Indiana Nonprofits:

Collaborations - Purposes and Impacts

KIRSTEN A. GRØNBJERG, LEAH CLEMENSON,
AND ANNA DOERING

DECEMBER 2022

INDIANA NONPROFIT SURVEY: ROUND III

ACTIVITIES Series #2
Report 6

INDIANA NONPROFITS PROJECT:
SCOPE & COMMUNITY DIMENSIONS

A JOINT PRODUCT OF
The Lilly Family School of Philanthropy
AND
The O'Neill School of Public and Environmental Affairs
Indiana University Bloomington

Acknowledgements

We express our deep-felt gratitude to the Indiana nonprofits that completed our survey. Without their cooperation, we would have nothing to report. We also thank members of the project advisory board for their assistance with the survey and valuable suggestions on the analysis.

This report was prepared as part of an ongoing project – **Indiana Nonprofit Sector: Scope and Community Dimensions** – made possible by support for the Efroymson Chair in Philanthropy by the Indianapolis Foundation at the Central Indiana Community Foundation and by the Lilly Family School of Philanthropy's Indiana Research Fund, supported in part by the Lilly Endowment Inc. Additional funding and in-kind support has been provided by the O'Neill School of Public and Environmental Affairs at Indiana University Bloomington.

The survey instrument is based on two previous rounds of surveys on Indiana nonprofits. We are grateful to Rachel Breck, Angela Gallagher, Maxine Laszlo, Rachel Miller, Tessa Skidmore, Annie Thompson and Lauren Shaman for their initial work to revise and pretest the instrument.

We are also grateful for the valuable feedback on the instrument from nonprofits who completed the pretests and faculty members at the O'Neill School of Public and Environmental Affairs: Matt Baggetta, Brad Fulton, Al Lyons, and Beth Gazley. We acknowledge the work of the many research assistants who have worked on the survey: Tyler Abbott, Emily Anderson, Elizabeth Barnhart, Noah Betman, Eric Brown, Matt Cesnik, Haley Clements, Anthony Colombo, Lauren Dula, Sarah Dyer, Payton Goodman, Molly Gravier, Sari Jackson, Sher Khashimov, Corinne Lucas, Hannah Martin, Kellie McGiverin-Bohan, Cara Murray, Kelsey Stack, Katherine Stewart, Meghan Taylor, and Jasper Wirtshafter in carrying out a variety of tasks related to preparing for and following up on the survey. We are particularly grateful to Ashley Clark, Director of the Center for Survey Research at Indiana University for her help with developing the sample for the survey, and to members of her staff, Reyasini Calistes and Kevin Tharp, for managing the survey process itself. Their support and efforts strengthened this work enormously and we are grateful to them all. Of course, any remaining problems remain our responsibility entirely.

The Indiana Nonprofits: Collaborations – Purposes and Impacts report was prepared by Kirsten A. Grønbjerg, Leah Clemenson, and Anna Doering. Grønbjerg guided the overall analysis and framework for the report. Clemenson coded all open-ended survey questions and drafted the bivariate sections of the report, and Doering drafted the remaining sections of the report.

SUGGESTED CITATION

Indiana Nonprofits: Collaborations – Purposes and Impacts, Indiana Nonprofit Survey Series III, Activities Series #2, Report 6, by Kirsten A. Grønbjerg, Leah Clemenson, and Anna Doering (Bloomington, IN: Indiana University O'Neill School of Public and Environmental Affairs, December 2022).Copies of this report are available on the Indiana Nonprofit Sector website here: https://nonoprofit.indiana.edu DOI: 10.13140/RG.2.2.17468.92801

Indiana Nonprofits: Collaborations Purposes and Impacts

KIRSTEN A. GRØNBJERG
LEAH CLEMENSON
and ANNA DOERING

December 2022

INDIANA NONPROFIT SURVEY: ROUND III

ACTIVITIES SERIES #2 REPORT 6

INDIANA NONPROFITS PROJECT: SCOPE & COMMUNITY DIMENSIONS

A JOINT PRODUCT OF

Lilly Family School of Philanthropy

AND

The Paul H. O'Neill School of Public and Environmental Affairs Indiana University Bloomington

Table of Contents

ADVISORY BOARD

Keira Amstutz
President & CEO, Indiana Humanities Council

Jerold Bonnet
Chief Legal Counsel, Office of the Indiana Secretary of State

Michael Budd
CEO, Indiana United Ways

Laurie Burns
Community Impact Officer, Central Indiana Community Foundation

Betsy Denardi
Director of Complex Litigation, Office of Indiana Attorney General

Angela Espada
Executive Director, Indiana Catholic Conference

Amy Haacker
Vice President of Community Foundations Program, Indiana Philanthropy Alliance

Jane Henegar
Executive Director, American Civil Liberties Union of Indiana

Shannon M. Linker
Vice President, Arts Council of Indianapolis

Jessica Love
Executive Director, Prosperity Indiana

Miah Michaelsen
Executive Director, Indiana Arts Commission

Thomas P. Miller
President & CEO, Thomas P. Miller and Associates

Ellen Quigley
Vice President of Programs, Richard M. Fairbanks Foundation

Fran Quigley
Clinical Professor of Law, IUPUI Health & Human Rights Clinic

Carol O. Rogers
Co-Director, Indiana Business Research Center

Patrick Rooney
Executive Associate Dean for Academic Affairs & Research, Lilly Family School of Philanthropy of Indiana University

Rev. Timothy Shapiro
President, Indianapolis Center for Congregations

Bill Stanczykiewicz
Director, The Fund Raising School, Lilly Family School of Philanthropy at Indiana University

Sara VanSlambrook
Chief Impact Officer, United Way of Central Indiana

Pamela Velo
Principal, Velo Philanthropic Advising

Julie L. Whitman
Executive Director, Commission on Improving the Status of Children in Indiana

Jo Yocum
Vice President, Field Operations, Playworks and Vice Chair Serve Indiana Commission

INTRODUCTION

Like nonprofits everywhere, Indiana nonprofits pursue their missions to meet important needs and strive to obtain enough support to do so effectively. However, none are large enough or provide a broad enough range of services to meet all needs in the communities they serve (nor for that matter is any government agency or business entity). Instead, they must identify a particular service niche suited to their mission and organizational capacity, taking into account what other nonprofits, government agencies and business organizations are doing. The latter requires them to know something about these other entities and determine whether and how to engage with them in furthering their own missions.

In this report, we examine the extent to which Indiana nonprofits of all types – charitable and religious nonprofits as well as a full range of membership associations – have established formal or informal linkages with other organizations. As we show, linkages are widespread, but their purposes vary, and they may have mixed utilities for the participating organizations.

This report on **Indiana Nonprofits: Collaborations – Purposes and Impacts** focuses primarily on differences among two types of linkages – informal networks and formal collaborations. We also consider whether there are notable differences in the purposes of these types of linkages – to build relationships, strengthen programs, and/or improve management and operations. Finally, we examine the extent to which linkages make it easier or more difficult for participating nonprofits to deliver and manage their programs.

Indiana Nonprofits Project

The ***Indiana Nonprofits Project: Scope and Community Dimensions*** began in June 2000 and has produced a substantial body of research since then. The project is designed to provide information about the nonprofit sector in Indiana: its composition and structure, its contributions to Indiana, the challenges it faces, and how these features vary across Indiana communities. The goal of this collaborative research effort is to help community leaders develop effective and collaborative solutions to community needs and to inform public policy decisions.

The project is directed by Kirsten Grønbjerg, Efroymson Chair in Philanthropy (2001-2020) at the Lilly Family School of Philanthropy (LFSOP) and Professor, O'Neill School of Public and Environmental Affairs, Indiana University Bloomington. Under the guidance of the Project's distinguished Advisory Board,[1] the Project has produced a variety of materials to inform policymakers, nonprofit administrators and boards, and Indiana residents, including:

- Surveyed Indiana nonprofits to learn how they operate, how they contribute to the state's economy and its quality of life, and how they face and overcome challenges.
- Examined trends in paid nonprofit employment in Indiana including the size, composition and distribution of employees.
- Analyzed how local government officials view important nonprofit-related policy issues. Our findings demonstrated changes in whether local leaders trust nonprofits to operate effectively, and they revealed shortcomings in the use of the state's 2-1-1 system.

[1] See https://nonprofit.indiana.edu/about/advisory-board.html

- Described the impact, scope, and composition of nonprofits and the nonprofit sector in specific Indiana communities and regions as well as across the state.

For a full description of the Project and access to all Project reports, please visit https://nonprofit.indiana.edu. A summary of project components is included in Appendix A.

Indiana Nonprofits Survey – Round III

The Indiana Nonprofits Project surveyed 1,036 nonprofits in Indiana from April 2017 to February 2018, reflecting an overall response rate of approximately 24 percent. Of these, 397 nonprofits were part of a "panel" of nonprofits that responded to our 2002 Round I survey and 639 came from a new randomly selected "primary" sample developed specifically for this survey (see Appendix A for a description of the sampling strategies).

For the "primary" sample, respondents were randomly selected from three major nonprofit listings: nonprofits (1) registered with the IRS as tax exempt entities with Indiana reporting addresses, (2) incorporated with the Indiana Secretary of State as non-for-profit corporations, or (3) listed in the yellow pages as churches, temples, synagogues, mosques or similar religious entities. The original "panel" sample was created under a similar, but more extensive protocol.

Respondents to the 2017 survey represent almost the full scope of Indiana nonprofits. They include traditional public charities, such as homeless shelters, museums, or cancer groups. But they include also other types of tax-exempt entities registered under all other section 501(c) of the IRS tax code, such as private foundations, fraternal organizations, social clubs, business groups and advocacy organizations. And they include organizations not registered at all with the IRS, whether because they are churches, exempt from registration, or for other reasons are not found on the IRS listing. However, we excluded colleges, hospitals, bank-managed trusts, and public school building corporations because the survey instrument was not well-suited to these types of entities and they had also had very low response rates to the 2002 survey.

Our survey asked about a variety of topics: programs and services, organizational structure and program evaluation, human resources, marketing and technology, financial information, advocacy and policy activities, and relationships with other organizations. There were also questions specific to membership associations and faith-based organizations.

Because of the richness of the survey data, we are producing two series of reports: Series 1 examines particular types of nonprofits, such as arts and culture nonprofits, faith-based organizations, and membership associations. Series 2, including this report, examines the activities and experiences of Indiana nonprofits on such topics as information technology, program evaluation, advocacy and political activities, human resource management, and a range of other topics.

Readers are invited to explore the survey data in more detail, using our interactive survey data tool available here: http://go.iu.edu/2bfi.

EXECUTIVE SUMMARY

This report on *Indiana Nonprofits: Collaborations – Purposes and Impacts* is designed to answer several key questions about the types of linkages Indiana nonprofits have with other organizations. We begin by examining whether Indiana nonprofits are engaged in formal collaborations or informal networks. We refer to these jointly as linkages. For nonprofits engaged in one of these types of linkages, we consider the purpose of their most important linkage and whether their participation in it makes it harder or easier to deliver programs and to secure needed human resources. To do so, we rely on a comprehensive 2017 survey of which 1,036 Indiana nonprofits responded.

Are Indiana nonprofits involved in formal collaborations and/or informal networks with other organizations?

We asked Indiana nonprofits whether they are currently involved with a formal collaboration, defined as a codified legal, fiscal, administrative, or individual program-based relationship with other organizations. Less than one-fifth (18 percent) of Indiana nonprofits do so.

We also asked Indiana nonprofits whether they are currently involved with an informal network, defined as more general cooperation or coordination with another organization. About two-fifths (41 percent) of Indiana nonprofits participate in these types of connections.

We combined the two responses to identify those involved in either an informal network or formal collaboration, or both. We refer to formal collaborations and informal networks jointly as linkages throughout the report to capture the wide range of connections and partnerships made by nonprofits. Half of all Indiana nonprofits (50 percent) participate in at least one linkage.

We use bivariate and multivariate analysis techniques to examine how a set of ten explanatory factors explain the questions above. We look at organizational capacity (age, size, formalization, access to two types of information technology, presence of an organizational website), specialization (field of activity), and external forces (funding profile, whether a recognized charity, and location).

When examined separately, eight of the ten explanatory factors – size, formalization, both types of information technology, organizational website, nonprofit field, funding profile, and charity – are significantly ($p<0.05$) related to whether Indiana nonprofits are involved in some form of linkage. However, only three are important in our multivariate analysis, when we allow all to operate at once.

Organizational Capacity: Formalization. More formalized nonprofits are significantly more likely to have linkages.

Specialization: Primary Field of Activity (NTEE Code). Education nonprofits are less likely to have linkages, compared to human service nonprofits (comparison group).

External Forces: Location. Compared to nonprofits located in nonmetropolitan counties (comparison group), nonprofits located in a central city metropolitan county are significantly more likely to have linkages.

Other explanatory factors. Five of the ten potential explanatory factors are significant at the bivariate level but not when considered in a multivariate analysis where we control for all other factors. They are listed here and are described in more detail in the body of the report.

- Size (in terms of FTE)
- Internally focused information technology
- Externally focused information technology
- Organizational website
- Funding Profile
- Charity

What is the purpose of the most important collaboration or network?

We asked nonprofits that participate in collaborations or networks to describe the purpose of their most important one. We reviewed responses to this open-ended question and identified three types of broad purposes: (1) program related, (2) management-related, and (3) relational. In some cases, more than one of these three codes applied. Rather than force a response into one of the three categories, we treated each of the three categories as a separate indicator.

Of the nonprofits with linkages, over half (55 percent) described program related purposes, one-third (35 percent) had management related purposes, and 20 percent were relational. For about 10 percent of nonprofits with linkages, the most important purpose fit more than one category.

When examined separately, two of the ten explanatory factors are significantly ($p<0.05$) related to whether Indiana nonprofits are involved in some form of linkage. However, few remain important in our three multivariate logistic regression analyses (one for each type of purpose), when we allow all to operate at once.

The first analysis assessed which, if any, explanatory factors were significantly related to whether the primary purpose of linkages were program related. The second regression examined factors that significantly related to the linkages' primary purpose being management related. Finally, our third regression examined factors significantly related to relational collaborations. None of the three analyses were significant ($p<0.05$), although the third regression for relational collaboration has two significant predictors: age and location in central city metropolitan counties: older nonprofits and those located in central city metropolitan counties are more likely to engage in relational linkages.

Other Explanatory Factors. Two of the explanatory factors are significant at the bivariate level but not when considered in a multivariate analysis where we control for other factors. They are listed here and described more in the body of the report.

- Program related linkages: Nonprofit field
- Relational linkages: Externally focused information technology

Does the most important collaboration or network make it harder or easier to deliver programs and secure human resources?

We asked Indiana nonprofits to indicate whether their most important linkage makes it harder, easier, or has no impact on maintaining seven key organizational internal and external activities.

In order to simplify our presentation, we converted these responses to a scale from 3 (easier) to 1 (harder) and used statistical techniques to examine whether the scores on these seven activities grouped in some way. We found two underlying groupings which we labeled as program related (external) and human resource related (internal) activities.

Linkage Impact – Program Related Goals

Four dimensions fit into program related goals: enhancing organization's visibility/reputation, reaching more clients/members, delivering programs and/or services, and obtaining financial resources. Enhancing organization's visibility/reputation received the highest average score (2.7) and obtaining financial resources the lowest average score (2.3), though both scores are relatively high, indicating that linkages tend to make these goals easier to reach.

Several of the ten explanatory factors were significant at the bivariate level: formalization, both types of informational technology, organization website, and nonprofit field of activity. However, when we allow all factors to operate at once, our multivariate regression to predict the impact of linkages on nonprofit program related activities was significant ($p<0.05$) with only one significant explanatory factor.

Organizational Capacity: Organizational Website. Nonprofits with an organizational website are more likely to have linkages that make program related activities easier compared to nonprofits without an organizational website.

Other Explanatory Factors. Several of the potential explanatory factors are significant at the bivariate level but not when considered in a multivariate analysis where we control for all other factors. They are listed here and described in more detail in the body of the report.

- Formalization
- Internally focused information technology
- Externally focused information technology
- Nonprofit field of activity

Linkage Impact – Human Resource Related Goals

The three remaining linkage impacts all group together and relate to acquiring human resources: the ability to recruit and retain staff, board members, and volunteers. Recruiting and retaining volunteers had the highest average impact score (2.3), followed closely by recruiting and retaining board members and staff (both 2.2). These average scores are all very similar and notably lower than the program related scores.

Several of the ten explanatory factors were significant at the bivariate level – formalization, externally focused IT, organizational website, and location. Our multivariate regression to predict the impact of linkages on nonprofit human resources was significant ($p<0.05$), with one explanatory factor remaining significant when controlling for all other factors.

External Factors: Location. Nonprofits that reside on the outer circle of a city are less likely to have linkages that make human resource related activities easier compared to nonprofits in nonmetropolitan counties (comparison group).

Other Explanatory Factors. One other explanatory factor is significant at the bivariate level but not when considered in a multivariate analysis where we control for all other factors. They are listed here and described in more detail in the body of the report.

- Externally focused information technology
- Organizational website

KEY FINDINGS

A number of key factors stand out from our analysis of the extent to which Indiana nonprofits engage in linkages, the purposes of these linkages and how they impact nonprofits.

1. About half of Indiana nonprofits engage in a broad range of interactions with other organizations, such as formal collaborations (18 percent) or informal networks (32 percent), including 9 percent involved in both.
2. Most linkages (55 percent) serve purposes related to delivering programs (e.g., coordinating services, promoting awareness, lobbying efforts). Some (35 percent) serve management purposes (e.g., sharing ideas, resources, or costs, training staff or volunteers). Relatively few (20 percent) have relational purposes (e.g., connecting the organization to umbrella organizations).
3. Indiana nonprofits' most important linkage almost always made it easier to reach program related goals, such as enhance the organizations visibility (77 percent), reach more clients/members (67 percent), and deliver programs and/or services (64 percent). A smaller portion (39 percent) said its most important linkages made obtaining financial resources easier.
4. Linkages were more likely to be seen as having no impact on human resource related activities: securing and retaining staff (78 percent), board members (77 percent), or volunteers (67 percent).
5. Among the three groups of explanatory factors (organizational capacity, specialization, and external forces), organizational capacity – age, size, formalization, information technology – appears to be the most consistently related to the presence, purpose, and impact of linkages.

   Most notably, more formalized nonprofits are significantly more likely to have linkages and to report that linkages make program-related and human resource-related activities easier.

   The use of internal and external information technology also appears to be significant. Nonprofits that use internal IT and external IT more frequently are significantly more likely to have linkages. Nonprofits with more frequent use of external IT are more likely to say that linkages make program related and human resource related activities easier. In contrast, nonprofits with less frequent use of externally focused IT are more likely to report the use of relational linkages. We suspect the latter pattern may reflect that nonprofits with less access to externally focused IT are more likely to rely on their relational linkages to assist with marketing and public outreach.
6. Among the external factors with a significant impact on linkages, location stands out. Controlling for all other factors, nonprofits located in central city metropolitan areas are significantly more likely to have linkages and are more likely to report that these linkages assist with relation related activities. Central city nonprofits are also significantly more likely to report that linkages make it easier for them to obtain and retain human resources. We speculate that linkages for nonprofits located in in large central cities increase their opportunities for network connections with other nonprofits and to reach candidates for staff, board, and volunteer positions with the desired expertise.

DETAILED FINDINGS

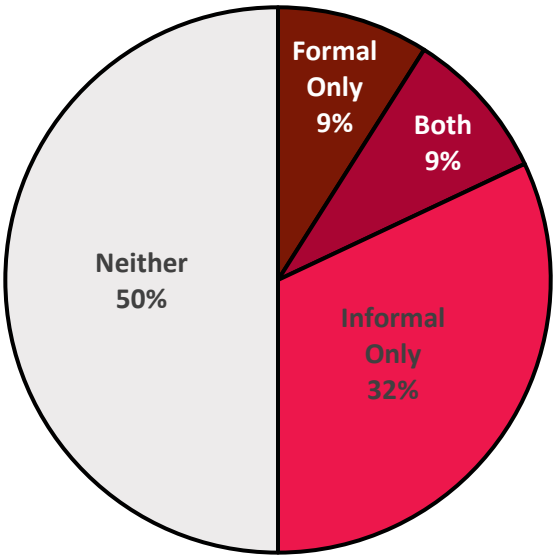
Formal Collaboration and/or Informal Network

The 2017 Indiana nonprofit survey included three questions about relationships with other organizations. We asked our respondents whether their organization was currently involved in formal collaborations and/or informal networks with other organizations,[2] hoping to capture a broad range of interactions. We refer to formal collaborations and informal networks jointly as linkages throughout the report to represent the wide range of connections and partnerships made by nonprofits.

If the respondent answered yes to at least one of these options, we asked them to briefly describe their most important relationship. They were then asked if their most important relationship made a variety of actions related to delivering and managing programs harder, had no impact, made the action easier, or was not applicable.

We look first at whether Indiana nonprofits engage in formal collaborations and/or informal networks and then consider whether involvement in at least some form of linkage is related to key organizational characteristics. As figure 1 shows, about one-fifth (18 percent) of Indiana nonprofits participate in formal collaborations (two darkest red segments), including 9 percent that also are engaged in informal networks. About two-fifths (41 percent) participate in informal networks (two lightest red segments), including 32 percent that only participate in informal networks. Overall, half of Indiana nonprofits say they are involved in at least one of these two types of (50 percent) linkages (last bar), including 9 percent involved in both formal collaborations and informal networks.

Figure 1: Indiana nonprofits by linkage type (n=625)

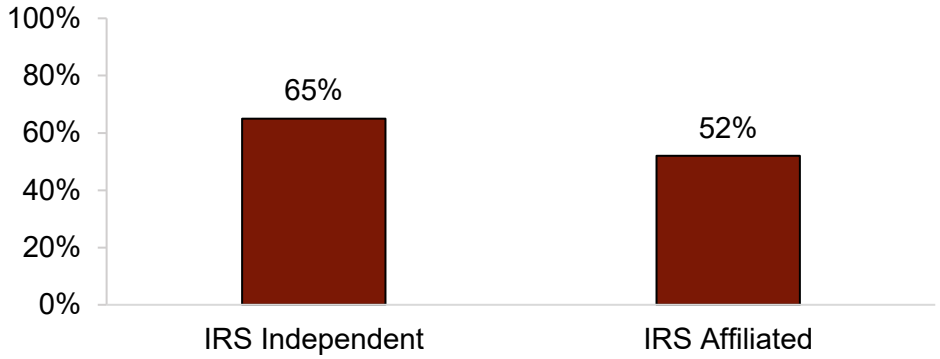


[2] As part of the question, we described each of these terms. We defined formal collaboration as a codified legal, fiscal, administrative, or individual program-based relationship with another organization and informal networks as general cooperation and coordination with another organization.

For a subset of our respondents – those registered with the IRS as tax-exempt entities, we also have access to information they filed with the IRS when they initially requested IRS recognition under section 501(c). This includes whether they filed with the IRS as an independent entity, as a subsidiary of another entity, or as an intermediary or central headquarter organization.[3] For example, many mutual benefit organizations (such as fraternal organizations) are affiliated with a parent organization, as are many churches or other religious organizations with a particular denomination.

In general, we would expect those with some form of IRS affiliation (coded as subsidiaries, intermediary, or headquarter organizations) to be more likely to also report being involved in collaboration or networks in our survey. However, that is not the case. As Figure 2 shows, about two-thirds (65 percent) of those listed as independent entities with the IRS say they are involved in some form of collaboration or network, compared to only half of those with some form of IRS affiliation (52 percent).

Figure 2: Percent of nonprofits involved in linkage by IRS Affiliation Status (n=625)



We think two factors may account for these unexpected patterns – first, the IRS affiliation status is likely what the organization reported when it initially became registered with the IRS, whether that was many decades ago, or only recently. While affiliations may have changed since then, the organization may not have notified the IRS of the change. Second, it is possible that respondents didn't think of their formal IRS affiliation when responding to our survey. That possibility is consistent with the finding that "independent" organization are more likely to say they are involved in collaboration or networking, suggesting that the two concepts tap into different dimensions of connections among nonprofits.

In the remainder of this section of the report, we focus on explaining which types of Indiana nonprofits engage in either formal collaboration or informal networking. Combining these two

[3]The available Affiliation codes in the IRS Business Master File (BMF) of exempt organizations are: Central (1) central type organization (no group exemption) of a National, Regional or Geographic grouping of organizations, Intermediate (2) intermediate organization (no group exemption) of a National, Regional or Geographic grouping of organizations, Independent (3) independent organization or an independent auxiliary (e.g. not affiliated with a national, Regional, or Geographic grouping of organizations), Central (6) organization is a parent (group ruling) and is not a church or 501(c)(1) organization, Intermediate (7) organization is a group exemption intermediate organization of a National, Regional or Geographic grouping of organizations, Central (8) organization is a parent (group ruling) and is a church or 501(c)(1) organization, Subordinate (9) organization is a subordinate in a group ruling.

responses allows us to undertake a more robust analysis and also accounts for differences in how our respondents may have defined their activities as formal collaborations or informal networks. Unfortunately, we have IRS affiliation data only for the subset of respondents registered with the IRS (69 percent), so including also IRS affiliation information would skew our results.

Basic Comparisons

To see whether there are systematic differences in which types of nonprofits participate in these types of linkages – formal collaboration and/or informal networks, we examine how responses to these questions vary by a number of important characteristics – indicators of organizations capacity (their age, their size, how formalized they are, and their access to information technology), their primary field of activity, and external forces (what kind of community they are located in, whether they are a registered charity or not, and their funding profile).These are all factors that we know from other analyses are important for shaping organizational activities and outcomes.

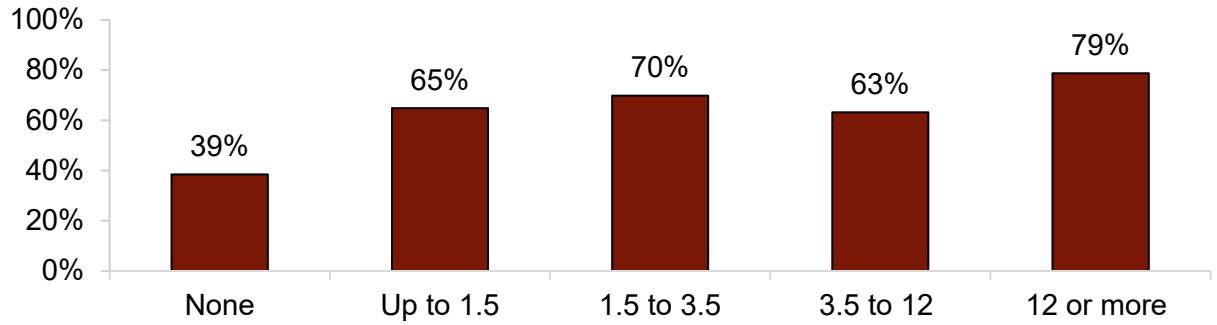
Two of these organizational dimensions – age and location – are not significantly related to whether Indiana nonprofits engage in either of these types of linkages at the bivariate level. They are not included in the analysis presented immediately below, although we include them in our multivariate analyses where we allow all these dimensions to operate at once.

Organizational Capacity: Size

Engaging in collaborations or networking efforts require time and commitment, and we expect larger nonprofits, or at least those with paid staff, to have more capacity to engage with other organizations and, perhaps, to recognize the importance of doing so in order to deliver their own services more effectively. To measure size, we use the number of full-time equivalent (FTE) paid staff, computed as the number of full-time staff plus half the number of part-time staff.

As expected, larger nonprofits, as measured by the number of FTE staff, are more likely to be involved in collaborations or networking. As Figure 3 shows, almost 80 percent of nonprofits with 12 or more paid FTE staff (the highest quartile) collaborate or network with other organizations, compared to 56 percent of all nonprofits for which we have information about staff size. So do roughly two-thirds of all other nonprofits with at least some paid staff (63 to 70 percent of nonprofits), compared to only 39 percent of nonprofits with no paid staff. However, by the same token, almost two-fifths of all nonprofits without any paid staff still have linkages with other organizations.

Figure 3: Percent of nonprofits formally or informally linked with another organization by number of FTE staff (size) (n=911)

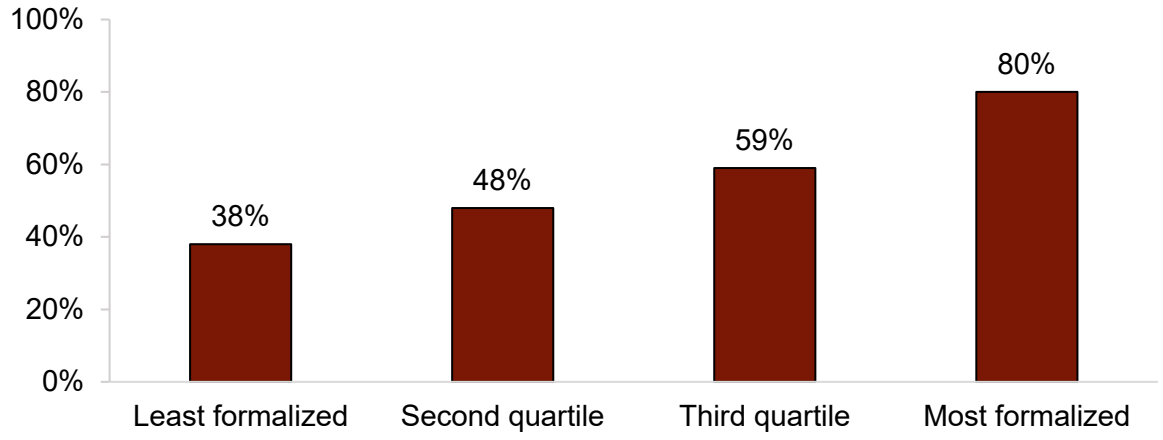


Organizational Capacity: Formalization

Our survey asked whether respondents have various types of organizational components in place. We use the presence of more such components to signal a more formalized organization. We computed a formalization scale by counting the number of organizational and human resource components[4] responding nonprofits have in place (adjusting for whether the organization has volunteers or not).

As Figure 4 shows, the more formalized organizations are, the more likely they are to engage with other organizations. Fully 80 percent of nonprofits in the most formalized quartile are formally or informally linked with other organizations, compared to only 38 percent of those in the least formalized quartile.

Figure 4: Percent formally or informally linked to another nonprofit by quartile of formalization (n=1,036)



Organizational Capacity: Internally Focused Information Technology

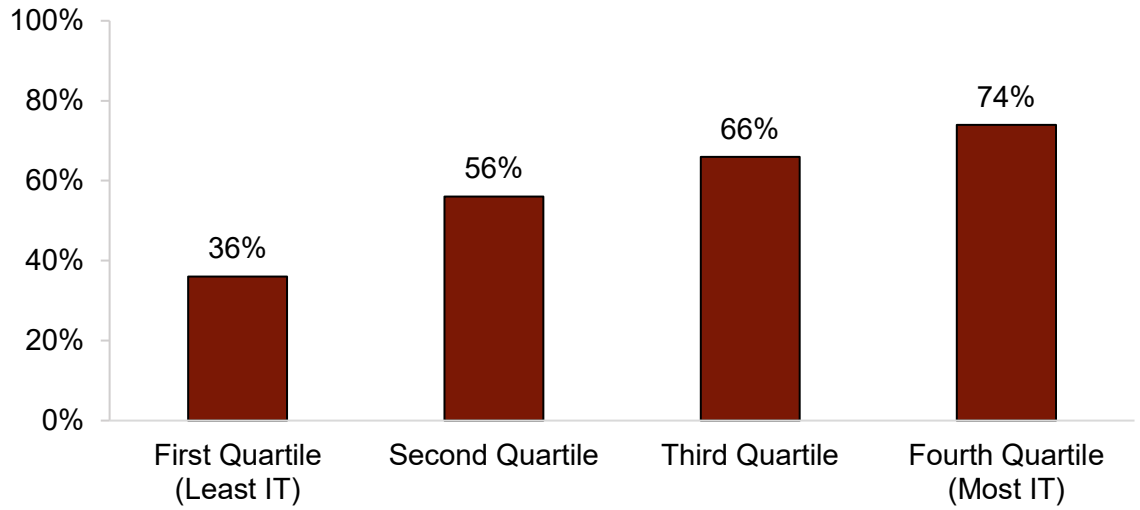
We expect nonprofits with more frequent use of information technology (IT) to be more likely to have established linkages with other organizations, since such linkages increasingly require access to electronic tools for communication and information sharing.

We distinguish between external and internal IT tools. Internally focused tools include having IT security in place, using electronic financial or client records, and engaging in routine data backups. Participating in formal or informal linkages may require, or be facilitated by, easy access to such tools since they make it easier for organizations to assemble information about themselves when communicating with other organizations. It is not surprising therefore to find a strong relationship between higher use of internal IT tools and having linkages. As Figure 5 shows, nonprofits with more frequent use of internal information technology are more likely to be linked to other organizations. About three quarters (74 percent) of those that frequently use

[4] We count the number of written policies (governance, conflict of interest, dissolution, document retention, whistleblower), organizational documents (written board minutes, annual report with financial information, audited financial statements, website), and components specifically for staff/board/volunteers (written personnel policies, orientation process, instruction manuals, training and development opportunities beyond orientation). See Grønbjerg, K. and Goodman, P. (2019). Indiana Nonprofits: Information Technology and Resources, pp. 24-26, online at https://nonprofit.indiana.edu/doc/publications/2017surveyreports/informationtechnology.pdf.

internal IT tools had a formal or informal link with another organization, as do two-thirds (66 percent) of those that use such tools only occasionally. By contrast, only a little over a third (36 percent) of nonprofits that never use any of these types of tools have linkages with other organizations.

Figure 5: Extent to which nonprofits are linked with other organizations by quartile of internally focused IT resources use (n=911)

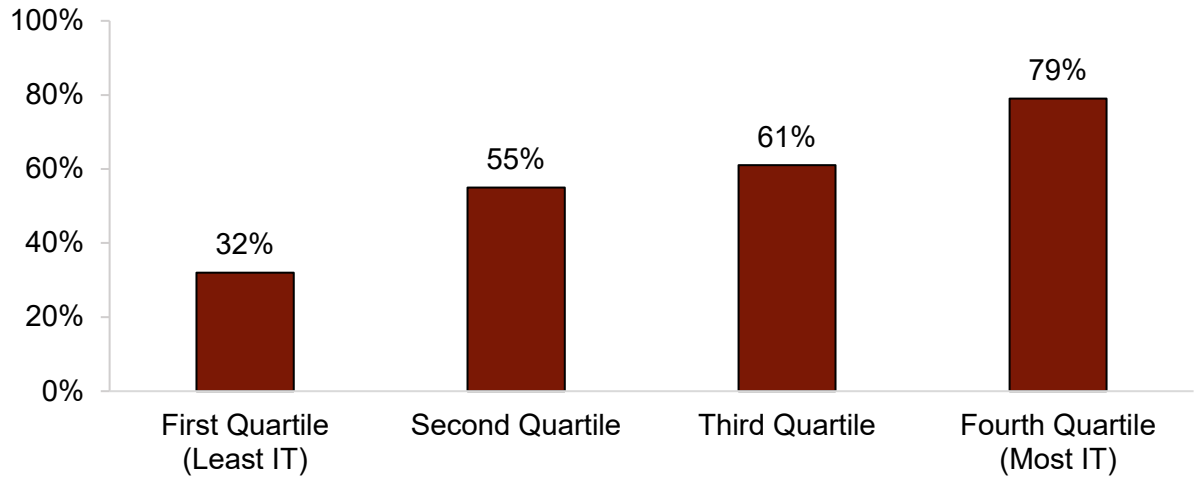


Organizational Capacity: Externally Focused Information Technology

Externally focused IT tools capture how frequently organizations interact with their external environment, such as communicating with constituency groups and other external audiences. The specific resources include the use of Facebook, Twitter, other social media, donor databases or constituent relationship management software, dedicated and reputable sites for nonprofits, standard search engines, and receipt of online donations. We also consider having a website to be an externally focused IT resource, but our survey only asked whether the organization has a website, not how frequently it is used, so it is not included in our externally focused IT resource grouping. Rather, whether nonprofits have an organizational website is analyzed separately. We expect nonprofits with higher use of external IT to be more likely to have linkages with other organizations.

That is indeed the case. As Figure 6 shows, 79 percent of nonprofits that use external IT tools most frequently have linkages, as do 61 percent of those that use such tools occasionally. By comparison, only 32 percent of nonprofits that never use external IT have some kind of linkage to other organizations.

Figure 6: Extent to which nonprofits are linked with other organizations by quartile of externally focused IT resources use (n=920)

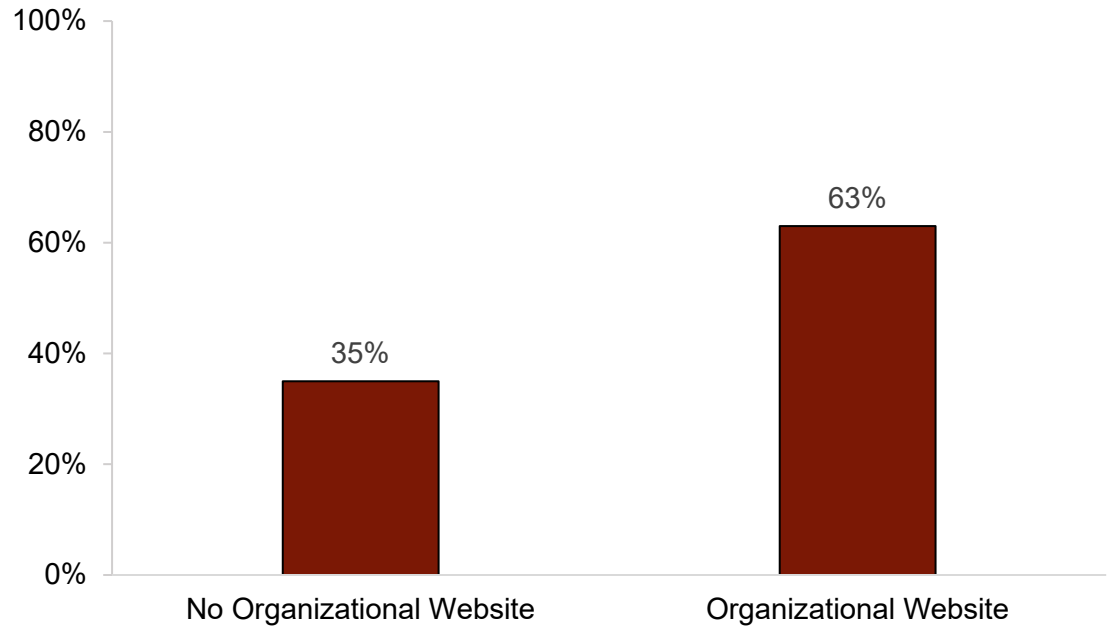


Organizational Capacity: Organizational Website

We asked nonprofits to indicate whether their organization has an organizational website. Since an organizational website is a form of external IT, we expect nonprofits with a website to be more likely to have linkages.

Figure 7 shows this is indeed correct. Nearly two-thirds (63 percent) of Indiana nonprofits with an organizational website are engaged in linkages compared to 35 percent of those without an organizational website.

Figure 7: Percent of nonprofits formally or informally linked with another organization by presence of an organizational website (n=945)

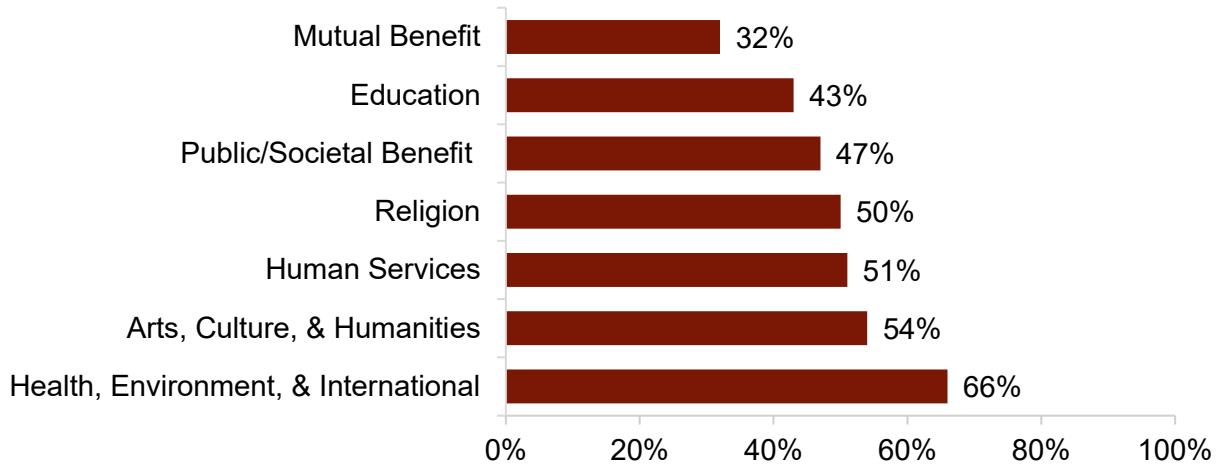


Nonprofit Field of Activity

We identified the primary field of our respondents, using the National Taxonomy of Exempt Entities (NTEE), a more detailed version of which is also used by the IRS in classifying nonprofits registered with the IRS.[5] In general, we expect nonprofits involved in more complex fields to be more likely to have developed some kind of linkage to other organizations. As Figure 8 shows, about two thirds of a combined group of health, environment, and international (66 percent) nonprofits (treated as an "all other fields") say they have formal or informal linkages with other organizations, a significantly higher proportion than the 50 percent overall. These are fields in which services or activities likely depend on coordination with other entities.

The same might be the case for human service nonprofits, but the extent to which they are involved in linkages does not deviate much from the overall level of 50 percent for all nonprofits: human service (51 percent), about the same as what we find for arts, culture, and humanities (54 percent), religion (50 percent), and public/societal benefit nonprofits (47 percent). Education and especially mutual benefit nonprofits are less likely to be involved in any such linkages (respectively 43 and 32 percent).

Figure 8: Percent of nonprofits formally or informally linked with another organization by field of activity (n=1,036)



External Forces: Funding Profile

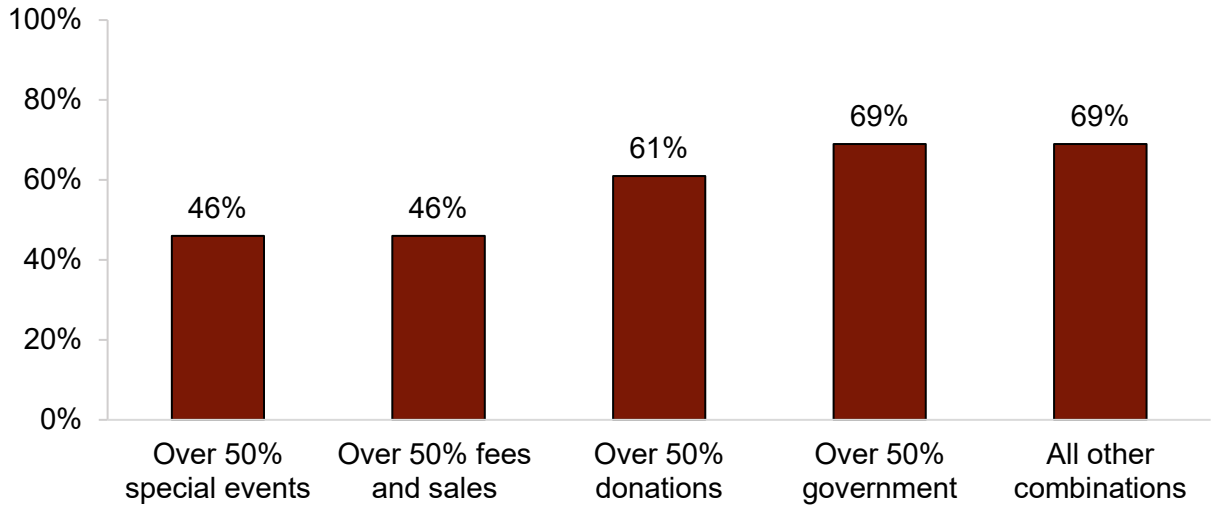
We use survey questions about the percent of revenue received from each of several major types of funding sources during the most recently completed fiscal year to determine whether respondents receive half or more from a particular type of funding. We expect nonprofits that rely primarily on government funding to be more likely to engage in collaboration or networking, since some government funding requires such activities.

As Figure 9 shows, this is indeed the case. More than two-thirds of those that rely mainly on government funding (69 percent) or on a combination of funding sources (69 percent), which may include government funding, report being involved in collaboration or networking activities. By contrast, less than half (46 percent) of those that rely mainly on fees or sales and or on

[5] For a description of the NTEE system, see http://nccs.urban.org/classification/national-taxonomy-exempt-entities (retrieved 5/23/2018). There were so few nonprofits in the fields of health, environment, and international fields that we combined them into an "all other fields" for part of our analysis.

special events do so, suggesting that nonprofits that rely primarily on these types of revenue are notably less likely to have linkages with other organizations.

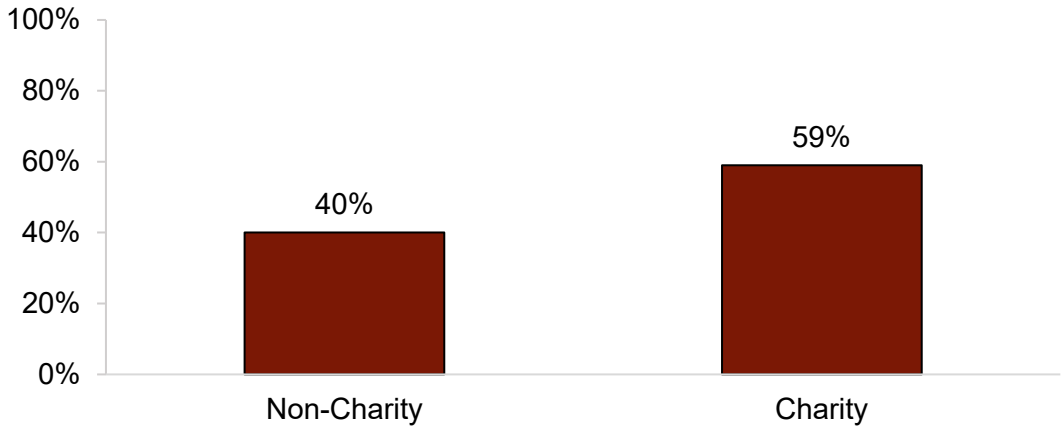
Figure 9: Percent of nonprofits formally or informally affiliated with another organization by primary funding source (n=850)



External Forces: Charity

We also looked at how the presence of either formal or informal collaborations is associated with whether the organization is recognized as a charity by the IRS. In general, we expect charities to be more likely to be involved in collaborations since they aim to serve the broader community, not just their own members. That is indeed the case. Charities are significantly more likely (59 percent) to be involved in either formal or informal collaborations, compared to non-charities (40 percent). See Figure 10.

Figure 10: Percent of nonprofits formally or informally affiliated with another organization by charity (n=309)



Summary

As we have done in previous reports, we now take a closer look at how the various organizational characteristics we have considered so far perform in explaining a particular

pattern, in this case, whether Indiana nonprofits are formally or informally affiliated with another organization, when we allow all of them to operate at the same time. Our analysis so far has focused on whether a particular explanatory factors, such as NTEE field or funding mix, is related to whether Indiana nonprofits are formally or informally affiliated with another organization. Although useful, this approach is limited in that it forces us to consider each explanatory feature separately.

More advanced statistical techniques – multivariate analyses – make it possible to include multiple explanatory features in a statistical model to determine which of them significantly relate to the feature we are trying to understand while controlling for all other factors considered in the analysis. We now take a closer look at how the various organizational characteristics we have considered so far perform in explaining whether Indiana nonprofits have linkages when we allow all of them to operate at the same time. For example, larger organizations tend to be more formalized, so this allows us to determine whether size is still significant, once we control for formalization (and vice versa).

In order to benefit from the full power of multivariate analyses, we use the actual numeric versions of several explanatory factors (variables) explored above instead of grouping these measures into segments. This includes the number of decades since being established, the actual count of FTE paid staff, and the count of organizational components (formalization scale, IT scales). Two of these variables (FTE, formalization) are highly skewed, and we therefore use their natural log to minimize distortions in the analyses.

In the case of explanatory variables that are categorical in nature, we convert each category into a “dummy” variable that has the value 1 (yes) if the responding organization fits that category (e.g., is a charity, has an organizational website) and otherwise has a value of zero (no). If the categorical variable has more than two categories, as does our NTEE variables: arts & culture, education, environment, health, human services, international, mutual benefit, public/societal benefit, and religion, we construct nine dummy variables to capture each type of field in this yes/no format. Our location variable has three categories and therefore requires three dummy variables, and funding-mix has five categories and requires five dummy variables.

For each family of dummy variables, however, we must exclude one from the multivariate analysis in order to have a comparison for the remaining variables in that family. For dummy families with three or more categories, we exclude a variable that provides useful comparisons to the remaining dummy variables in that family:

(1) NTEE Field – exclude “Human services” (it is one of the largest fields)
(2) Funding Profile – exclude “All other combinations”
(3) Location – exclude “Nonmetropolitan county”

We used a multivariate binary logistic regression to determine which of the ten explanatory factors – age, size, formalization, internally focused IT, externally focused IT, organizational website, NTEE, location, funding profile, and charity – are the most closely with whether Indiana nonprofits have a linkage. The analysis is highly predictive ($p<.001$) and explains 26 percent of the variation in the variable. Three explanatory factors are significant. Two of these – formalization and nonprofit field – were also significant at the bivariate level, but size, use of either type of IT, funding profile, and charity are no longer significant in the multivariate analysis. On the other

hand, location was not significant at the bivariate level, but is once we control for all other factors.

- Formalization: More formalized nonprofits are significantly more likely to be either formally or informally affiliated with another organization, controlling for all other factors. This pattern is consistent with the bivariate analysis.
- Nonprofit Field: Controlling for all other factors, compared to human service nonprofits, education nonprofits are significantly less likely to be either formally or informally affiliated with another organization. In the bivariate analysis, education nonprofits were less likely to be linked than most other types of nonprofits.
- Location: Compared to nonprofits located in nonmetropolitan counties, nonprofits located in a central city metropolitan county are significantly more likely to be either formally or informally affiliated with another organization, holding all other factors constant.

Table 1: Estimates for binary logistic regression of whether Indiana nonprofits are either formally or informally affiliated with another organization (n=542)

Variables Included in the Multivariate Equation	Positive (+) or Negative (–) Significant Coefficients
Age	
Size	
Formalization	**+**
Average Internal IT	
Average External IT	
Website	
NTEE Code (ref=Human Services)	
NTEE Code: Arts & Culture	
NTEE Code: Education	**–**
NTEE Code: Environment	
NTEE Code: Health	
NTEE Code: International	
NTEE Code: Mutual Benefit	
NTEE Code: Public/Societal Benefit	
NTEE Code: Religion	
Funding Mix (ref=Mixed)	
Funding Mix: Over 50% Donations	
Funding Mix: Over 50% Fees and Sales	
Funding Mix: Over 50% Government	
Funding Mix: Over 50% Special Events	
Charity	
Location (ref=Nonmetropolitan County)	
Location: Metropolitan Ring County	
Location: Central City Metropolitan County	**+**
Significance Level	**0.000**
Variance Explained	**0.255**

Note: Coefficients significant at the p<0.05 level are marked with positive (+) or negative (–) depending on the direction of the relationship. Model Chi-Square=112.039, and there are 71.4% estimated correct predictions in the model. We use the natural log of size in terms of FTE and formalization to account for the skew in the distribution of the original versions of the variables. Excluded categories: Funding Mix: Mixed, NTEE Code: Human Services, Location: Nonmetropolitan County. For full results, see Appendix C.

Purpose of Most Important Linkage

The 2017 Indiana nonprofit survey asked respondents to briefly describe the purpose of their organization's most important linkage. This was a free response portion of the survey that was later coded by staff as falling into one or more of three broad types of purposes: Program Related, (2) Management Related, and (3) Relational. In some cases, more than one of the codes were relevant. This approach allows us to examine which factors appear to predict the purpose of important linkages.

We use "Program Related" to capture purposes related to coordinating services, meeting community needs, meeting member needs, having a similar mission, promoting awareness, lobbying efforts, or other. For example, a nonprofit described its most important linkage as connecting it with a local tourism center that provided activities for the community and promoted events. This linkage was coded as program related because it served to help the organization deliver its services and promote awareness of its programs.

We use "Management Related" to capture that the purpose of the organization's most important linkage was tied to sharing resources, fundraising, sharing ideas, training volunteers, employees, and leaders, sharing costs, or other. For example, a nonprofit said its most important linkage served to collaborate with others on janitorial services and save money. This linkage was coded as management related because it represents the sharing of resources. In general, these linkages relate to operational management.

Lastly, we use "Relational" to indicate that the purpose of the organization's most important linkage was to maintain connections to denominational or religious affiliations, national organizations, United Way, or local umbrella organizations, or other. For example, a nonprofit described its most important linkage as connecting it to a large association of homeowner's associations. This linkage was coded as relational because the purpose is to connect the organization to this overarching, umbrella association.

Of the nonprofits with linkages, Figure 11 shows that over half (55 percent) described purposes that were program related, one third (35 percent) had management related purposes, followed by 20 percent that are relational in nature. However, the categories overlap since the descriptions of purposes were complex and, in some cases, related to more than one of the types of purposes. Also, some respondents did not describe the purpose, perhaps because they were not sure which of their linkages is the "most important" one. Others simply skipped the question.

Because some nonprofits' most important linkage had several purposes, we looked at the extent to which that was the case. Program related linkages are overwhelmingly the only goal (51 percent) with another 5 percent describing purposes that also fit one of the two other categories (see Figure 12). For about a quarter, management-related linkages (28 percent) were the primary purpose, with another 6 percent describing purposes that fit one of the two other

categories. Relational linkages divide almost evenly between those where these linkages are the only purpose and those where there is also another purposes (11 percent and 9 percent, respectively). These findings suggest that the primary purposes of linkages are program related for Indiana nonprofits, followed by management-related purposes. Relational purposes are much less frequent, and they often involve program- and management-related related purposes as well.

Figure 11: Percent of nonprofit's most important linkage by its purpose (n=384)

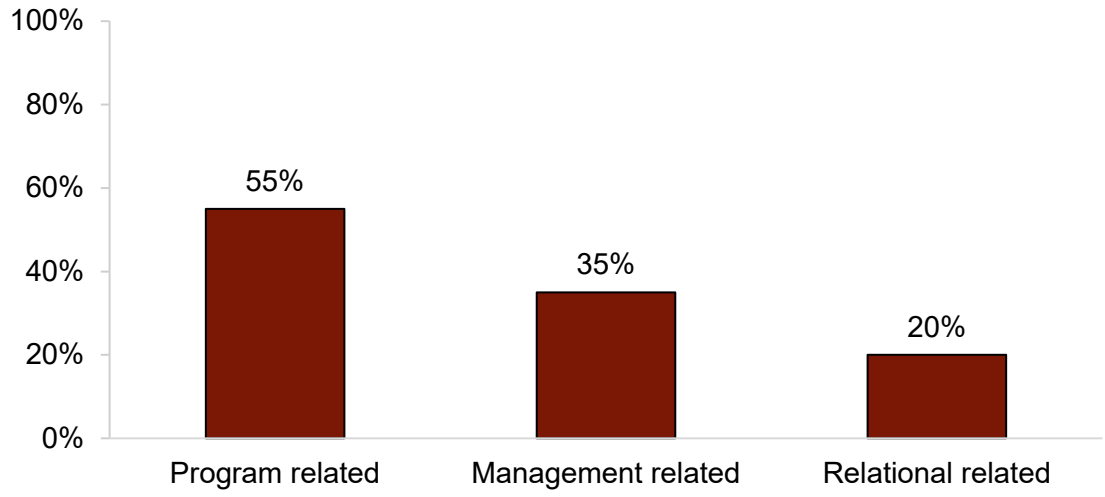
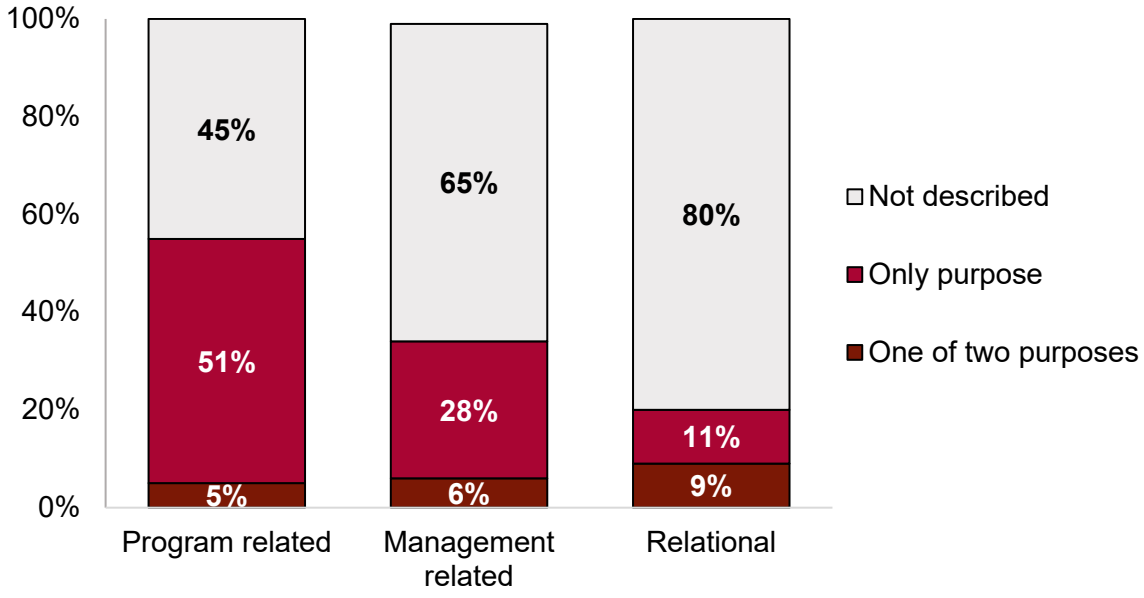


Figure 12: Percent of linkages by type and number of purposes (n=384)



We then used the coded responses to better understand which organizational characteristics help predict the purpose of the organization's most important formal or informal linkage. Only two of the ten organizational characteristics appear to be relevant, but only for one purpose only: nonprofit field is important for program related linkages and externally focused IT for

relational linkages. None of our explanatory factors appear to be significant for management-related linkages.

Program Related Linkages

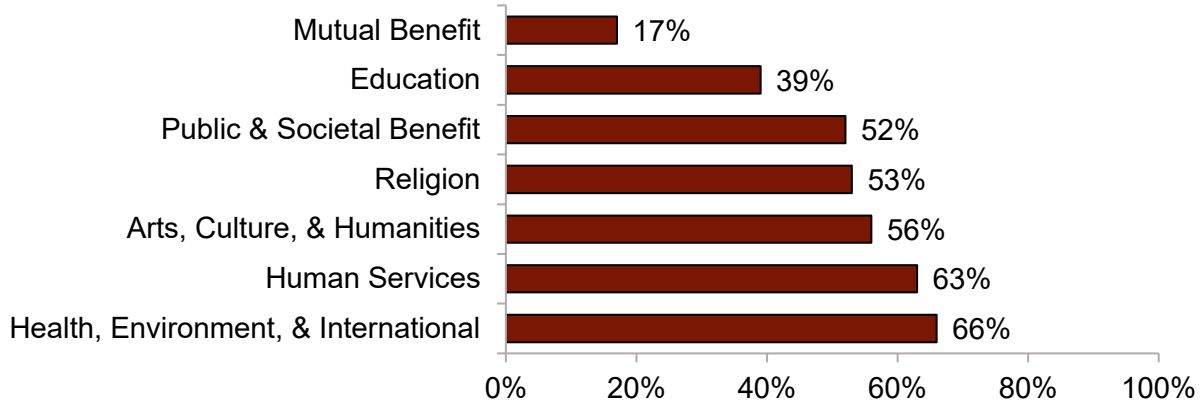
Only one factor appears to be important for predicting whether the purpose of the most important linkages is program related – primary field of activity. In general, we expect nonprofits involved in more complex fields to be more likely to report that their most important linkage is program related.

Nonprofit Field of Activity

There is modest support for this argument, As Figure 13 shows, about two-thirds of the "all other" combined health, environment, and international (66 percent) and human service (63 percent) nonprofits say that their most important linkage is program related, compared to 55 percent overall. All but two of the remaining fields are very close to the overall percentage: arts, culture, and humanities (56 percent), religion (53 percent) and public and societal benefit (52 percent).

By contrast, 39 percent of education nonprofits and only 17 percent of mutual benefit nonprofits say that program related linkages are their most important type of linkage, a significantly lower proportion than the 55 percent overall. Both are fields in which nonprofits likely operate their own programming internally, without the need to coordinate activities with collaborators or partners.

Figure 13: Extent to which NTEE category defines most important relationship described as program related (n=384)



Relational-Related Linkages

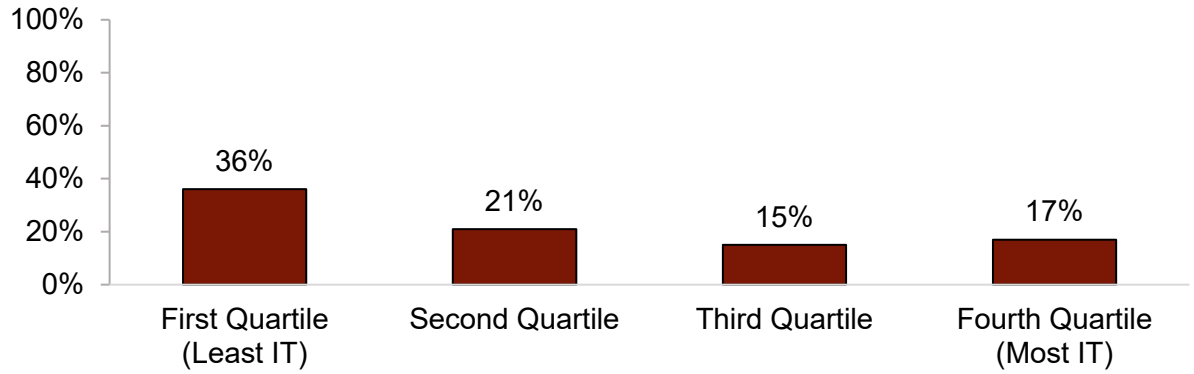
Only one factor appears to be important for predicting whether the purpose of the most important linkage is relational – externally focused IT. In general, we expect nonprofits that use externally focused IT more frequently to report their most important linkage is relational.

Organizational Capacity: Externally Focused Information Technology

We expect nonprofits with less frequent use of externally focused IT, such as use of social media, to be more likely to rely on an established linkage with other organizations to assist with marketing and public outreach. Thus, an umbrella or headquarter organization, might provide the branding and specific language that can be used by a chapter or affiliate nonprofit.

As explained in the previous section, we distinguish between external and internal IT tools. Externally focused IT tools capture how frequently organizations interact with their external environment, such as communicating with constituency groups and other external audiences. We expect that the level of externally focused IT efforts made by an organization might be related to linkages having a relational purpose. That is indeed the case. Figure 14 shows that 36 percent of nonprofits that never use external IT tools describe their most important relationship as relational. By comparison, only 17 percent of nonprofits that frequently use external IT describe their most important relationship as relational.

Figure 14: Extent to which nonprofits that characterize the purpose of their most important relationship as relational by use of externally focused IT resources (n=384)



Summary

We ran three multivariate regressions to take a closer look at how the ten explanatory factors we have considered so far – age, size, formalization, internally focused IT, externally focused IT, organizational website, nonprofit field, funding mix, charity, and location – perform in explaining the purpose of the most important linkage when we allowed all to operate at the same time. The first regression examined which, if any, explanatory factors were significantly related to program related collaborations. Second, we examined which, if any, explanatory factors were significantly related to management-related collaborations. Finally, our third regression examined relational collaborations.

None of the multivariate regressions were significant at the $p<0.05$ level, nor were either of the two dimensions that were important at the bivariate level, once we control for all other factors. However, two organizational dimensions were significant predictors in our third regression analysis on relational collaborations, although the overall analysis was not significant.

- Age: Older nonprofits are significantly more likely to have relational linkages holding all other factors constant.
- Location: Compared to nonprofits located in nonmetropolitan counites, those located in central city metropolitan counties are significantly more likely to have relational linkages holding all other factors constant.

Table 2: Estimates for binary logistic regression of whether Indiana nonprofits' most important linkage is relational (n=252)

Variables Included in the Multivariate Equation	Positive (+) or Negative (–) Significant Coefficients
Age	+
Size	
Formalization	
Average Internal IT	
Average External IT	
Organizational Website	
NTEE Code (ref=Human Services)	
NTEE Code: Arts & Culture	
NTEE Code: Education	
NTEE Code: Environment	
NTEE Code: Health	
NTEE Code: Public/Societal Benefit	
NTEE Code: Religion	
Funding Mix (ref=Mixed)	
Funding Mix: Over 50% Donations	
Funding Mix: Over 50% Fees and Sales	
Funding Mix: Over 50% Government	
Funding Mix: Over 50% Special Events	
Charity	
Location (ref=Nonmetropolitan County)	
Location: Metropolitan Ring County	
Location: Central City Metropolitan County	+
Significance Level	0.379
Variance Explained	0.122

Note: Coefficients significant at the $p<0.05$ level are marked with positive (+) or negative (–) depending on the direction of the relationship. Model Chi-Square=19.675, and there are 85.3% estimated correct predictions in the model. We use the natural log of size in terms of FTE and formalization to account for the skew in the distribution of the original versions of the variables. Excluded categories: Funding Mix: Mixed, NTEE Code: Human Services, Location: Nonmetropolitan County. Two additional NTEE fields were excluded, international and mutual benefit, due to low response rates. For full results, see Appendix C.

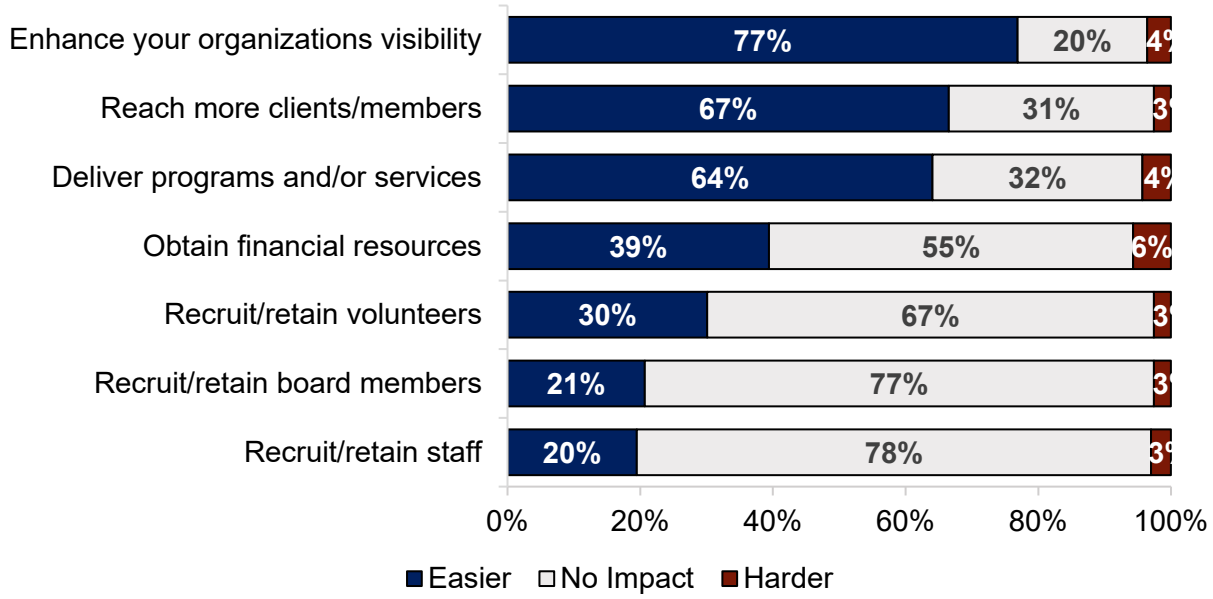
Impacts of Most Important Linkage

We also asked our respondents to indicate how their most important linkage affects a variety of internal and external activities. We asked about the impact on delivering programs and/or services, reaching more clients/members, obtaining financial resources, enhancing the organization's visibility/reputation, recruiting/retaining staff, recruiting/retaining board members, and recruiting/retaining volunteers, and. For each dimension, respondents were asked whether the linkage made that particular task easier, harder, had no impact, or was not applicable. Because

"no impact" and "not applicable" may be interchangeable, we combined them as "no impact" for the purpose of this analysis.

Figure 15 shows that linkages almost always make it easier for Indiana nonprofits to reach particular goals or at worst has no impact. Indeed, very few (only 3-6 percent) say their most important linkage has a detrimental impact. Linkages appear to be particularly helpful in meeting program related goals. More than three-quarters said that their most important linkage made it easier for them to enhance their organization's visibility (77 percent) and about two-thirds said it made it easier to reach more clients or members (67 percent) and deliver programs and/or services (64 percent). About two-fifth said that linkages made it easier to obtain financial resources (39 percent). Linkages also were helpful in securing and retaining human resources, but to a much smaller extent: volunteers (30 percent), board members (21 percent) or staff (20 percent).

Figure 15: Impact of most important linkage (n=508)



In order to simplify our presentation, we converted these responses to a scale from 3 (easier) to 1 (harder) and used statistical techniques[6] to examine whether the scores on these seven activities grouped in some ways. We found two underlying groupings, which we labeled as program- and human resource related impacts respectively. Nonprofits that reported one type of impact in each grouping as easier because of the linkage were also more likely to report positive impacts on other activities in that grouping.

Linkage Impact – Improve Program Related Goals

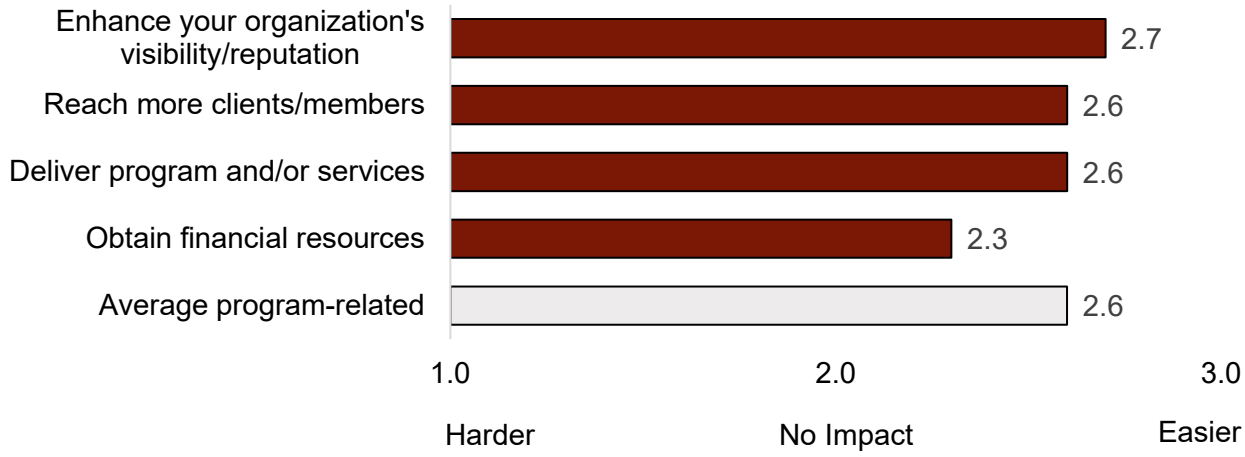
Four of the dimensions fit program related goals and had the highest percentages saying the most important linkage made the activity easier: enhancing the organization's visibility and

[6] We used factor and reliability analysis to group these seven activities. Additional details on statistical procedures used and analysis results are available from the authors.

reputation, reaching more clients or members, delivering programs and/or services, and/or obtaining financial resources.

Figure 16 shows that the average score for these four items ranges from 2.7 for enhancing organization visibility/reputation to 2.3 for obtaining financial resources with a combined average score of 2.6. The score of 2.3 for obtaining financial resources is notably lower than for the other three activities and the overall average. The fact that obtaining financial resources groups with the more explicit program related goals, rather than with securing board, staff, or volunteers, suggests that funders may encourage these partnerships, perhaps even require them, as a condition of providing funding. However, the lower score suggests while funders may encourage these linkages, nonprofits with linkages are not always rewarded with more funding.

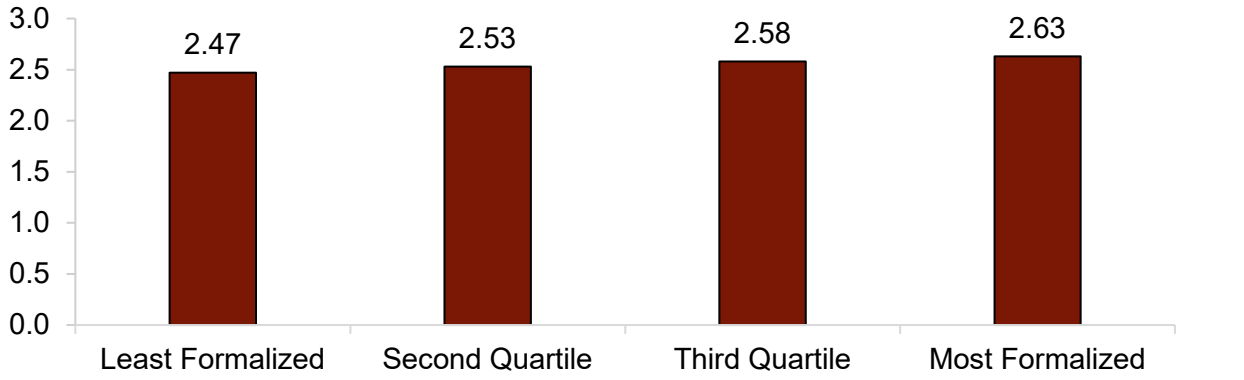
Figure 16: Average scores of program-related activities on impact scale (n=526)



Organizational Capacity: Formalization

Formalization is positively related to the impact linkages have on program related activities. The least formalized nonprofits report the lowest average impact on program related activities (2.47) and as formalization increases, so does the positive impact on program related activities to an average of 2.63 for the most formalized nonprofits.

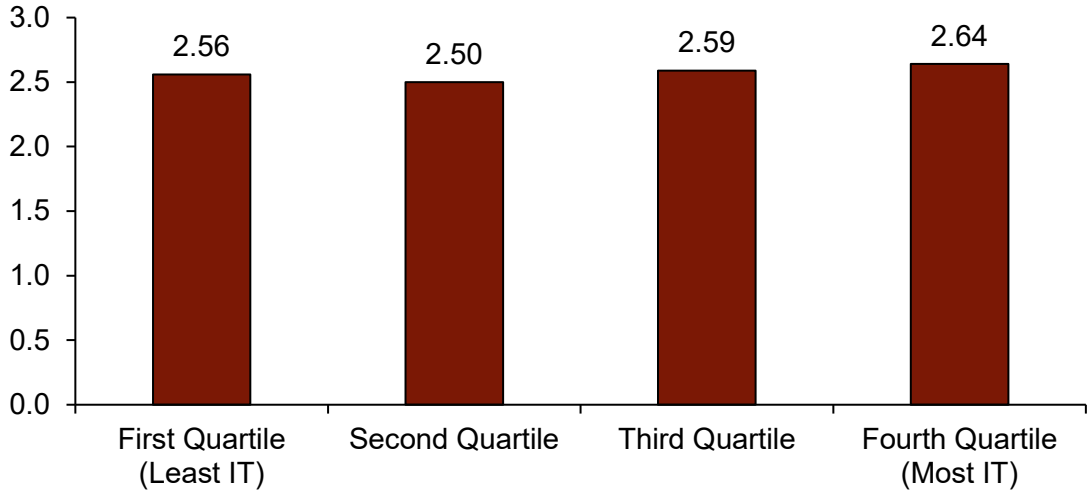
Figure 17: Average program-related linkage impact score by degree of formalization (n=510)



Organizational Capacity: Internally Focused Information Technology

The relationship between internally focused IT and linkages impact on program related activities is not as strong as the relationship with externally focused IT, though still significant. Nonprofits in the first lowest quartiles of internal IT use, report lower average scores (2.56 and 2.50 respectively) compared to nonprofits in the third and fourth quartile report, 2.59 and 2.64 respectively.

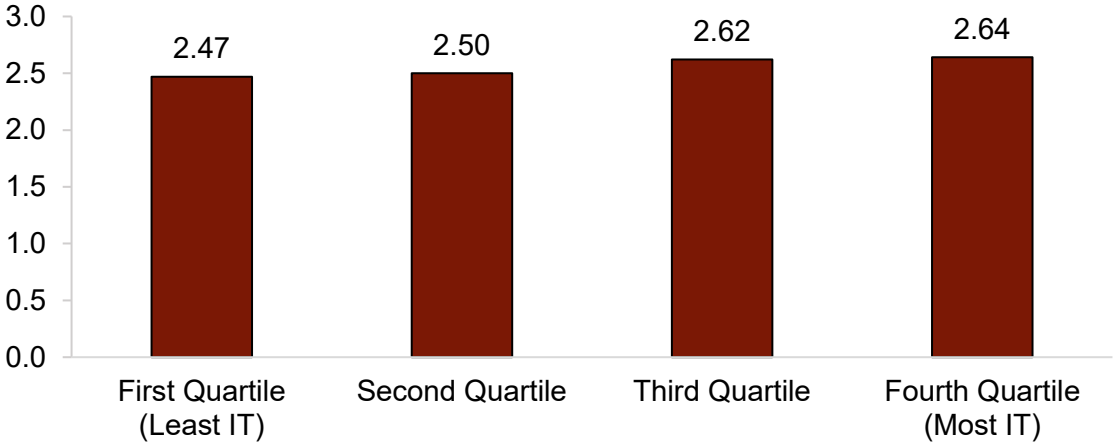
Figure 18: Average program-related linkage impact score by frequency of Internal IT use (n=506)



Organizational Capacity: Externally Focused Information Technology

Using externally focused IT appears to facilitate program related impacts. This is what we would expect since external IT is often used to communicate with outside audiences or constituency groups. Nonprofits that never or rarely use external IT (first quartile) report the lowest average score (2.47) for program related impacts with impact increasing steadily across the quartiles from there – 2.50 (second quartile), 2.62 (third quartile), and 2.64 (fourth quartile – most IT).

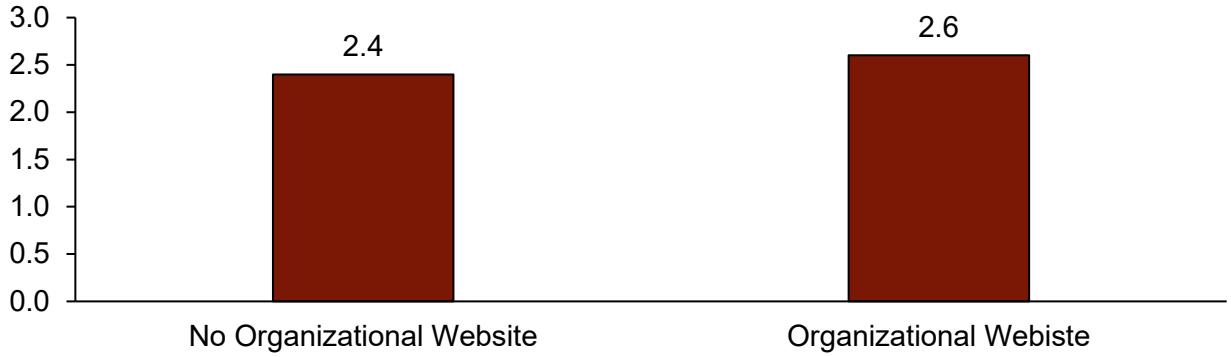
Figure 19: Average program-related linkage impact score by frequency of External IT use (n=509)



Organizational Capacity: Organizational Website

There is a strong relationship between program related impacts and the presence of an organizational website. As we stated with external IT, this is what we expected since nonprofit websites are used to relay information to outside audiences. Nonprofits with an organizational website report the highest average score (2.6) for program related impacts compared to nonprofits with no organizational website (2.4).

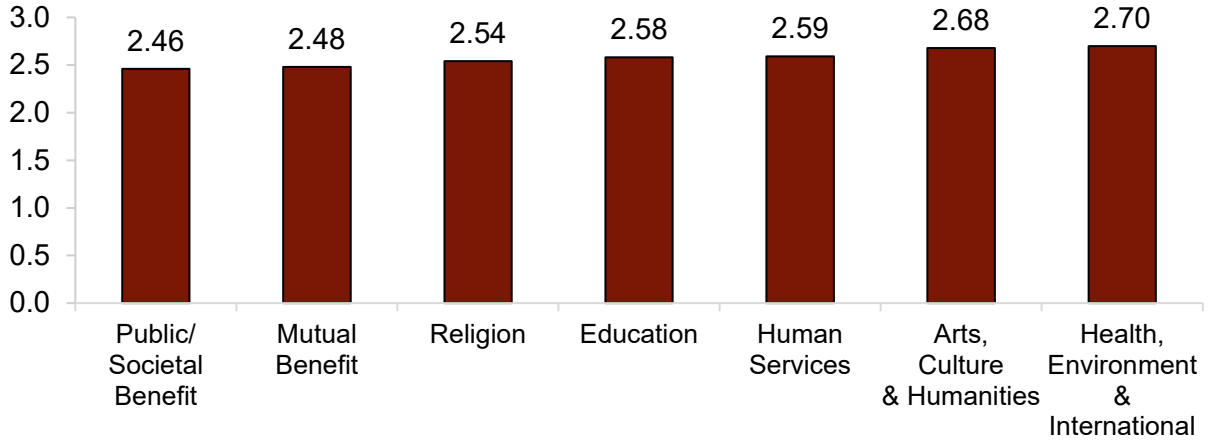
Figure 20: Average program-related linkage impact score by organizational website (n=510)



Nonprofit Field of Activity

Nonprofit fields of activity are closely related to the types of services nonprofits provide and some fields may be more likely to benefit from linkages than others. That is the case. Figure 21 below shows the average program related benefits by field. The highest scores are found for arts, culture, and humanities nonprofits (2.68) and a combined group of health, environment and animals, and international nonprofits (2.70). Linkages provide notably less program related benefits for public and societal benefit (2.46) and mutual benefit (2.48) nonprofits. This is consistent with our earlier finding that both types of nonprofits are less likely to have linkages in the first place – and when they have linkages, they appear to benefit less from these connections than nonprofits in other fields.

Figure 21: Average program-related linkage impact score by nonprofit field of activity (n=510)



Summary

We used a multivariate linear regression to determine which of the ten explanatory factors are most closely associated with an impact on program related linkages. The regression is significant ($p<0.05$), though it only explains 7 percent of the variation in the variable. One of the five explanatory that were significant at the bivariate level remain significant when we control for all other factors. See Table 3. The second regression analyzing the impact of linkages on human resource related goals is significant ($p<0.05$), though it only explains 5 percent of the variation in the variable. Two of the three explanatory factors that were significant at the bivariate level remain significant when we control for all other factors. See Table 3.

- Organizational Website: Nonprofits with an organizational website are more likely to have linkages that make program related activities easier compared to those without an organizational website.

Table 3: Estimates for linear regression of the impact linkages have on program related goals (n=332)

Variables Included in the Multivariate Equation	Positive (+) or Negative (–) Significant Coefficients
Age	
Size	
Formalization	
Average Internal IT	
Average External IT	
Organizational Website	**+**
NTEE Code (ref=Human Services)	
NTEE Code: Arts & Culture	
NTEE Code: Education	
NTEE Code: Environment	
NTEE Code: Health	
NTEE Code: International	
NTEE Code: Mutual Benefit	
NTEE Code: Public/Societal Benefit	
NTEE Code: Religion	
Funding Mix (ref=Mixed)	
Funding Mix: Over 50% Donations	
Funding Mix: Over 50% Fees and Sales	
Funding Mix: Over 50% Government	
Funding Mix: Over 50% Special Events	
Charity	
Location (ref=Nonmetropolitan County)	
Location: Metropolitan Ring County	
Location: Central City Metropolitan Ring	
Significance Level	**0.003**
Variance Explained	**0.067**

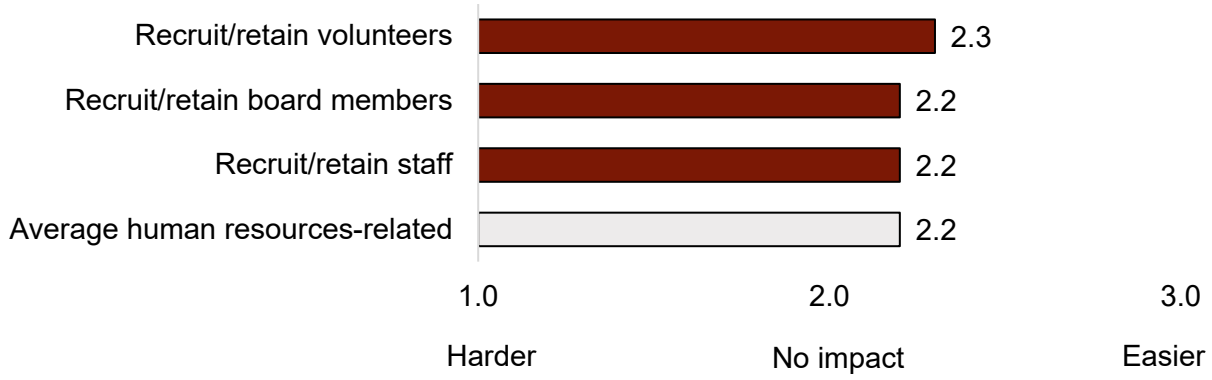
Notes: Coefficients significant at the p<0.05 level are marked with positive (+) or negative(–) depending on the direction of the relationships. We use the natural log of size in terms of FTE and formalization to account for the skew in the distribution of the original versions of the variables. Excluded categories: Funding Mix: Mixed, NTEE Code: Human Services, Location: Nonmetropolitan County. For full results, see Appendix C.

Linkage Impact – Improve Human Resource Related Goals

The three remaining impacts of linkage all group together and all relate to human resources: the ability to recruit and retain staff, board members, and volunteers.

The average scores for these three items range from 2.3 for recruiting/retaining volunteers to 2.2 for recruiting/retaining board members and staff (also 2.2). These average scores are all very similar and notably lower than for the four program related activities. We speculate that linkages may help nonprofits' identity promising recruits to fill board, staff or volunteer roles. However, that may only make a difference at the margin – many other factors (e.g., wages, benefits, location, working conditions, organizational mission) are likely to be more important in filling these types of positions. By the same token, linkages do not appear to make it more difficult to retain volunteers, board or staff members. The combined average score of the three human resource related services is 2.2.

Figure 22: Average scores of human resource related activities on impact scale (n=528)

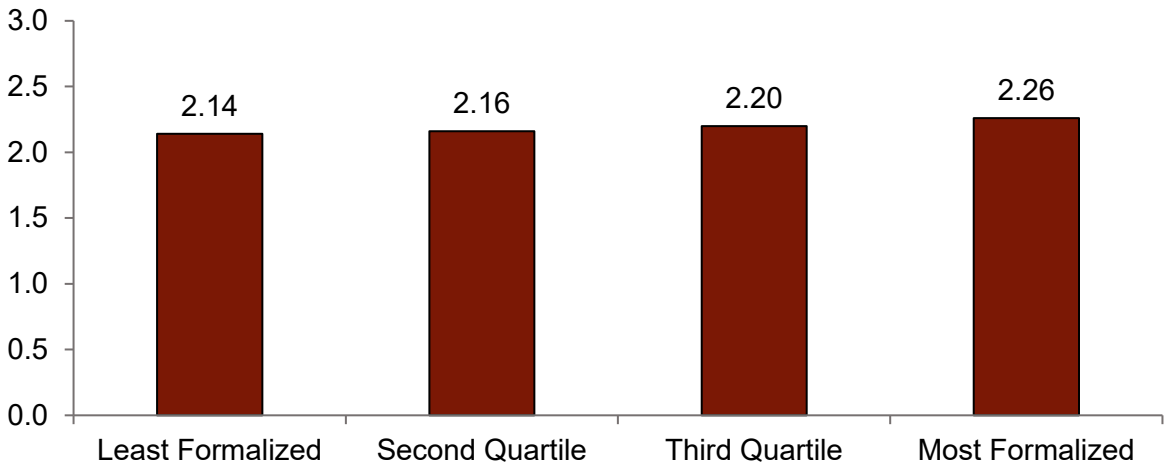


Three of the ten explanatory factors are significantly related to whether linkages help nonprofits recruit and retain volunteers, board members, and staff. Two capture various aspects of organizational capacity and one reflect external conditions.

Organizational Capacity: Formalization

As we would expect, the more formalized nonprofits are the more linkages help them recruit and retain board, staff, and volunteers. The least formalized nonprofits reported the lowest average score (2.14), and the score continued to rise steadily ending at 2.26 for the most formalized nonprofits.

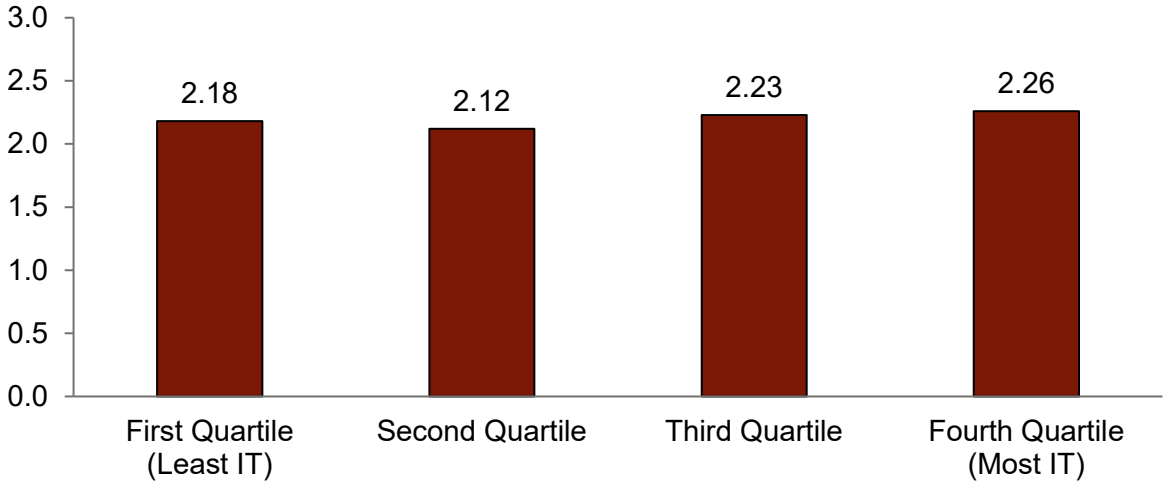
Figure 23: Average human resource-related linkage impact score by degree of formalization (n=508)



Organizational Capacity: Externally Focused IT

Similar to the findings above with program related linkages, nonprofits that use more externally focused IT report that linkages make human resource related activities easier. Nonprofits in the two lowest quartiles of using externally focused IT report the least human resources related benefits from linkages – average scores 2.18 and 2.12 respectively. The highest two quartiles report higher average scores, 2.23 and 2.26 respectively.

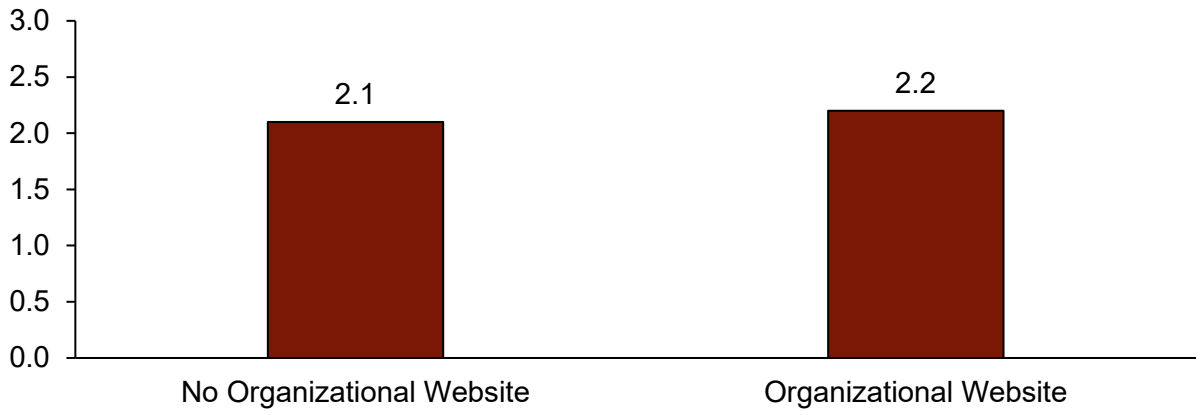
Figure 24: Average human resource-related linkage impact score by use of external IT (n=508)



Organizational Capacity: Organizational Website

Nonprofits with an organizational website report linkages help meet human resource related needs, though the relationship is not as strong as the findings above with program related linkages. Figure 25 shows nonprofits with an organizational website report an average score of 2.2 compared to those without an organizational website (2.1).

Figure 25: Average human resource-related linkage impact score by organizational website (n=508)

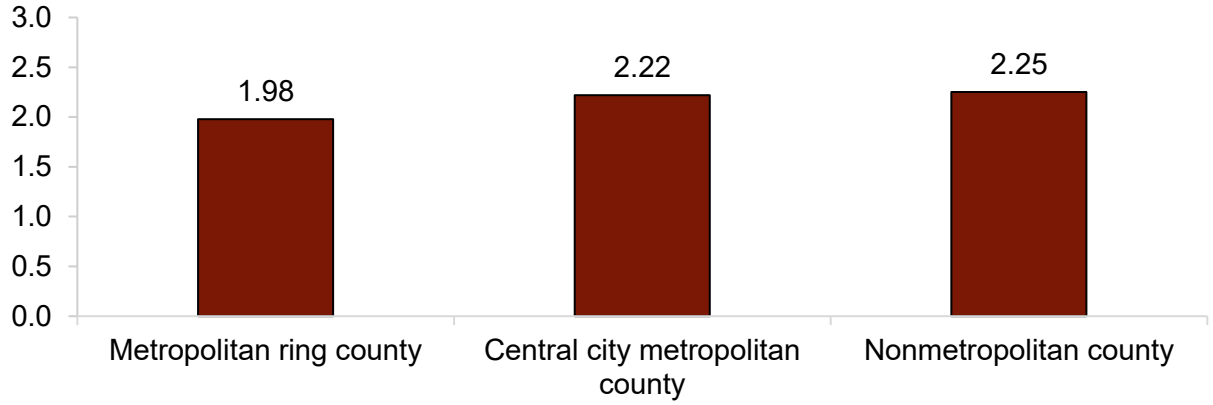


External Forces: Location

Location also appears to play an important role in whether linkages help nonprofits meet human resource needs. Central city metropolitan and nonmetropolitan counties both have relatively higher average scores of human resource related impacts, 2.22 and 2.25 respectively, compared to nonprofits located in metropolitan ring counties (average score of 1.98).

We speculate that linkages in large central cities, may increase the network connections participants have with other nonprofits similar to themselves and therefore to candidates for staff, board, or volunteer positions with the desired expertise. In the smaller rural, nonmetropolitan communities, linkages may allow nonprofits to make connections to a broader array of organizations, including businesses and government offices, and explore candidates with more atypical fits. For nonprofits located in suburban counties of metropolitan regions linkages may be more tenuous and perhaps dominated by central city nonprofits with fewer advantages for suburban nonprofits for securing and retaining human resources.

Figure 26: Average human resource-related linkage impact score by location (n=507)



Summary

We used multivariate linear regressions to determine which explanatory factors are most closely associated with an impact on human resource related linkages. The regression is significant

(p<0.05), though it only explains 5 percent of the variation in the variable. One of the three explanatory factors that were significant at the bivariate level remain significant when we control for all other factors. See Table 4.

- Location: Compared to nonprofits in nonmetropolitan counties, nonprofits located in the outer circle of a metropolitan county are less likely to have linkages that make human resource related activities easier.

Table 4: Estimates for linear regression of the impact linkages have on human resource related goals (n=331)

Variables Included in the Multivariate Equation	Positive (+) or Negative (–) Significant Coefficients
Age	
Size	
Formalization	
Average Internal IT	
Average External IT	
Organizational Website	
NTEE Code (ref=Human Services)	
NTEE Code: Arts & Culture	
NTEE Code: Education	
NTEE Code: Environment	
NTEE Code: Health	
NTEE Code: International	
NTEE Code: Mutual Benefit	
NTEE Code: Public/Societal Benefit	
NTEE Code: Religion	
Funding Mix (ref=Mixed)	
Funding Mix: Over 50% Donations	
Funding Mix: Over 50% Fees and Sales	
Funding Mix: Over 50% Government	
Funding Mix: Over 50% Special Events	
Charity	
Location (ref=Nonmetropolitan County)	
Location: Metropolitan Ring County	**–**
Location: Central City Metropolitan Ring	
Significance Level	**0.013**
Variance Explained	**0.052**

Notes: Coefficients significant at the p<0.05 level are marked with positive (+) or negative(–) depending on the direction of the relationships. We use the natural log of size in terms of FTE and formalization to account for the skew in the distribution of the original versions of the variables. Excluded categories: Funding Mix: Mixed, NTEE Code: Human Services, Location: Nonmetropolitan County. For full results, see Appendix C.

CONCLUSION

No singular organization – government, for-profit, or nonprofit – is capable of providing a broad enough range of services to meet all the needs of the community it serves. Rather, each organization identifies a niche of services suited to its particular mission or goals and given its own capacities while considering services provided by other agencies in the area. Often times, this requires nonprofits to engage in formal collaborations and informal networks.

In this report, we have examined three key questions: the extent to which Indiana nonprofits engage in formal collaborations and informal networks – jointly referred to as linkages in this report; the purpose of the most important linkage; and whether the most important linkage made program related and human resource related activities harder, easier, or had no impact.

We found half of Indiana nonprofits are engaged in either formal collaborations (9 percent), informal networks (32 percent), or both (9 percent). Nonprofits registered as independent charities with the IRS are more likely (65 percent) to be involved in linkages, compared to IRS-registered nonprofits reporting some form of formal affiliation (52 percent).

The multivariate regression for whether Indiana nonprofits are engaged in linkages was our most significant model and had three significant predictors. Controlling for all other factors, we found more formalized nonprofits are more likely to have linkages, as were nonprofits located in nonmetropolitan counties, while education nonprofits were least likely to have linkages. At the bivariate level, both age and size in terms of FTE were positively significant with the presence of linkages. This is what we expected since engaging in linkages requires times and commitment, and the organizational capacity to do so is often found among larger and more formalized nonprofits.

Our second survey question was free response. We asked nonprofits to briefly describe the purpose of their most important linkage and responses fell into three broad categories: (1) program related, (2) management related, and (3) relational. More than half (55 percent) of Indiana nonprofits said their most linkage was program related (e.g., coordinating services, meeting community or member needs, promoting awareness). Nearly two-thirds (35 percent) identified management related purposes (e.g., sharing resources, fundraising, training volunteers, sharing costs), and the smallest portion (20 percent) identified relational purposes (e.g., maintain connections with religious affiliations, national organizations, or local umbrella organizations). There were a small number of nonprofits that identified purposes under more than one category.

At the bivariate level, mutual benefit and education nonprofits were significantly less likely to say the most important linkage was program related. These nonprofits may handle programming related activities internally – such as coordinating services, meeting community needs, etc. We also found nonprofits that engage in less frequent use of external IT are significantly more likely to say that their most important linkage serves a relational purpose. This is likely because nonprofits with little externally focused IT rely on their linkages to engage with the external environment.

None of the three multivariate regressions examining which factors predict linkages serving program related purpose, management related purpose, or relational purpose were significant at $p<0.05$. However, two organizational indicators had significant individual coefficients in the third

regression on relational collaborations. Older nonprofits are more likely to report its most important linkage serve a relational purpose, controlling for all other factors. This also holds true for nonprofits located in central city metropolitan areas compared to nonprofits in nonmetropolitan counties. We suspect older nonprofits and those located in the central city metropolitan counties are more likely to have relational linkages because they are well-established and surrounded by a more robust nonprofit environment.

Finally, we asked respondents how their most important linkage affects a range of internal and external activities. For each dimension, respondents were asked whether the linkage made a particular task easier, harder, or had no impact. The activities naturally broke into two groupings: program related activities (e.g., enhance organizations visibility, reach more clients/members, deliver programs and/or services, and obtain financial resources) and human resource related activities (e.g., recruit and retain volunteers, board members, and staff).

Linkages appeared the have the most positive impact on program related activities, with more than half of nonprofits indicating their most important linkage made it easier to enhance the organizations visibility (77 percent), reach more clients/members (67 percent), and deliver programs and/or services (64 percent). Very few nonprofits (3-6 percent) say their most important linkage made program related and human resource related activities more difficult.

Formalization and external IT are both positively related to a positive impact on program related and human resource related activities at the bivariate level. More formalized nonprofits are significantly more likely to say its most important linkage makes both program related and human resource related activities easier. Similarly, nonprofits with a more frequent use of IT say its most important linkage made program related and human resource related activities easier. These patterns are both what we would expect. More formalized nonprofits may have more structures in place to benefit from program related linkages, and those that use externally focused IT tools more often can more easily communicate with outside audiences or constituency groups.

The multivariate regressions examining the impact linkages have on program related linkages and human resource related linkages were significant overall but had low explanatory power. We found the presence of an organizational website to have a significant impact on program related activities, controlling for all other factors. For the human resource related multivariate regression, again, we found formalization to be significant at the multivariate level holding all other factors constant. Controlling for all other factors, we also found nonprofits located in the outer circle of a city are less likely to have linkages that make human resource related activities easier.

Our findings have important implications for researchers and practitioners. First, linkages and connections appear to be particularly important for strengthening the capacity of Indiana nonprofits to deliver their programs. However, operational goals are also important, and linkages do make it easier to secure and retain volunteers, staff, and board members.

Second, while half of Indiana nonprofits are engaged in formal collaborations or informal networks – by the same token half are not, suggesting there is considerable room for strengthening linkages and connections. Indeed, nonprofit funders often complain that

nonprofits operate in relative isolation from one another, unaware of what organizations are doing, even in the same community or service field.[7]

We are not convinced that lack of awareness of other nonprofits is a widespread problem. However, organizational capacity – size, access to information technology, etc. appears to be important in explaining the presence (or absence) of such linkages and connections. Indeed, such efforts are demanding if they are to be successful – nonprofits must identify key external actors, attend meetings involving those actors, build familiarity and trust with external audiences, effectively scan information sources, and make appropriate adjustments in their own operations. Greater investment in organizational capacity, particularly capacities designed to allow nonprofits to develop strong networks and collaborations, will likely be important.

[7] Paul Klein. (2015, May 15). Are nonprofits getting in the way of social change? *Stanford Social Innovation Review*. https://ssir.org/articles/entry/are_nonprofits_getting_in_the_way_of_social_change#

Appendix A: Survey Methodology

Surveying nonprofits present major challenges – there is no comprehensive listing of nonprofits available from which to draw a representative sample and the multiple existing listings each have major shortcomings. Other problems reflect challenges in creating survey instruments that potential respondents are able to complete with a minimum of effort, reaching them to make the survey available to them, and finding effective means to encourage very busy managers to complete the survey. Virtually no survey obtains responses from everyone included in a sample and virtually no survey sample is guaranteed to be truly representative of the entire universe of potential respondents.

Sample Preparation. For our first 2002 survey (Round I, and thus our "panel" organizations), we merged three statewide nonprofit database listings – the IRS listing of exempt entities with Indiana reporting addresses, all entities incorporated as not-for-profit entities with the Indiana Secretary of State (SOS), and Yellow Pages listings of congregations, churches, and similar religious organizations. We also added nonprofits appearing on local listings in selected communities across the state and those identified by Indiana residents through a hypernetwork sampling approach as nonprofits for which they worked, volunteered, or attended meeting or events, including religious services. We then de-duplicated the merged listings and drew a stratified random sample in order to consider and adjust for differences in distributions by geographic location and source of listing.

For the new 2017 "primary" round III sample of Indiana nonprofits, we relied exclusively on the same three statewide listings of Indiana nonprofits as in 2002 but used a simplified sampling strategy. After combining the three most up-to-date listings, we first removed nonprofits that were ineligible for our study. These included but were not limited to hospitals, colleges/universities, bank-managed trusts, jails, and school building corporations.

We then de-duplicated the three listings (both within and between the listings) using search algorithms. Nearly 14,000 duplicate entries across lists were removed during this phase of sample preparation. While it was not possible to remove all duplicates prior to sample selection, we believe that the de-duplication activities substantially reduced the problem of duplicate entries within and across lists. Ultimately, we ended up with a list of 59,833 nonprofits in Indiana from which we selected our sample.

To help ensure generalizability from the sample results, we drew a proportionately stratified sample from the combined list of 59,833 organizations from the IRS, SOS, and Infogroup (yellow page) listings. The stratification variables were an 8-category set of Indiana geographic regions (all three listings), filing date (SOS only), and NTEE major code categories (IRS only).

After the sampling was completed, we had a random sample of 4,103 nonprofits who received the survey invitation: 2,336 from the IRS listing (57 percent), 1,394 from the SOS listing (34 percent), and 373 from the Infogroup listing (9 percent). As part of our process to secure contact information, we also back-checked entities appearing on only one of the three listings in the sample to see whether that particular nonprofit was also included on any of the two other listings, just not included in the sample from the given list.

Next, we needed to find contact information, preferably email addresses, in order to invite survey participation. Of the 4,103 nonprofits in the full sample, the available listing provided

email address for only 35. To obtain the rest, we undertook extensive web searches. In the end, we had an 80 percent success rate in obtaining the correct organizations' contact information, spending an average of almost 13 minutes per organization or about 873 hours.

Survey Process. In preparation for the survey, we sent notifications (postcards and also emails for the approximately 75 percent for whom we had email addresses) to potential respondents. This served both to alert them to the forthcoming survey, with the hope of encouraging participation in the survey, and to identify problematic email (or postal) addresses. After the survey invitations were sent (via email with a survey link or postal mail with a paper questionnaire), we sent several reminders to those with emails. The survey took an average of 25-30 minutes to complete and gathered information about programs and services, organization membership, organization structure and program evaluation, human resources, marketing and technology, advocacy and policy activities, relationships with other organizations, and financial information. The vast majority of surveys were completed online, but about 60 were completed using the paper version of the survey.

In addition, to promising respondents complete confidentiality, as a special incentive to complete the survey, we offered respondents access to customized reporting of the results. We included also a link to the study website, so respondents could learn more about the project, as well as prominent reference to and identification with Indiana University to emphasize the academic sponsorship. Finally, we asked members of our Advisory Board for the Indiana Nonprofit Sector project to announce the survey to nonprofits on their distribution lists and encourage anyone receiving the invitation to complete the survey to do so.

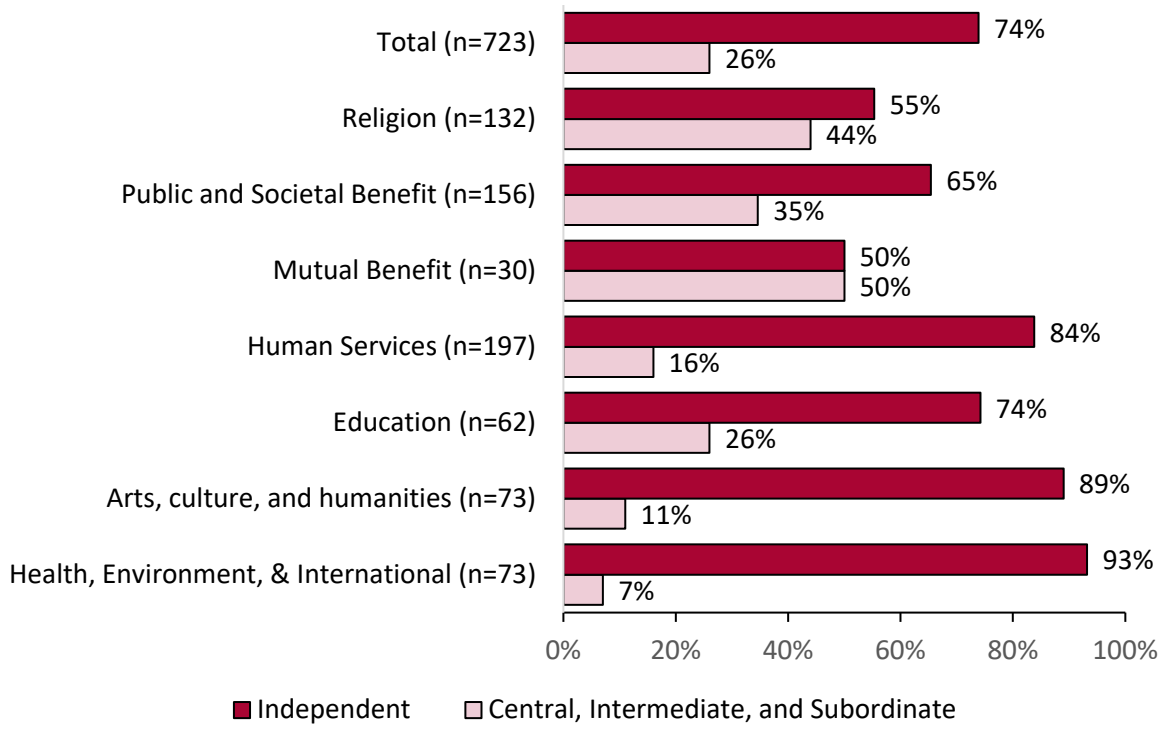
As expected, however, initial response rates were low (especially to the paper survey) and we began an extensive follow-up by making nudge calls to encourage participation (including those for whom we had no email addresses). We limited the nudge call process to a maximum of three calls per organization depending on the status of the calls. For organizations that we left voice mails for, we continued calling at least a week after each voice mail until we had left three voice mails. We stopped calling organizations that asked us to resend the survey or said they would complete the survey through the original email.

To determine response rates, we used information obtained through our data preparation and nudge call processes to create a disposition variable for each nonprofit in the sample: (1) response (complete or partial), (2) confirmed contact (but no response), (3) uncertain contact (no working phone number or no response to voice mail), or (4) out of sample.[8] Our overall response rate (24 percent) is based on the number of respondents as a percent of the full sample, excluding the "out of sample" group from the base.

[8] The "out of sample" group includes nonprofits that were out of scope for the survey (e.g., universities, school corporations, hospitals), no longer located in Indiana, known to be out of existence, or presumed to be dead because we could not find any contact information anywhere. If the "presumed dead" are redefined as "uncertain contact", the response rate drops from 24 percent to 20 percent. It was only 7 percent for the paper survey by itself.

Appendix B: Relevant IRS Bivariate Relationships

Figure B1: IRS affiliation by nonprofit field of activity



Appendix C: Multivariate Analyses

Table C1: Estimates for binary logistic regression of whether Indiana nonprofits are either formally or informally affiliated with another organization (n=542)

Variable	B	S.E.	Sig.	Exp(B)
Age	0.018	0.034	0.598	1.018
Size (in terms of FTE)	0.083	0.113	0.463	1.086
Formalization	0.687	0.249	**0.006****	1.987
Internal IT	0.199	0.133	0.135	1.221
External IT	0.277	0.197	0.159	1.320
Organizational Website	0.074	0.296	0.802	1.077
NTEE Code (ref=Human Services)				
NTEE-Arts, Culture, and Humanities	-0.032	0.380	0.932	0.968
NTEE-Education	-0.780	0.394	**0.048****	0.458
NTEE-Environment	0.385	0.527	0.465	1.470
NTEE-Health	0.831	0.540	0.123	2.297
NTEE-International	-1.398	1.508	0.354	0.247
NTEE-Mutual Benefit	-0.132	0.628	0.834	0.876
NTEE-Public & Societal Benefit	-0.166	0.319	0.603	0.847
NTEE-Religion	-0.224	0.351	0.523	0.800
Funding Mix (ref=Mixed)				
Funding Mix-Donations	0.234	0.289	0.417	1.264
Funding Mix-Fees and Sales	-0.150	0.291	0.605	0.860
Funding Mix-Government	0.493	0.438	0.260	1.637
Funding Mix-Special Events	-0.280	0.383	0.464	0.756
Charity	0.249	0.317	0.433	1.283
Location (ref=Nonmetropolitan County)				
Location-Central City Metropolitan County	0.612	0.225	**0.007****	1.844
Location-Metropolitan Ring County	0.289	0.387	0.456	1.335
Constant	-2.649	0.598	**0.000****	0.071
Significance Level	**0.000****			
Variance Explained	**0.255**			

Note: Coefficients significant at the p<0.05 level are marked with positive (**+**) or negative (**–**) depending on the direction of the relationship. Model Chi-Square=112.039, and there are 71.4% estimated correct predictions in the model. We use the natural log of size in terms of FTE and formalization to account for the skew in the distribution of the original versions of the variables. Excluded categories: Funding Mix: Mixed, NTEE Code: Human Services, Location: Nonmetropolitan County.

Table C2: Estimates for binary logistic regression of whether Indiana nonprofits' most important linkage is program related (n=252)

Variable	B	S.E.	Sig.	Exp(B)
Age	0.014	0.047	0.769	1.014
Size (in terms of FTE)	-0.082	0.146	0.573	0.921
Formalization	0.525	0.373	0.159	1.690
Internal IT	-0.134	0.183	0.465	0.875
External IT	0.128	0.229	0.575	1.137
Organizational Website	-0.577	0.518	0.265	0.561
NTEE Code (ref=Human Services)				
NTEE-Arts, Culture, and Humanities	-0.191	0.481	0.691	0.826
NTEE-Education	-1.222	0.683	0.074	0.295
NTEE-Environment	0.899	0.845	0.287	2.457
NTEE-Health	0.361	0.515	0.484	1.434
NTEE-Public & Societal Benefit	0.125	0.439	0.776	1.133
NTEE-Religion	-0.511	0.421	0.225	0.600
Funding Mix (ref=Mixed)				
Funding Mix-Donations	0.028	0.359	0.938	1.028
Funding Mix-Fees and Sales	0.205	0.418	0.623	1.228
Funding Mix-Government	-0.550	0.518	0.288	0.577
Funding Mix-Special Events	-0.200	0.615	0.745	0.819
Charity	0.596	0.476	0.211	1.814
Location (ref=Nonmetropolitan County)				
Location-Central City Metropolitan County	-0.141	0.327	0.668	0.869
Location-Metropolitan Ring County	-0.031	0.582	0.957	0.969
Constant	-0.495	0.873	0.571	0.610
Significance Level	0.764			
Variance Explained	0.074			

Note: Coefficients significant at the $p<0.05$ level are marked with positive (+) or negative (–) depending on the direction of the relationship. Model Chi-Square=14.336, and there are 61.1% estimated correct predictions in the model. We use the natural log of size in terms of FTE and formalization to account for the skew in the distribution of the original versions of the variables. Excluded categories: Funding Mix: Mixed, NTEE Code: Human Services, Location: Nonmetropolitan County. Two additional NTEE fields, international and mutual benefit, were excluded from the analysis due to low response rates.

Table C3: Estimates for binary logistic regression of whether Indiana nonprofits' most important linkage is management-related (n=252)

Variable	B	S.E.	Sig.	Exp(B)
Age	-0.016	0.048	0.746	0.984
Size (in terms of FTE)	0.084	0.151	0.580	1.087
Formalization	-0.663	0.392	0.091	0.515
Internal IT	0.188	0.192	0.326	1.207
External IT	0.046	0.235	0.844	1.048
Website	0.980	0.574	0.088	2.663
NTEE Code (ref=Human Services)				
NTEE-Arts, Culture, and Humanities	0.458	0.488	0.348	1.582
NTEE-Education	1.119	0.669	0.094	3.062
NTEE-Environment	-0.594	0.853	0.486	0.552
NTEE-Health	-0.669	0.571	0.221	0.497
NTEE-Public & Societal Benefit	-0.410	0.467	0.381	0.664
NTEE-Religion	0.614	0.436	0.159	1.848
Funding Mix (ref=Mixed)				
Funding Mix-Donations	-0.085	0.374	0.820	0.918
Funding Mix-Fees and Sales	-0.035	0.429	0.935	0.965
Funding Mix-Government	0.750	0.534	0.160	2.116
Funding Mix-Special Events	-0.114	0.658	0.863	0.893
Charity	-0.787	0.497	0.114	0.455
Location (ref=Nonmetropolitan County)				
Location-Central City Metropolitan County	-0.115	0.337	0.733	0.891
Location-Metropolitan Ring County	-0.397	0.607	0.513	0.672
Constant	-0.076	0.905	0.933	0.927
Significance Level	0.560			
Variance Explained	0.091			

Note: Coefficients significant at the p<0.05 level are marked with positive (+) or negative (–) depending on the direction of the relationship. Model Chi-Square=17.447, and there are 63.9 % estimated correct predictions in the model. We use the natural log of size in terms of FTE and formalization to account for the skew in the distribution of the original versions of the variables. Excluded categories: Funding Mix: Mixed, NTEE Code: Human Services, Location: Nonmetropolitan County. Two additional NTEE fields, international and mutual benefit, were excluded from the analysis due to low response rates.

Table C4: Estimates for binary logistic regression of whether Indiana nonprofits' most important linkage is relational (n=252)

Variable	B	S.E.	Sig.	Exp(B)
Age	0.131	0.066	**0.047****	1.139
Size (in terms of FTE)	-0.213	0.217	0.327	0.808
Formalization	0.568	0.558	0.308	1.765
Internal IT	0.245	0.254	0.336	1.277
External IT	-0.450	0.333	0.176	0.638
Website	-0.862	0.687	0.209	0.422
NTEE Code (ref=Human Services)				
NTEE-Arts, Culture, and Humanities	-0.111	0.689	0.872	0.895
NTEE-Education	0.074	0.901	0.934	1.077
NTEE-Health	0.726	0.641	0.257	2.066
NTEE-Public & Societal Benefit	0.926	0.589	0.116	2.524
NTEE-Religion	-0.514	0.611	0.400	0.598
Funding Mix (ref=Mixed)				
Funding Mix-Donations	-0.087	0.470	0.853	0.917
Funding Mix-Fees and Sales	-0.660	0.631	0.296	0.517
Funding Mix-Government	-1.534	0.878	0.081	0.216
Funding Mix-Special Events	-0.418	0.792	0.597	0.658
Charity	1.040	0.686	0.209	0.422
Location (ref=Nonmetropolitan County)				
Location-Central City Metropolitan County	1.203	0.549	**0.028****	3.331
Location-Metropolitan Ring County	1.191	0.\855	0.164	3.290
Constant	-3.933	1.341	**0.003****	0.018
Significance Level	0.351			
Variance Explained	0.131			

Note: Coefficients significant at the p<0.05 level are marked with positive (**+**) or negative (**–**) depending on the direction of the relationship. Model Chi-Square=19.675, and there are 85.3% estimated correct predictions in the model. We use the natural log of size in terms of FTE and formalization to account for the skew in the distribution of the original versions of the variables. Excluded categories: Funding Mix: Mixed, NTEE Code: Human Services, Location: Nonmetropolitan County. Three additional NTEE fields – environment, international, and mutual benefit – were excluded from the analysis due to low response rates.

Table C5: Estimates for linear regression of the impact linkages have on program related goals (n=332)

Variable	B	S.E.	Sig.	Beta
Age	-0.010	0.008	0.198	-0.080
Size (in terms of FTE)	0.028	0.022	0.207	0.104
Formalization	-0.028	0.062	0.655	-0.036
Internal IT	0.010	0.032	0.760	0.022
External IT	0.007	0.039	0.848	0.014
Website	0.298	0.079	**0.000*** **	0..244
NTEE Code (ref=Human Services)				
NTEE-Arts, Culture, and Humanities	0.104	0.083	0.211	0.078
NTEE-Education	-0.067	0.099	0.496	-0.040
NTEE-Environment	0.046	0.116	0.691	0.023
NTEE-Health	0.079	0.086	0.360	0.054
NTEE-International	0.044	0.403	0.913	0.006
NTEE-Mutual Benefit	-0.172	0.182	0.334	-0.056
NTEE-Public & Societal Benefit	-0.108	0.076	0.156	-0.103
NTEE-Religion	-0.049	0.074	0.505	-0.046
Funding Mix (ref=Mixed)				
Funding Mix-Donations	0.076	0.059	0.201	0.089
Funding Mix-Fees and Sales	0.019	0.070	0.788	0.021
Funding Mix-Government	-0.098	0.085	0.250	-0.074
Funding Mix-Special Events	0.036	0.103	0.726	0.021
Charity	-0.082	0.084	0.325	-0.077
Location (ref=Nonmetropolitan County)				
Location-Central City Metropolitan County	-0.053	0.053	0.320	-0.061
Location-Metropolitan Ring County	-0.076	0.095	0.423	-0.048
Constant	2.462	0.152	**0.000*** **	
Significance Level	**0.003**			
Variance Explained	**0.067**			

Notes: Coefficients significant at the p<0.05 level are marked with positive (**+**) or negative(**–**) depending on the direction of the relationships. We use the natural log of size in terms of FTE and formalization to account for the skew in the distribution of the original versions of the variables. Excluded categories: Funding Mix: Mixed, NTEE Code: Human Services, Location: Nonmetropolitan County.

Table C6: Estimates for linear regression of the impact linkages have on human resource- related goals (n=332**)**

Variable	B	S.E.	Sig.	Beta
Age	-0.005	0.007	0.514	-0.041
Size (in terms of FTE)	-0.006	0.020	0.765	-0.025
Formalization	0.087	0.056	0.124	0.124
Internal IT	-0.055	0.028	0.053	-0.139
External IT	0.052	0.035	0.139	0.108
Website	0.124	0.071	0.081	0.113
NTEE Code (ref=Human Services)				
NTEE-Arts, Culture, and Humanities	0.024	0.075	0.752	0.020
NTEE-Education	0.024	0.089	0.790	0.016
NTEE-Environment	-0.021	0.105	0.842	-0.011
NTEE-Health	0.056	0.077	0.473	0.043
NTEE-International	-0.217	0.363	0.551	-0.032
NTEE-Mutual Benefit	-0.281	0.164	0.087	-0.102
NTEE-Public & Societal Benefit	-0.004	0.069	0.958	-0.004
NTEE-Religion	-0.093	0.066	0.161	-0.097
Funding Mix (ref=Mixed)				
Funding Mix-Donations	0.046	0.053	0.387	0.061
Funding Mix-Fees and Sales	0.003	0.063	0.960	0.003
Funding Mix-Government	0.004	0.077	0.960	0.003
Funding Mix-Special Events	0.018	0.093	0.846	0.012
Charity	-0.080	0.075	0.289	-0.084
Location (ref=Nonmetropolitan County)				
Location-Central City Metropolitan County	-0.075	0.048	0.117	-0.096
Location-Metropolitan Ring County	-0.233	0.085	**0.007****	-0.164
Constant	2.120	0.137	**0.001*****	
Significance Level	**0.013**			
Variance Explained	**0.052**			

Notes: Coefficients significant at the p<0.05 level are marked with positive (**+**) or negative(**–**) depending on the direction of the relationships. We use the natural log of size in terms of FTE and formalization to account for the skew in the distribution of the original versions of the variables. Excluded categories: Funding Mix: Mixed, NTEE Code: Human Services, Location: Nonmetropolitan County.

Appendix D: Overview of the Indiana Nonprofits Project

Since 2000, the **Indiana Nonprofits Project: Scope and Community Dimensions** has produced a substantial body of research about the nonprofit sector in Indiana: its composition and structure, its contributions to Indiana, the challenges it faces, and how these features vary across Indiana communities. The goal of this collaborative research effort is to help community leaders develop effective and collaborative solutions to community needs and to inform public policy decisions.

The project is directed by Kirsten Grønbjerg, Distinguished Professor, O'Neill School of Public and Environmental Affairs and Efroymson Chair in Philanthropy (2001-2020) at the Lilly Family School of Philanthropy (LFSOP), with support from the Project's distinguished Advisory Board,[9] the contributions of almost 90 SPEA research assistants – undergraduate, masters, and doctoral students – and financial support as described in the Acknowledgements on page 2.

The project's major components include:

Surveys of Indiana nonprofits. This component includes five surveys of Indiana nonprofits:

- Round I: Comprehensive survey of Indiana nonprofits (2002) in collaboration with the IU *Center for Survey Research* (CSR); 7 statewide reports on special topics and 12 regional reports on the nonprofit sector in selected communities across the state.
- Round II: Two surveys on nonprofit capacity and management challenges, including a survey (2007) for the *Indiana Philanthropy Alliance and the Lumina Foundation for Education* (1 report) and a more extensive survey (2010) for the *Indiana Arts Commission* (2 reports).
- Round III: Comprehensive survey of Indiana nonprofits (2017) in collaboration with the CSR is currently being analyzed and is the basis for this report.
- Round IV: Impact of COVID-19 on Indiana nonprofits (May 2020) in collaboration with Indiana University Way.

Trends in paid nonprofit employment in Indiana. This component, undertaken in collaboration with the *Indiana Business Research Center* (IBRC), includes analyses of trends in nonprofit paid employment over time by industry and with comparisons to paid employment in the private and government sectors.

- Statewide trends in paid nonprofit employment by industry and sector (5 reports)
- Statewide trends in paid nonprofit employment in selected industries (6 reports)

Community reports. This component focuses on the scope and composition of the nonprofit sector in communities across the state:

- Featured community reports for 7 metropolitan regions and 5 non-metropolitan counties across the state, including size and composition of the nonprofit sector and profiles based on Round I survey of Indiana nonprofits (2002)
- Regional trends in paid nonprofit employment by industry with comparisons to private and government sector employment: Metropolitan Areas and Economic Growth Regions (2007, 2018-2019) and the Fort Wayne Metropolitan area (2015), in collaboration with IBRC.

[9] See https://nonprofit.indiana.edu/about/advisory-board.html

- County reports on nonprofit paid employment 1995-2009 for Indiana counties with a population of 50,000 residents or more (29 reports), in collaboration with IBRC.

Surveys of local government officials. This component is based on surveys of Indiana local government officials (LGOs) on topics of special interest to Indiana nonprofits in collaboration with the *Indiana Advisory Commission on Intergovernmental Relations* (IACIR).

- Major disasters: assessing preparedness and reliance on nonprofits.
- Trust in Nonprofits: 2 reports.
- Government-nonprofit relations: 4 reports.
- PILOT/SILOT policies: attitudes towards requiring charities to provide payments (or services) in lieu of real estate taxes (PILOTS/SILOTS), 4 reports.
- 2-1-1 information and referral services: 2 reports.

Special topics. Several smaller projects have been completed in response to major national policy initiatives, as extensions of project components described above, or as special opportunities presented themselves.

- Overtime pay regulation: the likely impact on Indiana nonprofits by changes in the Fair Labor Standards Act (proposed 2016) on overtime pay for exempt employees,
- IRS Exempt Status Initiative: the impact of major changes in IRS reporting and compliance requirements mandated by the Pension Protection Act of 2006.
- Two surveys of Indiana residents conducted in collaboration with the CSR. This includes a 2001 survey on affiliation and involvement with Indiana nonprofits in preparation for Round I survey of Indiana nonprofits, and a 2008 survey on trust in nonprofits in collaboration with CSR.
- Comprehensive database of Indiana nonprofits, initially completed in preparation for Round I survey of Indiana nonprofits, now hosted by the IBRC.

For a full description of the project and access to all project reports, please visit https://nonprofit.indiana.edu.

O'NEILL
SCHOOL OF PUBLIC AND
ENVIRONMENTAL AFFAIRS

IUPUI
LILLY FAMILY SCHOOL OF PHILANTHROPY