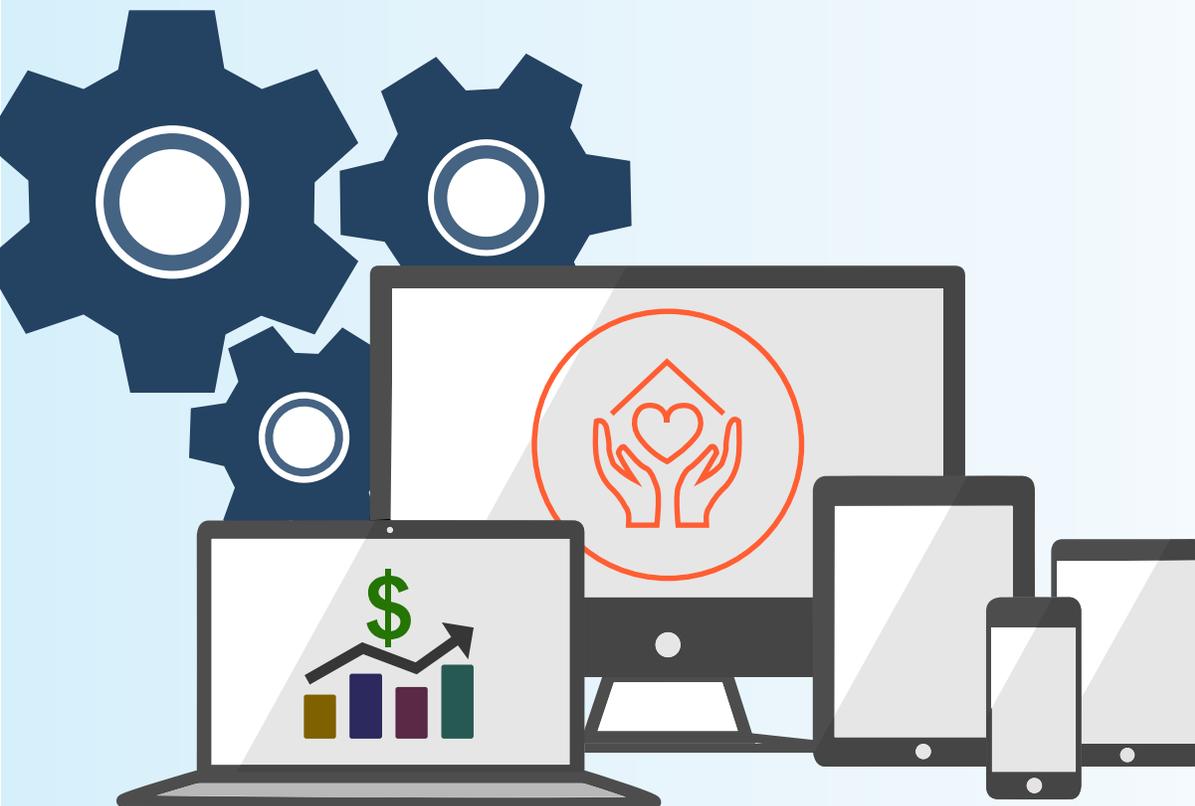# How much should your Nonprofit Organization spend on IT?

Including a Sector by Sector Look at Information Technology Expenses for Nonprofits in the NYC Area

White Paper

CRA
Transform IT
Computer Resources of America

Annual Spending on IT by Nonprofit Organizations

Introduction

In today's increasingly tech savvy world, nonprofits are better-poised than ever to make an impact. Information technology has become vital for facilitating nonprofit growth. From budgeting and staffing to communicating with donors, technology will streamline your operations. By taking advantage of cloud computing and mobile technology, you will broaden your reach with volunteers and donors, too.

But how do you choose from the wealth of resources available? How much should your nonprofit organization spend on information technology? Here we present an overview of information technology benefits and provide sector-specific data on IT expenses for medium-sized nonprofits

Competitive Advantages

Information technology is becoming a more integral part of operations at nonprofit organizations. A [2015 survey by the Nonprofit Technology Network (NTEN)](#) reported that 66% of nonprofits included technology as part of their strategy[1]. There was also a 44% increase in nonprofits using cloud computing technology and a 36% increase in tech staffing compared to the previous year. Staying on the cutting edge of IT will keep your nonprofit organization competitive and lay the groundwork for long-term growth and success. Some specific competitive advantages include:

- Access to teams of IT experts and resource packages tailored to your specific needs, to help you remain efficient and compliant.
- Flexible and scalable computing solutions, which allow quick adaptation to funding changes and project opportunities.
- Secure data storage and powerful analytics to make the most of your campaigns and target future efforts with greater precision.
- Expanded hiring reach and greater visibility of your cause through social media.
- Superior fundraising strategies, from text-to-give options for hassle-free donation to virtual community events.

Collaborative Advantages

Information technology deepens collaborations at every level. From internal communications to cross-organization campaign development, there are IT solutions to streamline the user experience. Your nonprofit organization will benefit from:

- Wider recruitment of volunteers, donors, and advocates of all kinds through social media.
- Educating volunteers and training staff remotely.
- Creation of virtual communities and events to promote your mission and increase awareness of your cause all year around.
- Ease of initiating and sustaining dialogues through communication technologies, such as instant messaging.
- Real-time data analysis and sharing between staff, volunteers, and prospective collaborators through cloud computing.
- Cooperation with other nonprofit organizations, which can open up additional funding opportunities.

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1 "The 9th Annual Nonprofit Technology Staffing & Investemnts Report," Nonprofit Technology Network, Sept. 28, 2015

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Budgetary Advantages

Choosing the right information technology solutions for your nonprofit organization will radically increase your efficiency from both productivity and budgetary standpoints. The 2015 NTEN survey noted that better outcomes were associated with smarter spending, not just increased spending. Optimize your budget by:

- Outsourcing IT and other specialized staffing needs to reduce your oveall operating costs.
- Reducing your overhead with business solutions that facilitate training, hiring, and working remotely.
- Targeting your fundraising efforts with greater precision thanks to advanced analytics.
- Pacing your grant submissions strategiaclly to ensure you have proposals at every phase of the funding cycle at any given time.
- Tracking and sharing your fundraising and mission progress with advocates and grantors to encourage more donations and funding.

Average Spending

One key to optimizing your information technology spending is understanding your nonprofit organization's unique needs. Every organization and sector of the nonprofit industry has unique needs and faces a different set of challenges.

Here we present the average annual IT expenses for various sectors within the nonprofit industry. All of the organizations analyzed have 50-150 employees and are located within NYC or a 25 mile radius. All financials in this analysis were collected by CRA's research team.

Nonprofit Sectors	Average IT Expenses
New York Humanitarian Societies	$237,157
Humanitarian Organizations	$182,286
Arts	$102,045
Health	$107,532
Human Rights	$112,599
Educational Services	$60,506
Environmental	$87,845

Again, the survey noted correlations between smarter spending and higher tech adoption across nonprofit organizations. Spending money on tech-per-staff member, for example, had a better impact than higher overall spending. These averages are an excellent starting point in considering your nonprofit organization's target spending.

Customized IT Solutions with CRA

At CRA, we have more than 25 years experience with providing information technology solutions to businesses of all kinds. Contact us to find out how our managed IT services, cloud computing, IT consulting services and IT staffing solutions can help you maximize your social impact and achieve your organization's goals. Visit http://www.consultcra.com and submit your information for a free evaluation. If you'd like to speak directly with one of our consultants, please call 212-376-4040 or email sales@consultcra.com.

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Corporate Headquarters

64 West 48th Street, New York, NY 10036 – 212-376-4040 – www.consultcra.com – sales@consultcra.com