SKEEHAN & YOUNG, CPA INC.

S&Y Vital Signs for YMCAs

2026 Report

October 2026

Prepared from public Form 990 filings. No YMCA is named or graded.

What this report finds

Check three numbers on your monthly statements: a staffing ratio of 60% or more, under two months of cash, and an operating deficit before depreciation. Each one is a warning sign. The more warning signs a Y had, the more often it ran into trouble within two years.

18%	79%	33%
ran into trouble, Ys with no warning sign	ran into trouble, Ys with all three	of Ys with two or more warning signs in FY2024

1. **Most Ys hold reserves, keep up their buildings and carry debt they can service.** Counting investments as the 990 reports them, endowment included, the median Y holds 6.8 months of spending. Over FY2022 to FY2024 the median Y spent 1.10 on capital for every dollar of depreciation, and the median Y with interest to pay earns it 3.74 times over (Sections 3, 5 and 6).
2. **Count the warning signs.** Ys with none of the three warning signs in FY2022 ran into trouble 18% of the time; with one, 39%; two, 51%; all three, 79%. Net assets fell 10% or more on the same gradient, from 12% to 41% (Section 1).
3. **The median Y is now on Watch for staffing and margin.** Its staffing ratio is 57% and its margin 4%, and its 3.1 months of cash are just inside Healthy (Section 7).
4. **A staffing ratio past 60% usually persists.** 64% of Ys at 60% or more in FY2022 were still there two years later, and Ys whose only warning sign was staffing ran into trouble 35% of the time (Section 2).
5. **Read months of cash beside cash and investments.** 53% of Ys over $50M hold under two months of cash, yet their median is 7.0 months counting investments, in line with Ys of every other size (Section 3).
6. **Debt did not predict trouble.** Ys with debt ran into trouble 29% of the time and Ys without 27% (Section 6).

Drawn from the Form 990s of YMCA associations for fiscal years ended 2021 to 2024: 700 usable returns from operating Ys in FY2024, and a panel of 695 Ys followed from FY2022 to FY2024. Every figure describes at least 10 Ys. This is a count of thresholds, not a grade, and no Y is named or graded. Methodology and basis of preparation are in Section 9.

The four vital signs

Vital sign	What it measures	Healthy	Watch	Warning
Staffing ratio	Personnel cost as a share of revenue, excluding investment income	Under 55%	55% to 60%	60% or more
Months of cash	Cash and savings against one month of expenses, excluding depreciation. Read beside months of cash and investments, on the same tiers	3 months or more	2 to 3 months	Under 2 months
Operating margin before depreciation	Operating revenue less expenses before depreciation, as a share of revenue	+5% or better	0 to +5%	Below zero
Plant	How far your buildings are through their depreciable life, and whether you reinvest as fast as they wear	Read with the other three		

How to read this report

The thresholds. A staffing ratio of 60% or more, under two months of cash and an operating deficit before depreciation are the warning levels, where the risk steps up in the data (for staffing, tested on Ys under $25M; Section 2). Watch is the band just short of each: 55% to 60%, two to three months, zero to +5%, set so a Y sees the number moving while there is room to act.

Trouble. A Y ran into trouble if it ran an operating deficit before depreciation in both FY2023 and FY2024, or ended FY2024 with under one month of cash. 28% of the 695 Ys in the FY2022 panel did. Cash and margin are part of that definition, so they were bound to line up with it.

The second outcome. So we also report a test that no vital sign is built on: whether a Y's net assets without donor restrictions fell 10% or more from FY2022 to FY2024. 16% of the 675 Ys with net assets without donor restrictions above zero in FY2022 did. Where a threshold holds on both outcomes, it is not the definition echoing itself.

A count, not a grade

This report counts the warning signs a Y shows. It does not combine the four signs into a score, and it names and grades no Y. Section 8 is a worksheet for counting your own from your monthly statements.

In this report

1. Count the warning signs
2. Staffing ratio
3. Months of cash
4. Operating margin before depreciation
5. Plant
6. Debt
7. The trend: where the median Y sits
8. Self-assessment worksheet
9. Methodology and basis of preparation
What we do

1. Count the warning signs

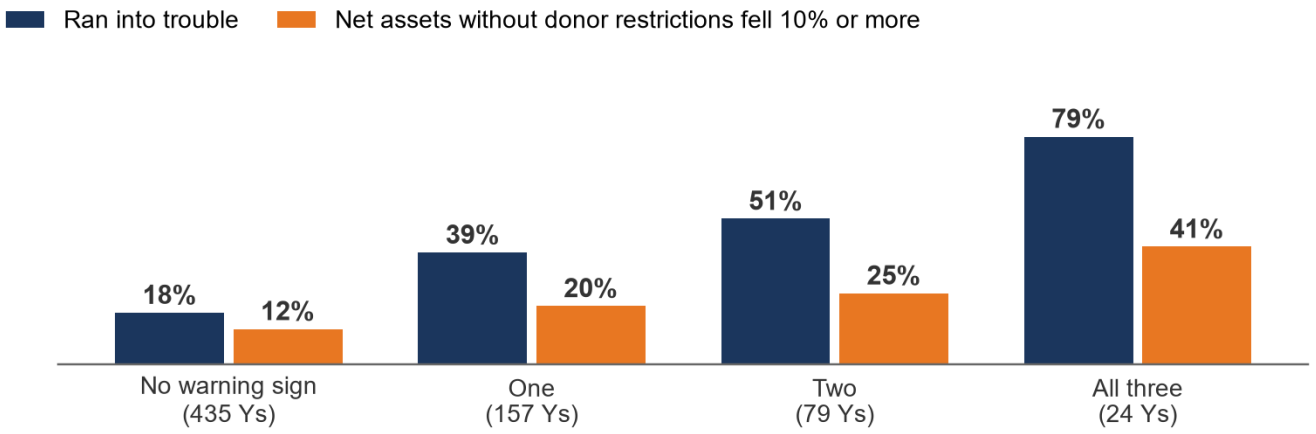
Ys with more warning signs ran into trouble more often within two years.

Start with what is working. In the FY2022 panel, 63% of Ys (435) had none of the three warning signs, and they ran into trouble 18% of the time. With one, the rate was 39%. With two, 51%. With all three, **79%**, across 24 Ys, with a 95% interval of 60% to 91% (Chart 1).

Chart 1

Ys with more warning signs ran into trouble more often, on both outcomes

Ys in the FY2022 panel, by how many of the three warning signs they showed in FY2022 (staffing 60%+, under 2 months of cash, margin below zero), and what happened over FY2023-FY2024



Source: IRS Form 990 e-file data, 695-Y FY2022 panel, outcomes FY2023-FY2024; S&Y analysis

The gradient holds on the outcome no sign is built on. Net assets without donor restrictions fell 10% or more at 12% of Ys with no warning sign, 20% with one, 25% with two and 41% with all three. So the count is not the trouble definition talking.

Warning signs in FY2022	Ys	Ran into trouble	Net assets fell 10%+
None	435	18%	12%
One	157	39%	20%
Two	79	51%	25%
All three	24	79%	41%

Which sign it is matters less than how many

Ys with one warning sign and no other ran into trouble at 35% where the sign was staffing, 46% where it was cash and 31% where it was margin, against 18% for Ys with none. Counting every sign outside the Healthy tier, Watch included, gives the same shape: 16% for Ys Healthy on all three, then 27%, 40% and 60% for Ys outside Healthy on all three.

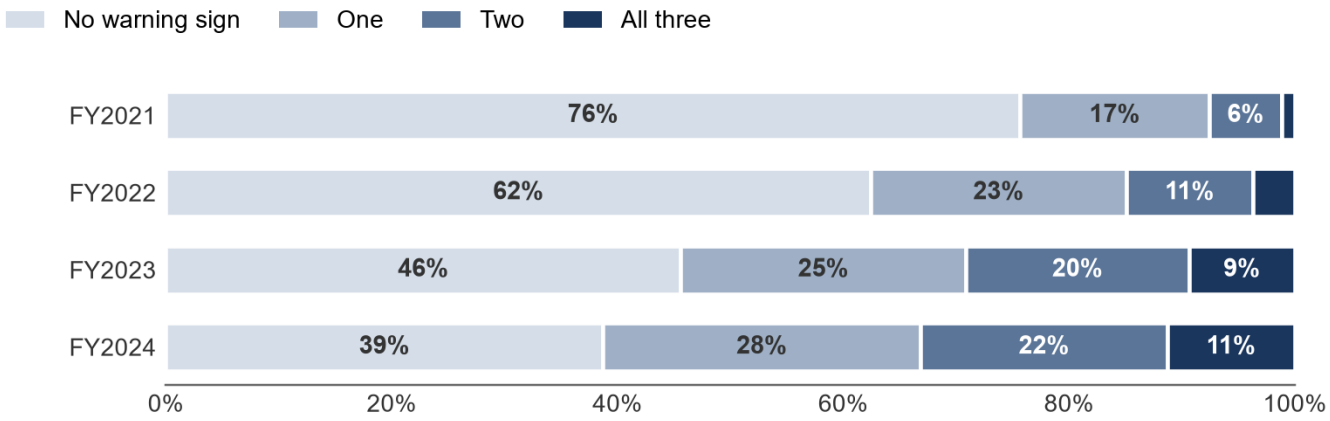
Where Ys stand now

The count has moved. In FY2021, 8% of Ys had two or more warning signs. By FY2024 it was **33%**, and 11% had all three, up from 1%. The share with none fell from 76% to 39% (Chart 2).

Chart 2

A third of Ys now show two or more warning signs

Share of YMCA associations by the number of warning signs they showed, each fiscal year (usable returns from operating Ys)



Source: IRS Form 990 e-file data, YMCA associations, FY2021-FY2024; S&Y analysis

The question for your board

How many of the three warning signs does our Y show today, and which way is each number moving? Section 8 shows how to count them from your own monthly statements.

2. Staffing ratio

Past 60% is where the risk steps up in Ys under $25M, the only sizes the data can test yet. A ratio that gets there usually persists.

What it measures. Personnel cost (salaries, benefits and payroll taxes) as a share of revenue excluding investment income. It is the one sign that is not part of the trouble definition, and it separated the Ys that ran into trouble anyway.

Healthy	Watch	Warning
Under 55%	55% to 60%	60% or more

57%
median staffing ratio, FY2024

38%
of Ys at 60% or more, FY2024

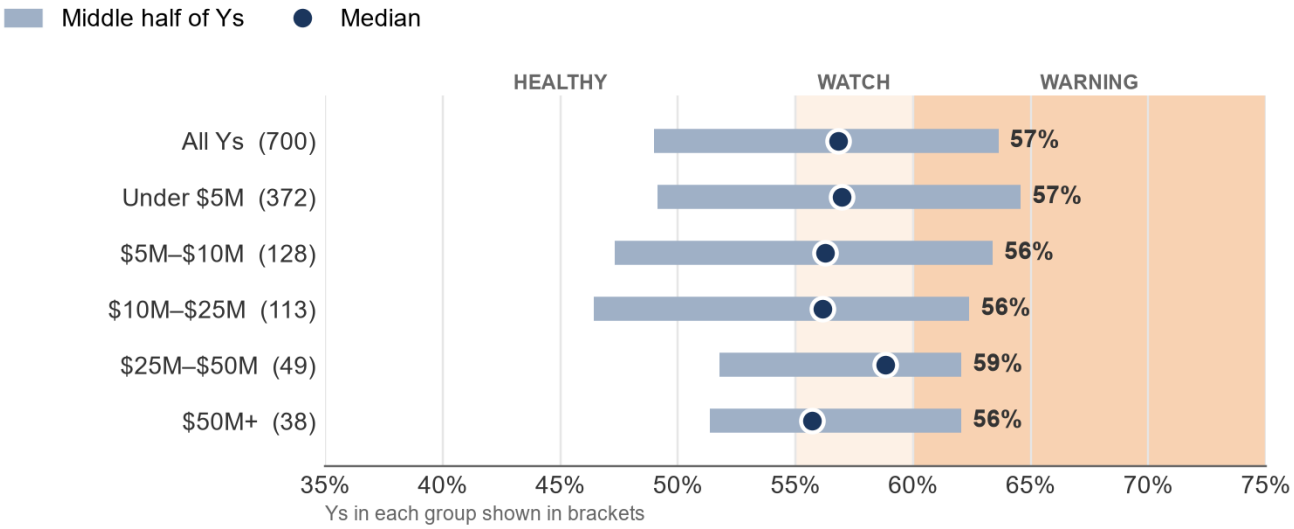
48%
ran into trouble, Ys at 60% or more in FY2022 (step tested on Ys under $25M)

Most Ys sit below the warning level: in FY2024, 44% of Ys were under 55% and 18% between 55% and 60%. The middle half of Ys spans both thresholds, 55% and 60%, at every size, with medians from 56% to 59% (Chart 3).

Chart 3

The middle half of Ys spans the 55% and 60% thresholds at every size

Staffing ratio, FY2024, by size band (revenue excluding investment income)



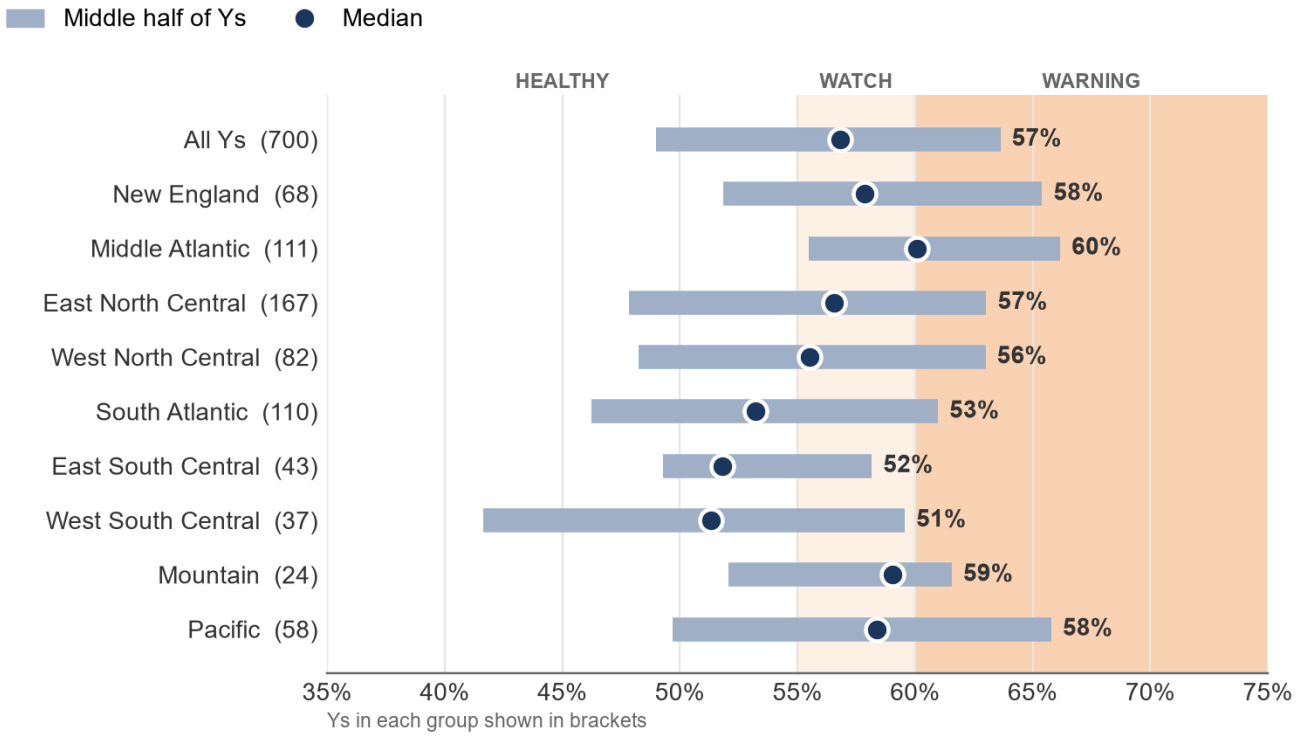
Source: IRS Form 990 e-file data, YMCA associations, FY2021-FY2024; S&Y analysis

By division, the Middle Atlantic has the highest median, 60%, and the largest share of Ys at the warning level, 50%, against 19% in East South Central and 29% in the South Atlantic (Chart 4). Division figures are not adjusted for size, and the Mountain division has 24 Ys; read them as where Ys sit, not as a regional verdict.

Chart 4

The Middle Atlantic has the highest staffing ratio

Staffing ratio, FY2024, by Census division. Not adjusted for size; read as where Ys sit, not as a regional verdict



Source: IRS Form 990 e-file data, YMCA associations, FY2021-FY2024; S&Y analysis

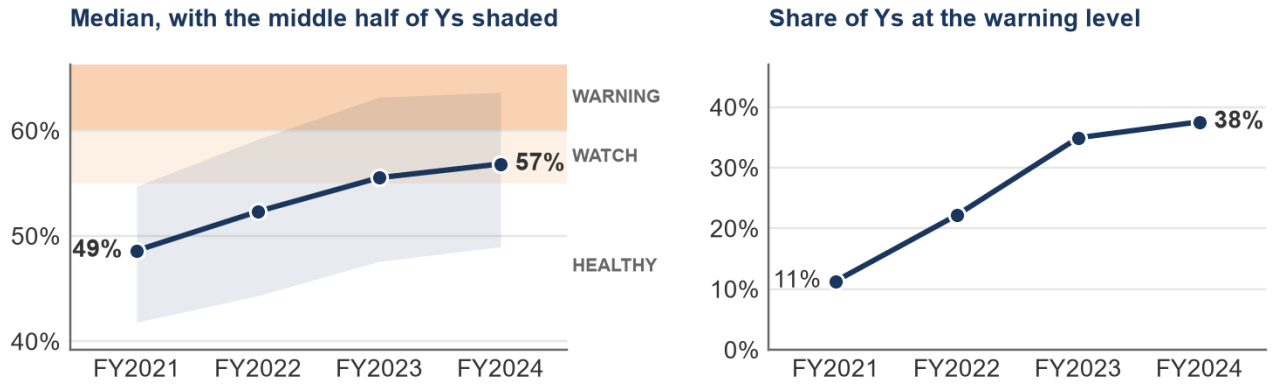
The trend

The median staffing ratio rose from 49% in FY2021 to 57% in FY2024. The share of Ys at 60% or more went from 11% to 22% and 35%, then to 38% in FY2024: the rise slowed sharply (Chart 5).

Chart 5

Staffing rose through FY2023, then the rise slowed sharply

All Ys with a usable return each year, FY2021-FY2024. Trend shown for all Ys only; band and division groups did not all move the same way



Source: IRS Form 990 e-file data, YMCA associations, FY2021-FY2024; S&Y analysis

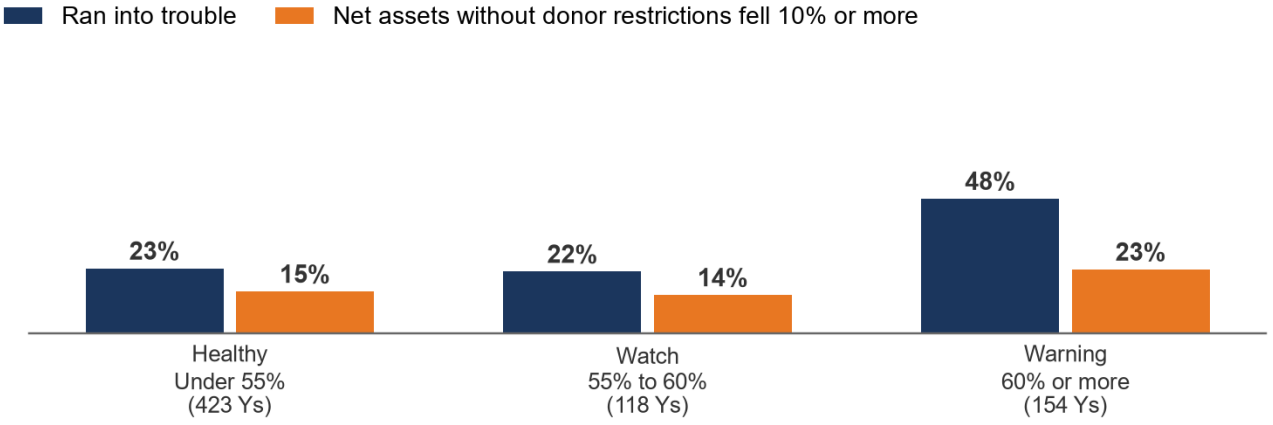
What happened next

Ys under 55% in FY2022 ran into trouble 23% of the time. Between 55% and 60%, 22%. At 60% or more, **48%** (Chart 6). The outcome staffing is not built into says the same: net assets fell 10% or more at 23% of Ys at 60% or more, against 15% under 55%. Both halves of trouble split the same way: the margin half 33% against 15%, the cash half 27% against 12%.

Chart 6

Ys at 60% or more ran into trouble twice as often

Ys in the FY2022 panel by FY2022 tier; what happened over FY2023-FY2024; the step is tested on Ys under $25M (see below)



Source: IRS Form 990 e-file data, 695-Y FY2022 panel, outcomes FY2023-FY2024; S&Y analysis

A high staffing ratio usually persists: 64% of Ys at 60% or more in FY2022 were still there two years later.

The 55% threshold is our convention, not a risk step

Ys between 55% and 60% ran into trouble no more often than Ys under 55% (22% against 23%). We start the Watch tier at 55% so a Y sees the ratio climbing while there is room to act.

Where Ys went next is the second reading. 41% of Ys in the 55% to 60% band in FY2022 were past 60% two years later, against 27% of Ys under 55%. That describes where Ys moved, not their risk: 55% is the point where we start watching.

The 60% warning level is tested on Ys under $25M

The step at 60% shows in each band under $25M. Over $25M, fewer than 10 Ys in each band were past 60% in FY2022, so the data cannot test the warning level there yet. By FY2024, 39% of $25M–$50M Ys and 34% of Ys over $50M were past it, so the next panel will be able to. In the $10M–$25M band the direction holds, but the ranges overlap: 37% (95% interval 19% to 59%) against 21% (14% to 31%).

Combined, the two bands over $25M give an early read on a small group. 11 of their Ys were past 60% in FY2022, and 73% of them ran into trouble (95% interval 43% to 90%), against 25% of the 63 under 60% (16% to 37%). The direction matches the smaller Ys, but a group this small, with an interval this wide, is not proof; the next panel will test the warning level over $25M.

FY2022 size band	Ran into trouble: 60% or more	Under 60%
Under $5M	47%	25%
$5M–$10M	50%	17%
$10M–$25M	37%	21%
$25M–$50M	Under 10 Ys	Withheld
$50M+	Under 10 Ys	Withheld
Over $25M, combined (early read)	73%	25%

Withheld: the rate describes one or two Ys, or would let such a rate, or a group under 10 Ys, be worked out by subtraction.
Under 10 Ys: the group is below the 10-Y minimum, so no figure is shown.

3. Months of cash

Read months of cash beside cash and investments. The largest Ys hold their reserves in investments.

What it measures. Cash and savings at year end, divided by one month of expenses excluding depreciation. Beside it, on every cut, we show months of cash and investments: the same calculation with the investments on the balance sheet added in. The thresholds do not move, and the warning level stays on cash.

Healthy	Watch	Warning
3 months or more	2 to 3 months	Under 2 months

3.1
median months of cash, FY2024

6.8
median months of cash and investments, FY2024

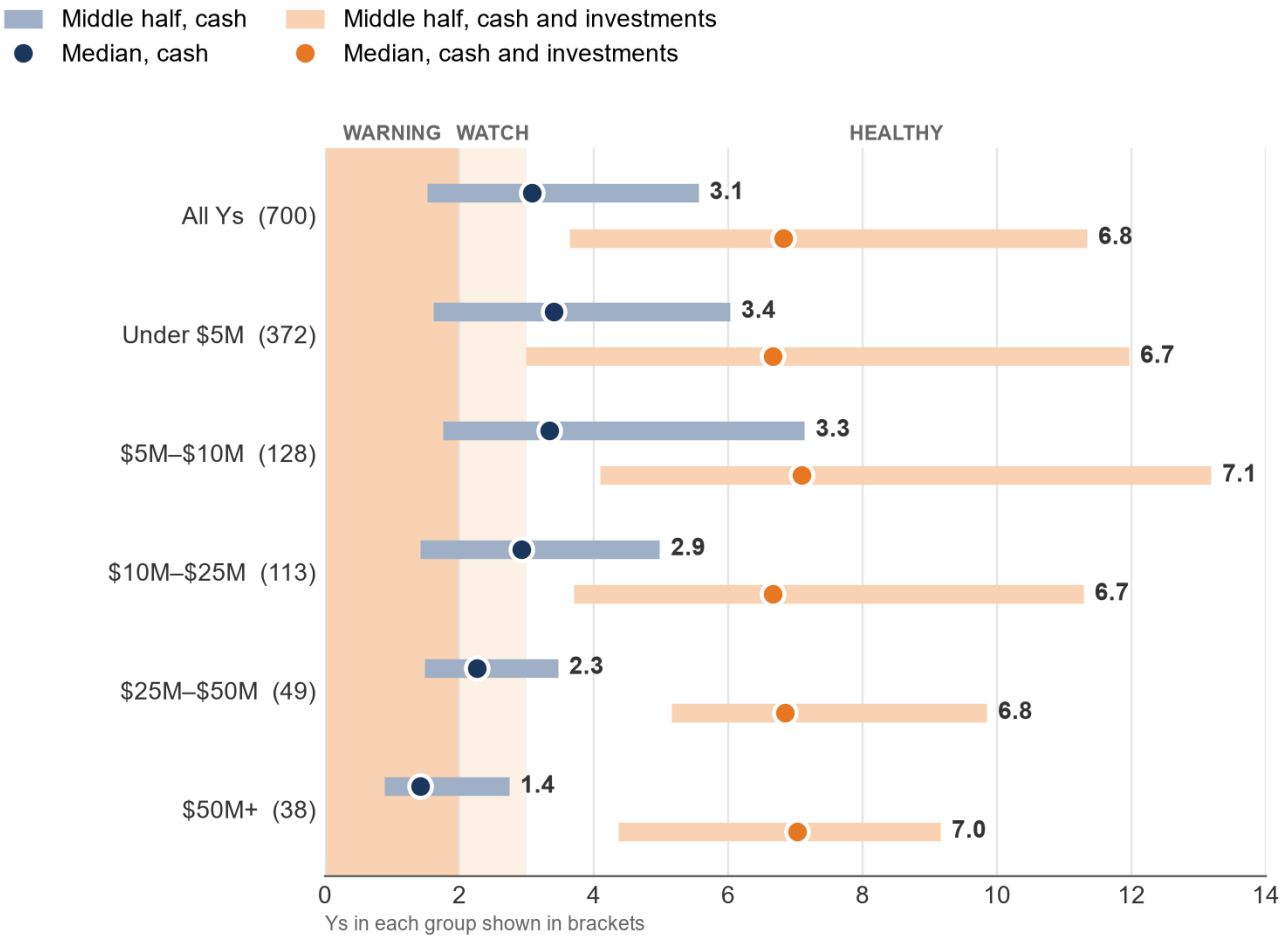
58%
ran into trouble, Ys under 2 months of cash in FY2022

Counting investments as the 990 reports them, endowment included, 80% of Ys held three months or more of cash and investments in FY2024, and the median, 6.8 months, is close at every size, from 6.7 to 7.1 across the bands. On cash alone the picture changes with size: the median Y over $50M holds 1.4 months, and 53% of those Ys are under two months, against 34% of all Ys (Chart 7).

Chart 7

On cash alone the largest Ys read low; counting investments they do not

Months of cash, with cash and investments beside it, FY2024, by size band (revenue excluding investment income)



Source: IRS Form 990 e-file data, YMCA associations, FY2021-FY2024; S&Y analysis

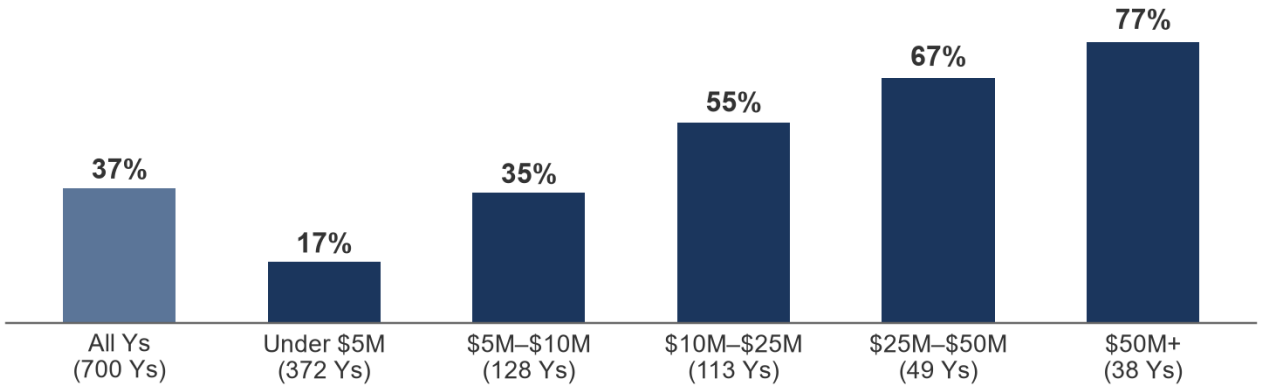
Why Ys over $25M read low on cash alone

The larger the Y, the more of its reserves sit in investments: from 17% of cash, savings and investments at the median Y under $5M to 77% over $50M (Chart 8). Ys with investments hold less cash: 2.8 months at the median, against 3.9 for Ys with none, and 1.4 at Ys over $50M with investments.

Chart 8

The largest Ys keep most of their reserves in investments

Investments as a share of cash, savings and investments: median Y in each size band, FY2024



Source: IRS Form 990 e-file data, YMCA associations, FY2021-FY2024; S&Y analysis

Size band, FY2024	Investments, share of reserves (median)	Months of investments (median)	Of Ys under 2 months of cash, share with 3+ months counting investments
All Ys	37%	2.1	56% (132 of 237)
Under $5M	17%	0.7	41% (48 of 116)
$5M–$10M	35%	2.1	67% (26 of 39)
$10M–$25M	55%	3.0	63% (25 of 40)
$25M–$50M	67%	3.9	73% (16 of 22)
$50M+	77%	4.3	85% (17 of 20)

Counting cash and investments, few Ys are short: 11% of all Ys and 9% of $10M–$25M Ys were under two months in FY2024. For the two bands over $25M the figure is withheld. Over $50M it describes one or two Ys, and the $25M–$50M figure is withheld with it so the first cannot be worked out by subtraction.

What cash and investments cannot tell you

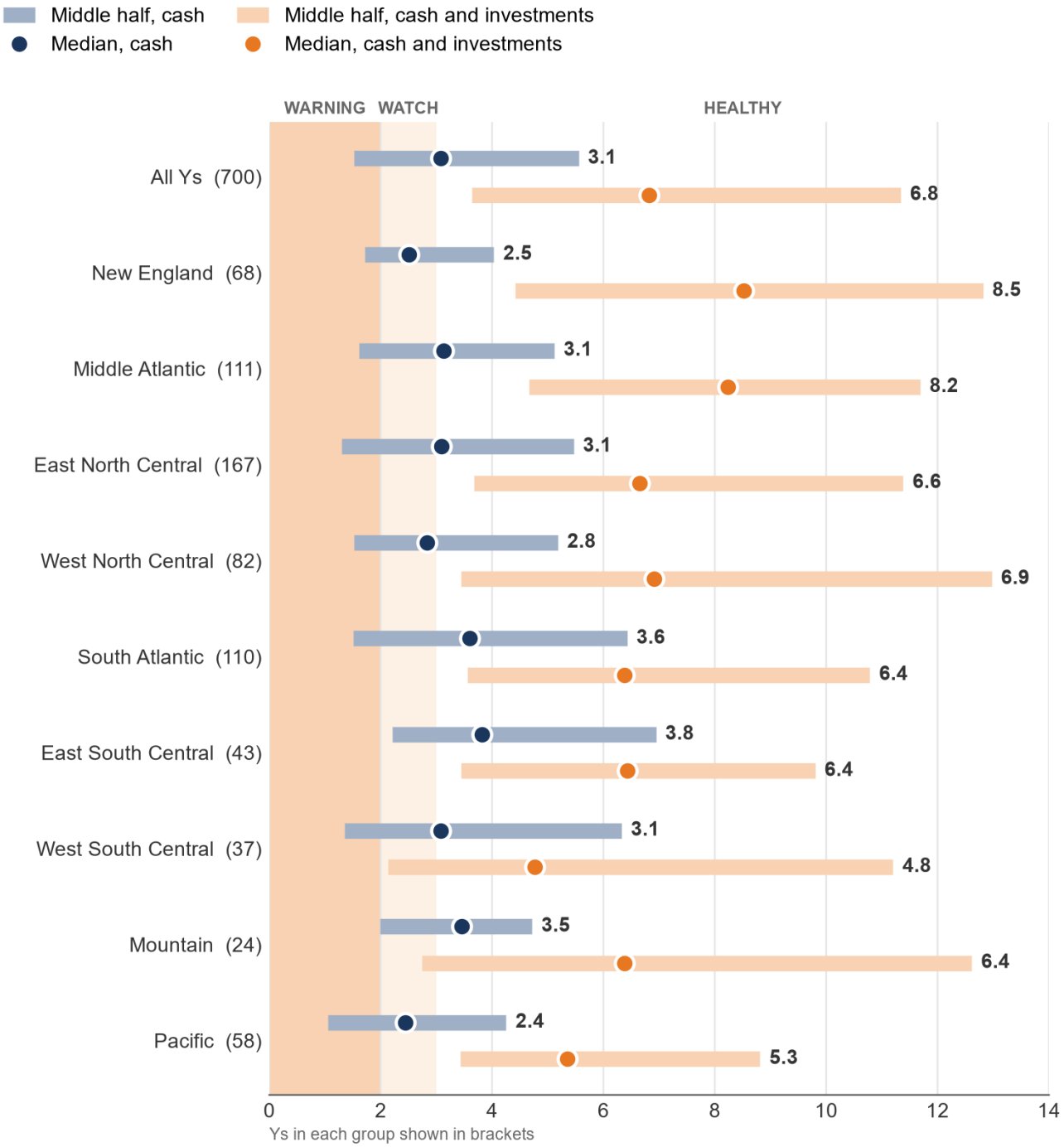
The 990's investment lines include donor-restricted endowment and other securities that a Y cannot spend on operations, and the form cannot separate them. Months of cash and investments therefore overstates spendable reserves, most at Ys with endowments. That is why it sits beside months of cash and does not replace it, and why the warning level stays on cash.

By division, months of cash runs from 2.4 at the median Pacific Y to 3.8 in East South Central; counting investments, from 4.8 in West South Central to 8.5 in New England (Chart 9).

Chart 9

Months of cash by Census division, with cash and investments beside it

Months of cash, with cash and investments beside it, FY2024, by Census division. Not adjusted for size; read as where Ys sit, not as a regional verdict



Source: IRS Form 990 e-file data, YMCA associations, FY2021-FY2024; S&Y analysis

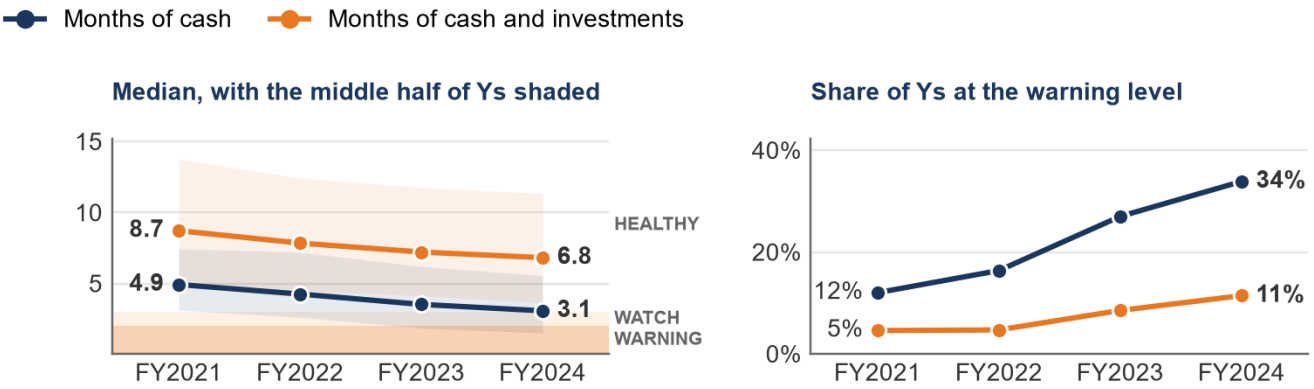
The trend

The median Y's cash fell from 4.9 months in FY2021 to 3.1 in FY2024, and the share under two months rose from 12% to 34%. Counting investments, the median fell from 8.7 months to 6.8, and the share under two months went from 5% to 11% (Chart 10).

Chart 10

Cash has kept falling; counting investments the fall is gentler

All Ys with a usable return each year, FY2021-FY2024. Trend shown for all Ys only; band and division groups did not all move the same way



Source: IRS Form 990 e-file data, YMCA associations, FY2021-FY2024; S&Y analysis

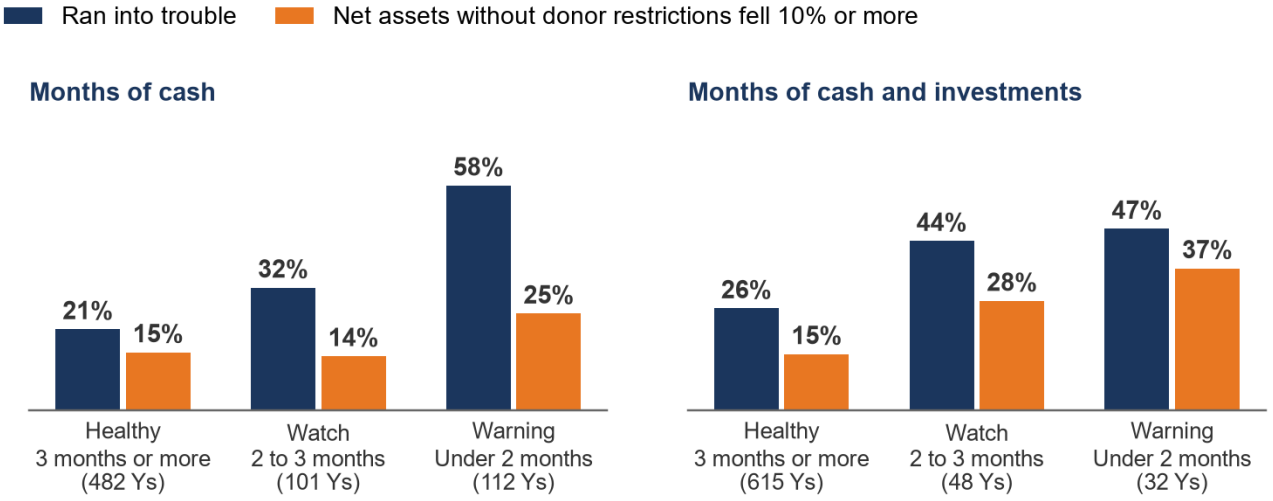
What happened next

Ys under two months of cash in FY2022 ran into trouble **58%** of the time, Ys with two to three months 32%, and Ys with three months or more 21%. On cash and investments, the same tiers ran 47%, 44% and 26%: fewer Ys sit in Watch or Warning, and the steps are flatter, partly because trouble is defined on cash (Chart 11).

Chart 11

Under two months of cash is where trouble concentrates

Ys in the FY2022 panel by FY2022 tier, on months of cash and on cash and investments; what happened over FY2023-FY2024



Source: IRS Form 990 e-file data, 695-Y FY2022 panel, outcomes FY2023-FY2024; S&Y analysis

The Watch tier marks a Y that is sliding

On net assets, Ys with two to three months of cash did no worse than Ys with three or more (14% against 15%). The Watch tier separates on the cash half of trouble (20% against 7%), not on the outcome built apart from cash.

Its warning is the slide. 50% of Ys with two to three months in FY2022 were under two months two years later, against 21% of Ys with three months or more, and 73% of Ys under two months stayed there.

The largest Ys

Ys over $50M ran into trouble 43% of the time, and the cash half of the definition alone accounts for 40%. On the outcome not built on cash, their rate is 14%, below the 20% of Ys under $5M. A cash-only threshold reads a large Y's treasury practice as distress. Counting investments, the share that ended FY2024 under one month is 0% over $50M (none of 35 Ys) and 0% at $25M–$50M (none of 39).

FY2022 size band: ran into trouble	3 months or more	2 to 3 months	Under 2 months
Under $5M	24%	42%	56%
$5M–$10M	16%	25%	67%
$10M–$25M	17%	Withheld	Withheld
$25M–$50M	Withheld	Withheld	Withheld
$50M+	Withheld	Under 10 Ys	73%

Withheld: the rate describes one or two Ys, or would let such a rate, or a group under 10 Ys, be worked out by subtraction.
Under 10 Ys: the group is below the 10-Y minimum, so no figure is shown.

4. Operating margin before depreciation

Breaking even before depreciation leaves the wear on your buildings unfunded. Healthy starts at +5%.

What it measures. Operating revenue less expenses before depreciation, as a share of revenue excluding investment income. The 990 does not report restricted gifts separately, so operating revenue removes an estimate based on the rise in restricted net assets. The margin rests on that estimate and is the least precise of the three signs.

Healthy	Watch	Warning
+5% or better	0 to +5%	Below zero

4%
median margin before depreciation, FY2024

47%
of Ys at +5% or better, FY2024

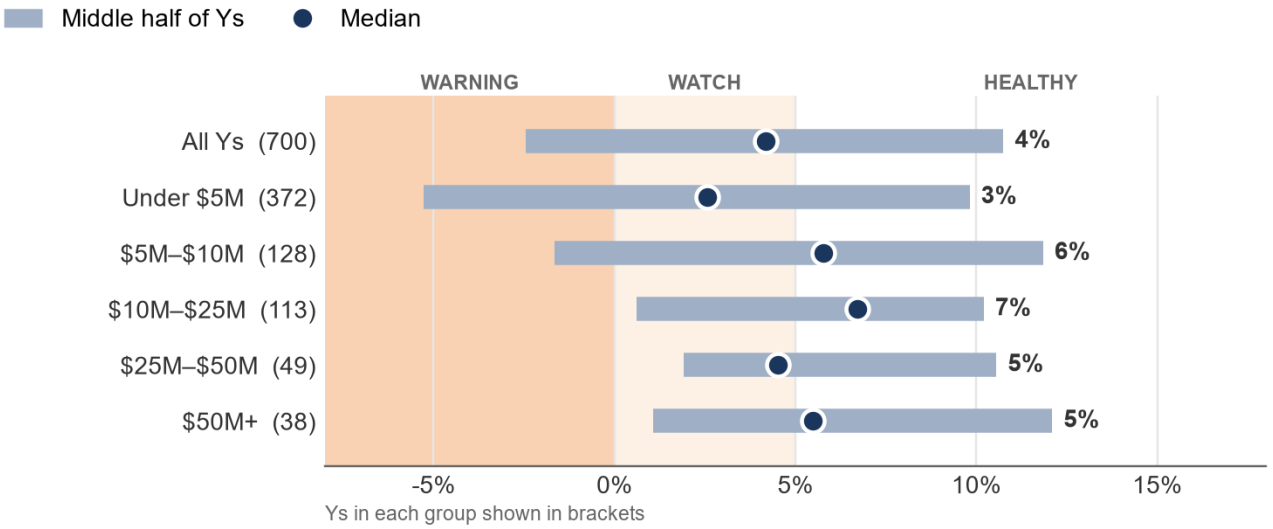
30%
lost 10%+ of net assets, Ys below zero in FY2022

The median Y still runs a surplus before depreciation, 4% in FY2024, and 47% of Ys were at +5% or better. Ys over $5M run wider margins than the smallest Ys: medians from 5% to 7%, against 3% under $5M, where 43% of Ys were below zero (Chart 12).

Chart 12

The smallest Ys run the thinnest margins

Operating margin before depreciation, FY2024, by size band (revenue excluding investment income)



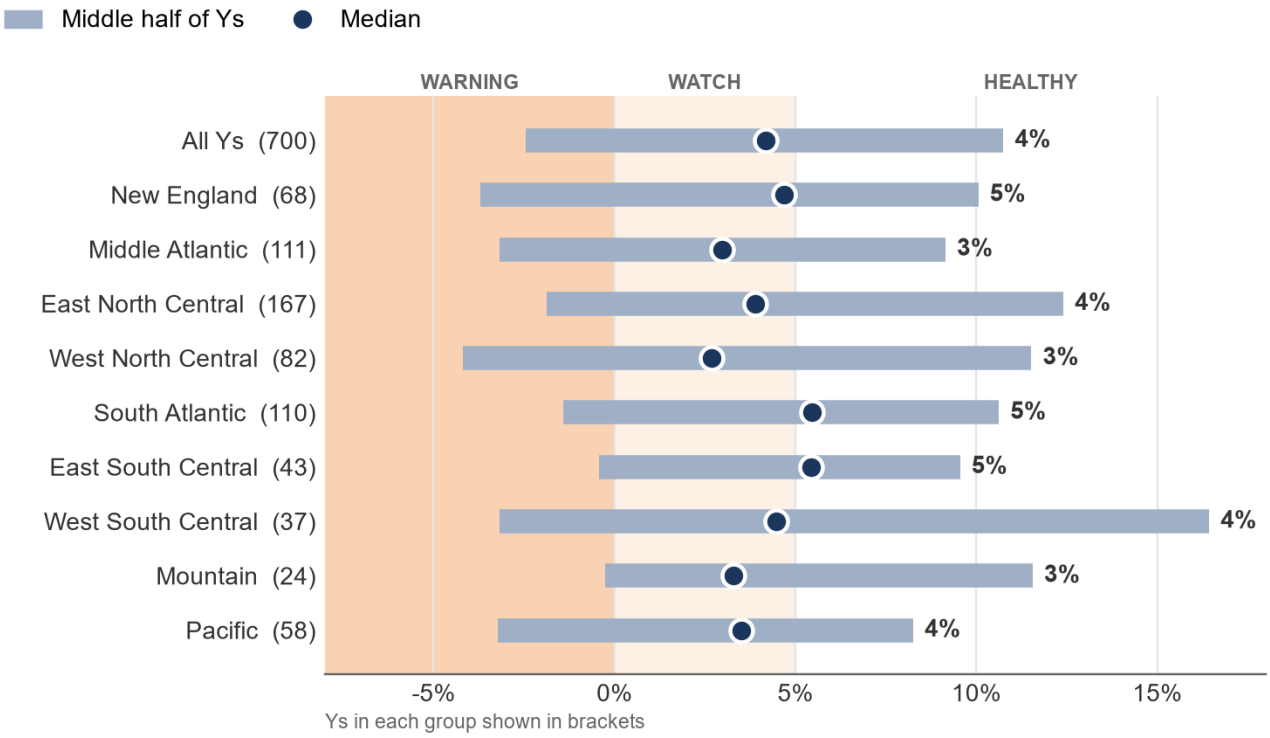
Source: IRS Form 990 e-file data, YMCA associations, FY2021-FY2024; S&Y analysis

By division the medians sit close together, from 3% to 5% (Chart 13).

Chart 13

Operating margin by Census division

Operating margin before depreciation, FY2024, by Census division. Not adjusted for size; read as where Ys sit, not as a regional verdict



Source: IRS Form 990 e-file data, YMCA associations, FY2021-FY2024; S&Y analysis

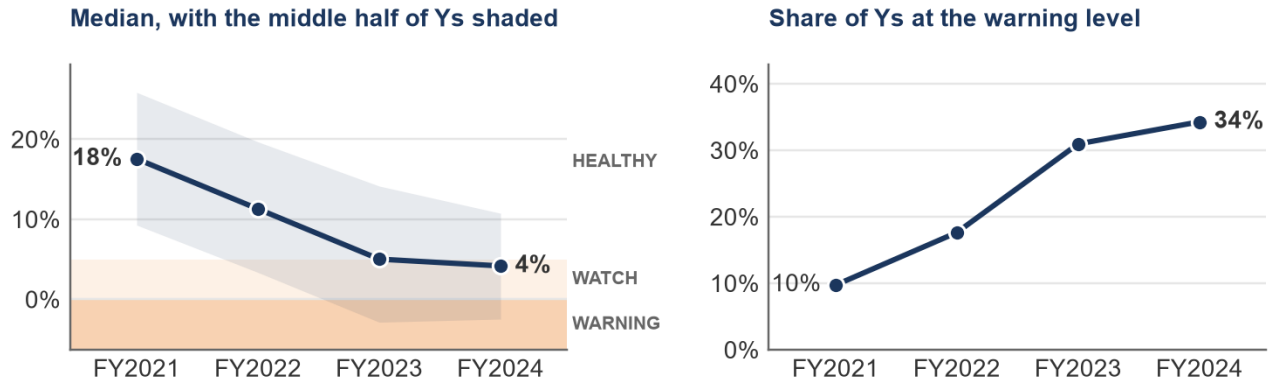
The trend

The median margin narrowed from 18% in FY2021, a year that still carried pandemic relief, to 11%, 5% and 4%. The share of Ys below zero went from 10% to 34% (Chart 14).

Chart 14

Margins narrowed from the FY2021 high

All Ys with a usable return each year, FY2021-FY2024. Trend shown for all Ys only; band and division groups did not all move the same way



Source: IRS Form 990 e-file data, YMCA associations, FY2021-FY2024; S&Y analysis

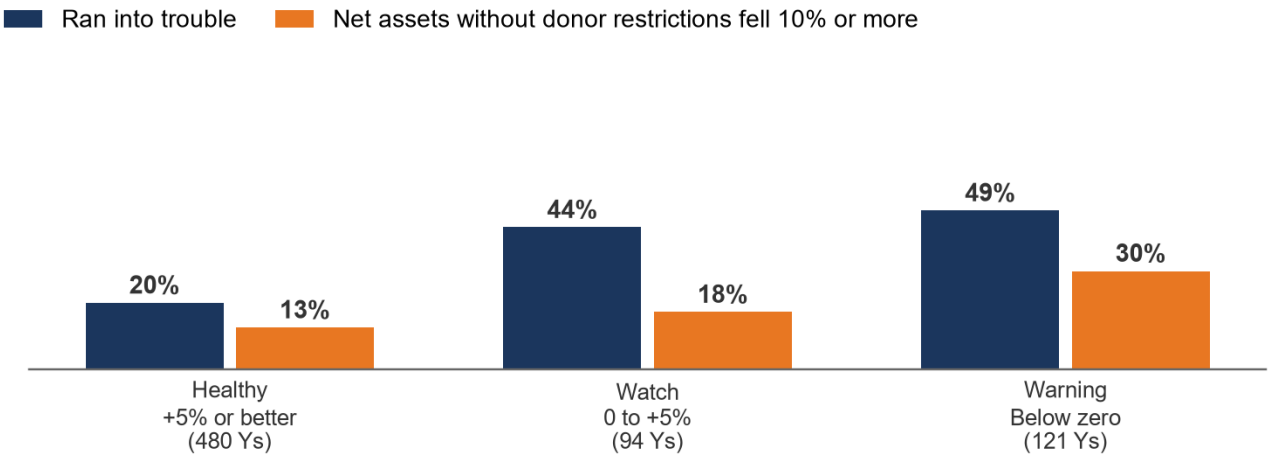
What happened next

Ys below zero in FY2022 ran into trouble 49% of the time, Ys between zero and +5% 44%, and Ys at +5% or better 20%. Margin is part of the trouble definition, so the test that counts is the other one: net assets fell 10% or more at **30%** of Ys below zero, 18% between zero and +5%, and 13% at +5% or better. The +5% threshold holds on the outcome margin is not built into (Chart 15).

Chart 15

Below zero, Ys lost net assets far more often

Ys in the FY2022 panel by FY2022 tier; what happened over FY2023-FY2024



Source: IRS Form 990 e-file data, 695-Y FY2022 panel, outcomes FY2023-FY2024; S&Y analysis

The restricted-gift estimate matters

Counting every gift as operating revenue, with no restricted-gift estimate, the margin half of trouble falls in every band. It falls furthest over $50M, from 23% to 14%, because capital-campaign gifts are concentrated there. A Y reading its own margin should take restricted gifts out of revenue, as the worksheet in Section 8 does.

FY2022 size band: ran into trouble	+5% or better	0 to +5%	Below zero
Under $5M	23%	43%	45%
$5M–$10M	13%	37%	56%
$10M–$25M	18%	Withheld	Under 10 Ys
$25M–$50M	Withheld	Under 10 Ys	Under 10 Ys
$50M+	Withheld	Under 10 Ys	Under 10 Ys

Withheld: the rate describes one or two Ys, or would let such a rate, or a group under 10 Ys, be worked out by subtraction.
Under 10 Ys: the group is below the 10-Y minimum, so no figure is shown.

5. Plant

Plant is our judgment, not a tested threshold. Read it with the other three.

What it measures. Two numbers. Facility age is accumulated depreciation as a share of the gross cost of land, buildings and equipment: how far the buildings are through their depreciable life. The reinvestment rate is capital spending per dollar of depreciation: whether a Y puts back what its plant wears.

Why there are no thresholds. The data does not show plant adding to the other three signs as a predictor, so we set no threshold and report no trouble rates by tier. It is still a vital sign in our judgment: a Y that stops reinvesting pays for it later, and the bill lands on the margin and the cash.

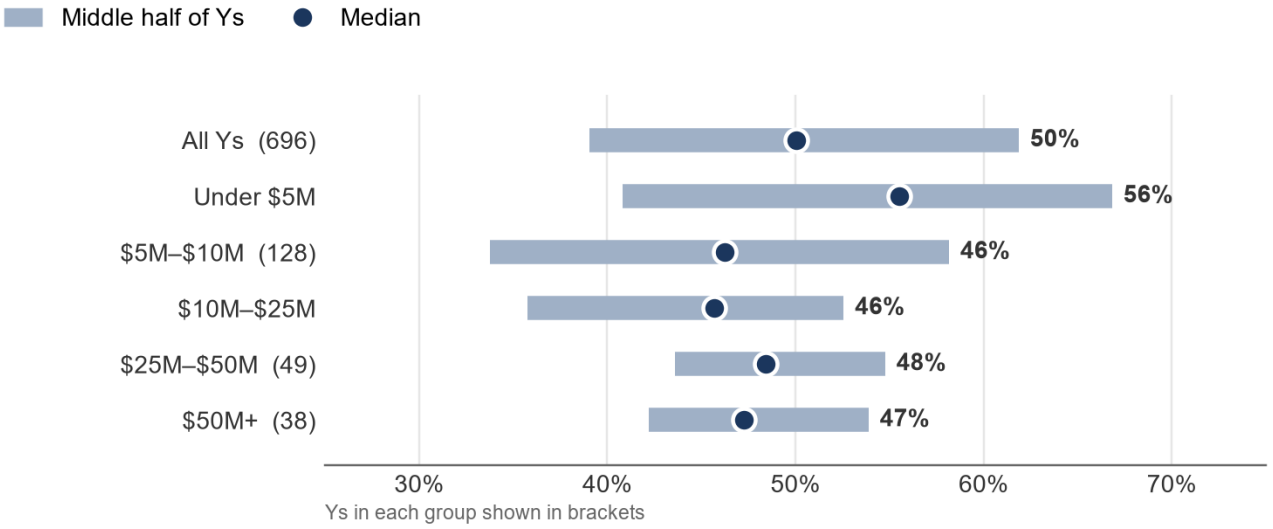
50%	1.10	0.57
median facility age, FY2024	capital spent per dollar of depreciation, FY2022–FY2024 median	the same, for the Y a quarter of the way up

The median facility is 50% through its depreciable life, the same as in FY2021 (50%). The smallest Ys have the oldest plant: 56% at the median Y under $5M, against 46% to 48% above $5M (Chart 16).

Chart 16

The smallest Ys have the oldest buildings

Facility age (accumulated depreciation as a share of the gross cost of land, buildings and equipment), FY2024, by size band



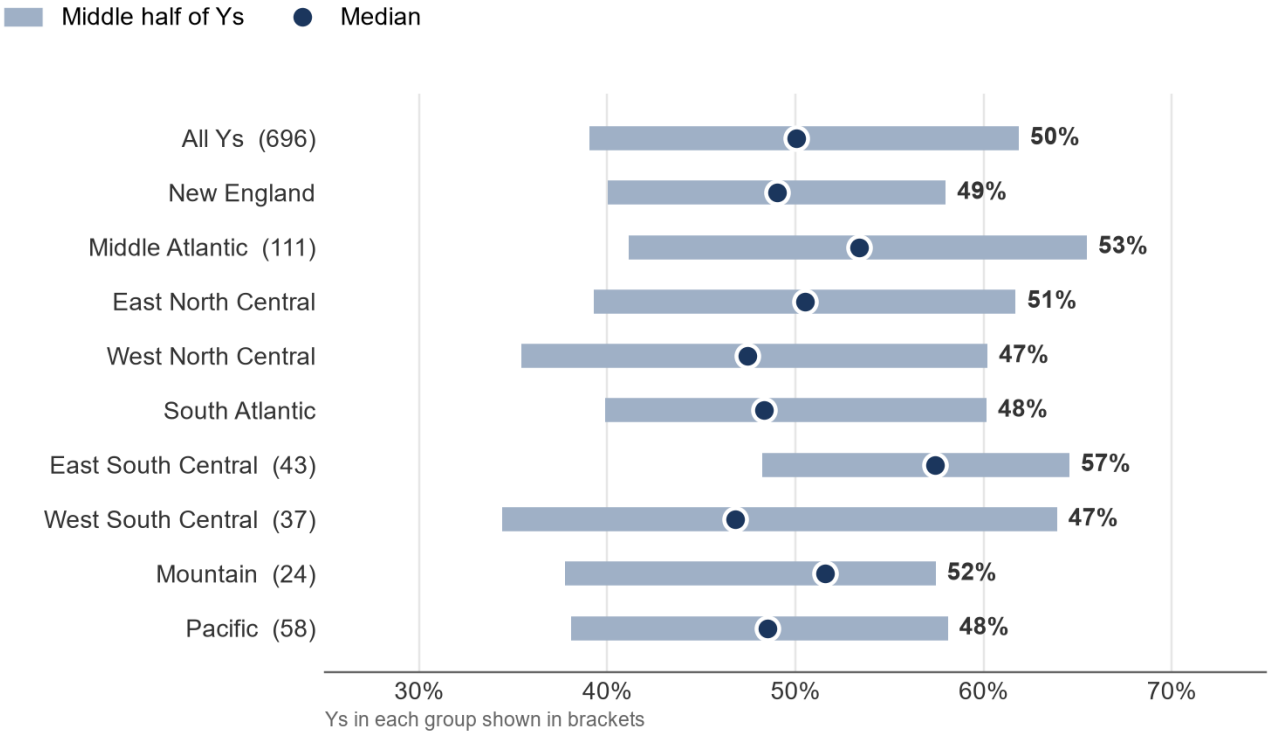
Source: IRS Form 990 e-file data, YMCA associations, FY2021-FY2024; S&Y analysis

By division, East South Central has the oldest plant at the median, 57% (Chart 17).

Chart 17

Facility age by Census division

Facility age, FY2024, by Census division. Not adjusted for size



Source: IRS Form 990 e-file data, YMCA associations, FY2021-FY2024; S&Y analysis

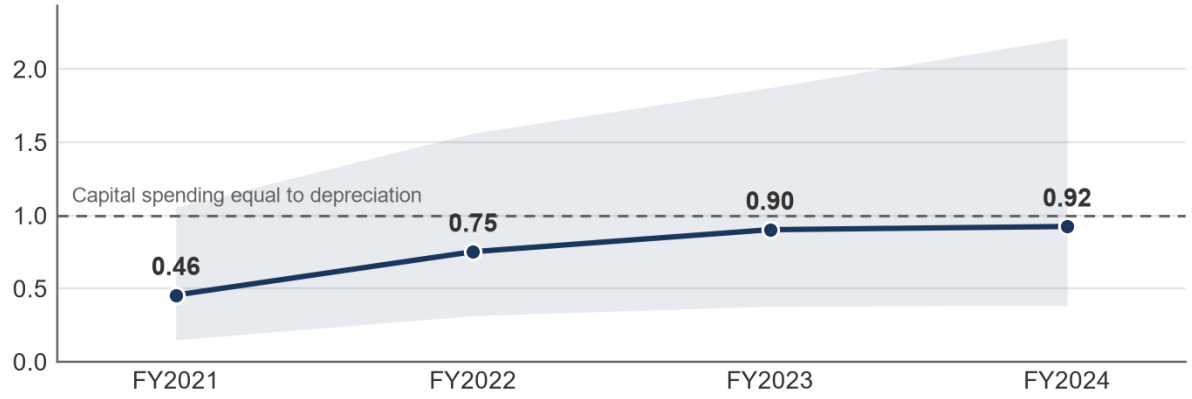
Reinvestment: read three years, not one

A single year's reinvestment cannot be read on its own. The median went from 0.46 in FY2021, the pandemic pause, to 0.92 in FY2024 (Chart 18).

Chart 18

Single-year reinvestment swings with the pandemic pause

Capital spending per dollar of depreciation, all Ys: median, with the middle half of Ys shaded, by fiscal year (estimate; see Section 9)



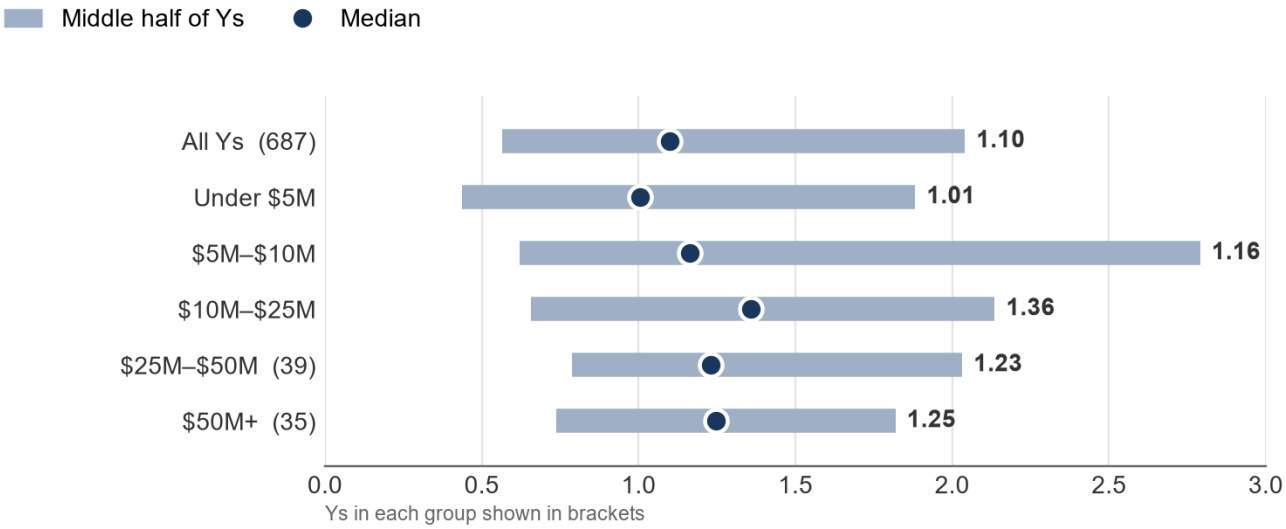
Source: IRS Form 990 e-file data, YMCA associations, FY2021-FY2024; S&Y analysis

Summed over FY2022 to FY2024, the median Y spent 1.10 on capital for every dollar of depreciation, and every size band's median was at or above 1.01. A quarter of Ys spent under 0.57 (Chart 19). The worksheet uses the three-year form.

Chart 19

Over three years, the median Y put back more than its plant wore

Capital spending per dollar of depreciation, summed over FY2022-FY2024, panel Ys by FY2022 size band (estimate)



Source: IRS Form 990 e-file data, FY2022 panel, FY2022-FY2024 returns; S&Y analysis

6. Debt

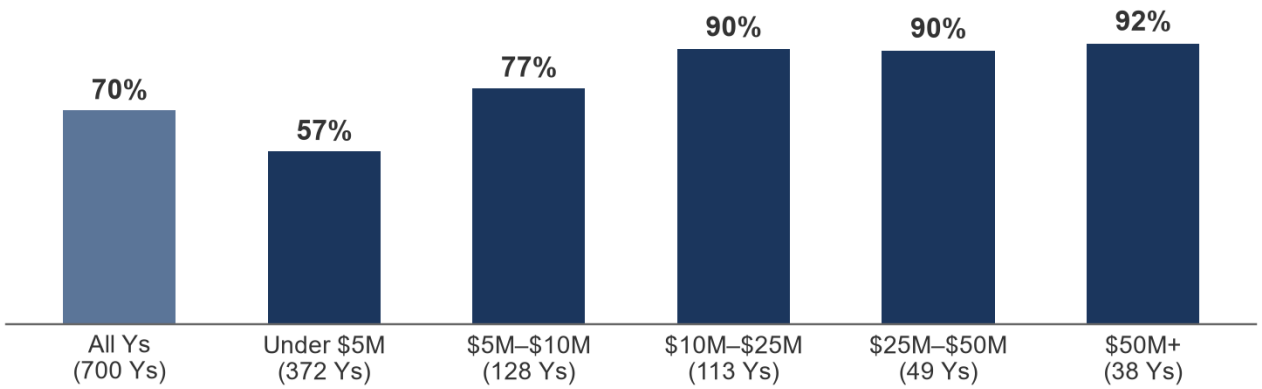
Debt did not predict trouble. It is common, and it comes with size and newer buildings.

Most Ys borrow: 70% carried debt in FY2024. That rises from 57% of Ys under $5M to 90% or more of every band over $10M (Chart 20). Among Ys with debt, the median owes 27% of a year's revenue and 18% of its net assets, and interest is 1.1% of spending.

Chart 20

Most Ys carry debt, and nearly all of the largest do

Share of Ys reporting debt on the balance sheet, FY2024, by size band



Source: IRS Form 990 e-file data, YMCA associations, FY2021-FY2024; S&Y analysis

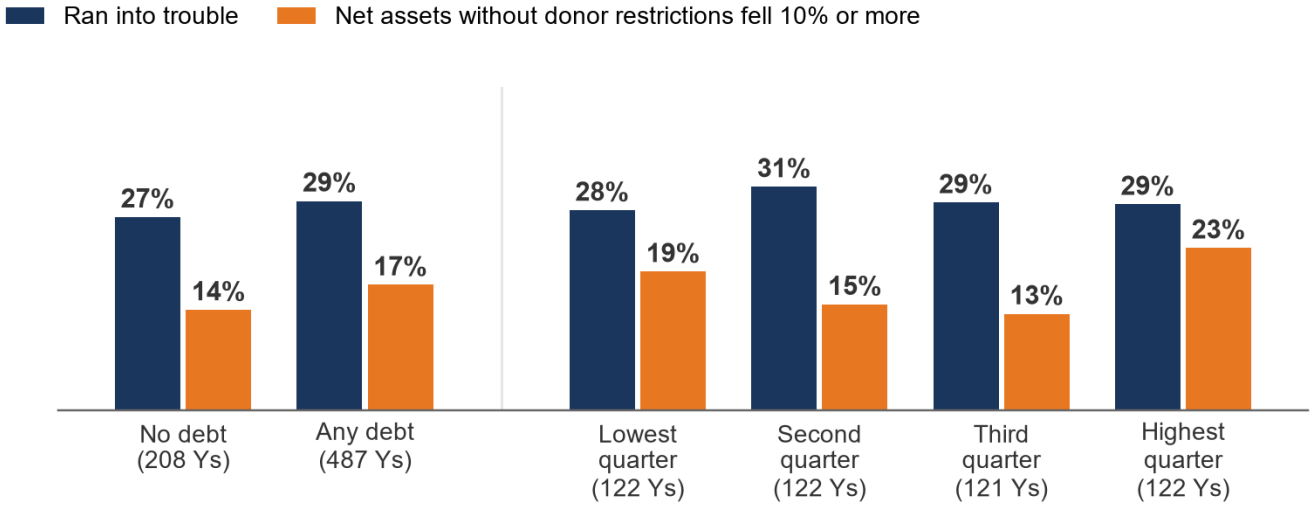
It does not separate the Ys that ran into trouble

Ys with debt in FY2022 ran into trouble 29% of the time; Ys without, 27%. Among Ys with debt, the rate is flat across the quarters of debt to revenue, from 28% in the lowest quarter to 29% in the highest (Chart 21). A rank test that controls for size, program mix and government-grant share agrees: a correlation of 0.04 ($p = 0.27$).

Chart 21

Debt did not separate the Ys that ran into trouble

Ys in the FY2022 panel by FY2022 debt, and among Ys with debt by quarter of debt to revenue; outcomes over FY2023-FY2024



Source: IRS Form 990 e-file data, 695-Y FY2022 panel, outcomes FY2023-FY2024; S&Y analysis

Quarter of debt to revenue (Ys with debt, FY2022)	Upper edge	Ran into trouble	Net assets fell 10%+
Lowest	13%	28%	19%
Second	31%	31%	15%
Third	61%	29%	13%
Highest		29%	23%

Why it does not

Debt goes with size and with newer buildings. Against Ys without debt in FY2022, Ys with debt were larger and better placed on most measures:

FY2022, median	Ys with debt	Ys without debt
Revenue excluding investment income, $ millions	5.34	2.44
Facility age	49%	56%
Operating margin before depreciation	12%	10%
Months of cash	4.0	5.2

One possible reason, which this data cannot test, is that a lender looks at a Y before it lends. Where debt does bite, the margin sign shows it first: among Ys paying interest, the median operating result before interest covers it 3.74 times, and the bottom quarter does not cover it at all. Those Ys already show the margin warning sign.

Debt did not predict trouble. That is not the same as debt not mattering

On the second outcome, the most indebted quarter of Ys lost 10% or more of their net assets without donor restrictions at 23%, against 14% for Ys with no debt. The controlled test on net-asset growth gives a correlation of -0.08 ($p = 0.05$). That is right at the edge of the usual test of significance, and it is not nothing. A board should know its debt, its covenants and its coverage, and read them through the margin and the cash.

7. The trend: where the median Y sits

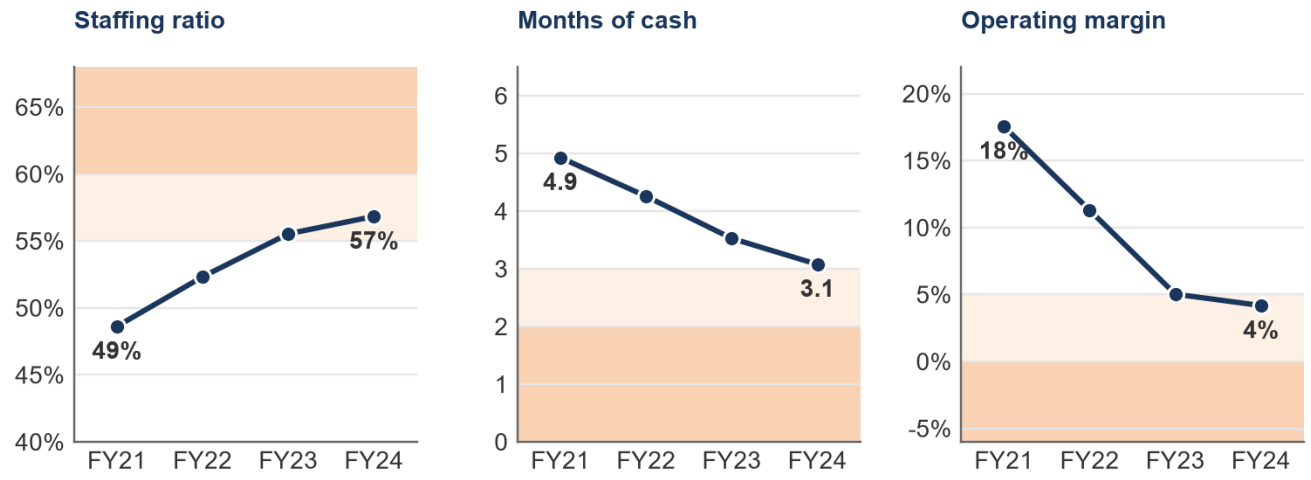
The median Y is now on Watch for staffing and margin, with cash just inside Healthy.

In FY2021 the median Y was Healthy on all three signs. By FY2024 its staffing ratio was 57% and its margin 4%, both in the Watch tier, and its 3.1 months of cash sat just inside Healthy (Chart 22).

Chart 22

The median Y has moved onto Watch for staffing and margin

Median of all Ys by fiscal year, against the thresholds (shaded: Watch and Warning)



Source: IRS Form 990 e-file data, YMCA associations, FY2021-FY2024; S&Y analysis

Median	FY2021	FY2024	FY2024 tier
Staffing ratio	49%	57%	Watch
Operating margin before depreciation	18%	4%	Watch
Months of cash	4.9	3.1	Healthy, at the edge
Months of cash and investments (read beside cash)	8.7	6.8	Healthy

Share of Ys at each warning level

Share of Ys at the warning level	FY2021	FY2022	FY2023	FY2024
Staffing 60% or more	11%	22%	35%	38%
Under 2 months of cash	12%	16%	27%	34%
Margin below zero	10%	18%	31%	34%
Under 2 months of cash and investments (beside cash)	5%	5%	9%	11%

Staffing rose fastest into FY2023, from 22% to 35%, then to 38%: the rise slowed sharply. Cash did not slow: the share under two months went from 27% to 34% in the same year. The same 690 Ys, usable in every year, give the same picture: staffing at 60% or more from 11% to 38%, and median cash from 4.9 to 3.1 months. A change in which Ys filed does not carry the trend.

A national trend, not a rule for every group

Nationally, more Ys were at each warning level in every year from FY2021 to FY2024. That does not hold in every band or division: $10M–$25M Ys at 60% or more went from 35% in FY2023 to 33% in FY2024, and Pacific Ys from 48% to 43%. The trend charts in this report are drawn for all Ys only.

8. Self-assessment worksheet

Your 990 is a year or two old. Your monthly statements are not. Count your own warning signs.

Use the last twelve months of your monthly statements. Write each amount in the box, work the formula, and compare your result with Ys your size. Print this section and fill it in by hand, or type into the boxes.

Twelve months ending (month and year)	
Your size band: total revenue less investment income, last twelve months	$
Size band	circle below

Size bands: under $5M, $5M–$10M, $10M–$25M, $25M–$50M, $50M and over. Peer figures are the 25th percentile, median and 75th percentile of FY2024 990s for Ys in each band, banded on FY2024 revenue excluding investment income; the reinvestment peers use FY2022 to FY2024, banded on FY2022 revenue. Your statements are more recent than the peer year, so read the comparison as a guide.

Staffing ratio

A. Salaries and wages, last twelve months	$
B. Benefits and payroll taxes, last twelve months	$
C. Personnel cost: A + B	$
D. Total revenue, last twelve months	$
E. Investment income and gains, last twelve months	$
F. Revenue less investment income: D − E	$
Staffing ratio: C ÷ F	%

Size band	25th percentile	Median	75th percentile
All Ys	49%	57%	64%
Under $5M	49%	57%	65%
$5M–$10M	47%	56%	63%
$10M–$25M	46%	56%	62%
$25M–$50M	52%	59%	62%
$50M+	51%	56%	62%

Thresholds: Healthy under 55%, Watch 55% to 60%, Warning at 60% or more.

Months of cash

G. Cash and savings at month end	$
H. Total expenses, last twelve months	$
I. Depreciation, last twelve months	$
J. One month of expenses excluding depreciation: (H − I) ÷ 12	$
Months of cash: G ÷ J	months

Size band	25th percentile	Median	75th percentile
All Ys	1.5	3.1	5.6
Under $5M	1.6	3.4	6.0
$5M–$10M	1.7	3.3	7.1
$10M–$25M	1.4	2.9	5.0
$25M–$50M	1.5	2.3	3.5
$50M+	0.9	1.4	2.7

Thresholds: Healthy at 3 months or more, Watch 2 to 3 months, Warning under 2 months.

Months of cash and investments (read beside months of cash)

K. Investments at month end, all of them as the 990 reports them, including endowment	$
Months of cash and investments: (G + K) ÷ J	months

Size band	25th percentile	Median	75th percentile
All Ys	3.6	6.8	11.3
Under $5M	3.0	6.7	12.0
$5M–$10M	4.1	7.1	13.2
$10M–$25M	3.7	6.7	11.3
$25M–$50M	5.2	6.8	9.8
$50M+	4.4	7.0	9.2

Read on the same thresholds as months of cash. Endowment counts here because the 990 counts it, so the peer comparison is like for like. The warning level stays on months of cash.

Operating margin before depreciation

L. Restricted gifts received and not yet released for use, last twelve months	$
M. Operating revenue: F − L	$
N. Expenses excluding depreciation: H − I	$
O. Operating result before depreciation: M − N	$
Operating margin: O ÷ F	%

Size band	25th percentile	Median	75th percentile
All Ys	-2%	4%	11%
Under $5M	-5%	3%	10%
$5M–$10M	-2%	6%	12%
$10M–$25M	1%	7%	10%
$25M–$50M	2%	5%	11%
$50M+	1%	5%	12%

Thresholds: Healthy at +5% or better, Watch 0 to +5%, Warning below zero.

Facility age

P. Accumulated depreciation at month end	$
Q. Gross cost of land, buildings and equipment at month end	$
Facility age: P ÷ Q	%

Size band	25th percentile	Median	75th percentile
All Ys	39%	50%	62%
Under $5M	41%	56%	67%
$5M–$10M	34%	46%	58%
$10M–$25M	36%	46%	53%
$25M–$50M	44%	48%	55%
$50M+	42%	47%	54%

No threshold: read with the other three (Section 5).

Reinvestment rate, three years

R. Capital additions, last three fiscal years combined	$
S. Depreciation expense, last three fiscal years combined	$
Reinvestment rate: R ÷ S	per $1

Size band	25th percentile	Median	75th percentile
All Ys	0.57	1.10	2.04
Under $5M	0.44	1.01	1.88
$5M–$10M	0.62	1.16	2.79
$10M–$25M	0.66	1.36	2.14
$25M–$50M	0.79	1.23	2.03
$50M+	0.74	1.25	1.82

No threshold: read with the other three (Section 5). One year swings too much to read on its own.

Count your warning signs

Staffing ratio at 60% or more? (yes / no)	
Months of cash under 2? (yes / no)	
Operating margin below zero? (yes / no)	
Warning signs (0 to 3)	of 3

Among the 695 Ys in the FY2022 panel, the share that ran into trouble within two years was 18% for Ys with no warning sign, 39% with one, 51% with two and 79% with all three (Section 1). The count is a prompt for your board's conversation, not a grade.

9. Methodology and basis of preparation

Public filings, a fixed basis, and a minimum group size on every figure.

Source

IRS Form 990 e-file data for YMCA associations in the 50 states and the District of Columbia. Every figure comes from the return as filed.

Population

The benchmark covers the operating YMCA associations that the IRS master file lists as filing Form 990 or 990-EZ and that report revenue: 713 of the 737 (97%). Of the rest, 11 file the 990-N e-Postcard and 13 have no filing requirement. Every return analyzed is a full Form 990. 7 of the 713 had no FY2024 return in the IRS index, and 6 of the 706 FY2024 returns were screened out (outside the 50 states and DC, no personnel cost, or not a twelve-month return).

The trend uses every usable twelve-month return from an operating Y: 699 in FY2021, 703 in FY2022, 704 in FY2023 and 700 in FY2024. A usable return covers twelve months and reports personnel cost above zero. Anything predictive uses the FY2022 panel: the 695 operating Ys with usable FY2022, FY2023 and FY2024 returns, measured on FY2022 and followed over the next two years. The fixed-set check uses the 690 Ys usable in every year.

Fiscal years

Returns are labelled by the fiscal year they cover, by the year it ended: FY2024 is a fiscal year that ended in 2024, whatever tax year is printed on the form. FY2025 returns are still being filed, so they are not used.

Trouble and the second outcome

Trouble is an operating deficit before depreciation in both FY2023 and FY2024, or under one month of cash at the end of FY2024. Cash and margin are part of that definition; the staffing ratio is not. The second outcome is a fall of 10% or more in net assets without donor restrictions from FY2022 to FY2024, for Ys whose FY2022 net assets without donor restrictions were above zero. No sign is built on it.

Measures

- **Staffing ratio:** personnel cost (Part IX lines 5 to 10) divided by revenue excluding investment income (Part VIII line 12 less lines 3, 4 and 7d).
- **Months of cash:** cash and savings at year end (Part X lines 1 and 2) divided by one month of expenses excluding depreciation (Part IX line 25 less line 22, divided by 12).
- **Months of cash and investments:** the same, with investments added (Part X lines 11 to 13). These include donor-restricted endowment, which a Y cannot spend on operations, so this overstates spendable reserves.

- **Operating margin before depreciation:** an estimate. Operating revenue is revenue excluding investment income less the net rise in restricted net assets, capped at private gifts; expenses exclude depreciation.
- **Facility age:** accumulated depreciation divided by gross land, buildings and equipment (Part X line 10b divided by 10a).
- **Reinvestment rate:** an estimate: capital spending (the change in net land, buildings and equipment plus depreciation) divided by depreciation. Disposals and impairments lower it.
- **Debt:** Part X lines 20 and 22 to 24. Interest coverage is an estimate: operating result plus depreciation and interest, divided by interest.

Groups

Size bands use revenue excluding investment income, re-cut each year on that year's revenue, so a Y can change band between years; panel figures use FY2022 bands. Regions are the nine U.S. Census divisions, by the state on the return. Division figures are not adjusted for size.

Minimum group and withheld figures

No figure describes a group of fewer than 10 Ys. No rate is published where the Ys counted, or the Ys left over, number one or two, and a further rate is withheld wherever it would let a withheld one, or a group under 10 Ys, be worked out by subtraction. Withheld cells are marked in words. No YMCA is named, and no Y is graded; there is no composite score.

Reading the results

The results describe Ys as a group. They show association, not cause: they do not show that any one number causes trouble at any one Y. Rates are plain shares of Ys; 95% intervals are Wilson intervals. The debt tests are rank correlations that control for size band, program mix and government-grant share, with significance from permutation within size band. Medians and percentiles describe the middle Y of a group, and the medians of different measures do not describe the same Y.

Basis of preparation

Prepared by Skeehan & Young, CPA Inc. from public Form 990 filings as filed with the IRS. We have not audited, reviewed or verified the filings, and this report is not an audit, review or compilation of any organization's financial statements. It expresses no assurance on any figure. Figures describe groups of Ys and are not advice for any one Y.

What we do

Skeehan & Young, CPA Inc. provides outsourced accounting and finance for nonprofit organizations, and YMCAs are at the center of our practice. We work alongside a Y's CEO, finance staff, finance committee and board.

- Monthly close, reconciliations and financial statements
- Finance committee and board reporting packages
- Budgeting, forecasting and cash flow planning
- Audit preparation and Form 990 support
- Benchmarking against peer Ys, built from public filings like this report