

THE NONPROFIT SECTOR IN BRIEF

Public Charities, Giving, and Volunteering, 2011

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This brief highlights trends from the eighth edition of The Nonprofit Almanac 2011, prepared by the National Center for Charitable Statistics at the Urban Institute. We highlight the growth in the number and finances of 501(c)(3) public charities, as well as key findings on private charitable contributions and volunteering.

Highlights

- More than 1.4 million nonprofit organizations were registered with the Internal Revenue Service (IRS) in 2009, an increase of 19 percent between 1999 and 2009.
- The largest single category—501(c)(3) public charities— included over 1 million organizations and accounted for three-fourths of nonprofit revenue and three-fifths of nonprofit assets.
- In 2010, total private giving reached \$290.89 billion, up 2 percent from the revised estimate for 2009, after adjusting for inflation.
- In 2010, 26 percent of U.S. adults volunteered through an organization. Volunteers contributed 15 billion hours during the year, worth \$283.84 billion at average wages.

Size and Scope of the Nonprofit Sector

All Nonprofit Organizations

Over 1.4 million nonprofits were registered with the IRS and active in 2009 (table 1). This figure excludes organizations that are not required to register with the IRS, such as nonprofits with less than \$5,000 annual revenue or religious congregations (although many congregations choose to register), and organizations that had their tax-exempt status revoked for failing to file a financial return for three consecutive years.

Table 1. Size and Financial Scope of the Nonprofit Sector, 1999–2009

	1999	2004	2009	% change, 1999–2009	% change, 1999–2009 (inflation adjusted)
All nonprofits	1.20 million	1.39 million	1.43 million	19.1	—
Reporting nonprofits	425,503	533,119	628,700	47.8	—
Revenues (\$)	1.08 trillion	1.50 trillion	1.87 trillion	72.4	33.9
Expenses (\$)	972 billion	1.37 trillion	1.89 trillion	94.1	50.7
Assets (\$)	2.41 trillion	3.29 trillion	4.30 trillion	78.6	38.7
Public charities, 501(c)(3)	632,604	823,267	1,007,384	59.2	—
Reporting public charities	247,308	300,933	362,926	46.8	—
Revenues (\$)	800 billion	1.07 trillion	1.40 trillion	75.0	35.9
Expenses (\$)	731 billion	998 billion	1.40 trillion	91.6	48.8
Assets (\$)	1.47 trillion	1.89 trillion	2.53 trillion	71.8	33.4

Sources: Urban Institute, National Center for Charitable Statistics, Core Files (1999–2009); the Internal Revenue Service Business Master Files, Exempt Organizations (1999–2009); the Internal Revenue Service, Nonfiler Automatic Revocation List (2010).

Notes: Reporting public charities include only organizations that both reported (filed IRS Forms 990) and were required to do so. Organizations that had their tax-status revoked for failing to file a financial return for three consecutive years have been removed from the 2009 nonprofit total. The following were also excluded: foreign organizations, government associated organizations, and organizations without state identifiers. All amounts are in current dollars and are not adjusted for inflation.

– = data not applicable

The Internal Revenue Code defines more than 30 different categories of tax-exempt organizations. The largest group is 501(c)(3) public charities, such as arts, education, health care, human services, and other organizations to which donors can make tax-deductible donations. The tax-exempt sector also includes a variety of other groups, such as advocacy organizations, labor unions, business and professional associations, fraternal societies, cemetery companies, state-chartered credit unions, and many more.

The total nonprofit sector has been growing steadily over the years. The number of registered nonprofits grew from 1.2 million in 1999 to 1.4 million in 2009, an increase of 19 percent. In 2009, 628,700 nonprofits collected more than \$25,000 in gross receipts and filed a financial return with the IRS; we refer to these as reporting nonprofits (table 1)¹. The number of reporting nonprofits grew 48 percent between 1999

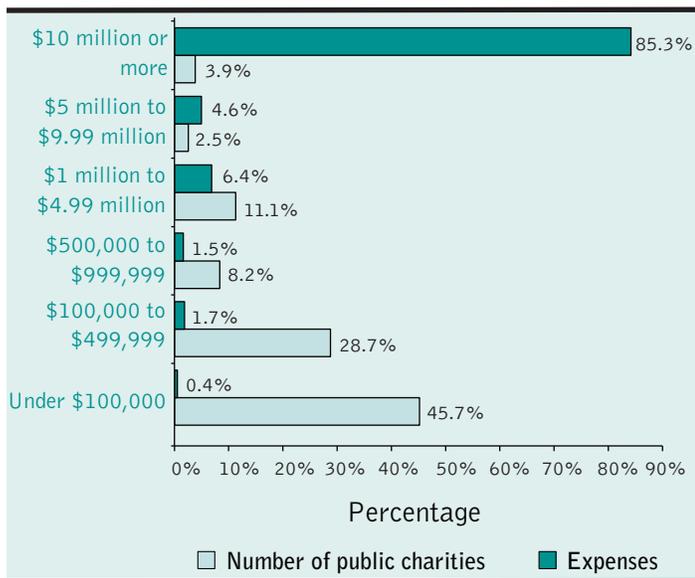
and 2009. These organizations reported \$1.87 trillion in revenue and \$4.30 trillion in assets in 2009. After adjusting for inflation, revenues of reporting nonprofits grew 34 percent, expenses grew 51 percent, and assets grew 39 percent over the decade.

Public Charities

Public charities accounted for 70 percent of registered nonprofits in 2009 and 58 percent of reporting nonprofits. The number of registered public charities grew 59 percent from 1999 to 2009, while the number of reporting public charities grew 47 percent.

Finances. Public charities reported \$1.40 trillion in revenue, \$1.40 trillion in expenses, and \$2.53 trillion in assets in 2009. Revenues of reporting public charities grew 36 percent, expenses grew 49 percent, and assets grew 33 percent between 1999 and 2009, after adjusting for inflation.

Figure 1. Number and Expenses of Reporting Public Charities, 2009



Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities, 2009).

Note: Numbers may not sum to 100 percent because of rounding.

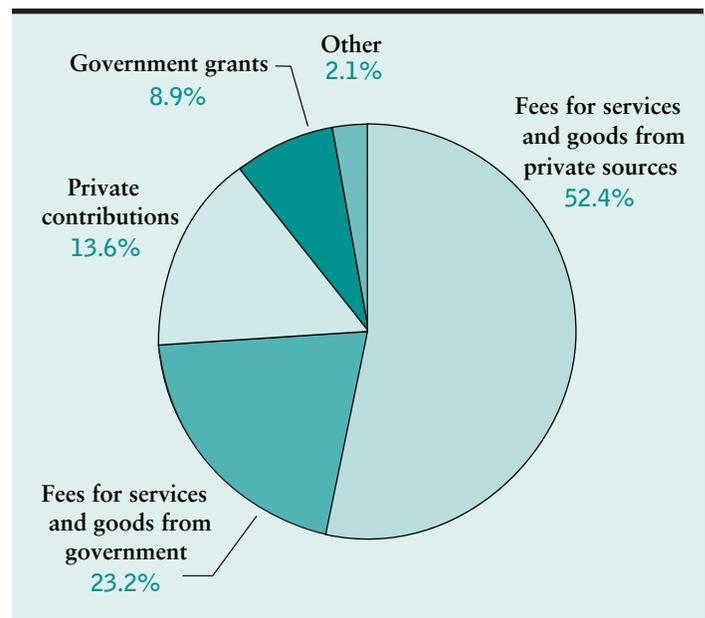
About three-fourths of charities reported less than \$500,000 in annual expenses (figure 1). Yet, these small charities accounted for only 2 percent of all spending by reporting public charities. At the other end of the scale, nonprofits reporting annual expenses of \$10 million or more accounted for less than 4 percent of charities but 85 percent of spending.

The largest source of revenue across all reporting public charities was fees from the sale of goods and services, such as tuition or admission tickets (figure 2). Overall, such fees accounted for 76 percent of revenue in 2009 and were collected from both private sources (52 percent) and government sources such as Medicare or Medicaid (23 percent), with hospitals accounting for a large portion of those fees. Considering both fees and grants, government accounted for 32 percent of revenue for reporting public charities. Contributions accounted for 14 percent of revenue, up from 12 percent in 2008.

Investment income plummeted in 2009 from stock market losses totaling a negative \$3 billion for the sectorⁱⁱ.

Revenues, expenses, and assets varied by type of organization (table 2). Economically, health nonprofits were the largest, accounting for 60 percent of revenues and 41 percent of assets. Within the health sector, hospitals and primary care facilities accounted for the largest percentage of total revenue and total assets, 51 and 33 percent, respectively. Education nonprofits were second, accounting for 16 percent of revenue but 29 percent of assets, representing both physical plant and in many cases endowment assets. Higher education institutions alone accounted for 10 percent of all revenue and 19 percent of all assets in the sector. Combined, hospitals and higher education accounted for over two-thirds of all nonprofit assets.

Figure 2. Sources of Revenue for Reporting Public Charities, 2009



Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities, 2009).

Note: Figures do not sum to 100 percent because overall investment income was negative .2 percent for the sector.

Table 2. Number and Finances of Reporting Public Charities by Subsector, 2009

	Number		\$, Billions			Percent (%)		
			Revenues	Expenses	Assets	Revenues	Expenses	Assets
All public charities	362,926	100	1,399.3	1,399.9	2,533.6	100	100	100
Arts, culture, and humanities	39,719	10.9	28.7	29.9	96.4	2.1	2.1	3.8
Education	66,286	18.3	216.5	232.7	740.9	15.5	16.6	29.2
<i>Higher education</i>	2,099	0.6	135.1	148.1	480.4	9.7	10.6	19.0
<i>Other education</i>	64,187	17.7	81.4	84.6	260.5	5.8	6.0	10.3
Environment and animals	16,084	4.4	13.2	12.4	33.4	0.9	0.9	1.3
Health	44,130	12.2	842.7	827.5	1,046.0	60.2	59.1	41.3
<i>Hospitals and primary care facilities</i>	7,526	2.1	716.0	698.7	844.0	51.2	49.9	33.3
<i>Other health care</i>	36,604	10.1	126.7	128.8	202.0	9.1	9.2	8.0
Human services	122,336	33.7	186.5	183.6	281.9	13.3	13.1	11.1
International and foreign affairs	7,218	2.0	29.0	28.9	28.7	2.1	2.1	1.1
Public and social benefit	43,735	12.1	70.6	72.9	279.0	5.0	5.2	11.0
Religion-related	23,418	6.5	12.1	12.0	27.3	0.9	0.9	1.1

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities, 2009).

Notes: All amounts are in current dollars and are not adjusted for inflation. Subtotals may not sum to total because of rounding.

Growth rates. The different subsectors experienced varying growth rates from 1999 to 2009 (table 3). Human service organizations, the largest category in the nonprofit sector, accounted for a third of reporting public charities in 2009. Education was a distant second at 18 percent. International development and relief was one of the fastest growing sectors; the number of nonprofits nearly doubled, while revenues almost tripled and assets doubled (adjusted for inflation, revenues grew 156 percent and assets grew 124 percent). Environment and animals was another fast-growing subsector, where the number of nonprofits, revenues, and assets almost doubled (adjusted for inflation, revenues grew 76 percent and assets grew 98 percent). These were two of the smallest categories at the beginning of the period. The largest category, health, was among the slowest growing.

Giving

Giving amounts. According to the latest estimates (Giving USA Foundation 2011), private charitable contributions reached \$290.89 billion in 2010, an increase of 2 percent from the revised estimate for 2009, when adjusted for inflation (figure 3). These figures included giving to reporting public charities as well as to religious congregations. Data on giving were estimated, as congregations are not required to file annual returns with the IRS and not all taxpayers itemize their tax returns.

Private charitable giving remained steady at \$290.89 billion between 2000 and 2010, after adjusting for inflation. However, this does not capture the full picture of giving over the decade. Using inflation-adjusted dollars, giving increased between 2003 and 2005. Giving was down in 2008 and 2009 during the recession. In 2010, giving increased back to the 2000 levels of about \$290 billion.

Table 3. Number, Revenue, and Assets of Reporting Public Charities by Subsector, 1999–2009

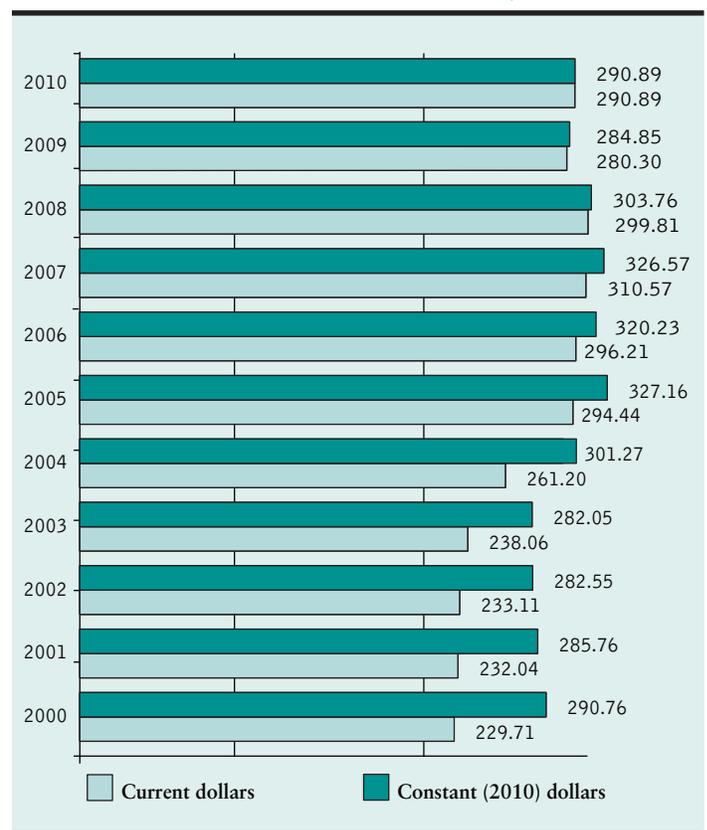
	Number			Revenue (\$, Billions)			Assets (\$, Billions)		
	1999	2004	2009	1999	2004	2009	1999	2004	2009
All public charities	247,308	300,933	362,926	799.7	1,071.5	1,399.3	1,474.8	1,887.4	2,533.6
Arts, culture, and humanities	26,880	33,091	39,719	21.0	25.2	28.7	53.2	74.4	96.4
Education	41,662	53,629	66,286	140.4	186.5	216.5	401.6	590.5	740.9
<i>Higher education</i>	1,833	1,863	2,099	94.2	122.0	135.1	279.5	406.1	480.4
<i>Other education</i>	39,829	51,766	64,187	46.1	64.5	81.4	122.1	184.4	260.5
Environment and animals	8,499	11,979	16,084	7.4	9.6	13.2	16.9	24.2	33.4
Health	37,113	39,916	44,130	446.4	617.1	842.7	584.9	748.3	1,046.0
<i>Hospitals and primary care facilities</i>	7,128	7,050	7,526	372.9	519.5	716.0	453.5	586.5	844.0
<i>Other health care</i>	29,985	32,866	36,604	73.5	97.6	126.7	131.5	161.8	202.0
Human services	85,122	102,050	122,336	101.8	143.4	186.5	150.7	211.7	281.9
International and foreign affairs	4,020	5,555	7,218	11.4	20.8	29.0	12.8	19.9	28.7
Public and societal benefit	30,293	36,815	43,735	63.8	60.0	70.6	239.0	198.3	279.0
Religion-related	13,719	17,898	23,418	7.5	8.9	12.1	15.7	20.1	27.3

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities, 1999-2009).
 Note: All amounts are in current dollars and are not adjusted for inflation.

Recipients. Congregations and other religious organizations received a third of all private charitable contributions in 2010—two-and-a-half times the share of any other type (table 4). Education organizations received the second-largest share of contributions, garnering 14 percent, an increase from 13 percent in 2009. The share of giving to international and foreign affairs also increased from 2009 to 2010.

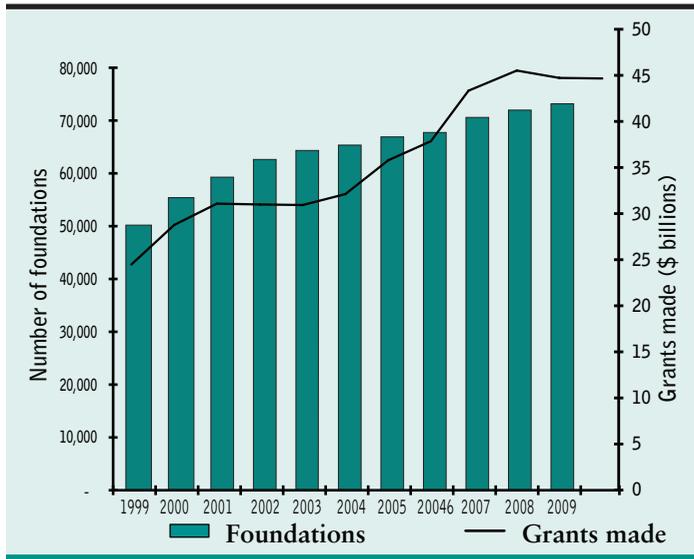
Foundations. Foundation giving, a component of private charitable contributions, was \$45.78 billion in 2010; down about 2 percent from 2009 (figure 4). Foundation assets totaled \$622 billion in 2010, a 6 percent increase from \$587 billion in 1999, after adjusting for inflation. There were 76,545 grantmaking foundations in the United States in 2009; a 52 percent increase from 1999. The number of grants awarded by foundations increased 43 percent from 108,169 awards in 1999 to 154,664 awards in 2009 (The Foundation Center, 2010).

Figure 3. Private Charitable Contributions, 2000–2009



Source: Giving USA Foundation, Giving USA (2011).

Figure 4. Number of Foundations and Amount of Grants Made by Year, 1999–2010



Source: Foundation Center: Growth and Giving Estimates (2011).
 Note: Data on the number of foundations in 2010 was not available at the time this report was compiled.

Volunteering

Volunteering is just as important as gifts of cash or goods for many nonprofit organizations. Using data collected from the Current Population Survey and the American Time Use Survey we estimated the number of people volunteering at nonprofits, the amount of hours volunteered, the economic value of volunteering, and how volunteers spend their time.

Number of volunteers. In 2010, 26 percent of adults, or 62.8 million individuals, volunteered for or through an organization (table 5). This percentage has remained virtually unchanged for the past five years; however, the figure is somewhat below the 2005 level, when volunteer rates were slightly higher at 29 percent.

Hours volunteered. Nearly 16.6 million adults volunteered on an average day in 2010, down slightly from 2009. In 2010, 7 percent of the adult population volunteered on an average day. However, the average person was spending more time volunteering: 2.46 hours on average in 2010, up from 2.40 hours in

2009. Combined, adults spent nearly 15 billion hours volunteering in 2010.

Value of volunteering. Assuming a full-time employee works 1,700 hours per year, volunteer hours were the equivalent of 8.8 million full-time employees. At average private wages, volunteer time was worth nearly \$283.85 billion in 2010.

Volunteer tasks. Volunteers spent their time performing a wide variety of tasks in 2010 (figure 5). Measured as the average amount of time across all volunteers, the largest use of volunteers was for social service and care, accounting for 24 percent of volunteer time, up from 22 percent in 2009. This category includes food preparation and cleanup, collecting and delivering clothing or goods, providing direct care or services, teaching, counseling, and mentoring. The second-largest use of volunteers was for administration and support, accounting for 22 percent of volunteer time, down from 26 percent in 2009. This category includes fundraising, office work, computer use, phone calls, writing, editing, and reading.

Table 4. Charitable Contributions by Type of Recipient Organizations, 2010

Type of charity	% of charitable contributions
Religion-related	34.6
Education	14.3
Gifts to foundation	11.3
Human services	9.1
Public and societal benefit	8.3
Health	7.8
International and foreign affairs	5.4
Arts, culture, and humanities	4.6
Environment and animals	2.3
Gifts to individuals and unallocated	2.2

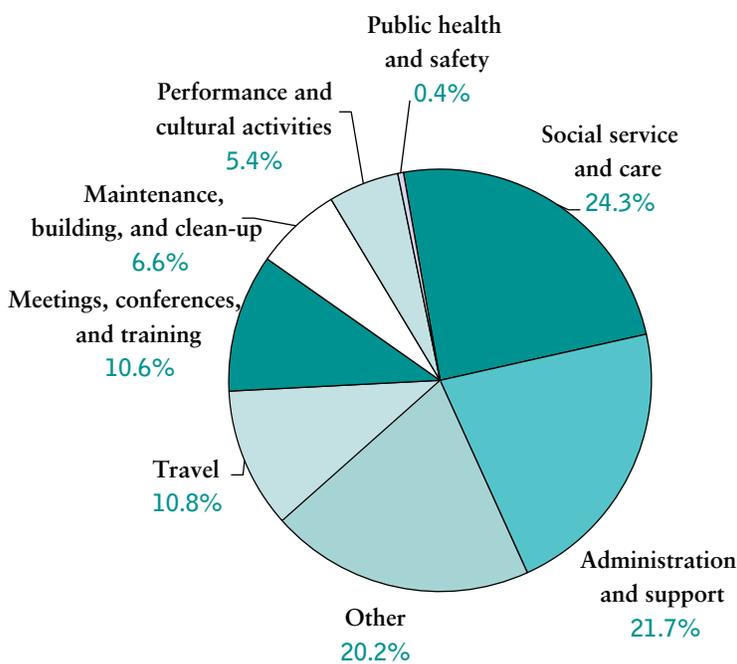
Source: Giving USA Foundation, Giving USA (2011).

Table 5. Number, Hours, and Dollar Value of Volunteers, 2005–2010

	2005	2006	2007	2008	2009	2010
Per year						
Percentage of population volunteering	28.8	26.7	26.2	26.4	26.8	26.3
Number of volunteers (thousands)	65,357	61,199	60,838	61,803	63,361	62,790
Total annual hours volunteered (thousands)	13,510,436	12,864,875	15,500,810	14,360,875	14,904,130	14,884,397
Average annual hours per volunteer	204	207	251	229	232	234
Median hours per volunteer	50	52	52	52	50	52
Per average day						
Percentage of population volunteering	7.1	6.5	7.0	6.8	7.1	6.8
Number of volunteers (thousands)	16,471	15,228	16,559	16,180	17,091	16,569
Hours per day per volunteer	2.25	2.31	2.56	2.43	2.40	2.46
Value of volunteers						
Population age 15 and over (thousands)	230,427	233,122	236,106	238,659	239,898	241,913
Full-time equivalent employment (thousands)	7,947	7,568	9,118	8,448	8,767	8,756
Assigned hourly wages for volunteers (\$)	16.13	16.76	17.43	18.08	18.63	19.07
Assigned value of volunteer time (\$, thousands)	217,923,325	215,615,300	270,179,125	259,644,626	277,663,941	283,845,445

Sources: NCCS calculations based on Bureau of Labor Statistics' American Time Use Survey (2010), Current Employment Statistics (2010), and Volunteering in the United States (2005–2010).

Figure 5. Distribution of Average Volunteer Time, 2009



Source: Bureau of Labor Statistics, American Time Use Survey (2010).

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ⁱ Financial figures do not include the more than 400,000 smaller organizations—those with less than \$25,000 in gross receipts—that filed Form 990-N, an informational return, in 2009. The filing threshold for the Form 990-N will change to \$50,000 starting in tax year 2010. For more information, see the IRS web site at <http://www.irs.gov/charities/article/0,,id=184445,00.html>.

ⁱⁱ Because of changes made to the investment portion of the redesigned Form 990, investment income may be missing amounts reported on Part 8, line 4, income from investment of tax-exempt bond proceeds.



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