

7 Key findings from PAC Research

Nonprofit transformation research every leader should know



A recent Unit4 study conducted with PAC Research reveals critical insights into the financial and operational hurdles faced by nonprofits and highlights strategies leaders are using to drive transformation and innovation.

This Infographic explores the research findings and offers insights to help nonprofit professionals adapt and thrive.

1

Income growth is outpaced by rising costs

While many nonprofits anticipate income growth in the coming years, rising costs present significant challenges. At the start of 2025, a majority of strategy leaders predict increased income; however, **81% expect operating costs to rise** concurrently. To sustain financial health, nonprofits must explore cost-efficiency measures and lean operating models alongside income-generation strategies.

Insight

Investing in technology that streamlines financial and operational processes can help balance growth and expenses.

2

Demand for services surges amid resource constraints

79% of nonprofits expect an increase in demand. Yet **32% anticipate cutting back** on the level or number of services they deliver. This paradox underscores the need for sustainable solutions to address rising community needs without overextending organizational capacity.

Tip

Leaders must prioritize services with the highest impact and optimize resource allocation to meet core objectives effectively.

3

Fraud remains a persistent challenge

Only 30% of leaders report a decline in fraud levels - 70% experience either consistent or rising fraud incidents, reflecting vulnerabilities within financial governance and operational systems.

Actionable step

Strengthen governance frameworks and invest in fraud detection systems to minimize risk and enhance organizational security.

4

Slow access to data hinders decision-making

43%

of strategy leaders take up to 7 days to compile operational or financial data

29%

admit it takes more than a week

40%

report limited data visibility due to organizational silos

Key strategy

Breaking down silos through shared services for finance and accounting can significantly improve data accuracy and accessibility.

5

Accelerating time-to-market is essential

37% of nonprofits require more than a week to launch on-the-ground initiatives. This delay limits their ability to respond swiftly to community needs and opportunities.

Recommendation

Streamline processes and adopt agile methodologies to improve operational responsiveness.

6

Slow access to data hinders decision-making

70%

of nonprofits plan to increase technology spending, with a focus on boosting cost efficiency and operational performance.

45%

cite dependency on outdated technology as a barrier to transformation.

Solution

Transitioning to modern finance and compliance systems can enhance capabilities, reduce inefficiencies, and support long-term sustainability.

7

Centralizing operations to break down silos

50%

of nonprofits plan to centralize finance and accounting functions

45%

intend to consolidate governance and compliance systems

This shift towards shared services aims to improve collaboration, reduce redundancies, and provide a more comprehensive view of organizational data.

Outcome

Centralization facilitates smoother workflows and supports more informed, data-driven decision-making across all levels of the organization.

Nonprofit leaders, it's time to act

The Unit4 research underscores the immense opportunities for growth and transformation within the nonprofit sector. By addressing fraud, adopting modern technologies, breaking down silos, and improving data accessibility, organizations can create sustainable solutions to meet rising community needs.

Stay ahead of the curve by exploring the full study for in-depth insights into the future of nonprofit management. Read the report now and empower your organization with the strategies needed to thrive in an evolving landscape. Let's work towards a better future for our communities together.

Final thoughts

Nonprofit transformation is not just about making changes, it's about adapting and evolving to meet the needs of the community in an ever-changing landscape. By understanding these key findings and taking actionable steps, nonprofit leaders can drive meaningful change and create a positive impact on society. The future of nonprofit is bright, so let's continue to strive towards creating stronger and more resilient organizations that can make a real difference in the world.

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