

# The 2024 BDO Nonprofit Benchmarking Survey Is Out

10.17.24 | Linda J. Rosenthal, JD



“How does my organization measure up?”

In 2017, when the experts at [BDO Institute for Nonprofit Excellence](#) created and conducted the [first of its annual benchmarking surveys](#), they explained that this question was the one most often posed to them by nonprofit leaders.

“How does my organization compare with my peers?” still ranks – in 2024 – among the top queries they hear.

That’s “... why, for the eighth year in a row, they have surveyed [“hundreds of American organizations](#) across a broad swath of the nonprofit sector.” BDO just published the first part of its multi-segment [“2024 BDO Nonprofit Benchmarking Survey.”](#) Released to date is the main section – the [“Industry Overview”](#) – as well as [“Higher Education,”](#) the first of five special topics.

Scheduled for release “later this year” will be additional sections on health and human services organizations, public charities, grantmakers, and international nongovernmental organizations. Anyone interested can sign up to be notified.

An independent firm conducted the surveys in May and June 2024. Of the 250 executives participating, most were CFOs, CEOs, COOs, and directors of finance of large organizations (annual revenues at least \$76 million) and upper middle-range organizations (annual revenues between \$25 – 75 million.)

“The study [highlights the top issues](#) facing nonprofits, explores the strategies organizations are implementing to meet evolving needs, and provides advice on how nonprofits can succeed.”

## ***The 2024 Results***

“Nonprofits are building on the present and preparing for the future,” the BDO researchers concluded.

They found that nonprofits “... are reporting increased financial stability and organizational strength, while preparing for potential economic shifts and navigating dynamic donor priorities. Many are making strategic investments to expand their impact and ensure long-term sustainability.”

According to Andrea Espinola Wilson, BDO USA’s National Nonprofit & Education Practice Co-Leader: “The story of the nonprofit sector this year is one of organizational resilience...[a]fter a challenging few years, ... But as external factors shift – donor, funder, and board pressures, economic conditions, the political climate, etc. – organizations need to pinpoint how they are going to remain relevant...”

See, for example, *Rebuilding Nonprofit Infrastructure Post Covid* (October 10, 2024) *The NonProfit Times*. See as well: *Embracing transformation: BDO’s 2024 Nonprofit Standards Benchmarking Survey* (October 3, 2024) *Business Wire* [“Following a few years of investment in their technology, infrastructure and internal resources, many nonprofits now have the revenue, organizational culture, and donor networks to execute plans to deepen, and perhaps transform, long-term impacts on the communities they serve.”]

Key takeaways from the 2024 report include:

- Revenue Growth: Over half of the respondents indicated their organizations had an increase in revenue during the most recent fiscal year. A slightly higher figure said they expect revenue to grow further in the next 12 months. Over 60% reported having over seven months of operating reserves
- Expansion Expected: Almost ¾ of nonprofit managers say they expect to “meaningfully expand or shift the scopes of their missions” over the next 12 months. The reasons, they report, include: board-member pressure, “evolving geopolitical, environmental, and social factors,” and funders exerting pressure.
- Technology Spending. Over half of respondents indicate they had increased spending for technology. Just under half reported greater spending levels for Risk management and compliance.
- Investments-Increase Expected. Over half say that, “as they consider what comes next,” they will increase investments in new programs.

### ***The Original Model***

Eight years ago, the BDO developers of the first nonprofit benchmarking survey explained their reasoning and purpose. “Nonprofits are tireless champions of change in communities in the U.S. and across the world. Created with these invaluable organizations in mind, BDO’s first annual Nonprofit Standards addresses a persistent question among nonprofit leaders: ‘How does my organization measure up?’ Organizations can use this benchmarking survey to inform the critical financial and operational decisions necessary to continue their missions.” See *Nonprofit Standards, A Benchmarking Survey* (2017).

The sector-wide survey would be a “useful barometer” to help tax-exempt organizations measure their own performance “... across a variety of areas including strategic planning, operations, scope and impact, human resources and governance matters.”

The purpose was to give an organization a way to “... understand how they compare to their peers which, in turn, can help them make important strategic decisions that can lead to long-term sustainability and success.”

But those were different – simpler – times. While the possibility of volatility from year to year in terms of events and realities outside of the nonprofit sector is always a factor in strategic planning, this is the description in the Introduction that year to what the developers anticipated in turns of turbulence: “The early days of the new presidential administration have ushered in a period of uncertainty for many nonprofits as concern mounts around the future of federal agency budgets and priorities...”

Continuing briefly, the 2017 researchers fleshed out some possible problems: “Increasing demand for transparency from donors and regulators, potential revenue cutbacks, the focus on long-term sustainability and competition to recruit and retain top talent all stand as potential obstacles for the nonprofit sector in the year ahead.”

If *only that* had been the outer edge of the upheaval on the horizon.

### ***Benchmarking in Turbulent Times***

The original 2017 survey project may have fit more easily into the construct of a “benchmarking” framework, although that term as applied historically – and currently – has some flexibility built in. See [The History of Benchmarking](#) (March 20, 2023) The Benchmarking Group Pty. Ltd. (Australia) “‘Benchmark,’ as a term, has been used in various forms for hundreds of years. The term coincided with the introduction of gunpowder in firearms during the mid-1800’s. Marksmen would fire a variety of firearms from the same point on a bench and then compare the results. This mark became known as ‘the bench mark’. It became a way to select the most suitable weapon for the war ahead.”

Historically trends develop fairly slowly, and new conditions are predictable to some degree.

However, by BDO’s sixth annual survey, covering the summer of 2022, it was more than clear how everything had changed. See [2022 Nonprofit Standards Benchmarking Survey](#) (October 27, 2022). “Following a year of mission and revenue growth, organizations are facing economic headwinds that may thwart continued success’.” This “newest research describ[es] how U.S. organizations are faring in the volatile and challenging circumstances of our times.” It should help “...nonprofit leaders gauge the health of their organization against industry peers amid such challenges.”

By the seventh annual survey for the summer of 2023, the BDO experts noted that America’s nonprofits were moving from survival mode to “resilience.” A key theme for the 2023 report is how the end of massive emergency government funding had caused many organizations to scramble for revenue. On top of that, the sudden spike in inflation in 2022 had significantly degraded their ability to provide what is a continual and increased demand for services.

They “... are facing economic uncertainty head-on and showcasing their determination amid a decline in giving and higher costs....Investing in their organization’s well-being can help them enhance mission delivery and expand their impact.”

### ***Recent Surveys***

We’ve been reporting on these surveys over the past several years as they were published. These posts from the COVID-era years may help, somewhat, in understanding how the BDO benchmarking survey model has adapted since its original idea, although the methodology, they say, has remained the same. They are now “... “[p]acked with actionable insights and exclusive industry data,” providing “concrete guidance to help nonprofits meet their unique goals and drive their mission forward.”

- [Nonprofit Standards: A Benchmarking Survey \(2022\)](#) [slightly delayed results based on responses in June 2021]; See [Latest BDO Nonprofit Benchmark Survey](#) (February 4, 2022) *FPLG Blog*.
- [2022 Nonprofit Standards Benchmarking Survey](#) (October 27, 2022). See [Newest BDO Nonprofit Benchmark Survey Released](#) (November 8, 2022) *FPLG Blog*
- [2023 Nonprofit Benchmark Survey](#) (November 6, 2023) See [Nonprofit Benchmarking Survey: BDO Posts 2023 Results](#) (November 13, 2023) *FPLG Blog*

### ***Conclusion***

“Nonprofits are experiencing a foundational shift. They’ve overcome the challenges that defined recent years and are now looking to proactively plan the futures of their organizations,” said Andrea Espinola Wilson, managing principal and co-leader of BDO’s Nonprofit & Education practice, about the just-released 2024 BDO survey. “This time of proactive strategy development comes when many funders are changing their priorities, and nonprofits must adapt by reevaluating their missions, strategies, and programmatic work. With the right vision, leadership, and team, nonprofits will be able to have a transformative impact on their communities.”

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