

America's Nonprofit Sector



INDEPENDENT SECTOR
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The Nonprofit Sector Is a Major Employer and Contributes to a Strong U.S. Economy

- The nation's 1.6 million nonprofits employ 13.5 million workers, nearly **10% of the American workforce** (based on 2009 data) ¹
- Nonprofits pay nearly **\$670 billion annually in wages and benefits** in the U.S. and employ more people than the finance, insurance and real estate sectors combined (based on 2009 data) ²
- Nonprofits spend **\$1.3 trillion** each year, including major investments in every state (based on 2008 data) ³
- Annual charitable giving was **\$303.8 billion** in 2009 ⁴
- Foundations contributed over **\$42.9 billion** in 2009 to worthwhile programs and projects ⁵
- **Seven out of 10** households in 2005 gave to charitable causes ⁶

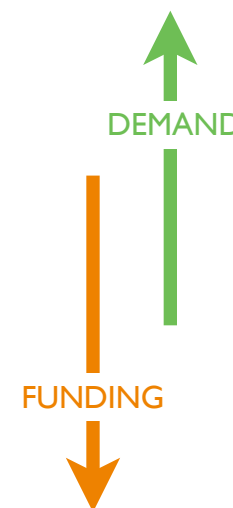
Employment by Service Area (2006) ⁷	% of nonprofit employment
Health care	55%
Education	14%
Social assistance	13%
Membership organizations	7%
Other	7%
Professional, scientific services	3%
Arts, entertainment, recreation	3%

Government Counts on Nonprofits to Deliver Critical Services in American Communities

- FEMA depends on social-service nonprofits like the American Red Cross and Salvation Army to provide mass care and other emergency services when disasters strike.
- Goodwill Industries® invests more than \$3 billion in job training and employment service programs, matching nearly dollar-for-dollar federal funds for adult, youth and dislocated workers under the Workforce Investment Act.
- Nonprofit community health centers deliver health-care services to millions of Medicare and Medicaid recipients.

Challenges Facing Nonprofits Today

- 63% of nonprofits saw an **increase in demand for services** in the first five months of 2010. ⁸
- In 2009 alone, 38% of social assistance and other human-service nonprofits were **forced to lay off employees**, 50% **froze or reduced salaries**, and 23% **reduced employee benefits**. ⁹
- More than half of nonprofits **suffered a decline in grants, contracts and payments for services** from state and local governments in 2009. ¹⁰
- Total private contributions to nonprofits dropped by \$11.3 billion in 2009, the **largest decline since 1956**. ¹¹



Sources on the reverse side →

Sources

- 1) The Urban Institute, National Center for Charitable Statistics (Updated 2011)
- 2) Urban Institute, National Center for Charitable Statistics (Updated 2011)
- 3) The Urban Institute, National Center for Charitable Statistics, Quick Facts about Nonprofits, 2011. <http://nccs.urban.org/statistics/quickfacts.cfm>
- 4) The Center on Philanthropy at Indiana University, Giving USA 2010: The Annual Report on Philanthropy for the Year 2009, Giving USA Foundation, 2010. *This includes philanthropic and corporate foundations
- 5) ibid
- 6) The Center on Philanthropy at Indiana University, *Quick facts about charitable giving from the Center on Philanthropy Panel Study, 2005 (Revised 2008)*.
- 7) Lester M. Salamon and S. Wojciech Sokolowski, Employment in America's Charities – A Profile, (Baltimore: Johns Hopkins Center for Civil Society Studies, 2006). http://www.ccss.jhu.edu/pdfs/NED_Bulletins/National/NED_Bulletin26_EmplyinAmericasCharities_2006.pdf
- 8) Guidestar, "The Effect of the Economy on the Nonprofit Sector," October 2009.
- 9) Elizabeth T. Boris, Erwin de Leon, Katie L. Roeger, and Milena Nikolova, Urban Institute, "Human Services Nonprofits: Findings for the 2010 National Survey of Nonprofit Government Contracting and Grants," 2010.
- 10) ibid
- 11) ibid