

Canada Research Report

2024 Nonprofit Technology Trends Report

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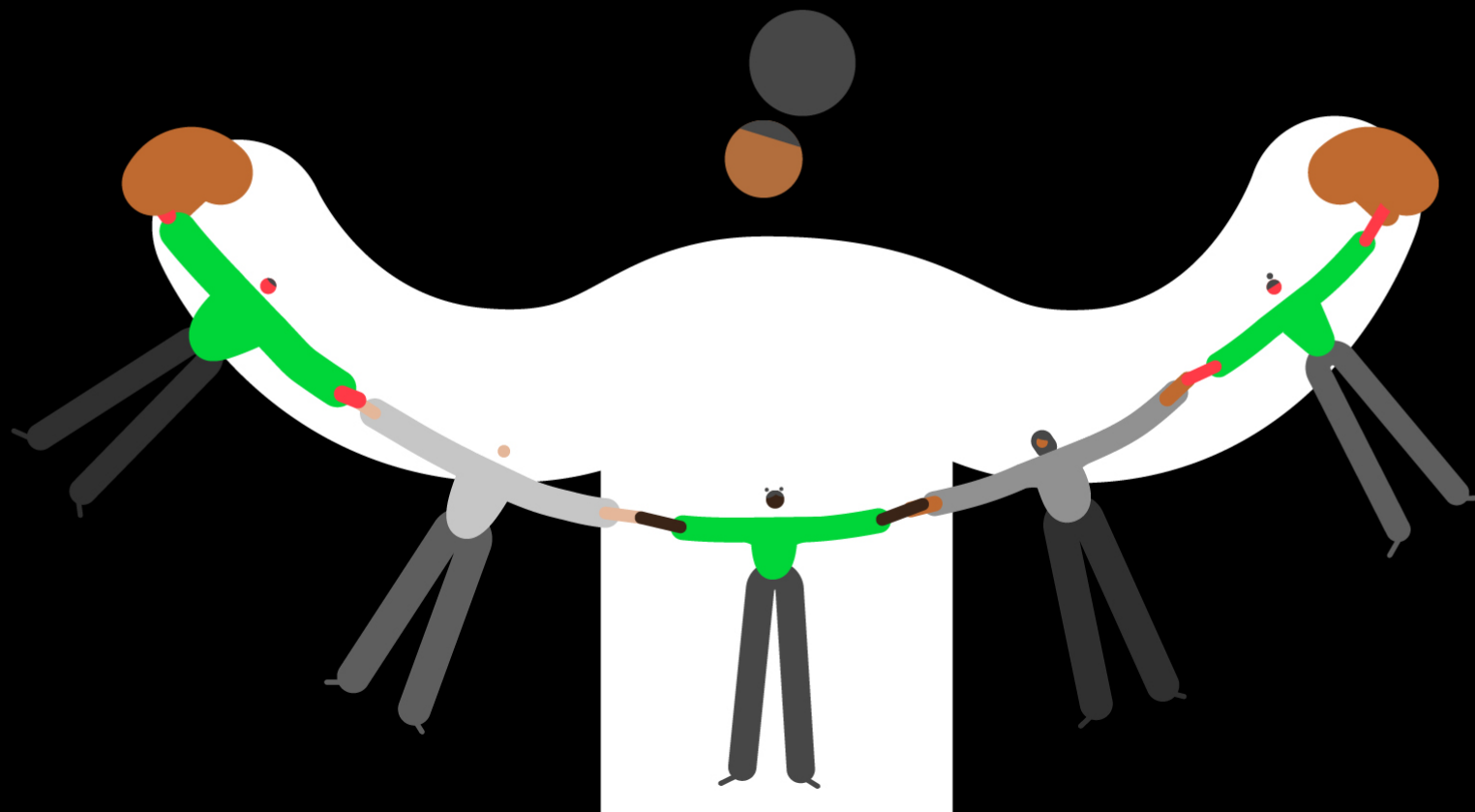
Introduction

In a time of rapidly changing technology advancements and growing reliance on digital solutions, the nonprofit sector is leveraging technology solutions to maximize impact and efficiency at a faster pace. Our 2024 Nonprofit Technology report offers a deep dive into technology use of the nonprofit sector. With valuable insights from nonprofit finance leaders from across Canada, this report not only sheds light on current technology trends, but also provides strategic foresight into the changing landscape of nonprofit operations.

As stewards of financial integrity, nonprofit finance leaders play a critical role in guiding the adoption of technologies that align with mission-driven goals. For this report, we partnered with Leger to conduct an online survey that captures the perspectives of 120 of these leaders. Leger's online panel has approximately 400,000 members nationally and has a retention rate of 90%. Poll aggregator 338Canada.com gave Leger the highest rating among all polling firms in Canada for the accuracy of its studies.

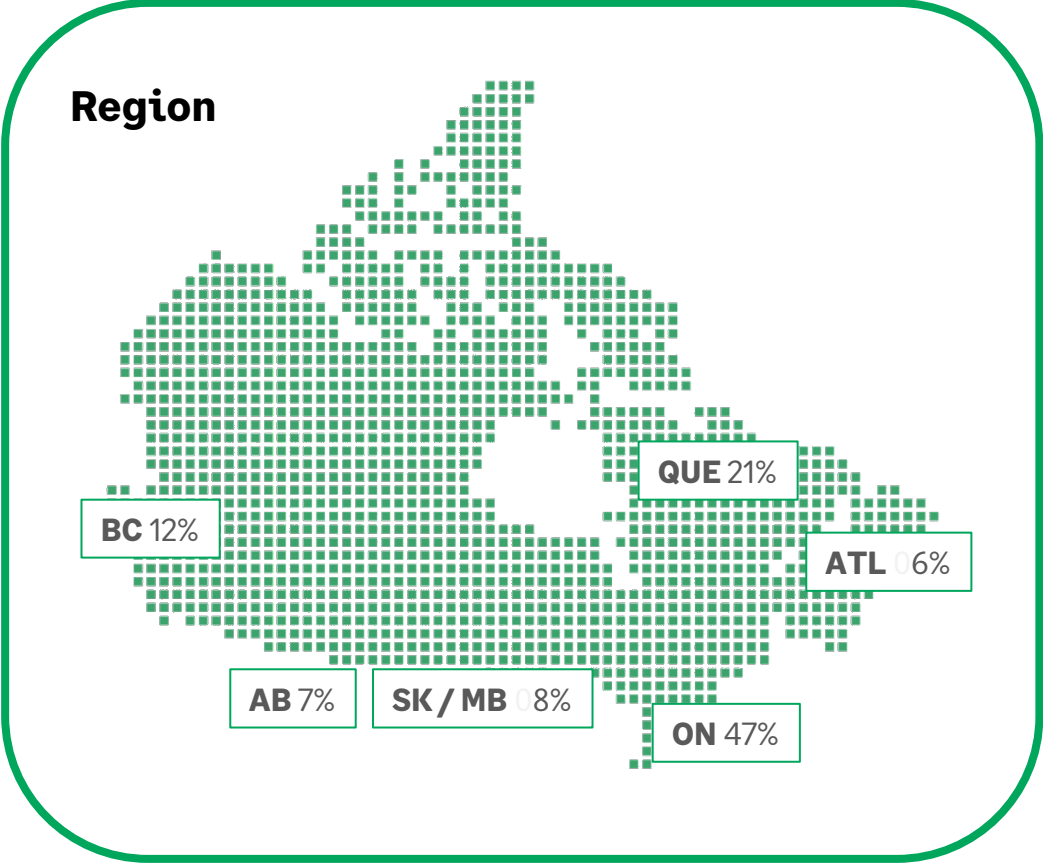
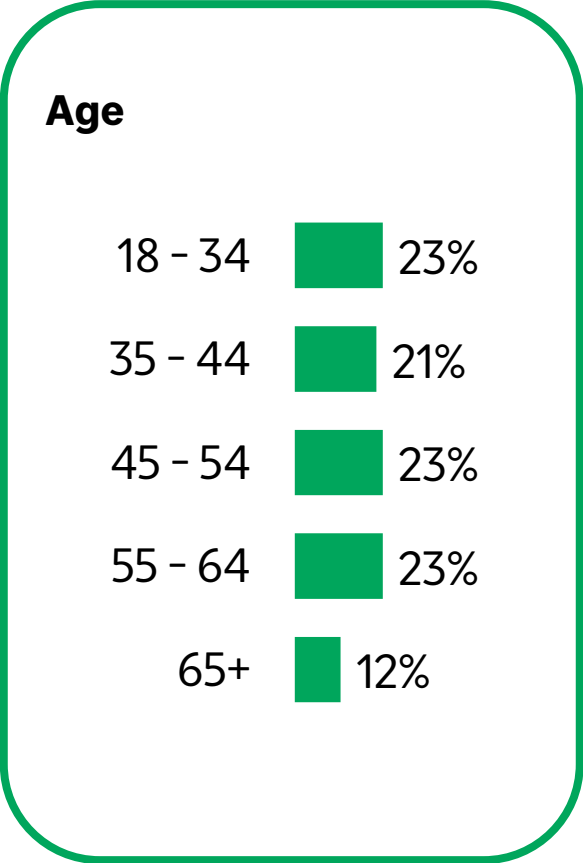
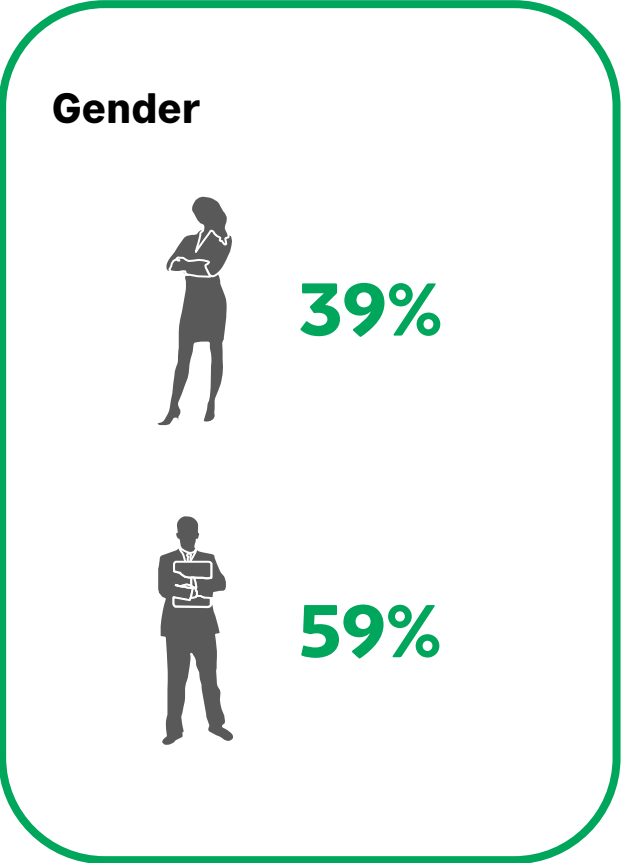
The resulting report explores the challenges faced, the opportunities seized, and the technologies that are shaping the nonprofit sector in 2024.

Respondent profile

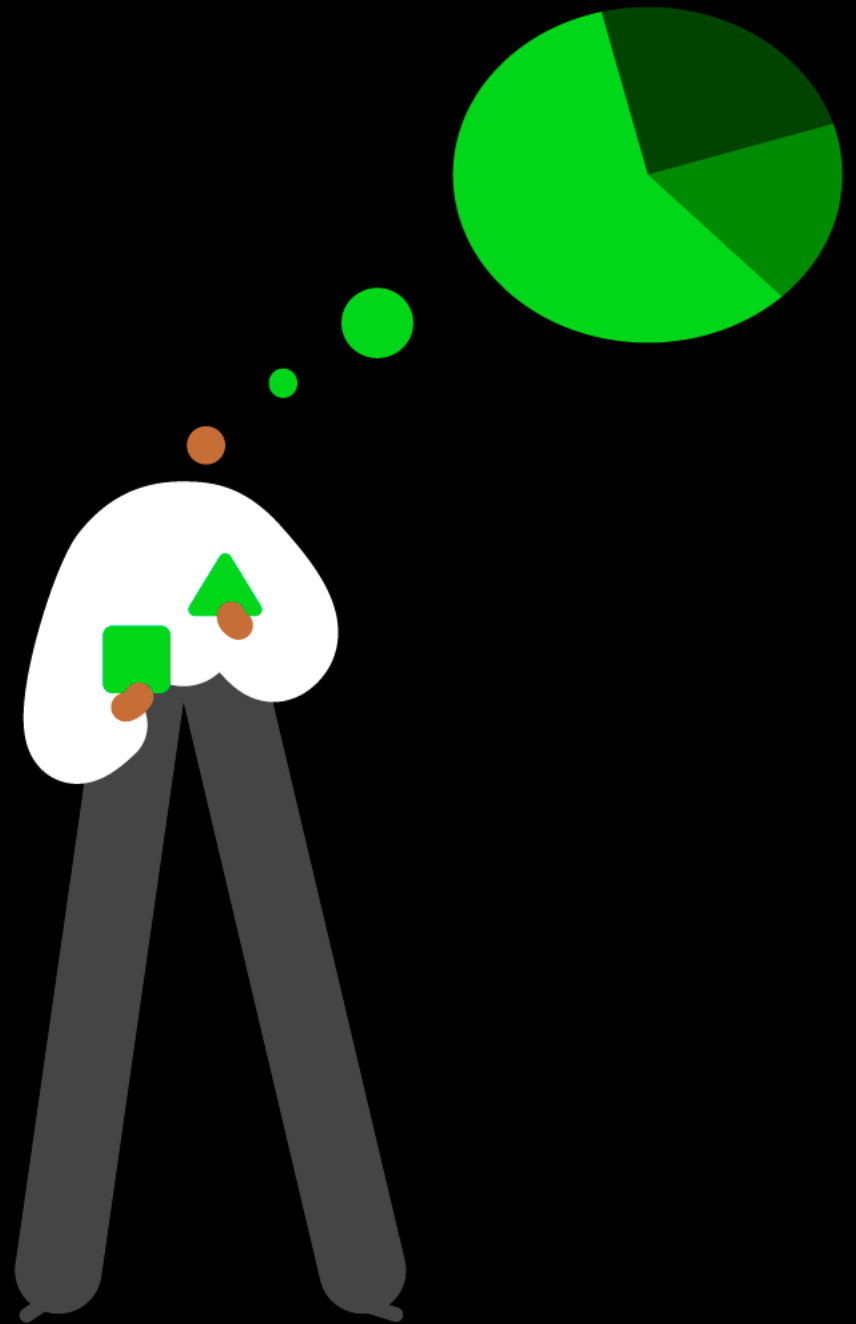


Respondent profile

120 nonprofit finance leaders responded to the survey



Key findings



Key findings

This survey highlights key insights into the current state of nonprofit organizations in Canada. A plurality of respondents indicate that their organizations have experienced an increase in revenue over the past 12 months. Organizations are mostly neutral-to-optimistic about their revenue forecast for the next 12 months and the majority are on track to meet their revenue goals for the year. Performance metrics are important for nearly half of the organizations when sharing their mission achievement stories.

A clear alignment with personal and corporate values is the top reason why individual donors, corporations, and government funders contribute to nonprofit organizations. However, nonprofits face several external and internal barriers, such as staffing shortages and a lack of staff with the right skillset to manage their digital transformation journey. The majority of respondents feel that these barriers will persist for the next 12 months.

Increasing brand awareness is the top priority for the plurality of organizations, but a lack of staff remains the greatest barrier to achieving their priorities. Nearly three in ten organizations have received government funding to support general operations or their digitalization and automation efforts, and a similar number dedicate 20% or more of their operation budget towards automation and digitalization.

While a large majority of respondents agree that technological advancement is seen as a strategic necessity, they do not have the people to make it a priority. Nearly half of nonprofits work with technology companies on maintenance and systems installation and upgrades, and the majority disclose the amount they spend on such efforts.

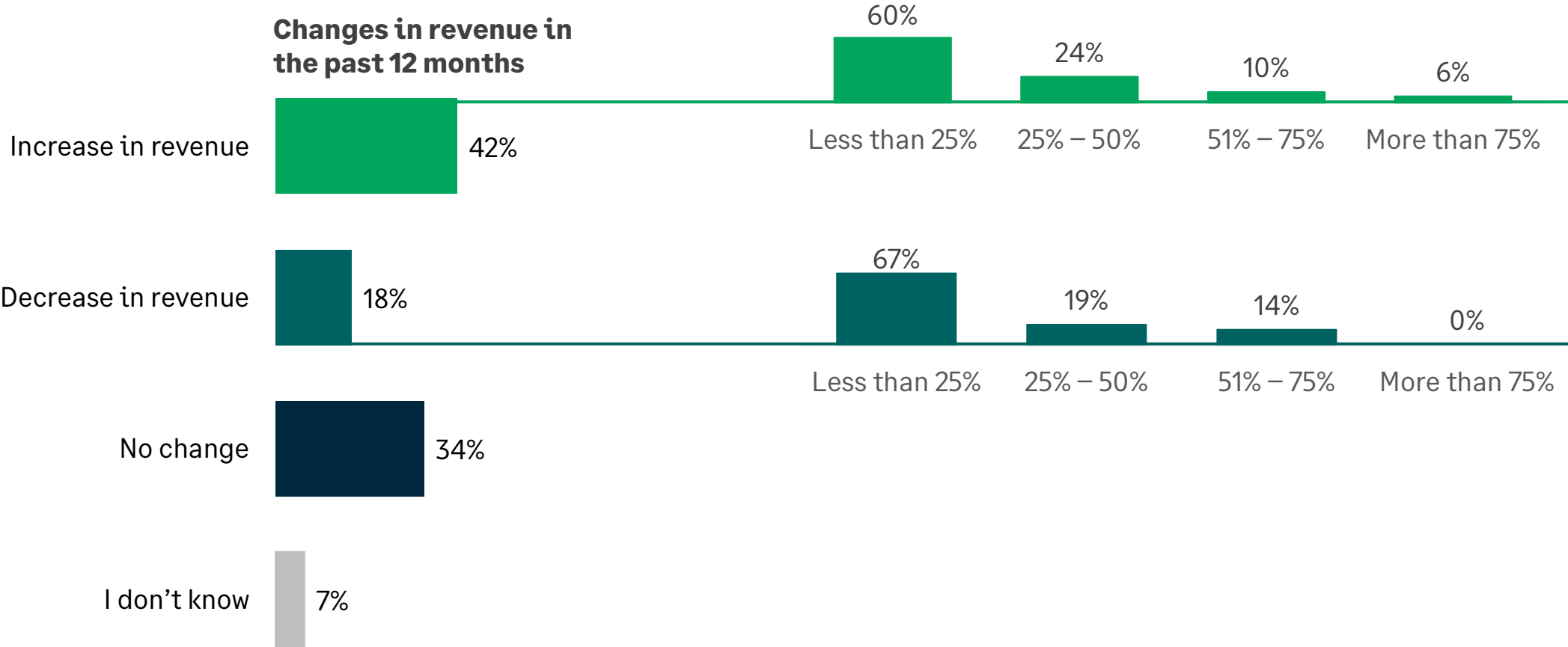
Detailed findings



Q1: What changes have you experienced in your revenue in the past 12 months?

A plurality of respondents (42%) indicate their organization has experienced an increase in revenue in the past 12 months

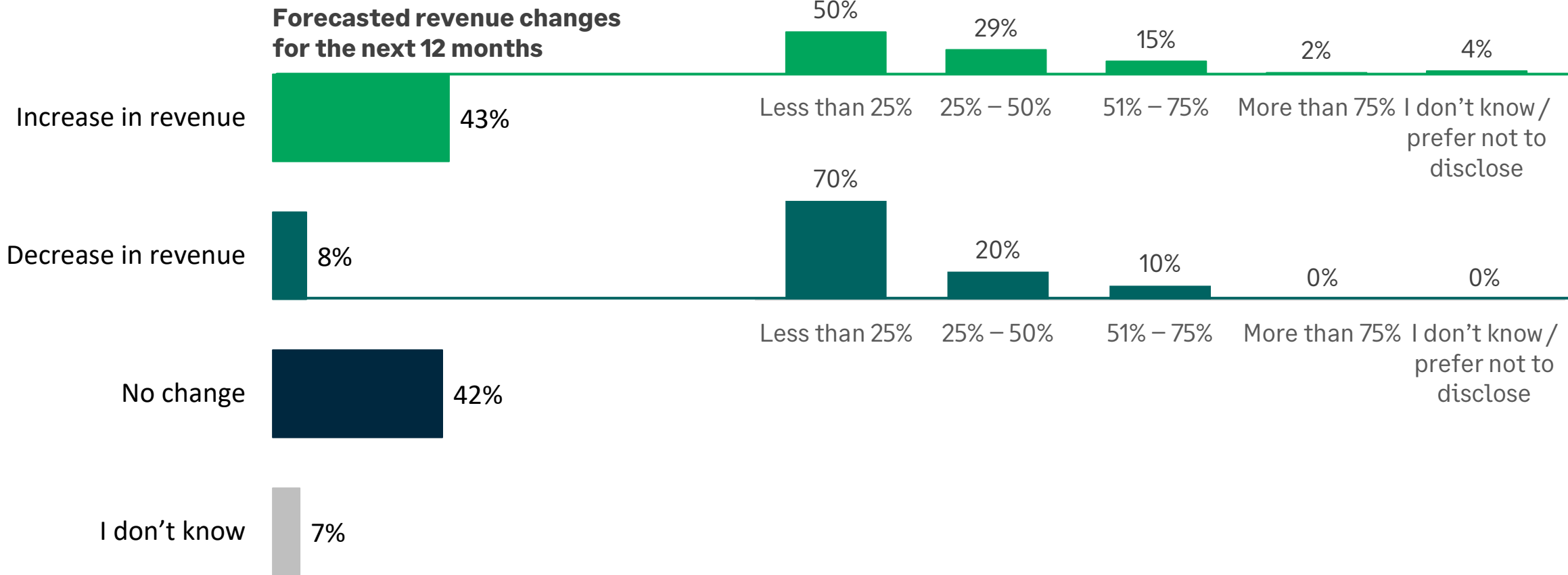
However, whether organizations experienced an increase or decrease in revenue, that change was less than 25% for a majority of respondents.



Q2: What revenue changes are you forecasting for the next 12 months?

Organizations are neutral (42%) to optimistic (43%) about their revenue forecast for the next 12 months

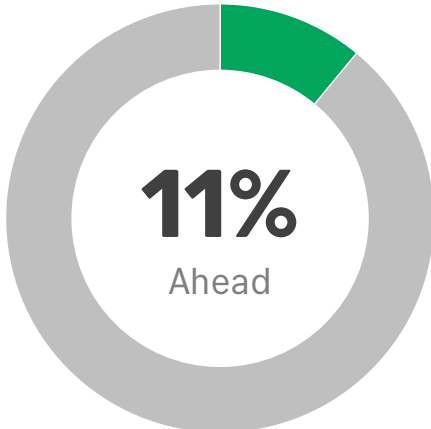
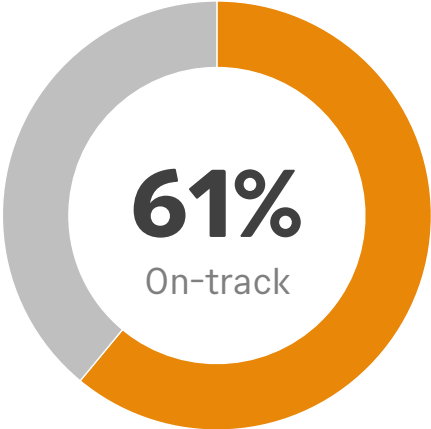
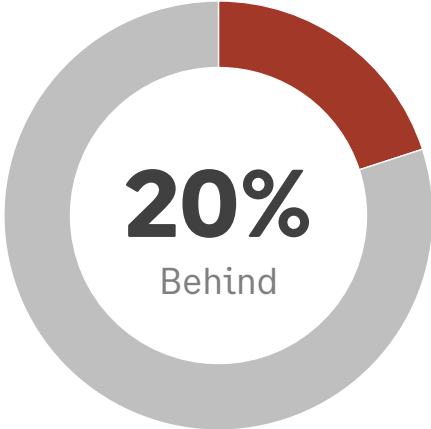
However, just like their actual realized increases or decreases from the past 12 months, the majority of organizations are only forecasting a <25% increase or decrease for the next 12 months.



Q3: How is your organization tracking against your revenue goals for the next 12 months?

Majority of organizations (61%) are on-track to meet their revenue goals for the next 12 months

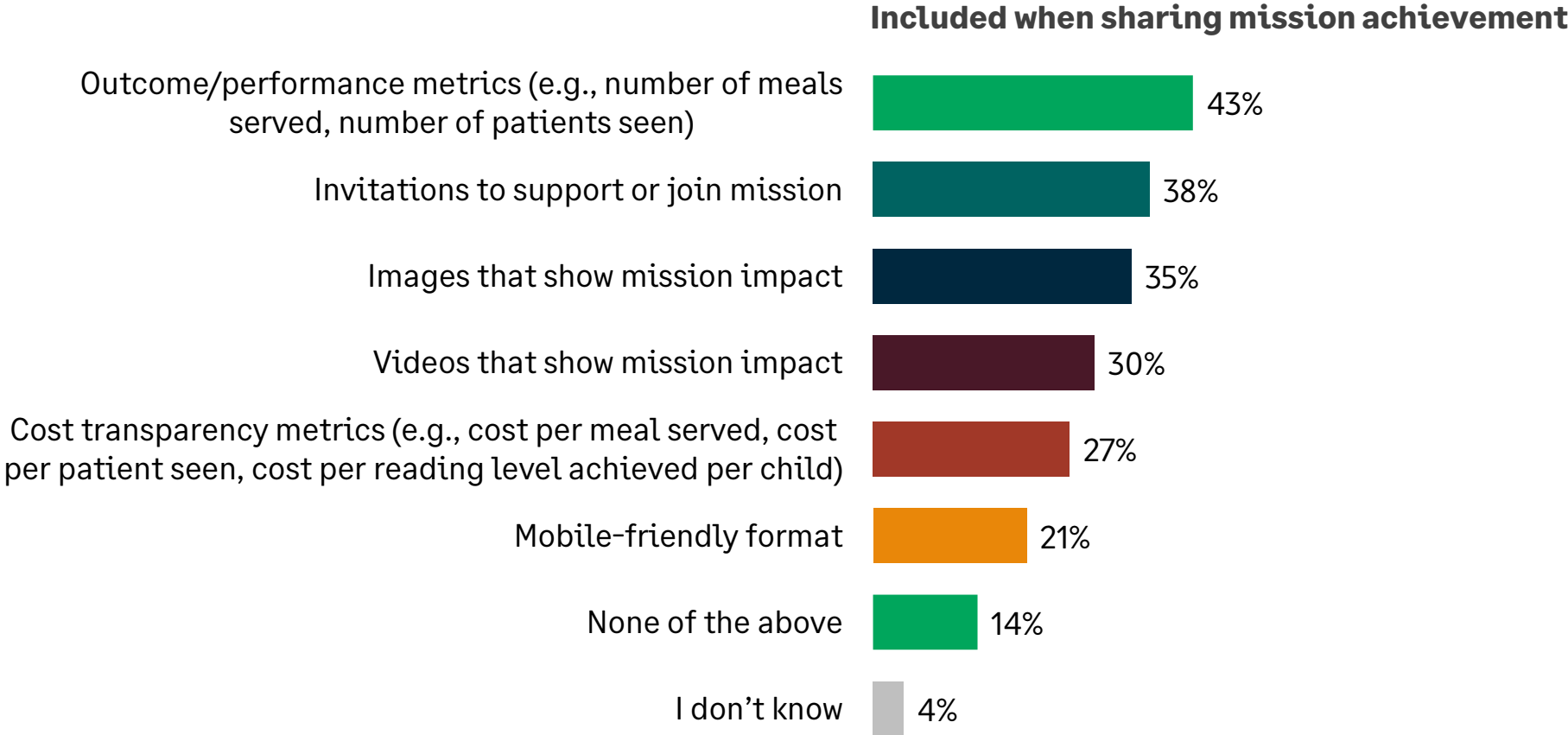
With roughly one in ten (11%) tracking ahead of their revenue goals, around double that (20%) are tracking behind their revenue goals.



Q4: What elements do you include in sharing your story of mission achievement?

Over four in ten (43%) include performance metrics when sharing their story of mission achievement

A similar amount (38%) include invitations to support or join the mission, while a little less (35%) show images that convey the impact of the mission.

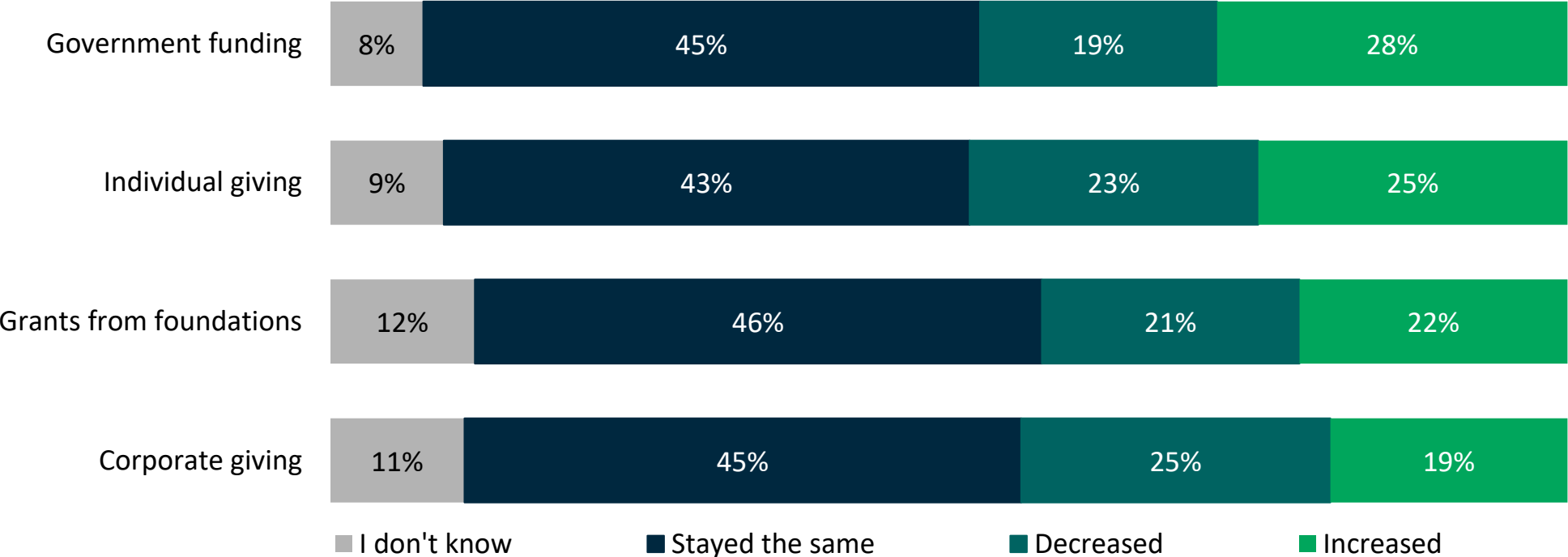


Q5: In what funding areas have you seen a change in the last 12 months?

A large plurality of respondents indicate that funding has stayed the same in the past 12 months

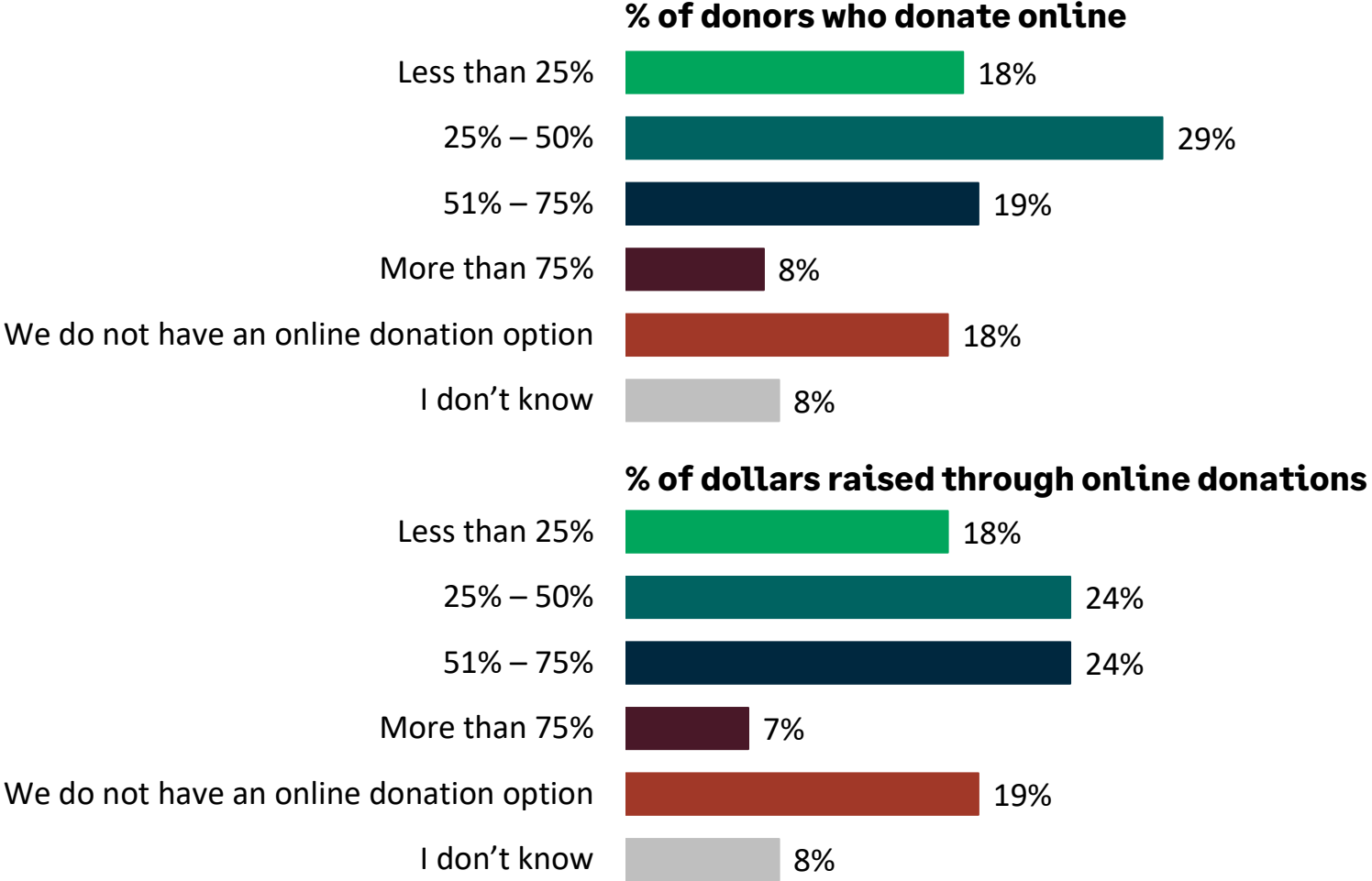
The funding area that organizations have seen the largest increase is from government, while the largest decrease has come from the corporate sector.

Changes in funding areas in the past 12 months



Q5A: In your fundraising and development efforts, how many of your individual donors choose to donate online?
Q5B: How much of your individual donor dollars is raised online?

27% of organizations say over 50% of their individual donors donate online, while 31% say over 50% of their individual dollars come via online donation

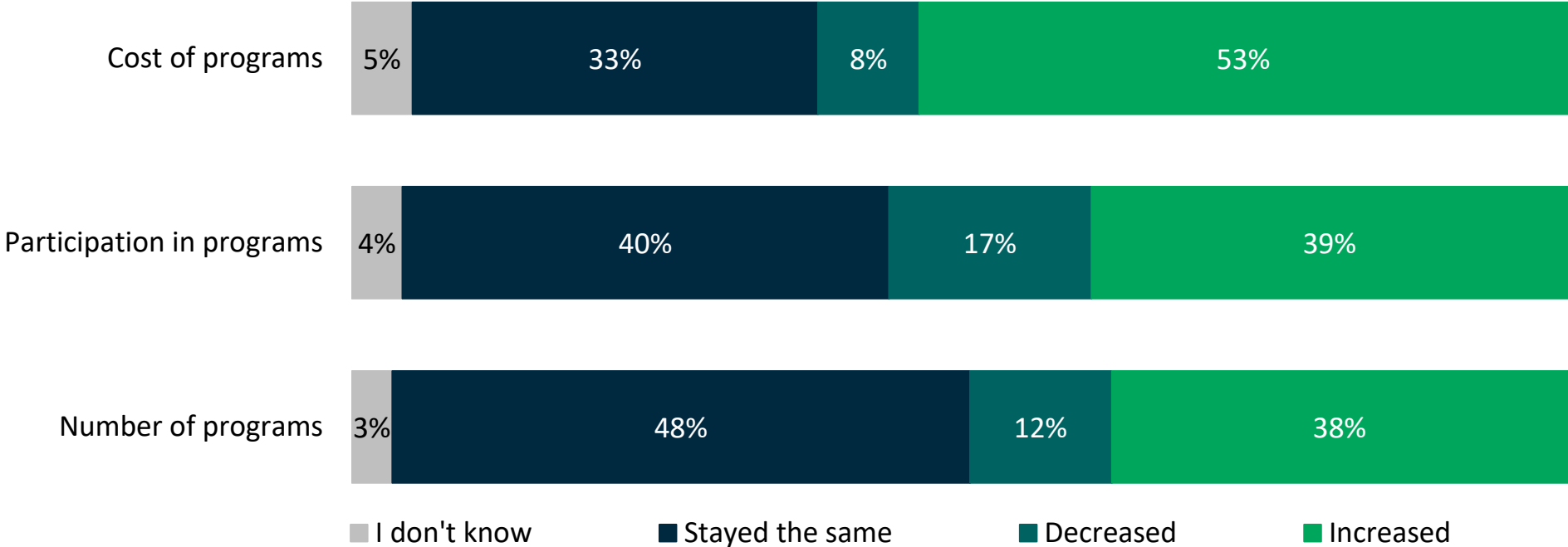


Q6: How have your programs changed within the last 12 months?

Over half of respondents (53%) indicate that the cost of programs has increased over the past 12 months

While at the same time four in ten say participation has increased (39%) as well as the number of programs (38%).

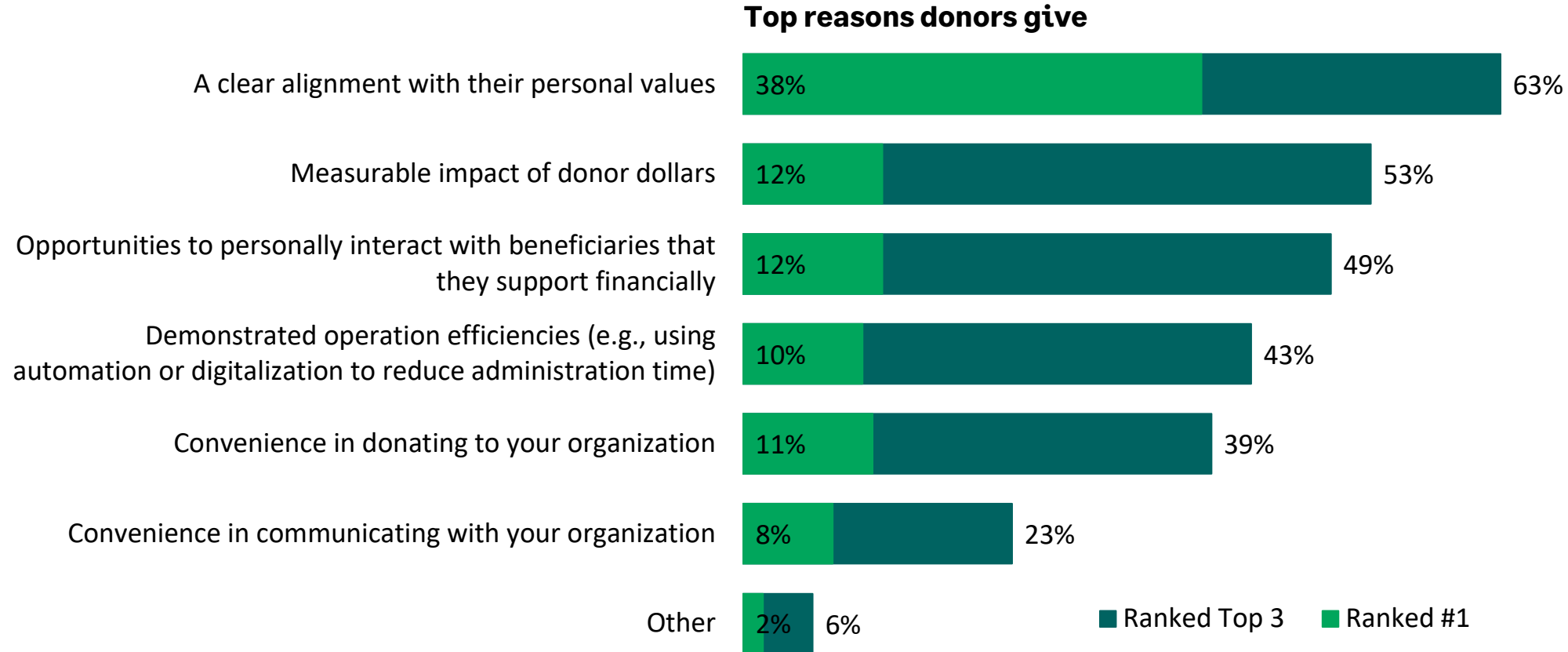
Changes in programs in the past 12 months



Q6A: When thinking about your individual donors, what are the top three reasons for why they donate to your organization?

Six in ten (63%) ranked ‘A clear alignment with personal values’ in the top three reasons why individual donors contribute to their organization

In fact, nearly four in ten (38%) ranked this as the #1 reason—significantly higher than the runner up, ‘Measurable impact of donor dollars’ which 12% of respondents ranked #1, and over half (53%) ranked in the top 3.

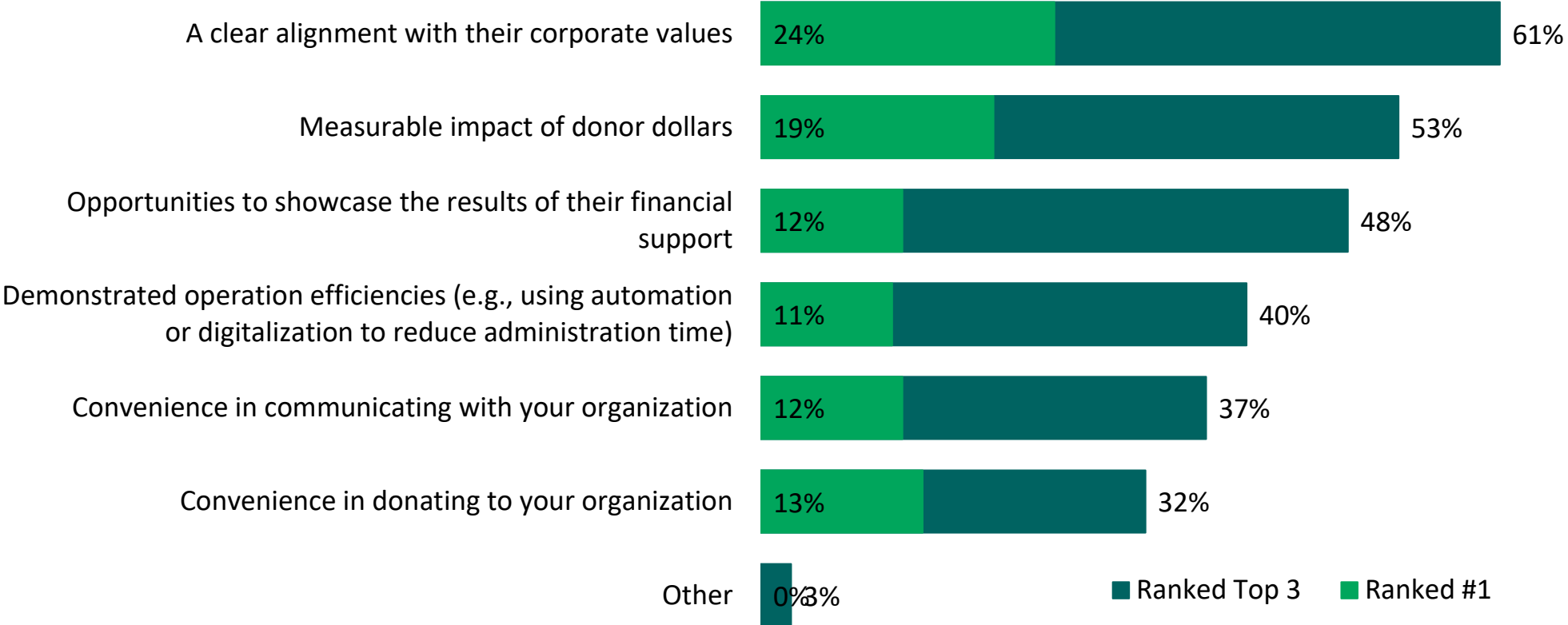


Q6B: When thinking about your corporate or government funders, what are the top three reasons for why they consider a donation or contribution to your organization?

Six in ten (61%) ranked ‘a clear alignment with corporate values’ in the top three reasons why corporate or government funders contribute to their organization

Following that, roughly half ranked ‘Measurable impact of donor dollars’ (53%) among the top 3 reasons, as well as ‘Opportunities to showcase the results of their financial support’ (48%).

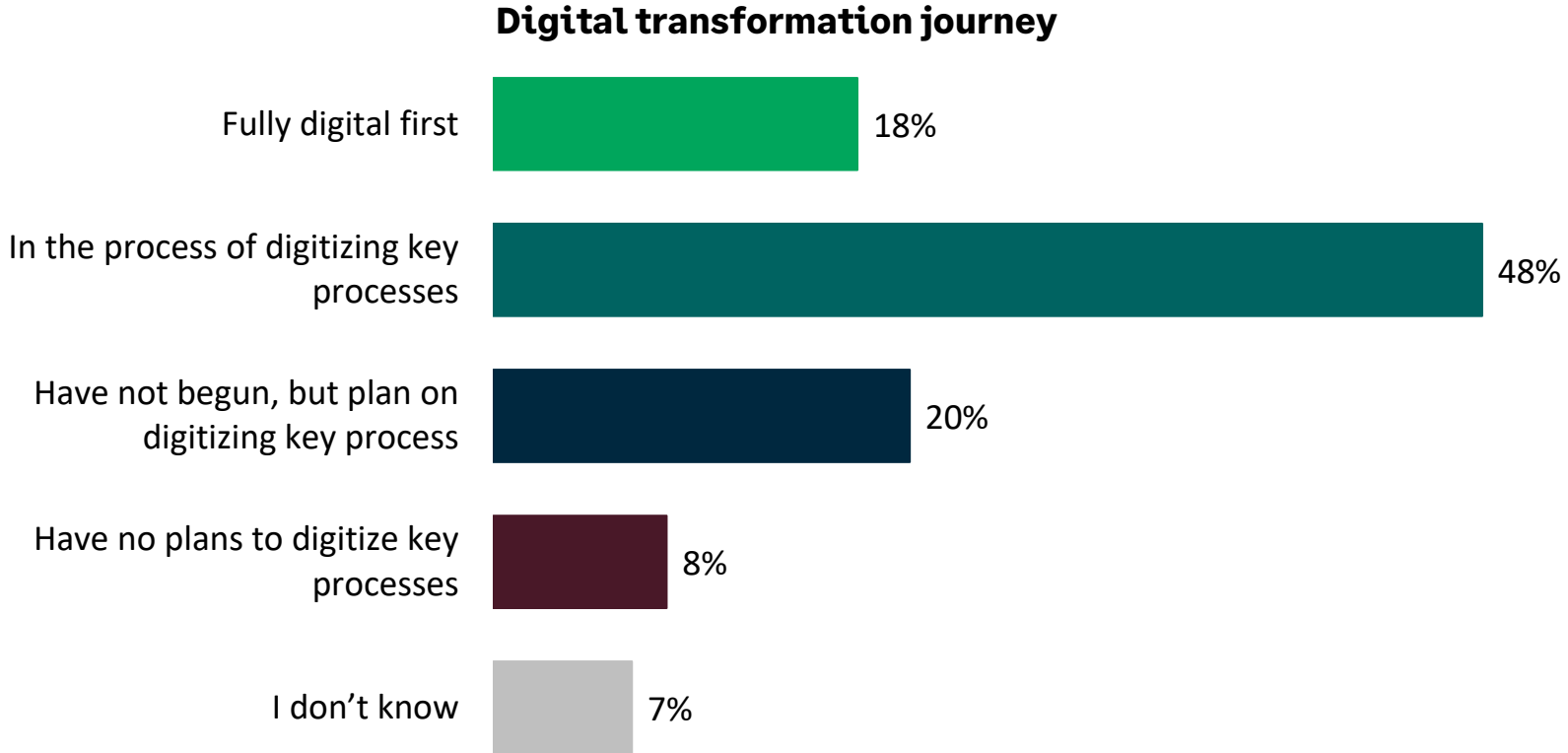
Top reasons for corporate and government contributions



Q7: How far along is your organization on its digital transformation journey (i.e., automating and moving key processes to the cloud)?

Nearly half (48%) are in the process of digitizing key aspects of their organization, while two in ten (18%) are fully digital first

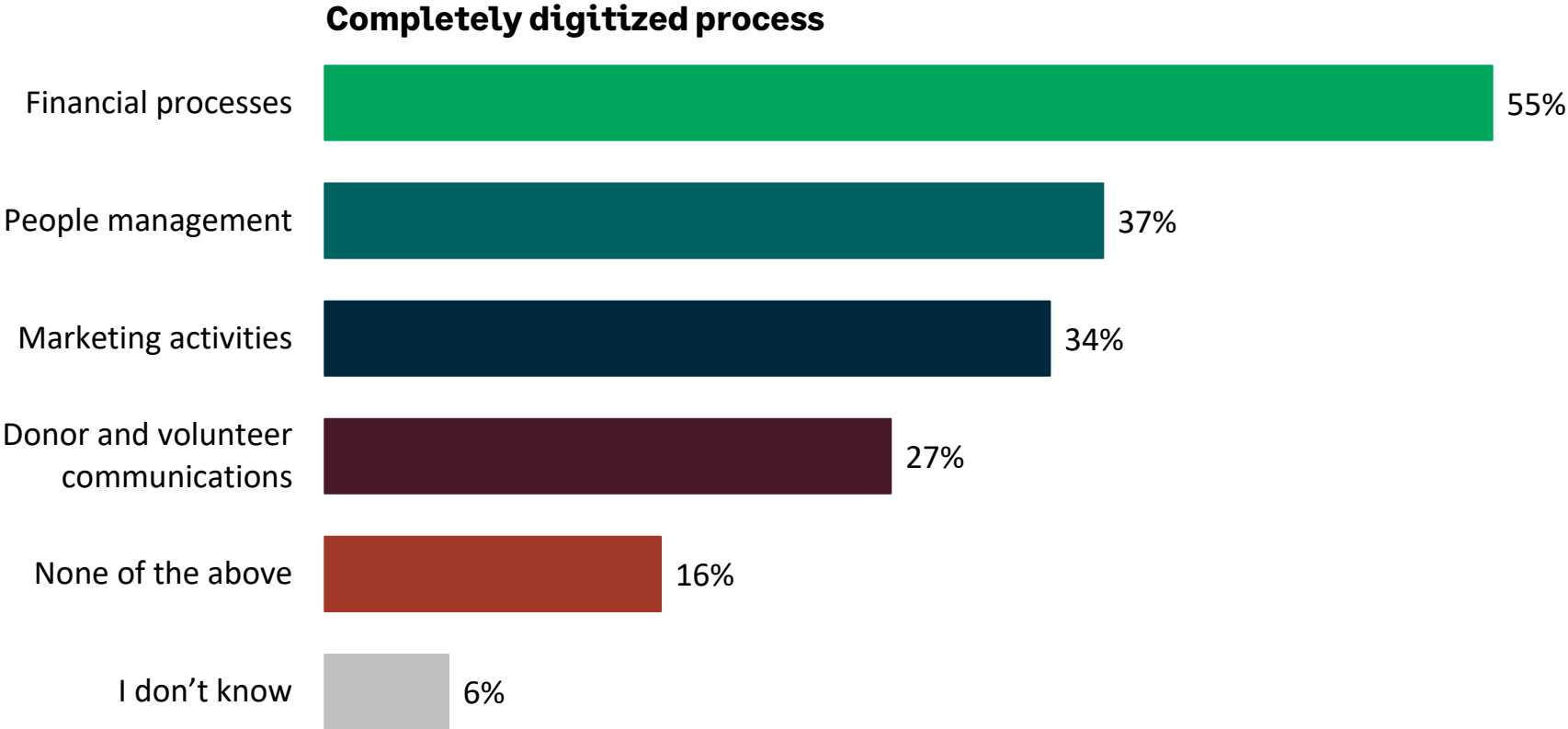
A total of 28% have not begun to or have no plans to digitize key processes.



Q8: When thinking about your organization, what processes are completely digitized (by this we mean which processes are digital first)?

Over half (55%) have completely digitized their financial processes

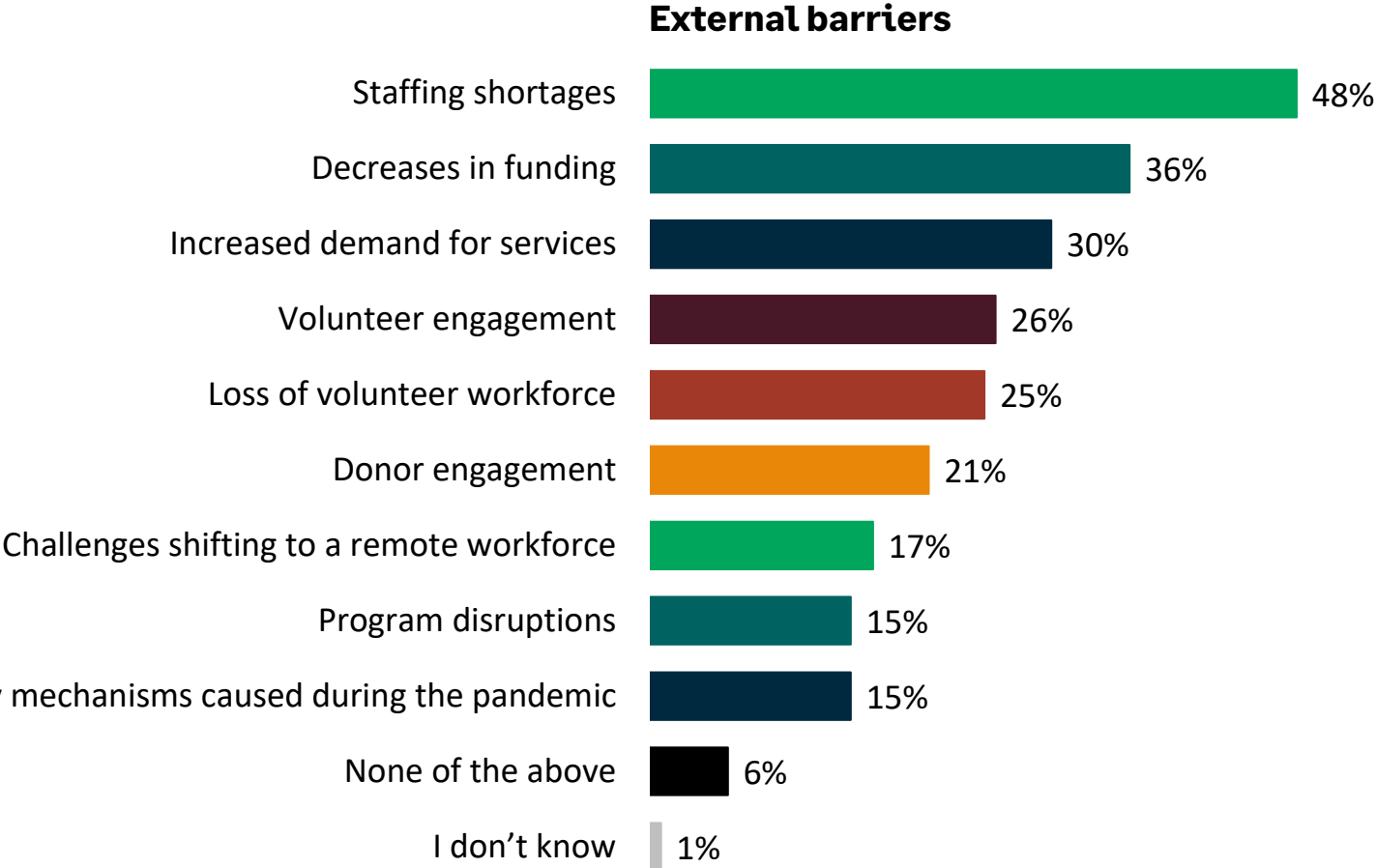
About one in six (16%) have not digitized any of these processes within their organization.



Q9: What are the biggest external barriers your organization is facing today?

Nearly half (48%) are experiencing staffing shortages as their biggest external barrier today

Decreases in funding (36%) and increased demand for services (30%) are also notable factors putting external strain on organizations.



Q10: What are the biggest internal barriers your organization is facing today?

35% say the biggest internal barrier facing their organization today is a lack of staff with the right skillset to manage their digital transformation journey

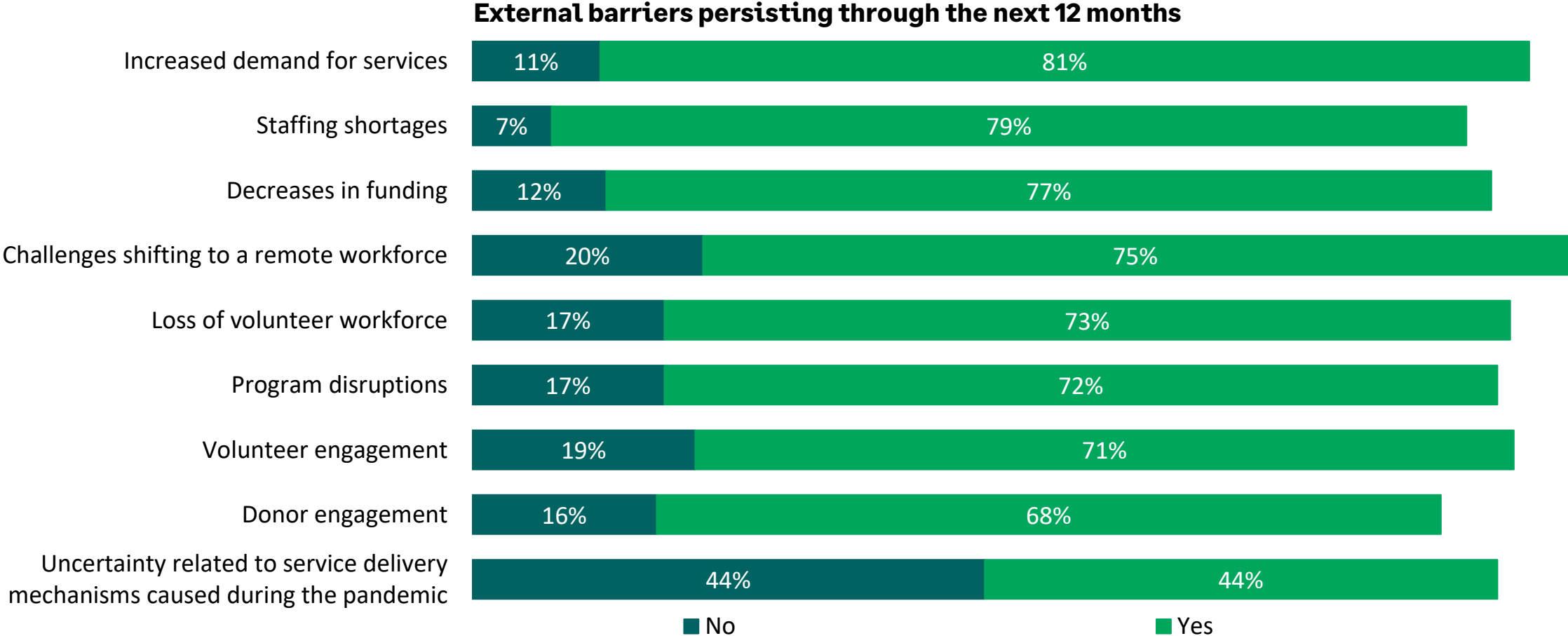
An inability to measure outcomes (20%) and time consuming, manual reporting (18%) are also seen by many as large internal barriers.



Q11A: Do you believe that the following external issues will persist for the next 12 months?

A large majority of respondents feel nearly all of these external barriers will persist though the next 12 months

The only external barrier that less than half of respondents feel will persist is uncertainty related to service delivery mechanisms caused during the pandemic.

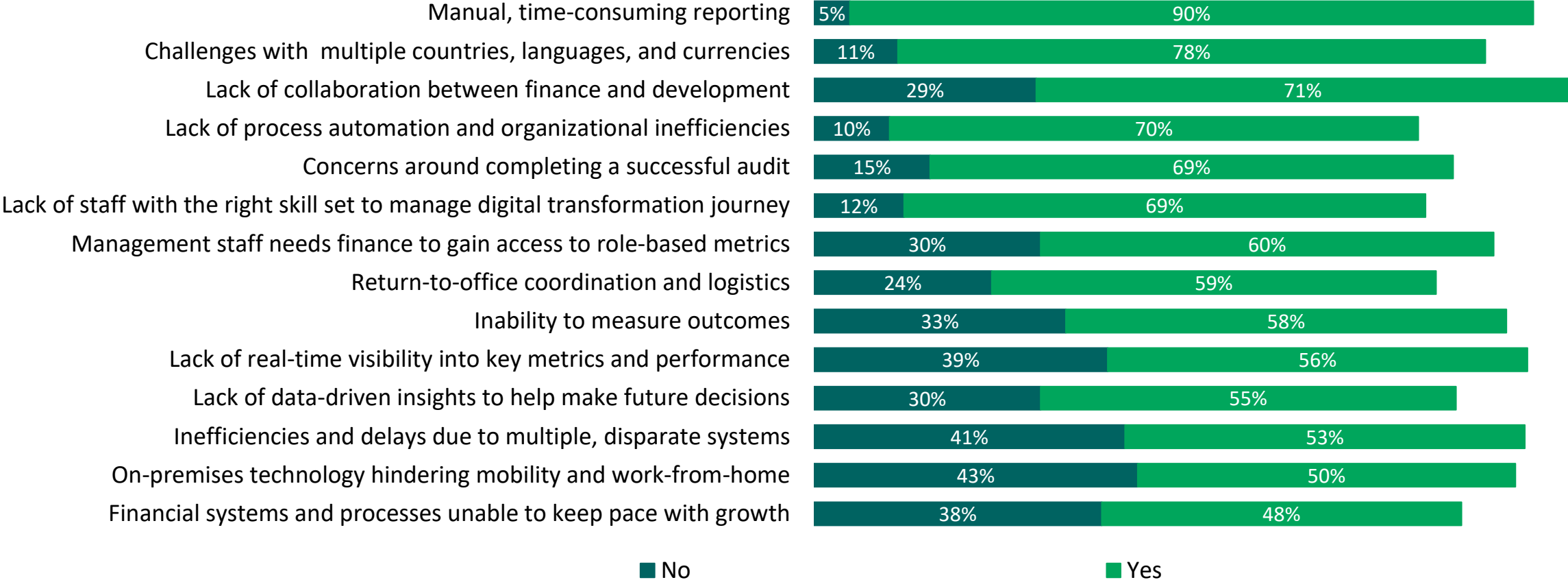


Q11B: Do you believe that the following internal issues will persist for the next 12 months?

A large majority of respondents feel nearly all these external barriers will persist though the next 12 months

The only internal barrier that less than half of respondents feel will persist is ‘Financial systems and processes unable to keep pace with growth’.

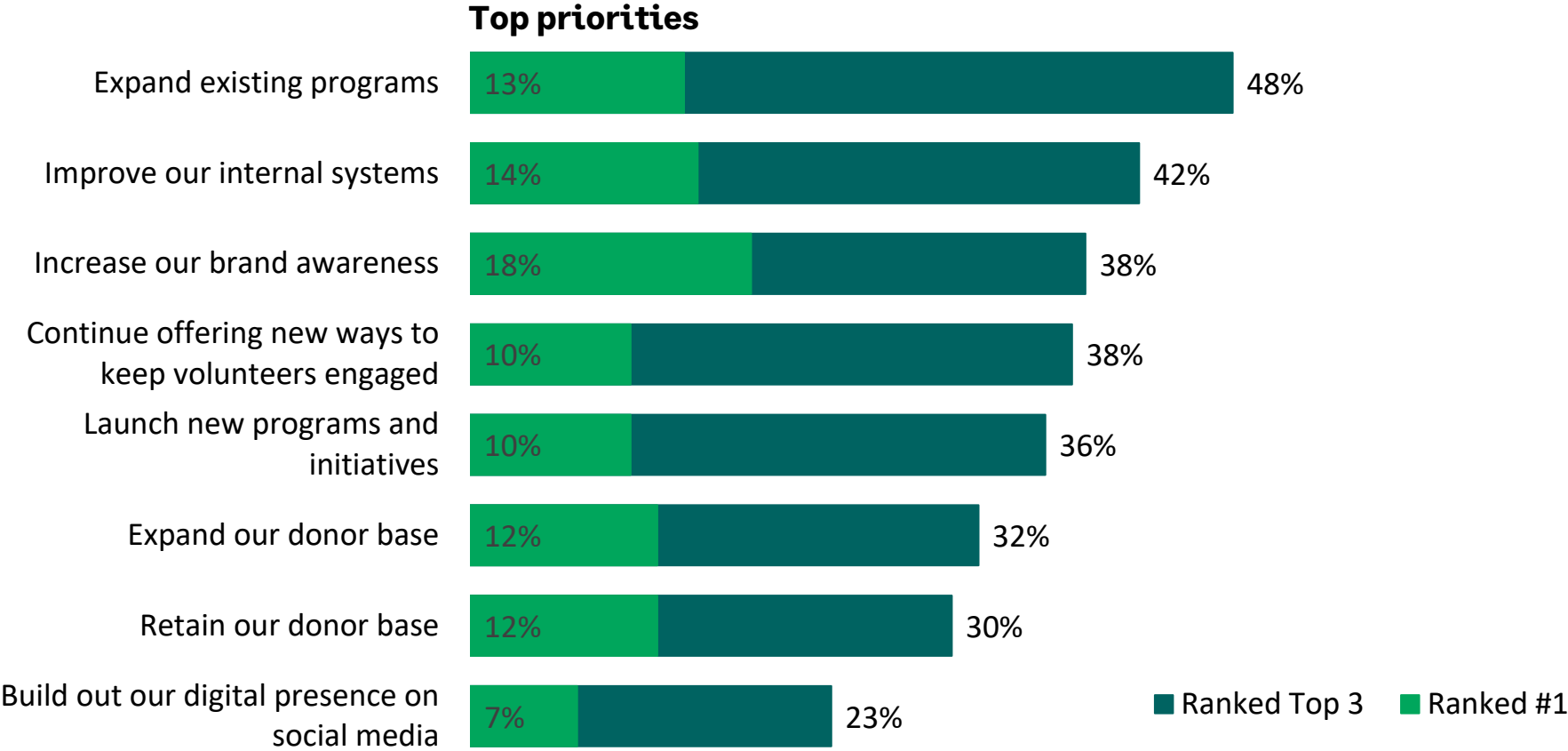
Internal barriers persisting through the next 12 months



Q12: Thinking about this year, what are the top three priorities for your organization?

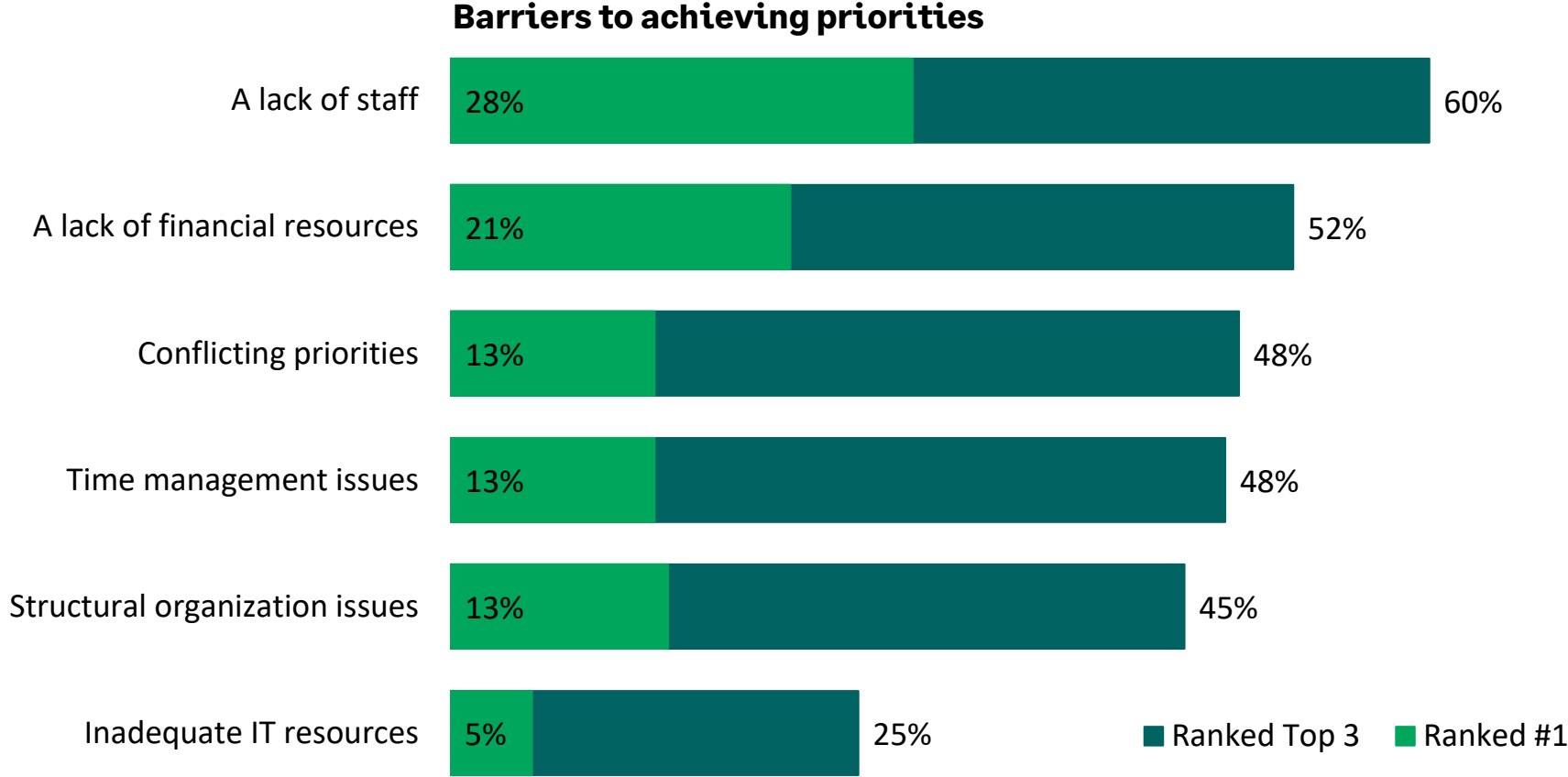
A plurality of organizations ranked increasing their brand awareness as their #1 top priority (18%)

Nearly half (48%) ranked expanding existing programs among their top 3 priorities.



Q13: In your view, what are the top three barriers that may impact your ability to achieve your priorities?

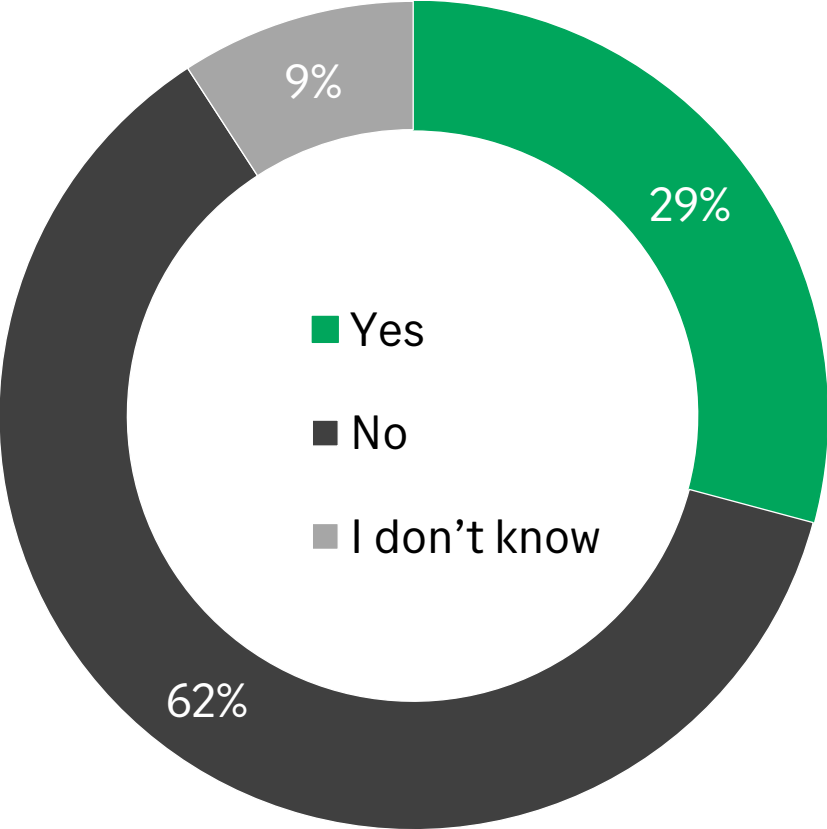
A lack of staff registers as the greatest barrier to organizations achieving their priorities—three in ten (28%) rank this as the #1 barrier and six in ten (60%) rank it among the top three



Q14: In thinking about your digitalization and automation efforts, have you received any funding by the federal, provincial, or municipal government to support these specific efforts or your operations in general?

Three in ten have received some form of government funding to support general operations of their digitalization and automation efforts

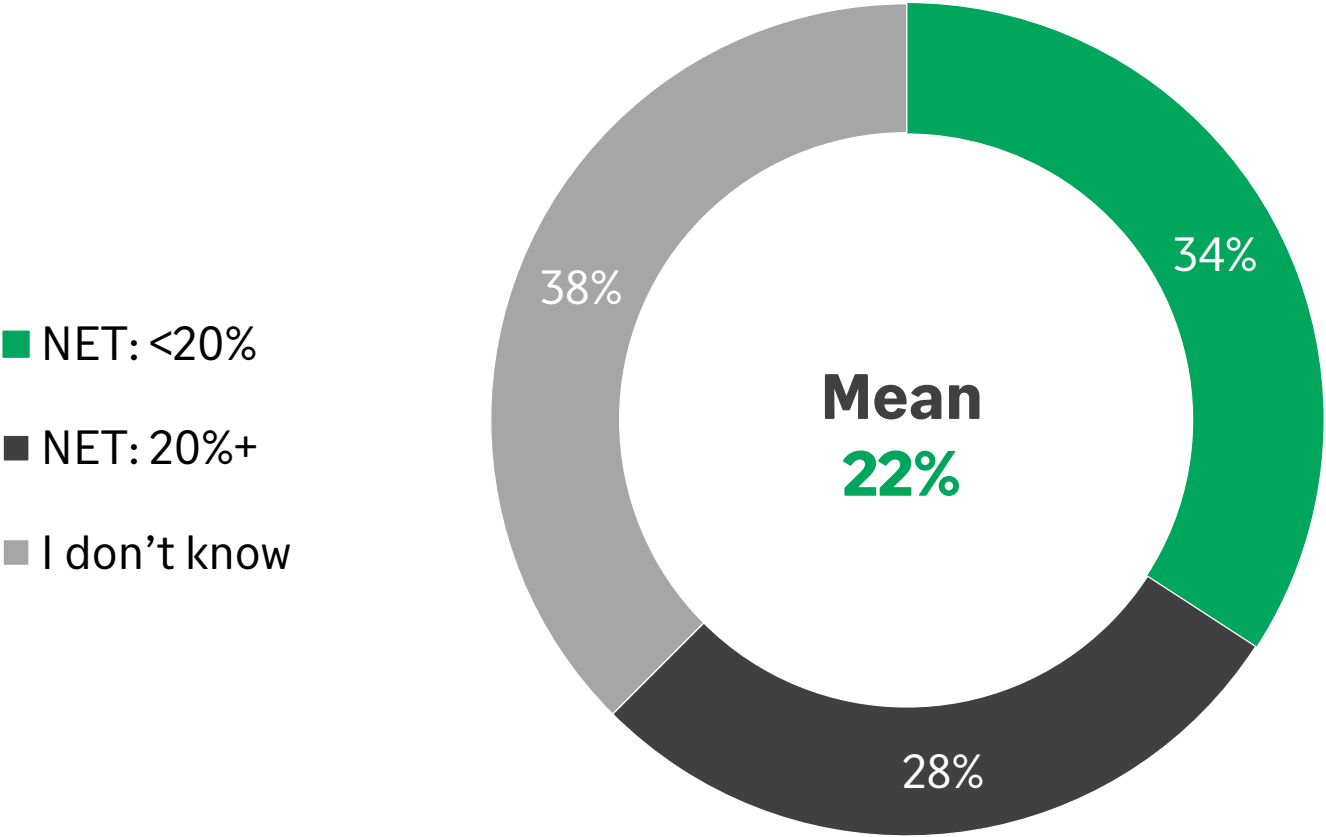
Over six in ten have not received any form of government funding for these efforts.



Q15: What percentage of your operation budget is dedicated toward automation and digitalization?

Nearly three in ten (28%) dedicate 20% or more of their operation budget towards automation and digitalization

On average, organizations are dedicating 22% of their operation budget towards automation and digitalization, while around one third (34%) are dedicating less than 20% to such efforts.

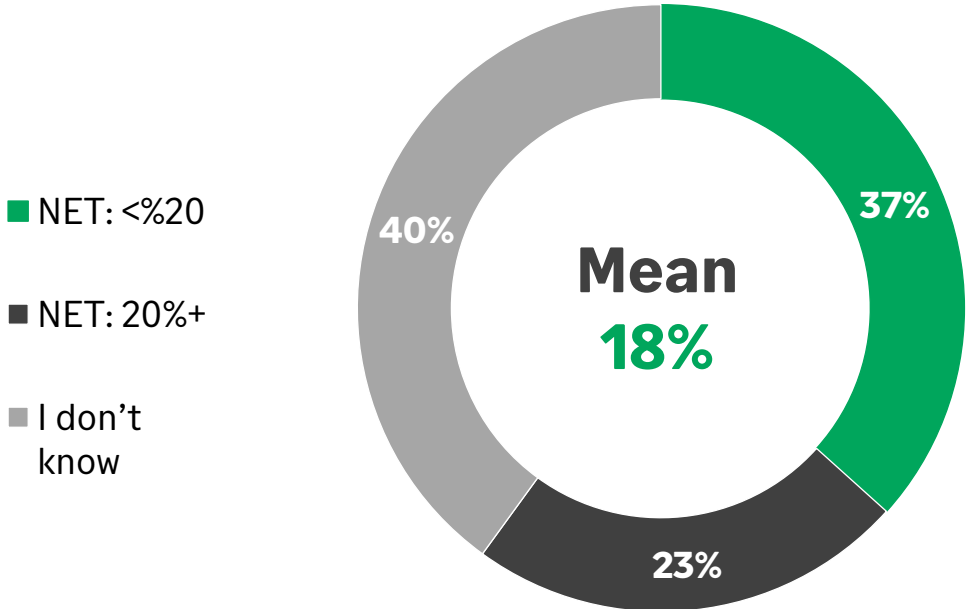


Q16: What percentage of your donor dollars are used to support your automation and digitalization efforts?
Q17: Have you disclosed that your organization uses that percentage of donor dollars on operations related costs?

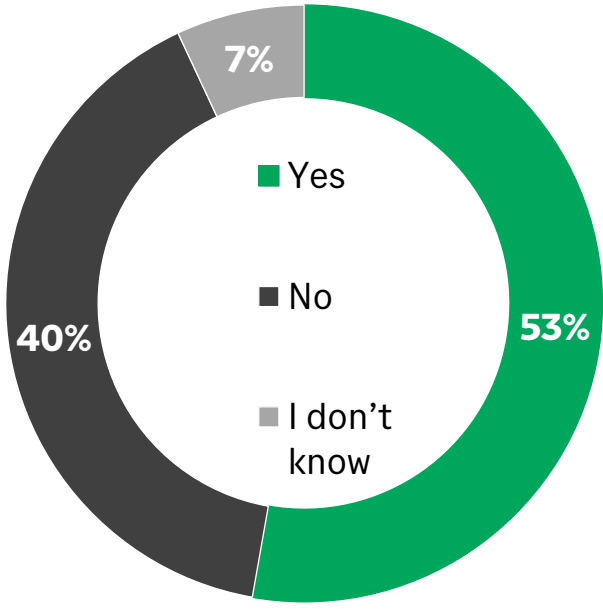
Just over two in ten (23%) dedicate 20% or more of their donor dollars towards automation and digitalization—and just over half (53%) disclose the amount they spend on such efforts

On average, organizations are dedicating 18% of their donor dollars towards automation and digitalization, while nearly four in ten (37%) are dedicating less than 20% for their donor dollars to automation and digitalization efforts.

% of donor dollars spent on digitization



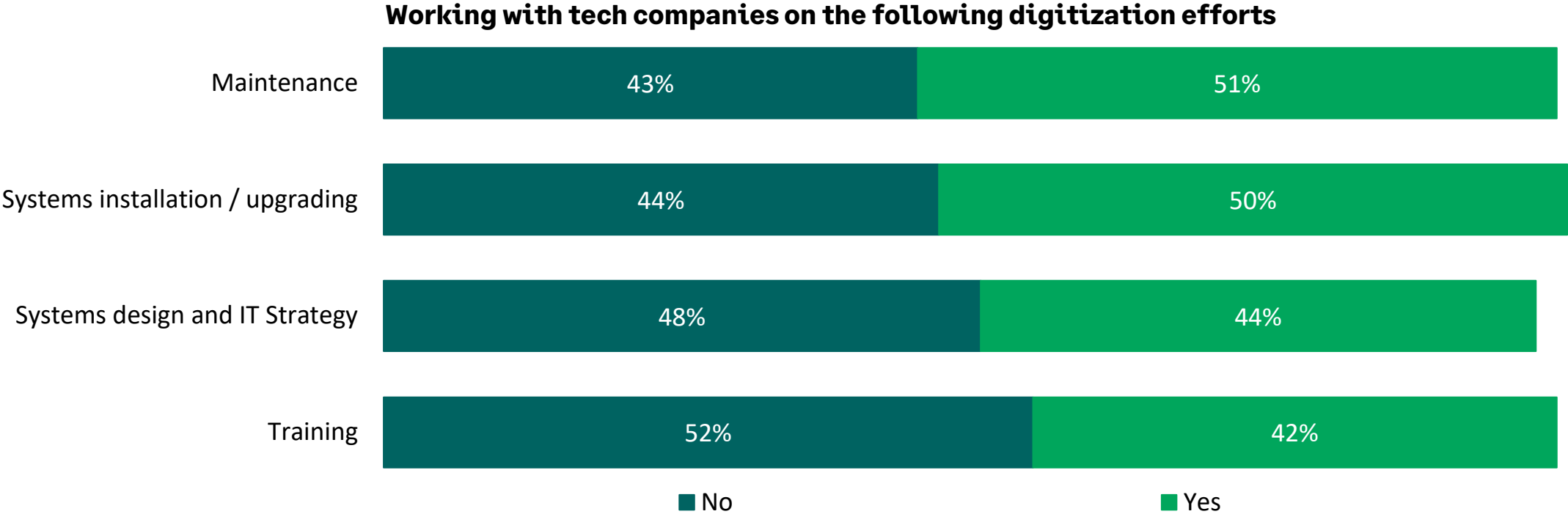
Disclosed % of donor dollars spent on operation costs



Q18: Are you working with any technology companies to assist you in any of the following as it relates to your digitalization efforts?

Around half work with technology companies on maintenance (51%) and systems installation and upgrades (50%)

Following that, over four in ten work with tech companies on system design and IT strategy (44%) and training (42%).



Q19: To what extent do you agree or disagree with the following statements?

Nearly three quarters (74%) agree ‘technological advancements within our nonprofit are seen as a strategic necessity’ and at the same time they ‘do not have the people to make technological advancement a priority’



Conclusion

The 2024 Nonprofit Technology Trends Report aims to provide a comprehensive view of the current landscape of technology use within the nonprofit sector, based on insights from nonprofit finance leaders across Canada.

As we move into 2024, the responses from nonprofit finance leaders highlight positive trends in revenue growth and forecasted revenue. Our findings emphasize the critical role of the nonprofit finance leaders in leading their organizations through change with transparency, accountability, and strategy.

As nonprofits face a complex landscape, the ability to track performance metrics and demonstrate alignment with personal and corporate values are crucial when seeking funders for long-term sustainability and impact. Organizations also face critical challenges such as staffing shortages and a lack of staff with the right skillset to manage their digital transformation journey.

This will continue to be top of mind for leaders as the survey highlights that the road to digital transformation is a strategic necessity.

About Sage Intacct

Sage Intacct is the #1 provider of cloud financial applications. Specializing in helping nonprofits of all types— including health and social services, NGOs, charities, trade and membership associations, indigenous, cultural institutions, and faith-based organizations— Sage Intacct streamlines grant, fund, project, and donor accounting, while delivering real-time visibility into the metrics that matter.

Our modern, true cloud solution, with open APIs, gives nonprofits the connectivity, visibility, and efficiency they need to do more with less. At Sage Intacct, we help nonprofits strengthen stewardship, build influence, grow funding, and achieve mission success.

In addition to intuitive software solutions, Sage Membership provides members with access to actionable human advice from experts and peers through exclusive content and tools to help you make even better mission-critical decisions.

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