
<tr>
<td>Forward-looking</td>
<td>73%</td>
</tr>
<tr>
<td>Tech adopter</td>
<td>71%</td>
</tr>
<tr>
<td>Adaptive</td>
<td>70%</td>
</tr>
<tr>
<td>Empowered</td>
<td>64%</td>
</tr>
</tbody>
</table>
The Value of Digital Maturity

Digitally mature nonprofits outperform their peers, regardless of their organization's revenue, employee headcount, or geographic location. Organizations with high digital maturity are 1.9x more likely (93% vs. 50%) to have experienced improvements in organizational efficiency or mission impact. They are also 3.5x more likely (38% vs. 11%) to have achieved mission goals compared to their peers with low digital maturity.

What is the role of technology in digitally mature nonprofits?

How much do you agree or disagree with the following statements? (Answers of “agree” or “strongly agree”)

- Technology has helped our organization be more efficient or improve our mission impact: 93% (High), 77% (Medium), 50% (Low)
- Everyone in the organization can easily access key performance metrics: 84% (High), 64% (Medium), 34% (Low)
- My organization invests in the right technologies: 83% (High), 70% (Medium), 38% (Low)
- My organization has a dedicated budget for innovation for the organization’s future: 60% (High), 50% (Medium), 30% (Low)
Beyond achieving their goals, nonprofits with a high level of digital maturity have a better outlook—and so do their employees. High digital maturity correlates with a positive mindset for change.

**What’s the difference between high digital maturity NGOs and NGOs with low digital maturity?**

Digitally mature nonprofits are:

- **2.7x** more likely to be optimistic about the nonprofit sector in their country (80% vs. 30%).
- **1.7x** more likely to be optimistic about the future of their own organization (77% vs. 44%).
- **1.7x** more likely to say their organization is agile (53% vs. 33%).

**Digital maturity is linked to better outcomes across all areas.**

In the past 12 months, how well have you achieved organizational outcomes for the following goals? (Answers of “more than expected”)

- **Mission goals**
  - High digital maturity: 38%
  - Medium digital maturity: 30%
  - Low digital maturity: 11%

- **Marketing goals**
  - High digital maturity: 32%
  - Medium digital maturity: 27%
  - Low digital maturity: 19%

- **Financial goals**
  - High digital maturity: 36%
  - Medium digital maturity: 29%
  - Low digital maturity: 26%

- **Volunteering goals**
  - High digital maturity: 27%
  - Medium digital maturity: 18%
  - Low digital maturity: 8%

- **Technology goals**
  - High digital maturity: 26%
  - Medium digital maturity: 19%
  - Low digital maturity: 20%

- **Program goals**
  - High digital maturity: 34%
  - Medium digital maturity: 30%
  - Low digital maturity: 17%

- **Fundraising goals**
  - High digital maturity: 33%
  - Medium digital maturity: 27%
  - Low digital maturity: 18%
The impact of digital maturity is also reflected in organizational culture.

Digitally mature nonprofits are:

- 3.5x more likely to have highly motivated employees (46% vs. 13% with low digital maturity).
- 1.7x more likely to report a healthy workplace culture (77% vs. 46% with low digital maturity).
- 1.4x more likely to believe their employer cares about the health and wellbeing of employees (69% vs. 49% with low digital maturity).
- 1.3x more likely to have lower levels of staff burnout (30% vs. 40% with low digital maturity).
Despite a common narrative that technology can detract from the human component of nonprofit missions, data shows that digitally mature organizations have stronger connections across all their stakeholder groups.

The impact of digital maturity on relationships – especially those with donors – helps to disprove the idea that relationships **must** be handled “offline.”

“I’m very involved with my finger on the pulse of what’s happening with each of the program areas, which I think is a critical component to being able to provide a holistic approach.”

**CEO, U.S. Nonprofit**

This can become a challenge in instances of CEO succession or periods of organizational growth or evolution, nonprofit leaders said in qualitative interviews. While there is value in the personal touch of a close donor–CEO relationship, stakeholder management technology can help democratize access to those relationships while enabling better cross-functional collaboration.
Digital Transformation: The Pathway to Maturity

Forty-four percent of organizations with high digital maturity say digital transformation is a “must-have,” compared to 27% of organizations with low digital maturity.

Cybersecurity and privacy (34%), cost efficiency (33%), and data management and optimization (32%) are the leading reasons for digital transformation. Impacts like improving stakeholder relationships (23%), competitive advantage (19%), and keeping up with stakeholder expectations (18%) rank lowest.

Globally, nonprofits in Australia and the United Kingdom are most likely to cite cost efficiency as their top reason for digital transformation. Those in Canada, France, and the Netherlands say cybersecurity and privacy is their top reason. Those in Germany and the United States pursue digital transformation chiefly to grow their impact.

Technology is used to safeguard information and reduce costs.

Which of the following are reasons why digital transformation is important to your organization?

- For cybersecurity and privacy: 34%
- To be more cost-efficient: 33%
- To improve data management and optimization: 32%
- To be able to grow our impact: 31%
- To be more innovative and agile: 29%
- To free employees from mundane tasks and empower them to be more effective: 28%
- To build better relationships within the sector: 26%
- To help manage a remote workforce: 26%
- To improve stakeholder relationships: 23%
- To keep up with the competition: 19%
- To keep up with technology expectations from our stakeholders: 18%
The most commonly cited barriers to digital transformation are a lack of budget or resources (37%) and higher priorities within the organization (30%). Other challenges include a lack of skilled talent to implement and manage technologies (28%) and a lack of understanding of those technologies (26%).

“Our willingness to do more is there. Our capacity to do more wasn’t.”

Head of Data, Australian Nonprofit
Enablers of Digital Maturity

Employees can play an important empowerment role when it comes to digital transformation and maturity. When nonprofit employees understand technology is critical to organizational success, their organizations are 5x more likely to score high on digital maturity (15% vs. 3%).

Aside from employee knowledge, investing in the right technologies is correlated with organizations that are 3.7x more likely to score high on digital maturity (15% vs. 4%). Maintaining a dedicated budget for innovation is associated with organizations that are 1.9x more likely to be digitally mature (15% vs. 8%).

“The biggest thing we’ve done since WWF started all those decades ago is move from a campaign-driven organization to a data-driven one.”

Paul Zevenboom, Head of Digital, ECommerce & Consumer Data, WWF Netherlands

Digitally mature nonprofits are prioritizing cybersecurity, new programs or services, and remote working.

In the next 12 months, how likely is your organization to do the following? (Answers of “highly likely” among digitally mature nonprofits)

- Pay more attention to cybersecurity and data privacy: 45%
- Add new programs and services: 38%
- Move more to an online or remote working model: 33%
- Raise most of our donations online: 31%
- Better integrate and link data management systems across the organization: 31%
- Increase use of hybrid events: 30%
- Create self-service programs for clients: 27%
- Expand use of automation including AI and advanced analytics: 25%
- Invest more in online experiences (events, P2P, gaming): 24%
- Invest in ESG and sustainability: 23%
- Invest more in major giving: 17%
Chapter 4

People and Performance

Building a Healthy Workforce
Employee reskilling and burnout are challenging nonprofits.

Which of these internal issues have impacted your organization in the last 12 months?

- Change in skills required from our employees or workforce: 36%
- Employee burnout and/or mental health issues: 34%
- Difficulty hiring the right talent: 31%
- Employee sickness: 31%
- Employees tired of working remotely: 23%
- High employee turnover: 23%
- Employees not wanting to work in the office: 19%
- Employee resistance to change: 17%
- Loss of senior executive talent: 15%
- None of these: 11%

Regardless of sector, an organization’s human capital – its workforce – is often its greatest asset. The overall health of an organization’s people and culture impacts its ability to serve beneficiaries, overcome challenges, and take advantage of opportunities.

This is top of mind for nonprofit leaders, who cite the need to reskill or upskill employees as the #1 internal issue facing their organizations over the past 12 months. Employee burnout and/or mental health issues, as well as employee sickness, are also top concerns.

High turnover and difficulty hiring the right talent indicate that nonprofits are struggling to find employees who not only want to stay with the organization, but grow with it. Addressing these challenges can add up to significant long-term cost savings, given that the cost of replacing an individual employee can range from one-half to two times the employee’s annual salary, according to a Gallup report.
Motivation and Culture at Work

Culture plays a significant role in both attracting and retaining employees. While nearly two-thirds (61%) of nonprofits report a positive workplace culture, one in five indicate their culture is challenging.

Most nonprofits report a positive culture.
How would you describe the workplace culture in your organization?

- **Highly energizing**: 13%
- **Positive**: 48%
- **Neutral**: 20%
- **Challenging**: 17%
- **Toxic**: 2%

**61%** Positive experience

**19%** Negative experience
Organizations with a more positive culture have higher levels of employee motivation, but when cultures are perceived as “challenging” or “toxic,” organizations are 1.4x more likely (43% vs. 31%) to be affected by employee burnout and mental health issues.

Low motivation affects all levels of an organization. In fact, only 25% of nonprofit professionals report being highly motivated in their roles, and nearly one in five are demotivated on a typical day.

**Positive cultures are connected with more motivated employees.**

Percent of respondents saying they feel “highly motivated” on a typical day, by their description of their workplace culture.

- Highly energizing: 69%
- Positive: 30%
- Neutral: 4%
- Challenging: 1%
- Toxic: 0%

When organizational culture is challenging or toxic, the organization is:

**1.4x** more likely to be impacted by employee burnout and mental health issues (43% vs. 31%).

When organizational culture is challenging or toxic, the organization is:

**1.4x** more likely to be impacted by employee burnout and mental health issues (43% vs. 31%).

**Only a quarter of nonprofit professionals are highly motivated.**

On a typical day, how motivated do you feel at work in your current role?

<table>
<thead>
<tr>
<th>Total</th>
<th>Highly motivated</th>
<th>Somewhat motivated</th>
<th>Passive</th>
<th>Demotivated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10</td>
<td>9</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Highly motivated</td>
<td>8%</td>
<td>17%</td>
<td>23%</td>
<td>11%</td>
</tr>
<tr>
<td>Somewhat motivated</td>
<td>41%</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Passive</td>
<td>6%</td>
<td>6%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Demotivated</td>
<td>8%</td>
<td>6%</td>
<td>3%</td>
<td>0%</td>
</tr>
</tbody>
</table>
Motivation levels – and the resulting impact on overall culture – are affected by two key factors: the organization’s mindset for change and its digital maturity level. When organizations have a positive mindset for change, their employees report higher levels of motivation.

**Employees at nonprofits with high digital maturity have a 3.5x higher motivation to work (46%, compared to 13% for low digital maturity organizations).**

Digitally mature organizations are also 1.7x more likely to say their workplace culture is highly energizing or positive than organizations with low digital maturity (77% compared to 46% for low digital maturity organizations), and have a slightly lower level of employee burnout and mental health issues.

**Organizations with a positive mindset for change are more likely to have highly motivated employees.**

Thinking about your organization’s mindset for change, which of the following words describes your nonprofit today? (Answers from employees who describe themselves as “highly motivated”)

- Forward-looking: 27%
- Tech adopter: 27%
- Empowered: 27%
- Innovative: 26%
- Adaptive: 26%
- Cautious: 20%
- Slow to change: 20%
- Tech laggard: 17%
- Status quo: 16%
- Unimaginative: 15%
Digitally mature nonprofits are more likely to have a positive workplace culture.

How would you describe the workplace culture in your organization? (Answers of “highly energizing” and “positive”)

- Low digital maturity: 46%
- High digital maturity: 77%

Burnout levels are higher in organizations lagging on digital maturity.

Which of these internal issues have impacted your organization in the past 12 months? (Answers of “employee burnout” and “mental health issues”)

- Low digital maturity: 40%
- High digital maturity: 30%
In addition to the clear cultural and health benefits that result from more motivated employees, nonprofits with a motivated workforce are better at achieving goals across all areas compared to peers with demotivated employees.

Highly motivated employees help nonprofits achieve goals.

In the past 12 months, how well have you achieved your organizational outcomes for the following goals? (Answers of “above targets”)

- Financial goals: 34% identified as “highly motivated”, 28% did not identify as “highly motivated”
- Mission goals: 33% identified as “highly motivated”, 25% did not identify as “highly motivated”
- Program goals: 31% identified as “highly motivated”, 26% did not identify as “highly motivated”
- Fundraising goals: 30% identified as “highly motivated”, 24% did not identify as “highly motivated”
- Marketing goals: 30% identified as “highly motivated”, 25% did not identify as “highly motivated”
- Technology goals: 24% identified as “highly motivated”, 17% did not identify as “highly motivated”
- Volunteering goals: 22% identified as “highly motivated”, 15% did not identify as “highly motivated”

The Power of Caring

Sixty-three percent of nonprofit respondents say their organization cares about the health and wellbeing of employees. These “caring organizations” have more motivated employees (and lower levels of demotivated staff), higher levels of optimism about their organization and the nonprofit sector overall, and stronger relationships with all stakeholder groups.

Caring nonprofits are more optimistic and motivated and have stronger relationships.

<table>
<thead>
<tr>
<th></th>
<th>Identified as a &quot;caring&quot; nonprofit</th>
<th>Did not identify as a &quot;caring&quot; nonprofit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program participants</td>
<td>72%</td>
<td>57%</td>
</tr>
<tr>
<td>The general public</td>
<td>68%</td>
<td>56%</td>
</tr>
<tr>
<td>Grantmaking organizations or foundations</td>
<td>64%</td>
<td>56%</td>
</tr>
<tr>
<td>Employees</td>
<td>61%</td>
<td>54%</td>
</tr>
<tr>
<td>In-country program partners</td>
<td>60%</td>
<td>51%</td>
</tr>
<tr>
<td>Government or regulatory bodies</td>
<td>60%</td>
<td>51%</td>
</tr>
<tr>
<td>Other similar nonprofits</td>
<td>59%</td>
<td>51%</td>
</tr>
<tr>
<td>Volunteers</td>
<td>59%</td>
<td>51%</td>
</tr>
<tr>
<td>Donors</td>
<td>56%</td>
<td>46%</td>
</tr>
<tr>
<td>Media</td>
<td>55%</td>
<td>48%</td>
</tr>
</tbody>
</table>

How would you rate the strength of your organization’s relationships with the following stakeholders? (Answers of “strong” or “very strong”)

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Strong Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program participants</td>
<td>72%</td>
</tr>
<tr>
<td>The general public</td>
<td>68%</td>
</tr>
<tr>
<td>Grantmaking organizations or foundations</td>
<td>64%</td>
</tr>
<tr>
<td>Employees</td>
<td>61%</td>
</tr>
<tr>
<td>In-country program partners</td>
<td>60%</td>
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<tr>
<td>Government or regulatory bodies</td>
<td>60%</td>
</tr>
<tr>
<td>Other similar nonprofits</td>
<td>59%</td>
</tr>
<tr>
<td>Volunteers</td>
<td>59%</td>
</tr>
<tr>
<td>Donors</td>
<td>56%</td>
</tr>
<tr>
<td>Media</td>
<td>55%</td>
</tr>
</tbody>
</table>

On a typical day, how motivated do you feel at work in your current role?

- Highly motivated: 24%
- Demotivated: 17%

How optimistic or pessimistic do you feel about the future? (Answers of “optimistic” or “very optimistic”)

- Your own nonprofit or charity employer: 65%
- The nonprofit or charity sector in your country: 58%

All nonprofits
Identified as a "caring" nonprofit

Salesforce | 39
An organization’s digital maturity level correlates with its self-perception as a caring organization: While 69% of nonprofits with high digital maturity say their organization cares about the health and wellbeing of employees, only 49% of nonprofits with low digital maturity agree.

The reason for this, says one nonprofit leader, is that a well-run organization can directly impact employee wellbeing – and as a result, motivation and culture.

“I think it is useful to look at your most precious resources, which are your human resources, and to have appropriate support mechanisms. One of the biggest stressors is organizational stressors. Very simple things like job profiles, capable and competent managers, respect, recognition for the work that people have done, acknowledgement of when things are done wrong, all these kinds of basic normal organizational issues can contribute substantially to the health improvement of the staff,” said the head of staff of a Dutch nonprofit.

Caring organizations also demonstrate higher levels of DEI and climate action (see Chapter 5 for more), as well as lower levels of misalignment and bias in their organizations.

Caring nonprofits score higher on DEI and climate action.

How much do you agree or disagree with the following statements about your organization? (Answers of “agree” or “strongly agree”)

- The senior leadership team is diverse in ethnicity and gender: 68% agreed, 34% disagreed.
- My organization is working toward climate action (e.g., reducing greenhouse gas emissions): 54% agreed, 31% disagreed.
- My organization has people in positions of privilege supporting action for equity: 54% agreed, 30% disagreed.
- There is a misalignment between our organization’s strategy and our day-to-day realities: 31% agreed, 38% disagreed.
- My organization has examples of discrimination or bias toward certain groups or minorities (e.g., gender, LGBTQ+, people of color, etc.): 19% agreed, 24% disagreed.
Perceptions of Workplace Culture Differ Based on Seniority

While 61% of respondents overall say they have a positive or energizing workplace culture, and 19% have a challenging or toxic culture, perceptions of an organization’s culture vary by seniority level. Nearly a third of managers perceive their workplace culture to be challenging or toxic, while those on the senior leadership team or at the VP or director level have a more positive perception. Managers are also more attuned to employee burnout and mental health issues.

Senior leaders are more likely to say workplace culture is positive.

How would you describe the workplace culture in your organization?

- Positive or highly energizing: 61%
- Challenging or toxic: 19%

<table>
<thead>
<tr>
<th>Senior leadership team</th>
<th>12%</th>
</tr>
</thead>
<tbody>
<tr>
<td>VP or director</td>
<td>12%</td>
</tr>
<tr>
<td>Manager</td>
<td>31%</td>
</tr>
</tbody>
</table>
Senior leaders are more likely to see the positives in their organizations, especially in relation to diversity and climate action. Managers are more likely to identify instances of discrimination and bias in their organization than senior leaders, VPs or directors.

While clear gaps exist between the perceptions of managers and senior leaders, both levels are less likely than VPs or directors to have a positive mindset for change. Across all organization sizes, VPs or directors are more likely to believe their organizations are innovative, forward-looking, tech adopters, adaptive, and empowered.

**VPs and directors have a more positive mindset for change.**

Thinking about your organization’s mindset for change, which of the following words best describes your nonprofit today?

<table>
<thead>
<tr>
<th>Word</th>
<th>Senior leadership team</th>
<th>VP or director</th>
<th>Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovative</td>
<td>82%</td>
<td>75%</td>
<td>67%</td>
</tr>
<tr>
<td>Forward-looking</td>
<td>76%</td>
<td>67%</td>
<td>67%</td>
</tr>
<tr>
<td>Tech adopter</td>
<td>74%</td>
<td>62%</td>
<td>67%</td>
</tr>
<tr>
<td>Adaptive</td>
<td>66%</td>
<td>66%</td>
<td>68%</td>
</tr>
<tr>
<td>Empowered</td>
<td>58%</td>
<td>59%</td>
<td>74%</td>
</tr>
</tbody>
</table>

Managers are less likely to see the positives in culture and more likely to view disconnects.

How much do you agree with the following statements regarding your organization? (Answers of “agree” and “strongly agree”)

- My organization cares about the health and wellbeing of employees
  - Senior leadership team: 67%
  - VP or director: 59%
  - Manager: 62%
- The senior leadership team is diverse in ethnicity and gender
  - Senior leadership team: 64%
  - VP or director: 57%
  - Manager: 48%
- My organization has people in positions of privilege supporting action for equity
  - Senior leadership team: 48%
  - VP or director: 45%
  - Manager: 42%
- My organization has people with polarized political views
  - Senior leadership team: 42%
  - VP or director: 46%
  - Manager: 40%
- There is a misalignment between our organization’s strategy and our day-to-day realities
  - Senior leadership team: 35%
  - VP or director: 28%
  - Manager: 37%
- My organization has people impacted by injustice in leadership roles
  - Senior leadership team: 33%
  - VP or director: 39%
  - Manager: 35%
- There are high levels of attrition among women or underrepresented minorities in our organization
  - Senior leadership team: 18%
  - VP or director: 29%
  - Manager: 23%
- Bias and favoritism are prevalent when it comes to promotions and advancement of employees
  - Senior leadership team: 14%
  - VP or director: 26%
  - Manager: 36%
- My organization has examples of discrimination or bias toward certain groups or minorities (e.g., gender, LGBTQ+, people of color, etc.)
  - Senior leadership team: 13%
  - VP or director: 22%
  - Manager: 27%
Across the organization, more than a third of nonprofits report internal issues, including polarized political views, misalignment between strategy and reality, and bias or favoritism in promoting staff.

More than a third of organizations report issues related to politics or misalignment between strategy and reality.

How much do you agree with the following statements regarding your organization? (Answers of “agree” or “strongly agree”)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>My organization has people with polarized political views</td>
<td>42%</td>
</tr>
<tr>
<td>There is a misalignment between our organization’s strategy and our day-to-day realities</td>
<td>34%</td>
</tr>
<tr>
<td>Bias and favoritism are prevalent when it comes to promotions and advancement of employees</td>
<td>26%</td>
</tr>
<tr>
<td>There are high levels of attrition among women or underrepresented minorities in our organization</td>
<td>24%</td>
</tr>
<tr>
<td>My organization has examples of discrimination or bias toward certain groups or minorities (e.g., gender, LGBTQ+, people of color, etc.)</td>
<td>21%</td>
</tr>
</tbody>
</table>
Chapter 5

DEI and Sustainability

Creating Resilience Through Community
Reflecting on DEI

Nonprofit organizations are not exempt from regulatory obligations and stakeholder expectations to minimize environmental impact and commit to diversity, equity, and inclusion (DEI).

Forty percent of nonprofits believe they are “on it” – aware and understanding of the issues – when it comes to achieving DEI goals with employees, volunteers, and clients. As one leader put it: “I think most nonprofits will generally be pretty good in [the DEI] space.

Nonprofit leaders say it’s important that an organization’s senior leadership team reflects the populations it serves and models good DEI behaviors.

“We are making sure that we are doing everything we can to have hiring practices that allow us to have a diverse staff that looks like the communities that we’re working in and representing.”

Executive Director, U.S. Nonprofit

Yet only a little over half (55%) of organizations say their senior leadership team is diverse in ethnicity and gender. A lower percentage – 35% – say their organization has people affected by injustice in leadership roles.
According to adrienne maree brown in her book "Emergent Strategy," effective DEI work is not about just representation and ticking boxes. Authentic DEI action helps to ensure people affected by injustice are in leadership positions and that people of privilege act to support that leadership. When it comes to the specific steps nonprofits have taken over the past year, only a minority have acted. Small percentages of the nonprofits surveyed have interviewed, hired, or promoted women or minorities into management roles, for example.

Less than half of nonprofits have taken recent DEI action.

In the past 12 months, has your organization taken any of the following actions?

- **40%** Enabled flexible or remote working hours or arrangements.
- **32%** Adopted diversity and inclusion practices.
- **32%** Interviewed diverse candidates for a management role.
- **28%** Hired or promoted women and/or minorities to management roles.
- **26%** Provided training to address unconscious bias.
Sustainability and Climate Action

The commercial sector broadly understands “sustainability” to mean efforts related to environment and climate impact. Many nonprofits say they define it differently: To them, sustainability relates to their organization’s ability to be resilient and sustain itself over the long term.

In terms of climate action, nonprofit leaders say their efforts tend to be simple and focused on near-term impact, such as reducing paper waste, decreasing energy and water use, and being mindful of their carbon footprint. Twenty-two percent of nonprofits have made “significant” or “a great deal” of progress in achieving sustainability targets, though less than a quarter (24%) have aligned their strategy with the Sustainable Development Goals announced at the United Nations.

About a third (31%) of nonprofits have used technology to progress climate commitments, and 31% have asked their staff for input on such commitments.

In the past 12 months, has your organization taken any of the following actions?

- Used technology to progress our sustainability climate commitment: 31%
- Asked staff for feedback on sustainability: 31%
- Aligned our strategy to the UN Sustainable Development Goals: 24%
To most nonprofits, “sustainability” is about organizational resilience, and it sits across all aspects of the organization. Nonprofit leaders said in qualitative interviews that their organizations are pursuing sustainability in the following ways:

1. Shifting how staff roles are filled by making hires who have the skill set required and will stay for the long term.

2. Prioritizing longer-term projects, such as pursuing unrestricted funding from individual donors instead of short-term or one-year program delivery.

3. Implementing new tech tools meant to address long-term operations, not just short-term management.

4. Planning to address the age of donors, including the transfer of wealth.
The People Enabler
A culture which prioritizes relationships and allows the organization to thrive and be forward-looking.

Digital maturity helps organizations build workplace cultures that prioritize relationships. Digitally mature organizations recognize the role of technology to enable innovation, collaboration, productivity, and wellbeing.

However, simply implementing a new technology is not enough. Employees should be educated both on how to use it and what it can help their organizations achieve. Such investments in reskilling employees can also help nonprofits retain talent while motivating employees to learn new skills and take on new responsibilities.

Nonprofits with a high level of digital maturity benefit from stronger stakeholder relationships, higher rates of goal achievement, more motivated employees, and greater progress toward DEI and climate commitments. These nonprofits face no shortage of barriers; they are simply better equipped to adapt to a rapidly changing society and its needs.

Whether an organization is on the cusp of digital transformation or at a high level of digital maturity, the insights below can help nonprofit leaders prepare for the only certainty: Change will continue.

1. Digitally mature nonprofits are at the intersection of technology and people.

Digitally mature organizations understand that when people and technology work in harmony, the impacts can be profound. This is evident in the strong relationship between positive organizational culture and a positive digital mindset.

The Tech Enabler
The right business technology tools so NGOs can collaborate, build relationships, make employees’ lives easier.

The People Enabler
A culture which prioritizes relationships and allows the organization to thrive and be forward-looking.

Digital maturity

2. Awareness and education can help overcome barriers.

Nonprofits that are behind the curve on technology but have the right mindset for change – those that self-report as tech adopters but have not reached high digital maturity – may need greater awareness and training. These organizations understand the benefits of technology but may face human barriers to change. To equip and prepare employees, change management and skills training are important.

3. It’s time to re-prioritize donor relationships.

Most nonprofits report their strongest relationships are with program participants. In contrast, the strength of donor relationships is lower. This raises the concern that nonprofits may be neglecting this key stakeholder while citing a lack of budgets and resources. Donor relationships impact organizational resources and performance.

4. Embrace a mindset for change.

Nonprofit leaders say the pandemic not only accelerated digital transformation in their organizations, but pushed them to be more creative. Many are choosing not to return to the status quo. Instead, they are applying their newfound agility to further strengthen relationships, create healthier and more motivating workplaces, and carry them into the future.

Country Insights
Australia

Australia is in the top half of countries that say digital transformation is a “must-have,” at 41%. Cost efficiencies and a desire to improve data management and optimization drive digital transformation in Australia, while organizations cite lack of budget resources and higher priorities elsewhere as the leading barriers to transformation. Over the next 12 months, Australian organizations say they will prioritize employee wellbeing (49%) and staff retention (46%).

<table>
<thead>
<tr>
<th>Organization revenues</th>
<th>Organization size</th>
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<tbody>
<tr>
<td>Less than $500,000</td>
<td>1-10 employees</td>
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<td>$500,000–$1M</td>
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<tr>
<td>More than $50M</td>
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</table>

Number of respondents: 250

Optimism

How optimistic or pessimistic do you feel about the future (next 12 months) of the following? (Answers of “optimistic” or “highly optimistic”)

- Your own nonprofit or charity employer: 69%
- The nonprofit or charity sector in your country: 62%

Digital maturity levels

- High: 13% (79% Medium, 8% Low)

Workplace culture

- Highly energizing or positive: 65%
- Challenging or toxic: 19%

For further details by country, ask your account executive for more information.
Canada

Canada has the greatest percentage of nonprofits with high digital maturity, at 16% (vs. 12% globally). Thirty-nine percent of organizations say digital transformation is a “must-have,” and cite cybersecurity and privacy as the top reason for pursuing digital transformation. The ability to grow impact and build better relationships within the sector are also top drivers of digital transformation, while leading barriers include a lack of budget or resources and a lack of skilled talent. Over the next year, Canadian nonprofits are prioritizing fundraising efforts (51%) and program delivery (48%).

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<thead>
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| Number of respondents  | 260 |

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<td>25–49 employees</td>
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<tr>
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</tbody>
</table>

| Number of respondents  | 260 |

Optimism

How optimistic or pessimistic do you feel about the future (next 12 months) of the following? (Answers of “optimistic” or “highly optimistic”)

Your own nonprofit or charity employer 69%

The nonprofit or charity sector in your country 55%

Digital maturity levels

16% High

8% Low

76% Medium

Workplace culture

Highly energizing or positive 65%

Challenging or toxic 15%

For further details by country, ask your account executive for more information.
France

French nonprofits are most likely to report a highly energizing or positive culture (68%) among countries surveyed; respondents from France are also least likely to report challenging or toxic cultures, at 11%. Around a third (34%) of French nonprofits say digital transformation is a “must-have,” and 10% have a high level of digital maturity. These organizations are pursuing digital maturity for cybersecurity and privacy and to grow their impact. The top barriers facing French nonprofits are a lack of budget or resources and security and digital privacy concerns. Over the next 12 months, French nonprofits are prioritizing sustainability or environmental initiatives (45%) and grant-seeking (42%).

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</table>
Germany

German nonprofits demonstrate the highest level of optimism toward the nonprofit sector (70%) among countries surveyed. Despite having the lowest percentage of respondents that say digital transformation is a “must-have” (32%), the percentage of German nonprofits with a high level of digital maturity is on par with the global result at 13% (vs. 12% globally). Nonprofits in Germany are pursuing digital transformation to grow their impact and for cybersecurity and privacy, and cite the top barriers to transformation as a lack of budget or resources and higher priorities elsewhere. Over the next 12 months, German nonprofits are prioritizing fundraising (50%) and grant-seeking (49%).

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Optimism

How optimistic or pessimistic do you feel about the future (next 12 months) of the following? (Answers of “optimistic” or “highly optimistic”)

- Your own nonprofit or charity employer: 72%
- The nonprofit or charity sector in your country: 70%

Digital maturity levels

- High: 13%
- Medium: 82%
- Low: 5%

Workplace culture

- Highly energizing or positive: 62%
- Challenging or toxic: 12%

For further details by country, ask your account executive for more information.
The Netherlands

Nonprofit leaders in the Netherlands have the highest level of optimism toward their organization, at 75%, among countries surveyed. Fifteen percent of Dutch nonprofits have reached a high level of digital maturity, three percentage points above the global result (12%), and 35% say digital transformation is a “must-have.” Nonprofits in the Netherlands are pursuing digital transformation for cybersecurity and privacy and to improve data management and optimization. The top barriers to transformation are security and digital privacy concerns, followed by a lack of budget or resources. Over the next 12 months, Dutch nonprofits are prioritizing DEI commitments (51%) and fundraising (50%).

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<tr>
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Optimism

How optimistic or pessimistic do you feel about the future (next 12 months) of the following? (Answers of “optimistic” or “highly optimistic”)

- Your own nonprofit or charity employer: 75%
- The nonprofit or charity sector in your country: 65%

Digital maturity levels

- High: 74%
- Medium: 15%
- Low: 11%

Workplace culture

- Highly energizing or positive: 63%
- Challenging or toxic: 21%

For further details by country, ask your account executive for more information.
United Kingdom

Nonprofit organizations in the United Kingdom have the lowest level of optimism toward their own organizations (48%) and the sector (41%) among countries surveyed. British nonprofits also have the lowest percentage of highly energizing or positive workplace cultures and the highest percentage of challenging or toxic cultures. Additionally, the United Kingdom has the lowest percentage of nonprofits with high digital maturity, at 9%, though 37% of nonprofits in the country believe digital transformation is a “must-have.” British nonprofits are pursuing digital transformation to be more cost-efficient and to improve data management and optimization. Top barriers to transformation are a lack of budget or resources and higher priorities elsewhere. Over the next 12 months, U.K. nonprofits say they will prioritize fundraising (54%) and retaining staff (53%).

### Optimism

How optimistic or pessimistic do you feel about the future (next 12 months) of the following? (Answers of “optimistic” or “highly optimistic”)

- Your own nonprofit or charity employer: 48%
- The nonprofit or charity sector in your country: 41%

### Digital maturity levels

- High: 9%
- Medium: 78%
- Low: 13%

### Workplace culture

- Highly energizing or positive: 47%
- Challenging or toxic: 34%

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For further details by country, ask your account executive for more information.
United States

At 12%, American nonprofits have a level of digital maturity on par with global findings. However, the percentage of U.S. nonprofits that say digital transformation is a “must-have” is among the lowest of all countries surveyed, at 33%. American nonprofits are pursuing digital transformation to grow their impact and to be more cost-efficient, but face barriers including a lack of budget or resources and security or privacy concerns. Over the next 12 months, U.S. nonprofits say they will prioritize retaining staff (51%) and fundraising (47%).

### Optimism

How optimistic or pessimistic do you feel about the future (next 12 months) of the following? (Answers of “optimistic” or “highly optimistic”)

- Your own nonprofit or charity employer: 63%
- The nonprofit or charity sector in your country: 56%

### Digital maturity levels

- High: 12% (Number of respondents: 252)
- Medium: 77% (Number of respondents: 252)
- Low: 11% (Number of respondents: 252)

### Workplace culture

- Highly energizing or positive: 58%
- Challenging or toxic: 23%

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**Organization revenues**

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**Number of respondents:** 252