



# The Nonprofit Sector in Brief 2015

## Public Charities, Giving, and Volunteering

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This brief discusses trends in the number and finances of 501(c)(3) public charities and key findings on two important resources for the nonprofit sector: private charitable contributions and volunteering.

## Highlights

- Approximately 1.41 million nonprofits were registered with the Internal Revenue Service (IRS) in 2013, an increase of 2.8 percent from 2003.
- The nonprofit sector contributed an estimated \$905.9 billion to the US economy in 2013, composing 5.4 percent of the country's gross domestic product (GDP).<sup>1</sup>
- Of the nonprofit organizations registered with IRS, 501(c)(3) public charities accounted for just over three-quarters of the nonprofit sector's revenue and expenses (\$1.73 trillion and \$1.62 trillion, respectively) and more than three-fifths of nonprofit assets (\$3.22 trillion) in 2013.
- In 2014, total private giving from individuals, foundations, and businesses totaled \$358.38 billion, an increase of just over 5 percent from 2013 after adjusting for inflation. According to Giving USA (2015), total charitable giving rose for the fifth consecutive year in 2014. After adjusting for inflation, this is the first year to exceed the previous peak set before the recession in 2007 (\$355.16 billion in 2014 dollars).
- Fully 25.3 percent of US adults volunteered with an organization in 2014, contributing an estimated 8.7 billion hours, the most hours recorded since the Current Population Survey's volunteer supplement began in 2002; the value of these hours is approximately \$179.2 billion.

# Size and Scope

## All Nonprofit Organizations

### NUMBER

From 2003 to 2013, the number of nonprofit organizations registered with the IRS rose from 1.38 million to 1.41 million, an increase of 2.8 percent. These 1.41 million organizations comprise a diverse range of nonprofits, including art, health, education, and advocacy nonprofits; labor unions; and business and professional associations. This broad spectrum, however, only includes registered nonprofit organizations; the total number of nonprofit organizations operating in the United States is unknown. Religious congregations and organizations with less than \$50,000 in annual revenue are not required to register with the IRS, though many do.<sup>2</sup> These unregistered organizations expand the scope of the nonprofit sector beyond the 1.41 million organizations this brief focuses on.

### FINANCES

Approximately 35 percent of nonprofits registered with the IRS in 2013 were required to file a Form 990, Form 990-EZ, or Form 990-PF with the IRS.<sup>3</sup> These reporting nonprofits identified \$2.26 trillion in revenues and \$5.17 trillion in assets (table 1).<sup>4</sup> Between 2003 and 2013, finances for reporting nonprofits showed healthy development. Both revenues and assets grew faster than GDP: after adjusting for inflation, revenues grew 30.7 percent and assets grew 32.7 percent, compared with 14.3 percent growth for GDP. Expenses grew 27.3 percent (after adjusting for inflation) during the same period. In the short term, after adjusting for inflation, revenues grew 3.0 percent from \$2.19 trillion in 2012 to \$2.26 trillion in 2013; assets increased 5.2 percent from \$4.91 trillion to \$5.17 trillion. Expenses also grew from \$2.06 trillion in 2012 to \$2.10 trillion in 2013, an increase of 1.7 percent.

## Public Charities

### NUMBER

Public charities are the largest category of the more than 30 types of tax-exempt nonprofit organizations defined by the Internal Revenue Code. Classified under section 501(c)(3) (along with private foundations), public charities include arts, culture, and humanities organizations; education organizations; health care organizations; human services organizations; and other types of organizations to which donors can make tax-deductible donations. In 2013, over 950,000 organizations were classified as public charities, composing over two-thirds of all registered nonprofits. Between 2003 and 2013, the number of public charities grew 19.5 percent, faster than the growth of all registered nonprofits (2.8 percent). The number of registered public charities also grew faster than other nonprofit subgroups during the decade, including private foundations, which declined 8.3 percent, and 501(c)(4) organizations, which declined 0.32 percent. Consequently, public charities made up a larger share of the nonprofit sector in 2013 (67.5 percent) than in 2003 (58.1 percent).

The number of reporting charities required to file a Form 990 or Form 990-EZ grew slightly between 2012 and 2013, showing an increase of 2.3 percent. For comparison, the number decreased slightly between 2011 and 2012 (less than 0.5 percent).

TABLE 1

## Size and Financial Scope of the Nonprofit Sector, 2003–13

	2003	2008	% change, 2003–08	% change, 2003– 08 (inflation adjusted)	2013	% change, 2003– 2013	% change, 2003– 2013 (inflation adjusted)
<b>All registered nonprofits</b>	1.38 million	1.54 million	11.7	—	1.41 million	2.8	—
<i>Reporting nonprofits</i>	515,866	610,728	18.4	—	500,396 <sup>a</sup>	-3.0	—
Revenues (\$)	1.36 trillion	1.93 trillion	41.7	21.1	2.26 trillion	65.5	30.7
Expenses (\$)	1.30 trillion	1.82 trillion	40.0	19.6	2.10 trillion	61.2	27.3
Assets (\$)	3.07 trillion	4.35 trillion	41.4	20.8	5.17 trillion	68.1	32.7
<b>501(c)(3) public charities</b>	798,988	975,770	22.1	—	954,476	19.5	—
<i>Reporting public charities</i>	287,251	353,483	23.1	—	293,103 <sup>a</sup>	2.0	—
Revenues (\$)	974 billion	1.44 trillion	48.0	26.5	1.73 trillion	78.0	40.6
Expenses (\$)	940 billion	1.34 trillion	42.9	22.1	1.62 trillion	72.8	36.5
Assets (\$)	1.75 trillion	2.60 trillion	48.1	26.6	3.22 trillion	83.9	45.3

**Sources:** Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities, 2003, 2003, and 2013); the Internal Revenue Service Business Master Files, Exempt Organizations (2004–14).

**Notes:** — = not applicable. Reporting public charities include only organizations that both reported (filed IRS Forms 990) and were required to do so (had \$25,000 or more in gross receipts in 2003 and 2008 and more than \$50,000 in gross receipts in 2013). Organizations that had their tax-exempt status revoked for failing to file a financial return for three consecutive years have been removed from the 2013 nonprofit total. Foreign organizations, government-associated organizations, and organizations without state identifiers have also been excluded. Unless noted, all amounts are in current dollars and are not adjusted for inflation.

<sup>a</sup> See note 4 of the brief.

## FINANCES

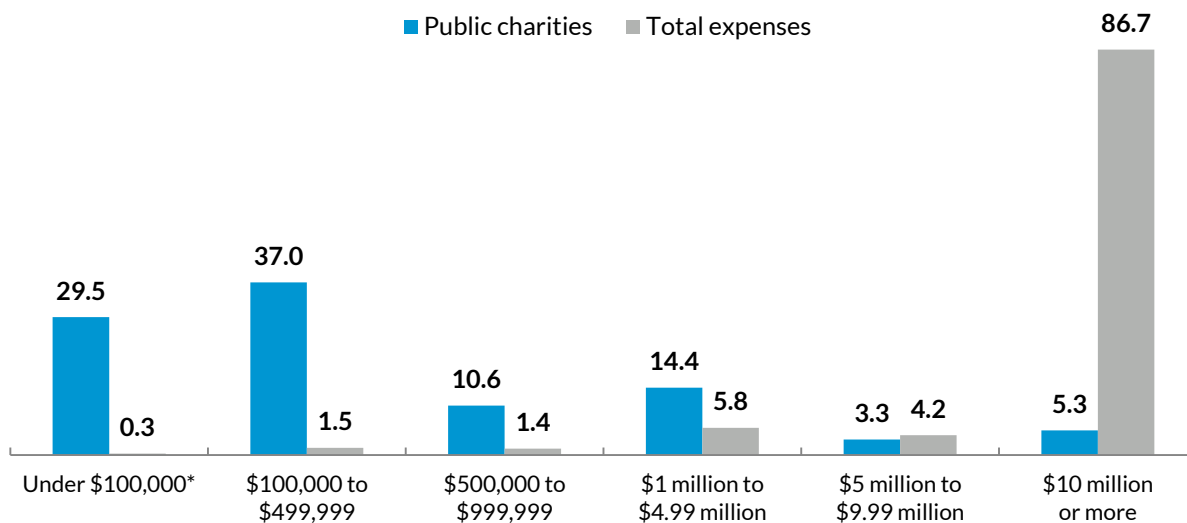
Fully 58.6 percent of nonprofit organizations reporting to the IRS in 2013 were public charities. Accounting for more than three-quarters of revenues and expenses for the nonprofit sector, public charities reported \$1.73 trillion in revenues and \$1.62 trillion in expenses. Assets held by public charities accounted for more than three-fifths of the sector's total (\$3.22 trillion).

## SIZE

Even after excluding organizations with gross receipts below the \$50,000 filing threshold, small organizations composed the majority of public charities in 2013. As shown in figure 1, 66.4 percent had less than \$500,000 in expenses (194,749 organizations); they composed less than 2 percent of public charity expenditures (\$30.1 billion). Though organizations with expenses at \$10 million or more included just 5.3 percent of public charities (15,409 organizations), they accounted for 86.7 percent of public charity expenditures (\$1.4 trillion).

FIGURE 1

**Number and Expenses of Reporting Public Charities as a Percentage of All Reporting Public Charities and Expenses, 2013**



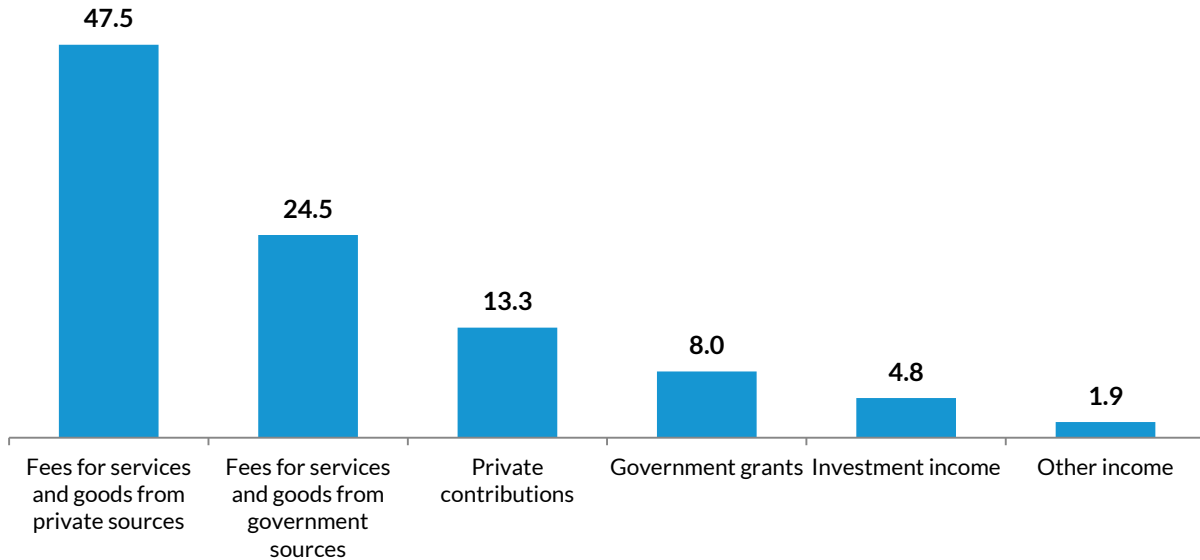
Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities, 2013).

## REVENUE SOURCES

Almost half (47.5 percent) of the total revenue for public charities came from fees for services and goods from private sources (figure 2). This figure includes tuition payments, ticket sales, and hospital patient revenues (but excludes Medicare and Medicaid) and is driven largely by hospitals and higher-education nonprofits, both of which derive their funding primarily through fees for goods and services. The next-largest proportion of public charities' revenue came from fees from government sources, such as government contracts and Medicare and Medicaid payments; these fees accounted for just under

one-quarter of public charities' revenues (24.5 percent) in 2013. Private charitable giving represented 13.3 percent of total revenues, and government grants represented another 8 percent. The remainder of revenue came from investment (4.8 percent) and other income (1.9 percent). Combining government contracts and grants into a single category, the government provided nearly one-third (32.5 percent) of 2013 nonprofit revenues.

**FIGURE 2**  
**Revenue Sources for Reporting Public Charities, 2013 (Percent)**



**Sources:** National Center for Charitable Statistics calculations of IRS Statistics of Income Division Exempt Organizations Sample (2009, 2011); Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities, 2013); American Hospital Association 2012 survey; and National Health Accounts (Centers for Medicare and Medicaid Services).

**TYPE**

Table 2 displays the 2013 distribution of public charities by type of organization. Human services groups—such as food banks, homeless shelters, youth services, sports organizations, and family or legal services—composed over one-third of all public charities (35.5 percent). They were more than twice as numerous as education organizations, the next-most prolific type of organization, which accounted for 17.1 percent of all public charities. Education organizations include booster clubs, parent-teacher associations, parent-teacher organizations, and financial aid groups. Health care organizations, though accounting for only 12.9 percent of reporting public charities, accounted for nearly three-fifths of public charity revenues and expenses in 2013. Education organizations accounted for about 17.1 percent of revenues and 16.6 percent of expenses; human services organizations, despite being more numerous, accounted for comparatively less revenue (12.4 percent of the total) and expenses (12.7 percent of the total). Hospitals, despite composing only 2.4 percent of total public charities (just over 7,000 organizations), accounted for about half of all public charity revenues and expenses (49.8 and 50.7 percent, respectively).

TABLE 2

## Number and Finances of Reporting Public Charities by Subsector, 2013

	Number	Percentage of total	Dollar Total (Billions)			Percentage of Total		
			Revenues	Expenses	Assets	Revenues	Expenses	Assets
<b>All public charities</b>	293,103	100.0	1,734.1	1,623.8	3,225.0	100.0	100.0	100.0
<i>Arts, culture, and humanities</i>	29,136	9.9	33.6	30.2	110.7	1.9	1.9	3.4
<i>Education</i>	50,262	17.1	296.3	269.2	958.1	17.1	16.6	29.7
Higher education	2,050	0.7	188.1	174.6	617.7	10.8	10.8	19.2
Other education	48,212	16.4	108.2	94.6	340.3	6.2	5.8	10.6
<i>Environment and animals</i>	13,283	4.5	16.7	14.7	41.4	1.0	0.9	1.3
<i>Health</i>	37,732	12.9	1,025.3	975.8	1,392.8	59.1	60.1	43.2
Hospitals and primary care facilities	7,062	2.4	864.0	823.9	1,133.5	49.8	50.7	35.1
Other health care	30,670	10.5	161.3	151.9	259.3	9.3	9.4	8.0
<i>Human services</i>	104,002	35.5	214.2	206.9	331.5	12.4	12.7	10.3
<i>International and foreign affairs</i>	6,305	2.2	32.4	30.8	39.3	1.9	1.9	1.2
<i>Public and social benefit</i>	34,081	11.6	100.2	82.8	315.2	5.8	5.1	9.8
<i>Religion-related</i>	18,302	6.2	15.4	13.5	36.0	0.9	0.8	1.1

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities, 2013).

Note: Subtotals may not sum to totals because of rounding.

## GROWTH

The number of reporting public charities in 2013 was approximately 2.3 percent higher than the number in 2012. The total revenues, expenses, and assets for reporting public charities all increased between 2012 and 2013: after adjusting for inflation, revenues rose 3.5 percent, expenses rose 2.3 percent, and assets rose 6.2 percent.

These trends are indicative of larger growth in the sector: both the number and finances of organizations in the nonprofit sector have grown over the past 10 years. But this growth has differed by subsector and period (table 3). Subsectors experienced varying degrees of financial expansion: although all subsectors reported increases in revenue in 2013 compared with 2003 (even after adjusting for inflation), a few subsectors decreased in number of nonprofits, including arts, education (excluding higher education), health (excluding hospitals and primary care facilities), and other public and societal benefit organizations. Consequently, these types of organizations accounted for a slightly lower proportion of the total sector in 2013 (49.5 percent) than they did in 2003 (51.4 percent). The smallest subsectors (international and foreign affairs organizations and environment and animals organizations) saw the largest growth rates in the number of organizations, increasing 19.3 and 18.2 percent, respectively, from 2003 to 2013.

Financially, education organizations (excluding higher education) had the largest proportional increase in both revenue and expenses despite their slight reduction in numbers, growing from \$70.0 billion in revenue in 2003 to \$108.2 billion in 2013 after adjusting for inflation (a change of 54.5 percent). Organizations devoted to higher education also saw considerable growth, increasing 42.0 percent in revenue (from \$132.5 billion in 2003 to \$188.1 billion in 2013, after adjusting for inflation). International and foreign affairs organizations also experienced large increases in revenues (49.7 percent) and expenses (46.4 percent) after adjusting for inflation (table 4). Although health organizations experienced a slightly lower growth rate of 43.1 percent in the same period, revenues for the health subsector in inflation-adjusted dollars increased from \$716.7 billion to over \$1.03 trillion, by far the largest dollar growth of any subsector between 2003 and 2013. At just over \$300 billion, the growth attributed to the health care subsector accounts for over two-thirds of the growth of the nonprofit sector as a whole (\$500.9 billion) between 2003 and 2013.

Public charities' financial growth largely occurred before the recession (see table 4). From 2003 to 2008, revenues and assets for all public charities increased 26.5 percent and 26.6 percent, respectively, but both grew much more slowly during and after the recession from 2008 to 2013 (11.2 percent for revenues and 14.8 percent for assets, adjusting for inflation). Two subsectors actually experienced declining revenue between 2008 and 2013: international and foreign affairs organizations and arts, culture, and humanities organizations. International and foreign affairs organizations experienced larger decline, falling from \$34.5 billion in revenue in 2008 to \$32.4 billion in 2013 (a decline of 5.9 percent); arts, culture, and humanities organizations fell from \$34.9 billion in revenue in 2008 to \$33.6 billion in 2013 (a decline of 3.8 percent). Both subsectors also saw a decline in expenses (7.8 percent for international and foreign affairs organizations and 1.2 percent for arts, culture, and humanities organizations). However, all other subsectors experienced growth in both revenues and expenses (see table 4).

TABLE 3

## Number, Revenues, and Assets of Reporting Public Charities by Subsector, 2003–13 (Adjusted for Inflation)

	Number			Revenues (\$ Billions)			Assets (\$ Billions)		
	2003	2008	2013	2003	2008	2013	2003	2008	2013
<b>All public charities</b>	287,251	353,483	293,103	1,233.2	1,560.1	1,734.1	2,219.8	2,810.1	3,225.0
<i>Arts, culture, and humanities</i>	31,568	38,812	29,136	28.2	34.9	33.6	86.2	106.8	110.7
<i>Education</i>	50,737	64,431	50,262	202.5	288.6	296.3	682.5	914.6	958.1
Higher education	1,841	2,053	2,050	132.5	182.2	188.1	478.4	608.6	617.7
Other education	48,896	62,378	48,212	70.0	106.4	108.2	204.1	306.0	340.3
<i>Environment and animals</i>	11,233	15,308	13,283	11.5	15.0	16.7	28.3	35.8	41.4
<i>Health</i>	38,869	43,576	37,732	716.7	884.1	1,025.3	884.5	1,095.3	1,392.8
Hospitals and primary care facilities	6,969	7,413	7,062	606.8	743.8	864.0	698.8	867.0	1,133.5
Other health care	31,900	36,163	30,670	109.9	140.3	161.3	185.6	228.3	259.3
<i>Human services</i>	97,751	118,571	104,002	171.0	196.4	214.2	250.8	297.8	331.5
<i>International and foreign affairs</i>	5,283	6,802	6,305	21.7	34.5	32.4	23.1	34.0	39.3
<i>Public and social benefit</i>	35,166	43,472	34,081	71.5	93.4	100.2	241.3	297.0	315.2
<i>Religion-related</i>	16,644	22,511	18,302	10.1	13.3	15.4	23.1	28.9	36.0

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities, 2003, 2008, and 2013).

Note: Subtotals may not sum to totals because of rounding.



TABLE 4

**Percent Change in Revenue, Expenses, and Assets of Reporting Public Charities by Subsector, 2003–13 (Adjusted for Inflation)**

Subsector	Change in Revenues (%)			Change in Expenses (%)			Change in Assets (%)		
	2003–13	2003–08	2008–13	2003–13	2003–08	2008–13	2003–13	2003–08	2008–13
All public charities	40.6	26.5	11.2	36.5	22.1	11.8	45.3	26.6	14.8
Arts, culture, and humanities	19.0	23.7	-3.8	14.3	15.7	-1.2	28.4	23.8	3.6
Education	46.3	42.5	2.7	39.8	24.6	12.2	40.4	34.0	4.8
Higher education	42.0	37.6	3.2	35.6	18.8	14.2	29.1	27.2	1.5
Other education	54.5	51.9	1.7	48.2	36.4	8.7	66.7	49.9	11.2
Environment and animals	45.1	30.1	11.5	46.4	28.3	14.1	46.4	26.5	15.7
Health	43.1	23.3	16.0	39.2	21.7	14.4	57.5	23.8	27.2
Hospitals and primary care facilities	42.4	22.6	16.2	39.0	21.6	14.3	62.2	24.1	30.7
Other health care	46.8	27.7	15.0	40.4	22.2	14.9	39.7	23.0	13.6
Human services	25.3	14.8	9.1	23.3	13.2	8.9	32.2	18.7	11.3
International and foreign affairs	49.7	59.1	-5.9	46.4	58.7	-7.8	70.7	47.4	15.8
Public and societal benefit	40.2	30.6	7.3	34.9	30.9	3.1	30.6	23.1	6.1
Religion-related	52.3	31.9	15.5	39.2	28.6	8.3	55.7	25.0	24.5

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities, 2003, 2008, and 2013).

Note: Subtotals may not sum to totals because of rounding.

## Giving

### GIVING AMOUNTS

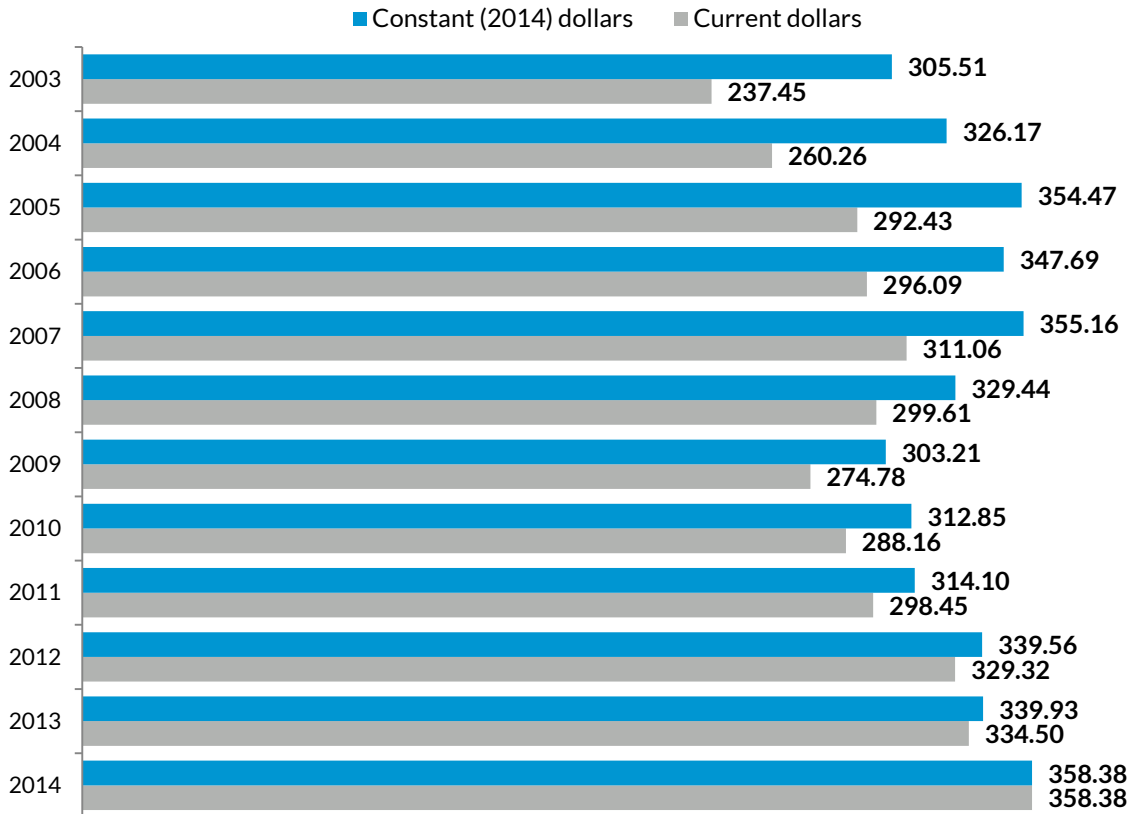
Private charitable contributions reached an estimated \$358.38 billion in 2014 (figure 3; Giving USA Foundation 2015). Total charitable giving has been increasing for five consecutive years, beginning with 2010: since 2009, private giving has increased 18.2 percent, adjusting for inflation.

### RECIPIENTS

Congregations and religious organizations received nearly one-third (32.0 percent) of all charitable contributions in 2014 (table 5), a slightly lower proportion than they received five years earlier in 2009 (33.2 percent). Education organizations received the next-highest share of private charitable contributions (15.2 percent), followed by human services organizations (11.7 percent); both of these types of organizations received a higher proportion of charitable contributions than they had received five years earlier (13.2 percent and 8.9 percent, respectively). Gifts to individuals made up the smallest proportion of private contributions: 1.8 percent.

FIGURE 3

Private Charitable Contributions, 2003–14



Source: Giving USA Foundation (2015).

TABLE 5

Charitable Contributions by Type of Recipient Organizations, 2014

Type of charity	Percentage of all charitable contributions, 2009	Percentage of all charitable contributions, 2014	Percentage-point change, 2009–14
Religion	33.2	32.0	-1.2
Education	13.2	15.2	2.0
Human services	8.9	11.7	2.8
Gifts to foundations	10.2	11.6	1.4
Health	7.4	8.5	1.1
Other public and societal benefit	7.5	7.3	-0.2
Arts, culture, and humanities	4.1	4.8	0.7
International affairs	2.9	4.2	1.3
Environment or animals	2.0	2.9	0.9
Gifts to individuals/unallocated/other	10.6	1.8	-8.8

Source: Giving USA Foundation (2010, 2015).

## FOUNDATIONS

The Foundation Center estimates there were more than 87,142 grantmaking foundations in the United States in 2013 (Foundation Center 2015). Their grants, a component of private charitable contributions, totaled \$55.3 billion in 2013, up 5.2 percent from 2012 after adjusting for inflation (figure 4). Between 2003 and 2013, foundation grantmaking increased 44.2 percent after adjusting for inflation. Foundation assets also grew over the same period, increasing 32.2 percent from \$603.8 billion in 2003 to \$798.2 billion in 2013 after adjusting for inflation.

## NUMBER OF VOLUNTEERS

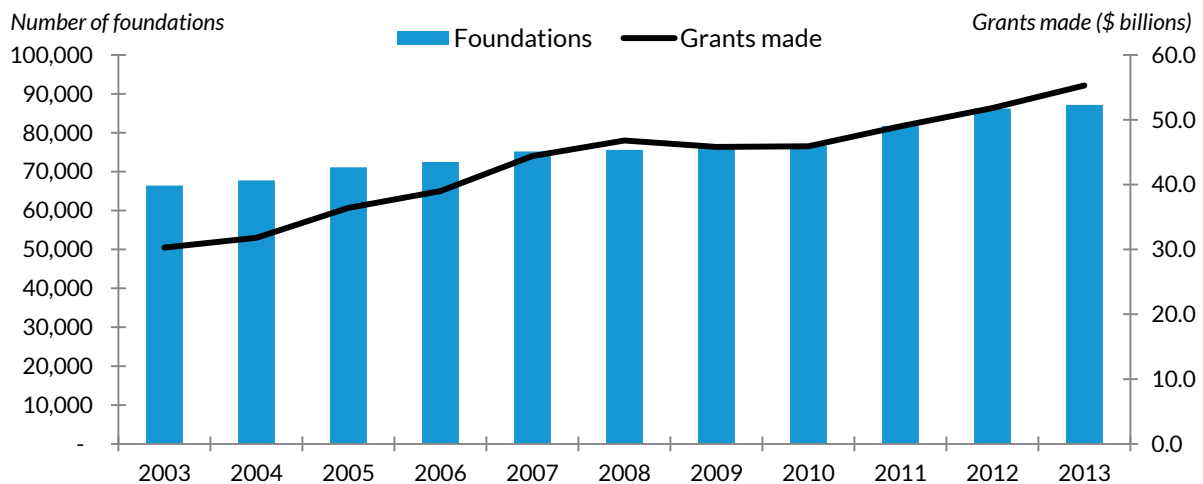
Volunteering is an important component of the nonprofit sector: over two-fifths of public charities rely on volunteers.<sup>5</sup> Using data from the Current Population Survey and the American Time Use Survey, this section discusses the distribution of average volunteer time by activity (figure 5) as well as the number of volunteers, the amount of hours volunteered, and the economic value of volunteer time (table 6).<sup>6</sup>

An estimated 62.8 million adults, 25.3 percent of the US population, volunteered at least once in 2014. Although the decline from the estimated 2013 volunteer rate of 25.4 percent is statistically insignificant, the 2014 volunteer rate is the lowest reported since 2002. The highest volunteer rate reported since 2002 was 28.8 percent, which was achieved in three consecutive years: 2003, 2004, and 2005.

However, estimates also show that although the proportion of the population that volunteers at least once a year declined slightly in 2014, the proportion volunteering on an average day increased. A full 6.4 percent of the population, or 16.0 million people, volunteered on an average day in 2014. This is an increase of almost one million people compared with 2013, and the highest proportion and number of people volunteering on an average day since 2010.

FIGURE 4

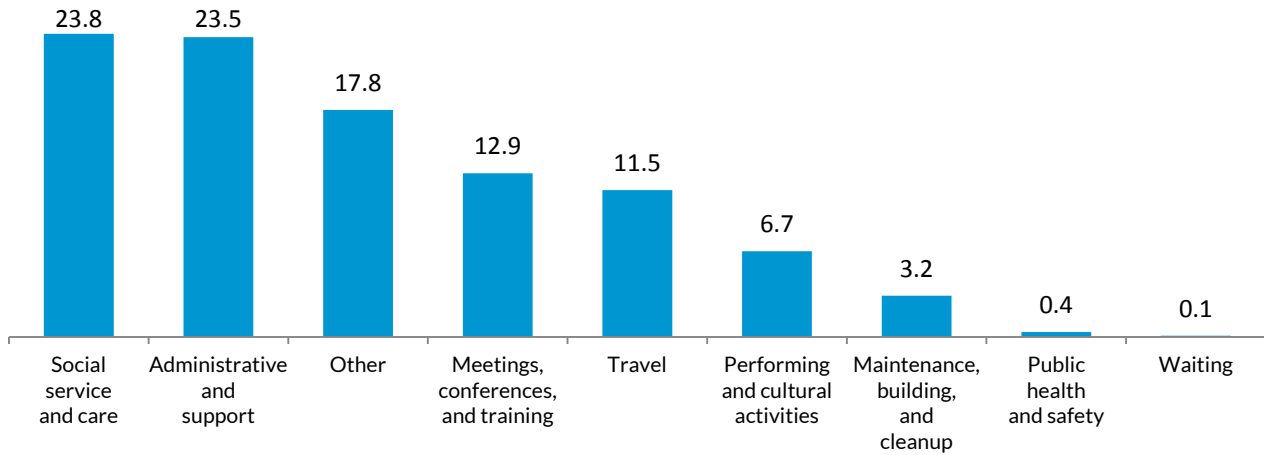
### Number of Foundations and Amount of Grants Made by Year, 2003–13



Source: Foundation Center Growth and Giving Estimates (2015).

FIGURE 5

**Distribution of Average Volunteer Time by Activity, 2014 (Percent)**



Source: Authors' calculations based on US Department of Labor, Bureau of Labor Statistics, American Time Use Survey 2014.

**HOURS VOLUNTEERED**

The estimated number of volunteers increased only slightly in 2014 (62.8 billion volunteers) compared with 2013 (62.6 billion). However, the number of hours volunteered increased over 5 percent between the two years, from 8.3 billion hours in 2013 to 8.7 billion in 2014. This number of hours is the largest estimated by the Current Population Survey since the volunteer supplement was first implemented in 2002, surpassing the previous peak of 8.5 billion hours in 2012. Volunteers averaged an estimated 139 hours a year in 2014; this number is also a record high.

**VOLUNTEER ACTIVITIES**

Figure 5 provides more information on how volunteers spent their time in 2014. The largest use of volunteer time in 2014 was working on social service and care activities (23.8 percent). However, this is a slight decline from the 27.5 percent used for such services in 2013. Social service and care activities include preparing food and cleaning up, collecting and delivering clothing or other goods, providing direct care or services, teaching, leading counseling, and mentoring. As had been the case in 2013, in 2014 administrative and support activities represented the second-largest proportion at 23.5 percent of total volunteer time. In 2014 volunteers spent proportionally more time in meetings, conferences, training activities, and travel than in 2013, but less time with cultural activities and maintenance or cleaning activities.

**VALUE OF VOLUNTEERING**

The time volunteers spent in 2014 was worth an estimated \$179.2 billion (table 6). The value of volunteer time combined with private giving accounted for over half a trillion dollars (\$537.6 billion), and volunteer time represents 33.3 percent of that total.

TABLE 6

## Number, Hours, and Dollar Value of Volunteers, 2008–14

	2008	2009	2010	2011	2012	2013	2014
<b>Per year</b>							
Percentage of population volunteering	26.4	26.8	26.3	26.8	26.5	25.4	25.3
Number of volunteers	61.8 million	63.4 million	62.8 million	64.3 million	64.5 million	62.6 million	62.8 million
Hours volunteered	8.0 billion	8.1 billion	8.1 billion	8.5 billion	8.5 billion	8.3 billion	8.7 billion
Average hours per volunteer	130	128	129	132	132	133	139
Median hours per volunteer	52	52	52	51	50	50	50
<b>Per average day</b>							
Percentage of population volunteering	6.8	7.1	6.8	6.0	5.8	6.1	6.4
Number of volunteers	16.2 million	17.1 million	16.6 million	14.6 million	14.3 million	15.1 million	16.0 million
Hours per day per volunteering	2.43	2.39	2.46	2.84	2.48	2.57	2.41
<b>Value of volunteers</b>							
Population age 16 and over	234.4 million	236.3 million	238.3 million	240.0 million	243.8 million	246.2 million	248.4 million
Full-time equivalent employees	4.7 million	4.8 million	4.8 million	5.0 million	5.0 million	4.9 million	5.1 million
Assigned hourly wages for volunteers	\$18.08	\$18.63	\$19.07	\$19.47	\$19.75	\$20.16	\$20.59
Assigned value of volunteer time	\$144.7 billion	\$150.7 billion	\$154.1 billion	\$164.8 billion	\$168.3 billion	\$167.2 billion	\$179.2 billion

**Sources:** Authors' calculations based on data from US Department of Labor, Bureau of Labor Statistics, Current Population Survey, Volunteer Supplement (2008–14); US Department of Labor, Bureau of Labor Statistics, American Time Use Survey (2008–14); and US Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (2014).

# Conclusion

In 2013, public charities composed over two-thirds of all registered nonprofit organizations and accounted for over three-quarters of the revenue and expenses of the nonprofit sector in the United States. The steady growth of the early 2000s slowed between 2008 and 2013 when the recession hit the nonprofit sector; for some subsectors (particularly the international and foreign affairs subsector and the arts, culture, and humanities subsector) financial indicators declined. However, the sector as a whole continues expand, with revenue, expenses, and assets all growing more than 10 percent between 2008 and 2013, after adjusting for inflation. Furthermore, after a low during the recession in 2009, private charitable giving edged upward, growing 5.4 percent from 2013 to 2014 alone (in inflation-adjusted dollars) and peaking at \$358.38 billion. This is the fifth consecutive year that charitable giving has risen, and the first to exceed prerecession levels, which peaked in 2007 at \$355.16 billion (in 2014 dollars). Volunteering also increased in 2014, with more individuals volunteering than in 2013 and the largest estimated number of volunteer hours (8.7 billion) since the Current Population Survey's volunteer supplement was implemented in 2002.

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# Notes

1. GDP estimates are from the Bureau of Economic Analysis and include nonprofit institutions serving households. They exclude nonprofit institutions serving government or business. See table 1.3.5: Gross Value Added by Sector (A) (Q) at "National Data: National Income and Product Accounts Tables," Bureau of Economic Analysis, accessed October 8, 2015, <http://www.bea.gov/iTable/iTable.cfm?ReqID=9&step=1#reqid=9&step=3&isuri=1&903=24>.
2. The standard source for estimates of religious congregations is American Church Lists, a company that provides marketing data using phone listings and other sources. The most recent estimates from American Church Lists suggest there are about 345,000 houses of worship in the United States. Of these, approximately 235,000 are registered with the IRS, according to National Center for Charitable Statistics's analysis of the July 2015 IRS Business Master File. See "Church Specialty List," InfoUSA, accessed October 8, 2015, <http://www.infousa.com/church-list>.
3. All private foundations, regardless of size, are required to file a Form 990-PF. Before tax year 2010, nonprofits with gross receipts of \$25,000 or more (excluding religious congregations) were required to file a Form 990 or Form 990-EZ. Beginning in 2010, only organizations with \$50,000 or more in gross receipts (excluding religious congregations) were required to file a Form 990 or Form 990-EZ. Organizations with less than \$50,000 in gross receipts are required to file an information return known as the Form 990-N (e-Postcard). Filing requirements by year are available at "Which Forms Do Exempt Organizations File?" Internal Revenue Service, accessed October 8, 2015, <http://www.irs.gov/charities/article/0,,id=184445,00.html>.

4. Table 1 shows that although the number of reporting public charities increased 23.1 percent between 2003 and 2008, number of reporting nonprofits actually fell 17.08 percent between 2008 and 2013. As noted in the 2014 edition of *The Nonprofit Sector in Brief*, the 2012 National Center for Charitable Statistics Core File showed a substantial decrease from previous years. Because of IRS changes in data processing, we cannot conclusively verify the reason for this change. However, National Center for Charitable Statistics analysis suggests that this is likely caused by the introduction of new IRS filing guidelines and database management. With the introduction of the 990-N e-Postcard, many smaller organizations were no longer required to file the full Form 990 or Form 990-EZ. Form 990-N e-Postcard filers are not counted in the number of reporting organizations given in table 1. Many organizations that had previously opted to file a Form 990 or 990-EZ (despite being under the minimum filing threshold) instead filed a 990-N e-Postcard for the 2012 tax period (and subsequent periods). Furthermore, the number of reporting nonprofits increased 2.3 percent between 2012 and 2013, suggesting that although IRS reporting requirements have changed, the sector continues to grow. Thus, the decline in number of reporting organizations reported in this edition of the *Nonprofit Sector in Brief* compared with editions before the 2014 edition should be understood as a reflection of the change in IRS filing guidelines. For more information, see “Reduction in Number of Organizations in 2012 Core File Compared to Previous Years,” National Center for Charitable Statistics, last modified September 16, 2014, <http://nccsweb.urban.org/knowledgebase/detail.php?linkID=4029&category=40023>.
5. National Center for Charitable Statistics calculations of IRS Statistics of Income Division Exempt Organizations Sample (2012).
6. As with last year’s edition, the *Nonprofit Sector in Brief 2015* relies on data from the Current Population Survey for estimates of number of hours volunteered. These numbers should not be directly compared to those from pre-2014 editions of the brief, which relied on the American Time Use Survey for such estimates and consequently estimated higher numbers. For more on the Current Population Survey, see “Labor Force Statistics from the Current Population Survey,” Bureau of Labor Statistics, accessed October 8, 2015, <http://www.bls.gov/cps/home.htm>. For more on the American Time Use Survey, see “American Time Use Survey,” Bureau of Labor Statistics, accessed October 8, 2015, <http://www.bls.gov/tus/home.htm>.

## About the Author



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