



Many missions | 100 counties | One voice

# Quick Facts

## Nonprofits' Impact on North Carolina

### Nonprofits are essential for North Carolina's quality of life and for attracting business and keeping it here

- Delivering needed services – food banks feeding the hungry, hospices caring for the dying.
- Educating the public on vital issues – the dangers of smoking, how to stop child abuse.
- Finding solutions – cleaning up polluted streams, providing day care for working families.
- Nurturing our culture – providing music, theatre, arts, and ways to learn about our history.
- Engaging people in the community – volunteering with Habitat, serving on boards.
- Providing a voice for the voiceless – speaking out for children or seniors with disabilities.
- Improving government policies – researching and advocating ways to improve education.
- Providing faith-based activities – houses of worship, community service projects.

### Nonprofits provide 400,000 jobs – 1 out of every 10 jobs in our state<sup>1</sup>

- Nonprofits provide 10% of all jobs – about the same number of jobs as the retail trade industry and manufacturing in NC.
- Nonprofit employees are highly-educated and committed to their organizations' missions. They are private entrepreneurs working in the public interest to solve tough problems.

### Nonprofits put \$42.5 billion directly into North Carolina's economy each year

- The nonprofit sector pays more than \$15 billion in wages to North Carolinians. Though nonprofit organizations are tax-exempt, nonprofit employees pay taxes – state income taxes, local and state sales taxes, and property taxes. They add to the economy by buying houses, cars, food, computers, clothes, home products, and other consumer items.
- This economic impact has nearly doubled in a decade. Nonprofits' \$42.5 billion annual impact on the state's economy compares to \$23.5 billion just 10 years earlier. The nonprofit sector's economic footprint has grown 8% per year in that time.

### Nonprofits form a very large and diverse sector

- Most nonprofits are very small. North Carolina has 11,146 organizations that are 501(c)(3) nonprofits with annual revenues over \$50,000. Even very small community groups can be an important part of our civic life.
- But, more than 300 very large nonprofits put more than \$10 million each into the state's economy annually – e.g., private schools, universities, and hospitals.

### Nonprofits are struggling to respond to skyrocketing needs, but with much less funding

- 78% of NC nonprofits saw more demand for their services in 2014, but only 40% were able to meet the demands. Economic stress, population growth, and social problems increase the demands on nonprofits. Record numbers of people across the state are seeking help at food banks, crisis assistance centers, homeless shelters, and consumer credit counseling services.
- At the same time, nonprofits struggle to raise funds. Charitable giving and government contracts are both down.

- Consider giving more this year to 2-3 nonprofits working on problems of concern to you – some to direct services and some to address the root causes of the problems.
- 84% of people prefer to receive a gift that benefits someone else instead of a traditional present, according to a Harris Interactive study. Consider making donations in the names of friends and family members instead of purchasing presents.

## North Carolinians give more than the national average, but less than people in some Southern states

- North Carolina taxpayers who itemize deductions give an average of 2.4% of their income. This is more than the 2.2% national average, but less than those in South Carolina (2.6%).
- North Carolina households that itemize deductions give an average of \$1,378 – less than the national average of \$1,423.
- About 26% of North Carolina adults volunteer in the community – below the national average of 27%.

### Did you know?

- The nonprofit sector in the U.S. accounts for 5.4% of gross domestic product (GDP) and 9.8% of all wages paid.\*
- About 14% of all nonprofit revenue is from private philanthropy. Of this, 80% is from individuals (gifts and bequests), 15% from foundations, and 5% corporations.\*\*

\* From The Urban Institute. Used with permission. For more information, see [www.urban.org](http://www.urban.org).

\*\* *The Nonprofit Sector in Brief 2015*, Urban Institute, ©2015; for more information, visit <http://nccs.urban.org>. *Giving USA 2015*, Giving USA Foundation, ©2015; for more information, visit [www.givingusa.org](http://www.givingusa.org).

## Compiled by the North Carolina Center for Nonprofits [www.ncnonprofits.org](http://www.ncnonprofits.org)

<sup>1</sup>N.C. Department of Commerce, Division of Employment Security (DES). Subsection 501(c)(3) of the Internal Revenue Code defines charitable nonprofits as corporations, funds, or foundations that operate for religious, charitable, scientific, literary, or educational purposes. Throughout this document, the term “nonprofits” refers to 501(c)(3) organizations with more than \$50,000 in annual revenue except in the employment data, which includes all nonprofit organizations under Section 501(c) of the Internal Revenue Code except for those with fewer than four employees which are not required to report to the N.C. Employment Security Commission (ESC). Statistics on the number of nonprofits and nonprofit expenditures are from 2014 data from the IRS provide by DataLake, llc, Nonprofit Research ([info@datalake.net](mailto:info@datalake.net)) ©2016 (the latest very clean data available). Reliable data is not available on nonprofits that are too small to be required to report to the IRS (i.e., with annual budgets of \$50,000 or below), so they are not included in these statistics. Religious congregations are not required to file for tax exemption, but this entire document does include other nonprofits with faith-based affiliations that have secured 501(c)(3) status. The employment data in this document includes all 330,973 employees at tax-exempt nonprofits of any type covered by the North Carolina Unemployment Insurance laws in the second quarter of 2011. A DES survey found that there are at least 72,000 employees at religious nonprofits in North Carolina that are deemed to be 501(c)(3) tax-exempt entities without needing IRS recognition. Consequently, total nonprofit employment in North Carolina is more than 400,000.

Data as of 12-22-16