

YOUTH DEVELOPMENT

In Cuyahoga County, nearly 6,000 nonprofits make up an ecosystem of social impact support. Youth Development nonprofits play a vital role in this ecosystem, encompassing over 250 organizations that focus on recreational, social, enrichment, and cultural development activities for children and youth often through clubs, teen centers, and in- and out-of-school time activities. 87% of these organizations have an operating budget less than \$200,000 or are operating as a church or religious institution—meaning they are not required to report deeper data to the IRS. This snapshot provides a glimpse into the Youth Development nonprofit landscape throughout the county, with a deeper dive into the ~17% of organizations reporting comprehensive data.

YOUTH DEVELOPMENT NONPROFITS AT A GLANCE



2,761 WORKERS

476 BOARD MEMBERS

254

Youth Development Nonprofits

50% YOUTH ORGANIZING

17% YOUTH SERVICES

15% GENERAL YOUTH DEVELOPMENT

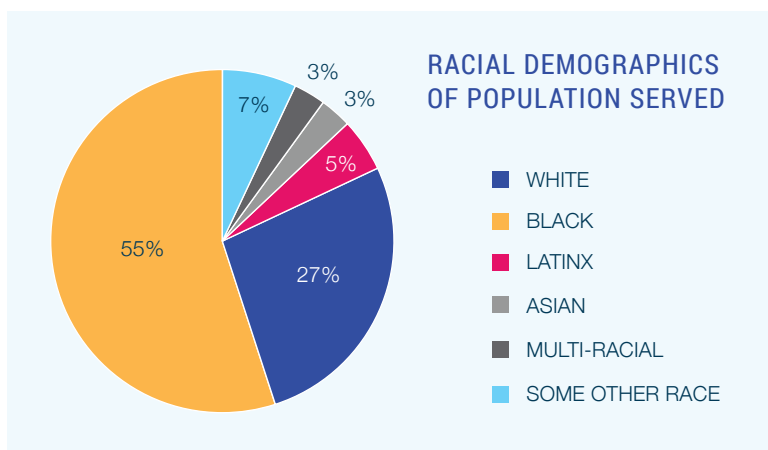
6% COMMUNITY SERVICE FOR YOUTH

4%

of the sector

29
years old

Average age of Youth Development nonprofits



REVENUE BY STAFF SIZE

| STAFF SIZE | # OF ORGANIZATIONS | % OF ORGANIZATIONS | MEDIAN REVENUE |
|------------|--------------------|--------------------|----------------|
| 0 | 20 | 45% | \$196,000 |
| 1-2 | 3 | 7% | \$279,000 |
| 3-5 | 5 | 11% | \$251,000 |
| 6-10 | 3 | 7% | \$458,000 |
| 11-20 | 3 | 7% | \$447,000 |
| 21-40 | 7 | 16% | \$2M |
| 81-160 | 1 | 2% | \$4M |
| > 160 | 2 | 5% | \$44M |

YOUTH DEVELOPMENT NONPROFITS BY SIZE

87% of Youth Development nonprofits have revenues under \$200,000. The remaining ~17% that are required to report deeper data are similarly sized in revenue and expenses to other nonprofits in Cuyahoga County, with the median revenues being \$191,300 compared to \$172,000, and median expenses being \$128,100 annually, compared to \$154,000.

Of the ~17% of the Youth Development nonprofits reporting data, over half (53%) have staff sizes of two or less people, slightly greater than the nonprofit sector as a whole. This is supplemented by 15% greater volunteer support than the average across all Cuyahoga County nonprofits.

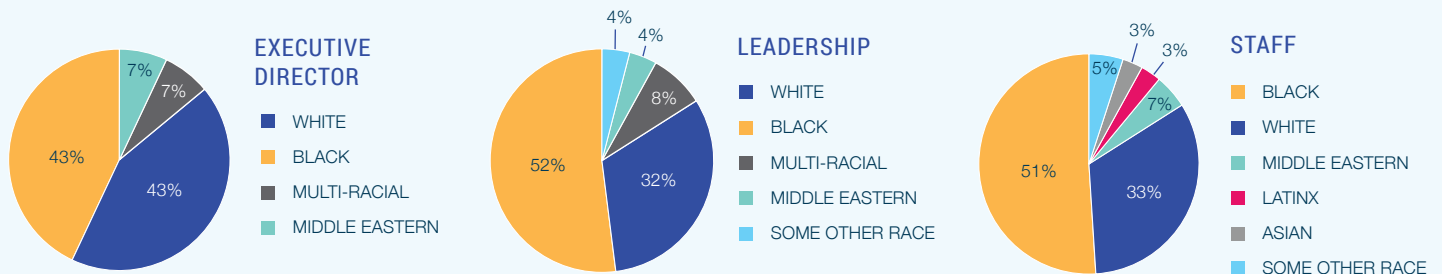
WORKFORCE AND COMPENSATION

BREAKDOWN OF STAFF, COMPENSATION, VOLUNTEERS, AND BOARD MEMBERS BY LARGEST SUBGROUP

| TYPE OF ORGANIZATION | TOTAL STAFF | TOTAL STAFF COMPENSATION | MEDIAN STAFF COMPENSATION | TOTAL VOLUNTEERS | TOTAL BOARD MEMBERS |
|--|--------------|--------------------------|---------------------------|------------------|---------------------|
| Youth Organizing | 583 | \$7M | \$12,900 | 1,014 | 162 |
| Youth Services | 2,103 | \$46.8M | \$22,100 | 911 | 80 |
| General Youth Development | 18 | \$349,000 | \$24,300 | 856 | 107 |
| Community Service for Youth | 3 | \$38,000 | \$12,700 | 1,747 | 20 |
| ALL YOUTH DEVELOPMENT ORGANIZATIONS | 2,761 | \$55.4M | \$15,000 | 6,197 | 476 |

DEMOGRAPHICS OF YOUTH DEVELOPMENT NONPROFIT EMPLOYEES

from the 2022 COVID-19 Nonprofit Recovery and Resiliency Survey



Compensation data is reported by organizations with annual revenues of \$200,000 or more and includes only full-time and year-round employees. The numbers below illustrate a low average wage across the industry, about 30% lower than the median nonprofit wages in Cuyahoga County. Demographic data was not available from a significant enough number of Black and Brown-led organizations to disaggregate compensation by race.

MEDIAN STAFF SALARY: \$15,000

MEDIAN SENIOR LEADERSHIP SALARY: \$65,900

Story of Resiliency

"While programs looked a little different over the past twelve months, our organization was still able to offer valuable experiences for young people with physical disabilities and teen volunteers through adapted sports, recreation and social growth activities. With COVID-19 as a factor, this model had to be modified. To address the needs of those we serve, we added individual sessions to the schedule. Instead of group programs, individual participants were able to come to our building for a session with just one volunteer and one staff member present and safety measures in place. Each participant selected the activity they would like to pursue, such as working on basketball drills, engaging in a personal training session, or working on an art project."



– Cuyahoga County Youth Development Nonprofit Organization Leader, 2022

FINANCES

Youth Development organizations were significantly impacted from the pandemic due to shutdowns and subsequent restrictions on in-person activities. Youth development programs adapted quickly during the pandemic, pivoting to meet the changing needs of children, youth, families, and their educational partners. These organizations saw increased needs for both physical and social-emotional development services, and are also part of the broader efforts to support academic recovery from the pandemic. Prior to the pandemic, Youth Development organizations had well balanced income streams from program service revenue and foundation and government grants. They are likely to be self-sufficient, meaning many cover all their expenses through earned income and program service fees.

OVERALL FINANCES BY ORGANIZATION TYPE

| TYPE OF ORGANIZATION | TOTAL REVENUE | TOTAL EXPENSES | TOTAL ASSETS |
|--|-----------------|----------------|----------------|
| Youth Organizing | \$32.3M | \$16.4M | \$30.5M |
| Youth Services | \$84.5M | \$72.1M | \$51.1M |
| General Youth Development | \$1.9M | \$1.6M | \$3.9M |
| Community Service for Youth | \$11.9M | \$1.6M | \$131,100 |
| ALL YOUTH DEVELOPMENT ORGANIZATIONS | \$135.3M | \$95.4M | \$89.5M |




REVENUES

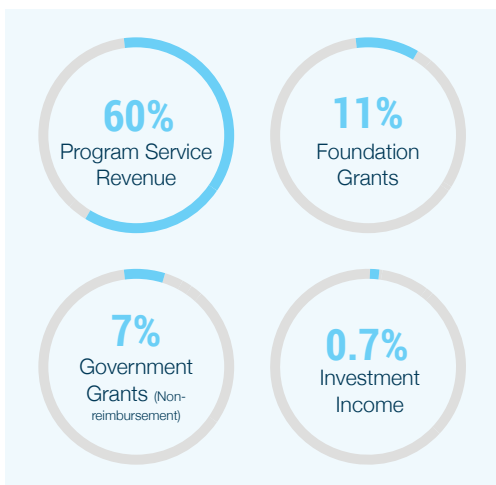
Youth Development nonprofits play a significant role in the local economy, generating at least \$135.3M in annual revenue. The largest subgroups of the sector by both revenue and staff size are youth organizing and youth service organizations. While a significant portion of Youth Development income reported comes from program service revenue, 11% of all funding comes from foundation grants, and 7% comes from government grants, both of which are higher than the average across the sector. Youth organizing and youth services nonprofits receive the most government grants, and nearly ¼ of all revenue for youth development organizations comes from government grants. Funding looks much different for the 80% of smaller youth development organizations with annual revenues of less than \$2M, with more than 50% of their total funding coming from foundation grants.

\$135.3M TOTAL REVENUE

\$191,300 MEDIAN REVENUE

GOVERNMENT GRANTS BY SUBGROUP

| TYPE OF ORGANIZATION | GOVERNMENT GRANTS | GOVERNMENT GRANTS AS % OF TOTAL REVENUE |
|---------------------------|-------------------|---|
| General Youth Development | \$425,000 | 22%  |
| Youth Organizing | \$4M | 12%  |
| Youth Services | \$5M | 6%  |



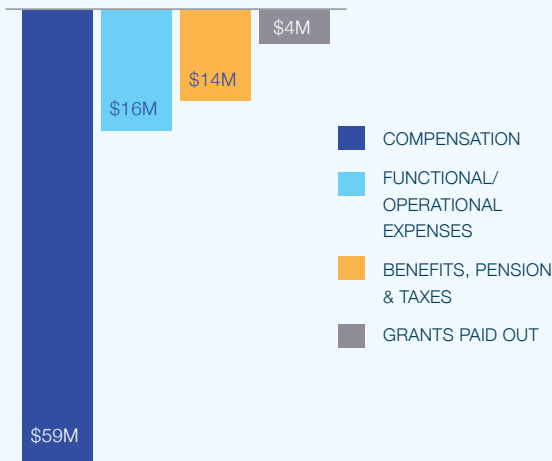
EXPENSES

Youth Development nonprofits on average have lower expenses than other nonprofits in Cuyahoga County, with a median expense amount per reporting organization of \$128,100, compared to \$154,000 for the entire nonprofit sector.

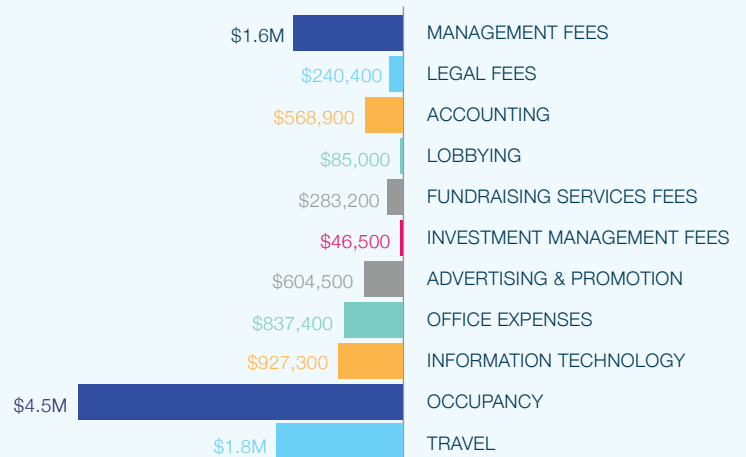
\$95.4M TOTAL EXPENSES

\$128,100 MEDIAN EXPENSES

TOP EXPENSE CATEGORIES



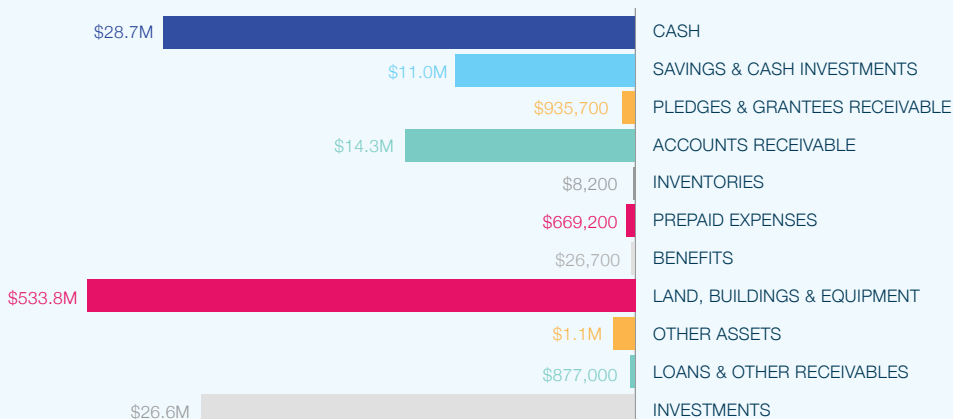
FUNCTIONAL / OPERATIONAL EXPENSE BREAKDOWN



ASSETS

Of the total \$51B in nonprofit assets locally, Youth Development organizations hold just a tiny fraction (0.17%)—mainly in unrestricted funds. Youth services and youth organizing nonprofits, hold a majority of those assets (\$81M combined), through mainly cash on hand and land, building, and equipment assets.

BREAKDOWN OF ASSETS



\$89.5M

TOTAL NET ASSETS

\$423,900

TEMPORARILY RESTRICTED ASSETS

\$28,500

PERMANENTLY RESTRICTED ASSETS

\$32.7M

UNRESTRICTED ASSETS

TOP 5 CAPACITY BUILDING NEEDS FOR YOUTH DEVELOPMENT NONPROFITS

| 2022 | 2023 AND BEYOND |
|--|---|
|  Staff Salaries |  Staff Salaries |
|  Fundraising and Grant Writing |  Fundraising and Grant Writing |
|  Strategic Planning or Long-term Planning |  Strategic Planning or Long-term Planning |
|  Facilities and Operations Costs |  Facilities and Operations Costs |
|  Program Development |  Program Development |

KEY FINDINGS:

- Large Youth Development Industry in Cuyahoga County:** Cuyahoga County has a large Human Service nonprofit industry, of which 21%, or 254 nonprofits, focus on Youth Development. These organizations are often clubs, out-of-school time or academic enrichment programs, or workforce and leadership development programs. The capacity building needs for Youth Development organizations include facilities and operation costs and program development, which are less common across all local nonprofits. This is likely due to programs needing physical space for activities and meetings, and having changing program delivery models post-pandemic (i.e. online, hybrid, or in-person programming).
- Racially Representative of the Population Served:** Youth Development organizations reflect the diversity of their population served—with 66% of their leadership teams and 76% of their staff identifying as people of color. This makes them one of the most racially representative of the population they serve of all nonprofits in the County.
- Youth Development Organizations are Among the Lowest Paying Nonprofit Industries.** Youth Development nonprofit who report financial data show that the median staff wages are \$15,000/year, 35% lower than the median earnings of other nonprofit staff across the sector. Youth Development organizations do have a high percentage of their expenses going to compensation, suggesting the workforce is made up of several employees distributed across many different tiny organizations earning very low wages.
- Smaller Youth Development Organizations Among Least Sustainable in Sector:** Of the 254 Youth Development nonprofits in the county, 201 (~80%) of them have annual revenues less than \$2M dollars, and nearly 87% have revenues under \$200,000. While size-wise this is comparable to the local sector as a whole, those smaller Youth Development nonprofits reporting revenue data receive 55% of their revenues from foundation grants alone. This is a 25% greater reliance on foundation grants than other types of nonprofits their size. While 10% of their funding does come from other government grants, these organizations only receive 13% of their annual revenues from program service fees or government reimbursement—making them one of the least sustainable groups in the sector.
- Smaller Youth Development Organizations Spend More on Consultants, Less on Staff:** Small- and medium-sized Youth Development organizations reporting expense data spend about as much on their operational expenses (36.5% of total expenses) than they do staff compensation (38.5% of their total expenses). This is significant because across the sector, nonprofits typically are spending about 55% of their revenues on compensation and only 25% on operational expenses. A deeper dive into this data shows that these organizations are spending 34% of all operational expenses on consulting fees to firms or individuals. This, paired with the overall lack of fiscal sustainability in this industry, suggests there is a significant opportunity to support increased access to government funds and more sustainable revenue sources for small Youth Development organizations.

This snapshot was developed as part of the Cuyahoga County Nonprofit Landscape Assessment, funded by the Funders Collaborative on Covid Recovery and available to the public. Visit sangfroidstrategy.com/cuyahoga for much more detail on Youth Development nonprofits and the sector as a whole!