



## THE AFTERMATH OF KATRINA: STATE OF THE NONPROFIT SECTOR IN LOUISIANA

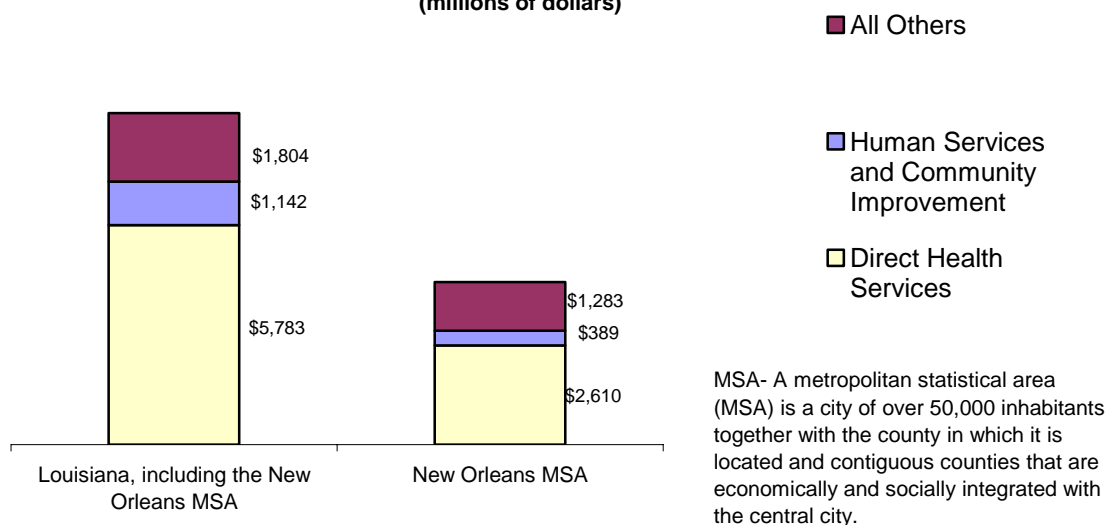
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September 21, 2005

The nonprofit sector plays a vital role in creating a caring society in Louisiana, providing a vast range of services including youth programs to enhance children's lives, care for the elderly and those with disabilities, and arts and cultural activities. Before Hurricane Katrina, charities often struggled to raise the funds necessary to meet community needs, and resources were stretched. Now a substantial part of the infrastructure that delivers health and human services to residents of the New Orleans area has been devastated, along with major educational, cultural, and other nonprofit institutions.

### Portrait of the New Orleans and Louisiana Nonprofit Sectors

- Almost 3,200 charities based in Louisiana report to the Internal Revenue Service (IRS) annually. In 2003, the most recent data available, their expenditures totaled over \$8.7 billion and their assets totaled \$13.8 billion.
- Almost half of the Louisiana-based charity expenditures and assets were located in New Orleans, home to nearly 900 charities spending \$4.3 billion and holding \$6.3 billion in assets.
- 83 charities—with \$2.6 billion in annual expenditures and more than 15,000 employees—provide direct health and mental health services to New Orleans residents.
- 385 organizations with \$389 million in annual expenditures provide human services and community improvement programs to New Orleans residents.

**Figure 1. Expenditures by Type of Nonprofit: Louisiana and New Orleans, 2003**  
(millions of dollars)



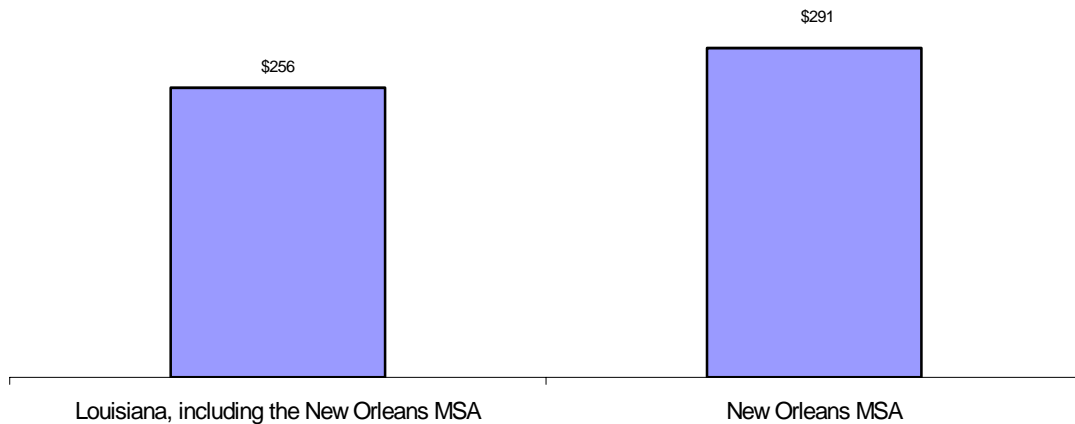
*Notes:* (1) These numbers do not include religious congregations, which are not required to report to the IRS but often provide human services to residents.

(2) Because charitable nonprofits report their office addresses to the IRS, expenses and assets are assigned to those locations, although nonprofits may provide services in different areas. Conversely, organizations headquartered in other states and cities may have affiliates and offices in Louisiana and New Orleans that are not included in this count.

### Comparison with Metropolitan Areas of Similar Size

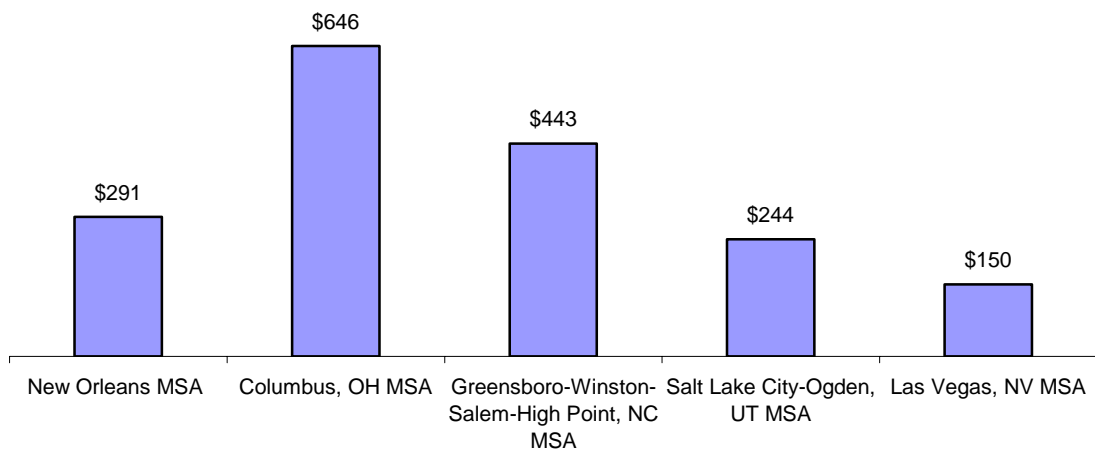
- Before Katrina, New Orleans was depending on its charitable sector to deliver many services to residents and their communities. While charitable human service and community improvement expenditures were \$256 per resident statewide, the expenditures per resident in New Orleans were \$291.

**Figure 2. Per Capita Expenditures for Nonprofit Human Services and Community Improvement: Louisiana and New Orleans, 2003**



- For similar-sized metropolitan areas ranging from 1.3 to 1.5 million residents, the \$291 in human service and community improvement expenditures per resident in New Orleans was less than half the spending in Columbus, Ohio, but nearly twice that of Las Vegas, Nevada.

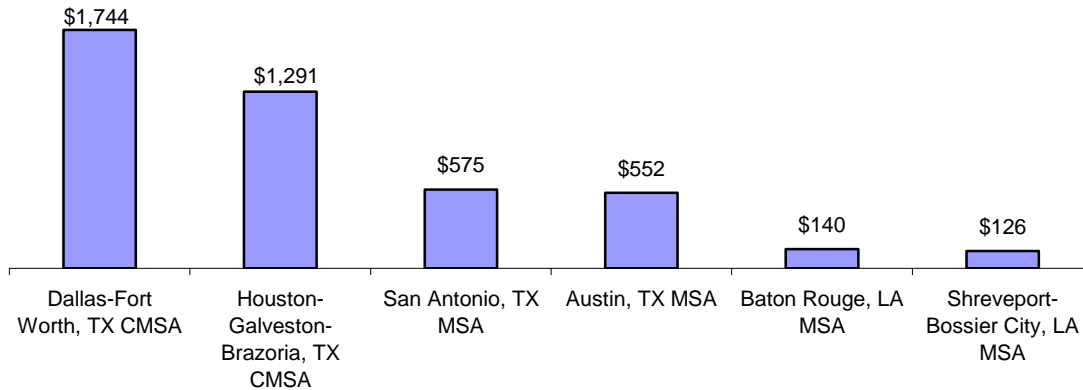
**Figure 3. Per Capita Expenditures for Nonprofit Human Services and Community Improvement: New Orleans and Comparably Sized Metropolitan Areas, 2003**



### Nonprofit Capacity in Metropolitan Areas Receiving Evacuees

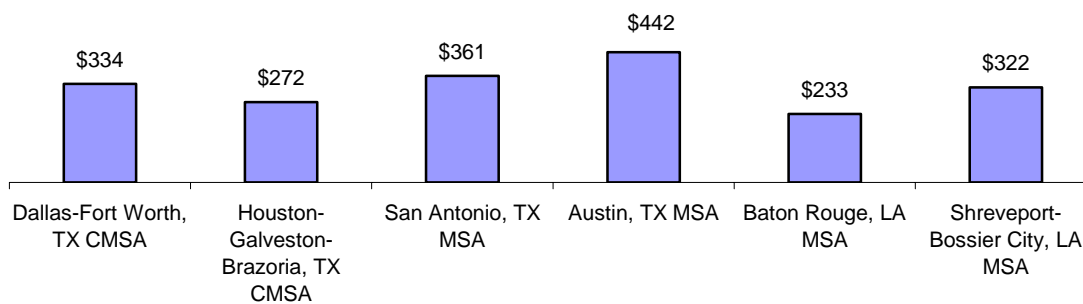
- Annual expenditures of charities providing human services and community improvement programs in the metropolitan areas receiving large numbers of evacuees from New Orleans ranged from \$126 million in Shreveport to \$1.7 billion in Dallas.

**Figure 4. Expenditures for Nonprofit Human Services and Community Improvement: Metropolitan Areas Receiving Hurricane Katrina Evacuees, 2003 (millions of dollars)**



- When the per resident expenditure is calculated, however, the relationships change, as charities in the larger areas of Dallas and Houston appear to provide human services and community improvement programs at about the same level as in New Orleans (\$291). Expenditures per resident are slightly higher in Austin and San Antonio.

**Figure 5. Per Capita Expenditures for Nonprofit Human Services and Community Improvement : Metropolitan Areas Receiving Hurricane Katrina Evacuees, 2003**



- If these receiving areas are to provide the services evacuees desperately need, many more resources must be directed to nonprofits in these communities.

**Table 1. Louisiana Public Charities, 2003**

Louisiana Public Charities				
Type of Public Charity	Variable	In Louisiana (population 4,468,976)	New Orleans MSA (population 1,337,726)	New Orleans MSA as % of State
Total	Number of Organizations	3,198	906	28.3%
	Expenses	\$ 8,729,741,587	\$ 4,281,848,306	49.0%
	Assets	\$ 13,805,312,001	\$ 6,334,237,718	45.9%
	Number of Employees	90,295	35,771	39.6%
Direct Health Services	Number of Organizations	333	83	24.9%
	Expenses	\$ 5,782,936,722	2,610,165,815	45.1%
	Assets	\$ 7,313,454,705	2,832,505,811	38.7%
	Number of Employees	48,601	15,647	32.2%
Human Services and Community Improvement	Number of Organizations	1,398	385	27.5%
	Expenses	\$ 1,142,489,365	\$ 388,862,265	34.0%
	Assets	\$ 2,183,723,684	\$ 858,547,276	39.3%
	Number of Employees	23,736	7,219	30.4%
All Others*	Number of Organizations	1,467	438	29.9%
	Expenses	\$ 1,804,315,500	\$ 1,282,820,226	71.1%
	Assets	\$ 4,308,133,612	\$ 2,643,184,631	61.4%
	Number of Employees	17,958	12,905	71.9%

\*-A few organizations have a very large impact on the finances of this group. In particular, Tulane University in New Orleans has over \$600 million in annual expenses and over a billion dollars in assets.

### Notes on Methodology

The National Center for Charitable Statistics (NCCS) at the Urban Institute houses data sets based on the annual filings of IRS Forms 990 and 990-EZ. Public charities with annual gross receipts of \$25,000 or more must file with the IRS. This analysis used data from the NCCS Core Files Public Charities, 2003 and the NCCS-Guidestar National Nonprofit Research Database.

Filing charities are classified by purpose using the National Taxonomy of Exempt Entities, the standard system used by NCCS, IRS, and most nonprofit researchers. For this analysis, charities were divided into three groups:

1. Direct health and mental health services (such as hospitals, home health care, clinics, community mental health centers, hot lines, and crisis intervention programs);
2. Human services and community improvement programs (crime and legal-related, employment, food and nutrition, housing and shelter, recreation and sports, youth development, family services, community and neighborhood development); and
3. All others (arts and culture, universities, natural resources conservation, animal protection and welfare, civil rights, philanthropy).

The data source has limitations. First, religious congregations are not included because such organizations are not required to file Form 990 with the IRS. Second, the data record the office address as the address for the organization. As organizations may have many offices, nonprofit resources in a specific area can be undercounted, since the data reveal only organizations headquartered in that area. Conversely, if a large national nonprofit is included, this might result in overcounting an area's resources, since much of the organization's spending may occur outside the location of its main office.

All population counts, including for states, metropolitan statistical areas (MSAs), and consolidated metropolitan statistical areas (CMSAs), are from the U.S. Census Bureau; Census 2000 Demographic Profile, summary files generated by the Urban Institute.

In addition to standard state boundaries, the Census Bureau definitions of geographic areas are used. A metropolitan statistical area (MSA) is a city of over 50,000 inhabitants together with the county in which it is located and contiguous counties that are economically and socially integrated with the central city. A consolidated metropolitan statistical area (CMSA) is a large area made up of two or more contiguous MSAs.

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