



Research report

# 2024 Nonprofit Technology Trends Report

Sponsored by Sage Intacct



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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 in the nonprofit sector. With valuable insights from nonprofit finance leaders from across North America, this report not only sheds light on current technology trends but also provides strategic foresight into the changing landscape of nonprofit operations.

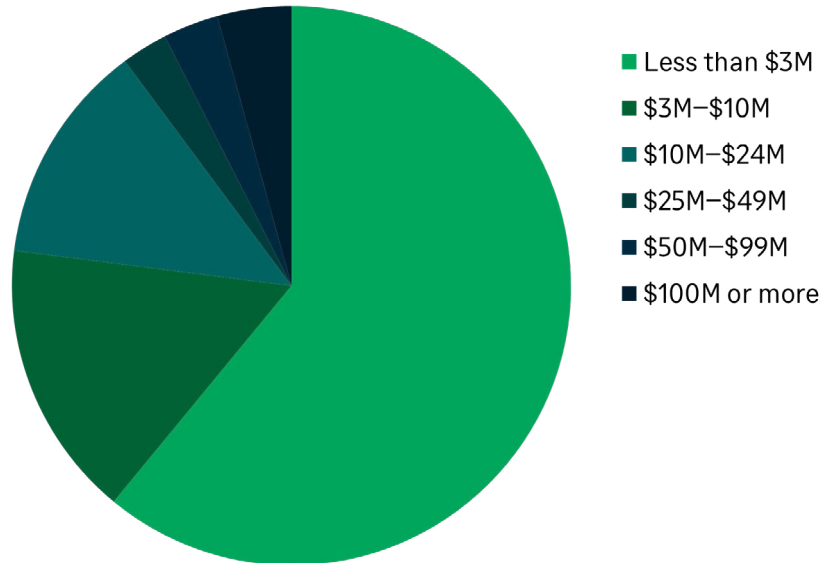
As stewards of financial integrity within their organizations, nonprofit finance leaders play a critical role in guiding the adoption of technologies that align with mission-driven goals.

The survey conducted for this report captures the perspectives of these leaders, exploring the challenges faced, the opportunities seized, and the technologies that are shaping the nonprofit sector in 2024.

# Demographics

This year, nearly 300 nonprofit leaders responded to our survey. The majority (90%) of these leaders represent small to mid-size nonprofit organizations in the United States with revenue of less than \$24M annually. The demographics are in line with our survey respondents from previous years, allowing us to compare year-over-year results.

## What's the approximate annual revenue for your organization?



The respondents represent a variety of nonprofit cause areas, including human services (21%), education (17%), community improvement (16%), arts and culture (14%), and healthcare (13%).

The most frequent titles of respondents were executive director, chief financial officer, and chief executive officer. More than half (56%) of respondents represented the C-suite at their organization, up from 49% of respondents last year. Other survey participants identified themselves as controller, director of finance, accounting manager, and VP of finance and administration.

# Results

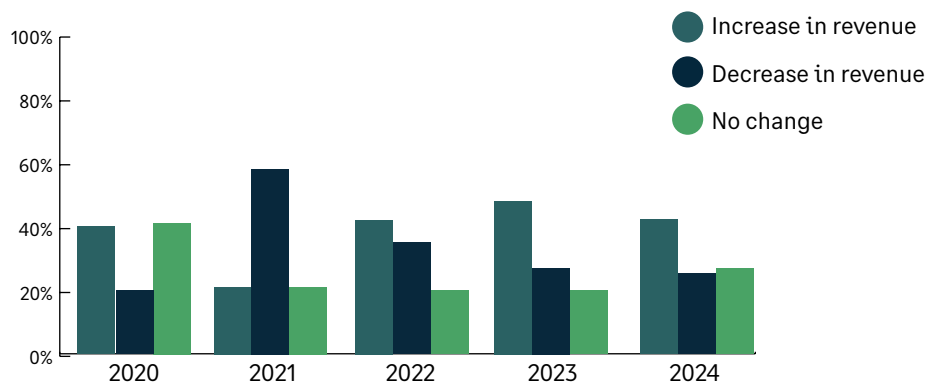
The post-pandemic bounce back was higher in 2022, but fewer organizations reported a decrease in 2023.

## Revenue

44% of respondents reported an increase in revenue in 2023, with an additional 29% reporting flat revenue. We saw a larger percentage report an increase last year, but in totality, a higher number of organizations are reporting either increased or flat revenue – meaning the post-pandemic bounce back was higher in 2022, but fewer organizations reported a decrease in 2023.

Human services, arts and culture, and education organizations more frequently reported an increase in revenue over other nonprofit categories. Arts and culture organizations are new to that list this year, indicating a recovery in an area that was hard-hit during the pandemic.

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



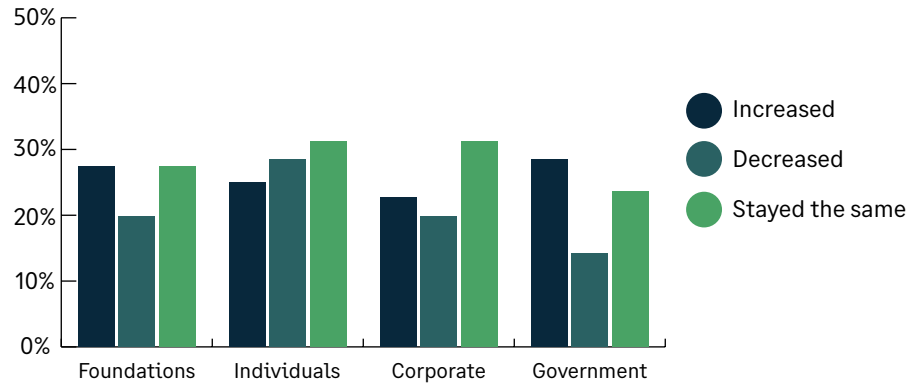
When we examine the last five years in greater detail, we see a clear positive trend in revenue versus the decrease we saw during the height of the pandemic in 2021. Our 2024 survey results reflect the lowest percentage of survey respondents reporting a decrease in revenue since pre-pandemic times. Of those who reported a decrease in funding, 65% say their funding decreased by a small margin of less than 25%. Of those that reported an increase in funding, more than a quarter experienced an increase of greater than 25%.

**Good news for 2024:** 86% of organizations are predicting increased or flat revenue, with 63% forecasting an increase. Of those forecasting an increase, 41% of those organizations expect an increase of greater than 25%. That number is up from 26% last year, meaning many more organizations are forecasting larger increases.

### Funders

29% of nonprofit finance leaders reported that the biggest increase in funding this year came from government funding, followed by foundation grants. Our survey respondents reported that the most significant decrease in funding came from individual donors.

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

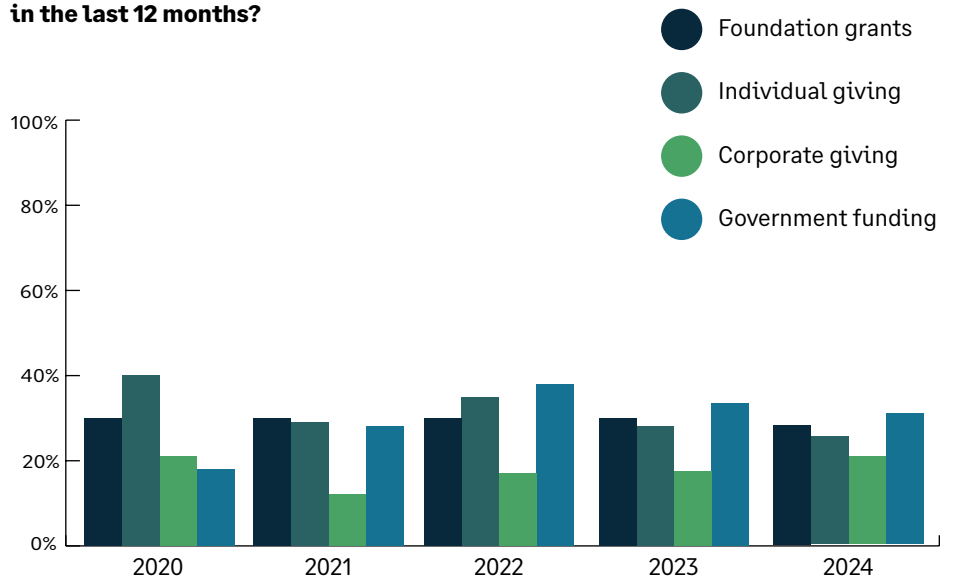


When we look at year-over-year trends, funding from foundations has remained the steadiest, while individual, corporate, and government funding has had more variability, trending up or down given the economic climate.

This year, we saw every area drop slightly in the percentage who have seen an increase, except corporate giving. For the first time in our survey, we've seen corporate giving back to pre-pandemic levels.

Overall, we've seen government funding remain fairly high when compared to 2020 numbers, but it did dip slightly this year as the availability and accessibility of government funding has changed post-pandemic.

### In what funding areas have you seen an increase in the last 12 months?



**The increased demand for services, coupled with inflation and rising costs of programs, puts more pressure on nonprofits to accurately budget and plan for the future, stretch every dollar, and be good stewards of funding.**

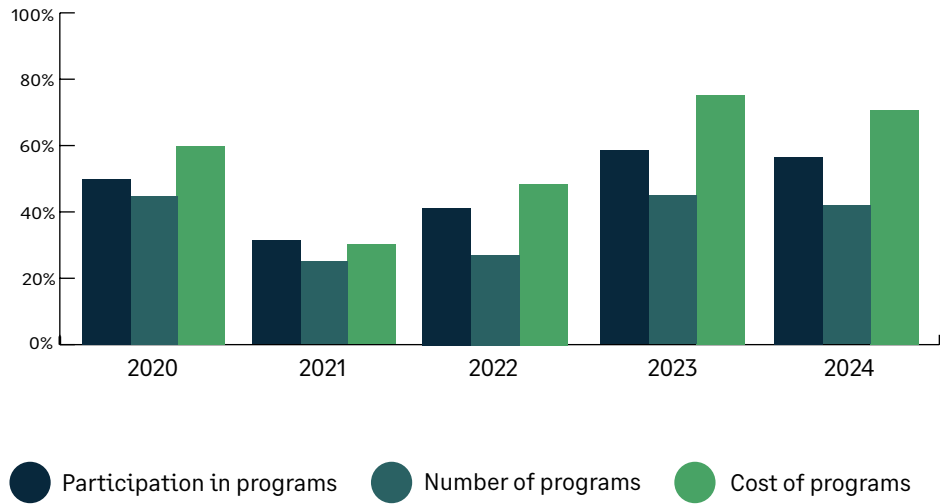
**Programs and services**

The major theme when it comes to programs and services over the last two years has been one of increased demand coupled with higher costs. 26% of survey respondents say that participation in programs has increased this year, with 70% saying the cost of programs has increased.

While inflation is a hurdle in most sectors right now, the [National Philanthropic Trust](#) says that nonprofits are “particularly vulnerable to inflation because they cannot react to rising prices the way for-profit businesses can.” They go on to note the correlation between rising costs and an increased demand for services, and the difficult position that puts nonprofits in.

The increased demand for services, coupled with inflation and rising costs of programs, puts more pressure on nonprofits to accurately budget and plan for the future, stretch every dollar, and be good stewards of funding.

**In what areas have your programs increased in the last 12 months?**



### The role of the nonprofit finance leader

This survey is for nonprofit finance leaders, and each year, we ask about their role in telling the story of mission impact to constituents. Finance plays a huge role in translating an organization's mission into fiscal strategies, providing the guidance needed to move the mission forward.

### What is the role of your finance team in helping to build a compelling story of mission impact?



**Clear and transparent documentation of financial practices assures donors their contributions are being used responsibly and in alignment with the nonprofit's mission.**

Nearly 60% of respondents indicated that their finance team documents transparency and accountability at their organization. It's no surprise this was the most common response, as it is a crucial component for nonprofit success. Transparency and accountability establish a foundation of trust with stakeholders and clear and transparent documentation of financial practices assures donors their contributions are being used responsibly and in alignment with the nonprofit's mission.

Nearly half of respondents indicated their finance teams track program results. This enables nonprofits to demonstrate impact, make strategic decisions, and effectively communicate their impact story with stakeholders.

By actively engaging the finance team in pursuit of mission achievement, nonprofits can optimize resource allocation, enhance operational efficiency, and build a foundation for sustainable growth. Through this involvement, the finance team becomes a partner in transforming mission statements into tangible, positive change within the causes the nonprofit serves.

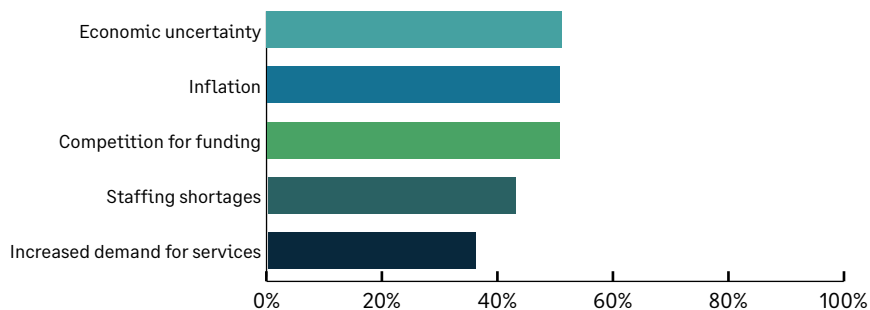


# Market trends

## External challenges

Nonprofits face several challenges that are out of their control. In this survey, we asked about the largest external challenge a respondent's organization is currently facing.

### What are the biggest external challenges your organization is facing today?



There were also other challenges in the comments worth noting:

**“Delays in federal grant payments, due to normal processing delays and especially government shutdowns.”**

~Animal and environment nonprofit

**“Government funding via COVID relief funds is coming to an end.”**

~Human services nonprofit

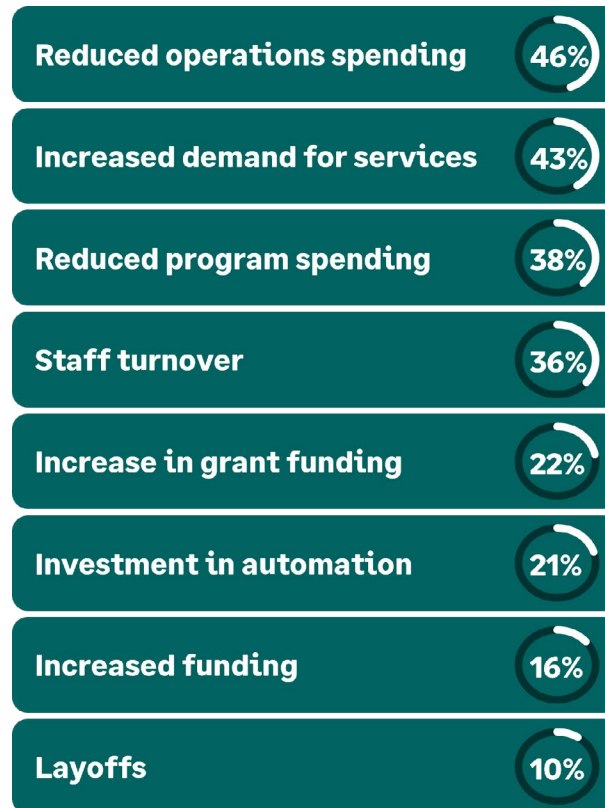
**“Worldwide events, conflicts, and wars draw attention away from our issue.”**

~International nonprofit/NGO

The responses echo much of what has been discussed around programs and funding. However, given that economic uncertainty, inflation, and competition for funding are tied for the top response, we wanted to dive deeper into the challenges nonprofits are experiencing related to the economy.

The economy has had a significant impact on nonprofits, shaping operations, funding sources, and overall viability. With the economy experiencing volatility, nonprofits have to make fast changes to be successful in the current climate. We asked our respondents how they anticipate this uncertainty will affect their organizations.

**How do you anticipate economic uncertainty will affect your organization? (select all that apply)**



Some respondents expanded on the challenges in the comments:

**“We are seeing changes in program and operations spending but not reduced. There are fewer individual donations but government contracts are 3-5 years, so economic uncertainty is a factor around renewal.”**

~Human services nonprofit

**“Economic uncertainty may cause foundations (the chief source of our revenue) to reduce the level of their funding commitment. Our government funder is faced with increasing deficits and cut its grants to us in an effort to reduce the deficit.”**

~Community improvement nonprofit

**“We are seeing increased demand for our services; therefore we need to expand our staff and also generate increased support through grants from foundations and government sources.”**

~Healthcare nonprofit

**“Need to prospect for additional donors to compensate for attrition on the file.”**

~Education nonprofit

But the economic uncertainty has also turned challenges into positive innovation, which was also reflected in the comments:

**“We have already invested in technology to automate repetitive administrative tasks. This has freed up staff time to focus on volunteer training and support.”**

~Education nonprofit

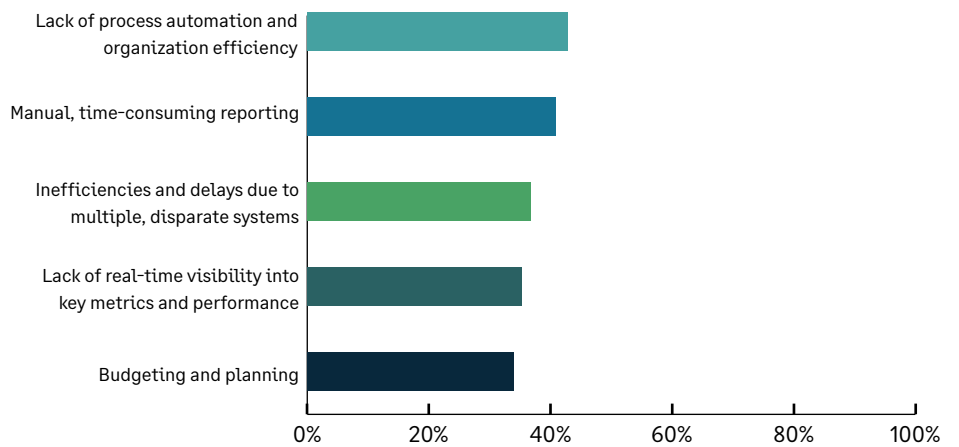
**“We see an increase in team participation in resource mobilization and a shift to innovative revenue models.”**

~International nonprofit/NGO

### Internal challenges

We also wanted to understand what challenges nonprofits were facing internally.

### What are the biggest internal challenges your organization is facing today?



When you compare the internal challenges over the last few years, the top five have remained fairly consistent.

**Top 5 internal challenges from the 2022-2024 reports:**

	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>1</b>	Lack of process automation and organization efficiency	Manual, time-consuming reporting	Lack of process automation and organization efficiency
<b>2</b>	Manual, time-consuming reporting	Lack of process automation and organization efficiency	Manual, time-consuming reporting
<b>3</b>	Budgeting and planning	Inefficiencies and delays due to multiple, disparate systems	Inefficiencies and delays due to multiple, disparate systems
<b>4</b>	Lack of real-time visibility into key metrics and performance	Lack of real-time visibility into key metrics and performance	Lack of real-time visibility into key metrics and performance
<b>5</b>	Inefficiencies and delays due to multiple, disparate systems	Budgeting and planning	Budgeting and planning

**“Lack of process automation and organization efficiency” has consistently appeared in the top two challenges since this survey’s inception five years ago.**

This year, “lack of process automation and organization efficiency” was the number one internal challenge. This challenge has consistently appeared in the top two challenges since this survey’s inception five years ago.

We consistently hear from nonprofits that a lack of process automation and organization efficiency impacts their ability to effectively fulfill their missions and serve their communities. Resource constraints, time-consuming manual tasks, and human errors are all consequences of manual, paper-based inefficient processes.

Lack of automation is a major theme when discussing internal challenges. All five of the top challenges could be alleviated with the use of modern technology.

# Technology

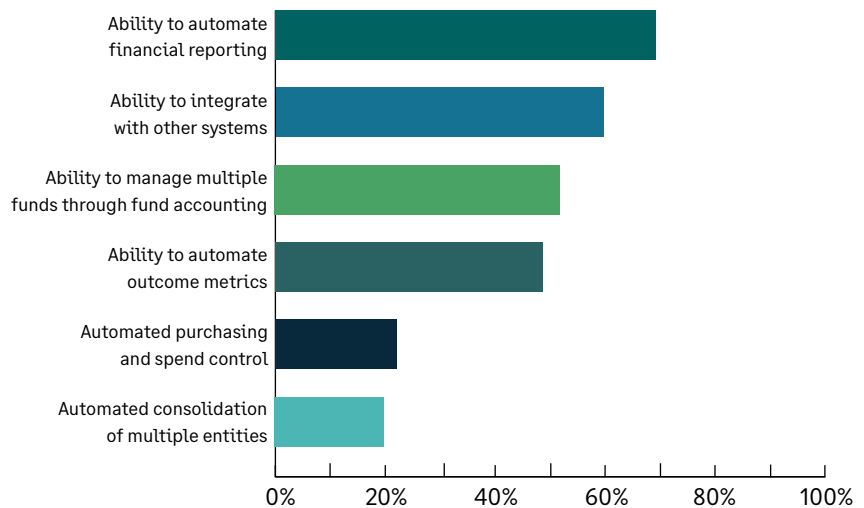
We asked respondents about the technology solutions they use to support operations and growth. The most used pieces of technology were financial management and accounting software (85%), a donor management or CRM solution (64%), and a budgeting and planning tool (28%). Over the course of our annual survey, we've seen a large increase in the use of a budgeting and planning software—it has increased steadily from 18% use in 2022 to 28% this year.

## Accounting and financial management software

When asked specifically about financial management and accounting systems, 48% of respondents indicated they use QuickBooks. This was the most prevalent answer followed by Sage Intacct and MIP Fund Accounting (formerly Abila).

We also asked respondents what functionality of financial management and accounting software is most important to their organization.

## When it comes to your financial management and accounting software, which of the following functionality is a priority to your organization?



These responses are in the same priority order as in the 2021 and 2022 surveys, indicating these are key factors when considering financial management and accounting software.

One difference to highlight is that 46% noted the importance of automating outcome metrics. This has increased steadily over the years, up from 35% in 2022. Outcome metrics are key to telling the story of mission achievement and the ability to track and measure those automatically has become increasingly important to nonprofits.

# Key takeaways

## 1. Entry-level accounting software cannot rise to the needs of nonprofit challenges—especially during economic instability.

When discussing internal challenges in the survey one respondent from a public benefit organization noted their biggest challenge was the “increasing concern of whether QuickBooks can keep up with our needs.” When you consider the top pains of lack of organization efficiency and manual, time-consuming reporting—coupled with the fact that most respondents use QuickBooks, it’s safe to assume that entry-level accounting software like QuickBooks can not rise to meet the needs of current nonprofit challenges.

While entry-level accounting software like QuickBooks can be a good fit for small organizations with a simplistic structure, it wasn’t built for the needs of a complex nonprofit, especially in a challenging economic climate. Some of the impacts of economic instability on nonprofits including increased competition for funding, volatility in funding streams, and operational challenges can be exacerbated by the use of a solution like QuickBooks. However, these pains can be exacerbated or removed by leveraging a modern, cloud accounting and financial management solution like Sage Intacct:

- **Competition for funding:** Sage Intacct can help nonprofits differentiate themselves when funding competition is fierce. By utilizing compliance reporting in Sage Intacct, nonprofits can demonstrate that they are a responsible steward of donor dollars. Couple that with the ability to track and measure outcome metrics can make a nonprofit very attractive when under consideration for funding.
- **Volatility in funding streams:** Nonprofits often experience fluctuations in funding streams due to economic uncertainties. Government grants, corporate giving, and individual donations may become more unpredictable, impacting long-term planning and program sustainability. Sage Intacct is, at its core, a fund accounting solution, with the ability to easily track multiple funding sources and establish a clear and complete audit trail from transaction to report to reconciliation. This not only frees up valuable time for finance staff but makes audits fast and efficient.
- **Operational challenges:** Nonprofits using QuickBooks as their financial foundation are often forced to build cumbersome workarounds to complete complex processes like revenue recognition and multi-entity consolidation, leaving users overly reliant on spreadsheets and manual data entry. Sage Intacct has built-in automation and workflows to increase your efficiency and productivity by eliminating redundant data entry, routing and tracking digital approval signoffs on transactions, and automating fund, revenue, and billing processes.

## 2. Tracking outcome metrics is a critical component of telling your story and attracting donors

In a world where both the demand for services and competition for funding are high, nonprofits have to employ various strategies to stand out and secure financial support. Outcome metrics are a powerful tool for demonstrating accountability and transparency. They can measure financial and statistical data that reflect an organization's, program's, or initiative's efficacy. Many nonprofits obtain their best results by measuring across multiple dimensions for blended scorecards that encompass activities, capacities, financial results, and other metrics.

At Sage Intacct, we automatically tag and track data by key dimensions which gives nonprofits the instant visibility and insights they need to be proactive. Sage Intacct also provides access to statistical data to enable nonprofits to automatically calculate key metrics such as financial (revenue), statistical (membership), or a combination (donations per attendee).

The Sage Intacct open API allows organizations to integrate their financial data with the data from any or all of their other business systems. For instance, by viewing combined CRM and financial data, nonprofits gain greater visibility into metrics like average number of gifts per active donor, fundraising to expense ratio, cost per dollar contributed, and more.

The ability to track outcome metrics is at the core of a lot of strategies to stand out and attract donors. Here is how leveraging outcome metrics can help attract funds:

- **Strengthen relationships with existing donors:** Cultivating relationships with current donors is essential. If you can leverage outcome metrics in your communication by demonstrating the impact of their contributions, you can enhance donor loyalty and drive consistent support.
- **Focus on impactful storytelling:** Compelling storytelling is key to communicating a nonprofit's impact. By showcasing the tangible outcomes of programs, highlighting success stories, and emphasizing the mission with data, nonprofits can draw an emotional connection with potential funders.
- **Develop a strong online presence:** Outcome metrics can help bolster your online presence and are a key component to a well-designed website, active social media channel, and compelling digital content that can increase a nonprofit's visibility.

### 3. The need to budget and plan for the future has never been greater

Our respondents cited “budgeting and planning” as a top five internal challenge this year. In addition, we’ve seen a steady increase over the years in the number of respondents whose organizations leverage budgeting and planning software.

In uncertain economic times, nonprofits may experience fluctuations in funding streams. Government grants, corporate giving, and individual donations can be more unpredictable, impacting long-term planning and program sustainability. For small nonprofits, it’s easy to use spreadsheets to manage budgets, but when an organization grows in complexity—or needs to quickly shift direction due to world events—Excel becomes a problem that only a true budgeting and planning solution can solve. These are some of the ways a modern budgeting and planning solution like Sage Intacct Planning can help nonprofits:

- **Financial stability:** Budgeting enables nonprofits to allocate resources strategically, ensuring there is a clear plan for income and expenses. Sage Intacct Planning can streamline collecting data, create models, build plans and budgets, and define KPIs continuously to make the process seamless.
- **Risk management:** Planning for the future involves identifying potential risks and developing strategies to mitigate them. Automating planning using Sage Intacct Planning allows nonprofits to be more agile in response to change. Change can create risk, but also opportunity. Whether positive or negative, those who can react quickly to change are more likely to succeed.
- **Real-time collaboration:** Effective planning cannot be done in a silo. For maximum efficacy, everyone at the nonprofit from development to programs to the board, needs to work together and be on the same page. Sage Intacct Planning allows centralized input from all budget owners, making financial plans more realistic and achievable.



# 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 North America.

The responses from nonprofit finance leaders highlight positive trends in revenue recovery since the peak of the pandemic. Our findings emphasize the critical role of nonprofit finance leaders in leading their organizations through change with transparency, accountability, and strategy.

As nonprofits face a complex landscape, the ability to track outcome metrics, strengthen financial planning, and enhance operational efficiency are crucial for long-term sustainability and impact. With critical challenges such as economic uncertainty, inflation, and competition for funding at the forefront of the nonprofit sector, the need to leverage modern technology solutions is greater than ever.

To learn more about Sage Intacct, visit [www.sageintacct.com/nonprofit](https://www.sageintacct.com/nonprofit).



## About Sage Intacct

Sage Intacct is the AICPA's preferred provider of cloud financial applications. Specializing in helping nonprofits of all types—including health and human services, NGOs, charities, trade and membership associations, 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.

[sageintacct.com/nonprofit](https://sageintacct.com/nonprofit)  
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