

THE NONPROFIT
ASSOCIATION OF
OREGON
www.nonprofitoregon.org

Why Nonprofits Are Important

The charitable benefit or nonprofit sector strengthens the fabric of our democracy and our communities. Nonprofits create many public benefits that Oregonians value, such as opportunities to participate in civic affairs, enriching cultural life, ensuring all voices are heard, providing needed services, addressing inequities, and creating innovative solutions to community issues.

Nonprofit leaders are passionate and creative; they excel at mobilizing Oregonians around important missions. In our increasingly diverse state, leadership that reflects our changing demographics is essential. Nonprofits are at the forefront of understanding and addressing social and economic disparities.

We live in a more networked world in which collaboration is our context. Nonprofits understand that they cannot do their work alone. The strength of a vibrant, just and engaged society depends on strong relationships between the public, private and nonprofit sectors. Each has their role to play that is inter-related. A strong, impartial and independent nonprofit sector means communities are engaged, supported and their voices are heard.

Note: For the purposes of this report, unless otherwise stated, the term "nonprofit" is used to describe charitable benefit nonprofit 501(c)(3) organizations and the word "charity" is used interchangeably to denote these nonprofits.

The Economics of Nonprofits

As of March 2017, Oregon's nonprofit sector consists of 31,224 nonprofit organizations. The majority of them – 19,786 – are public charities who conduct "public benefit" activities. The majority of those have been granted tax-exempt status under Internal Revenue Code section 501(c)(3) allowing them to receive tax-deductible contributions. The others include civic and business leagues, fraternal societies, agricultural organizations, veteran groups, labor unions and many others.

Across the U.S., more than 1.4 million nonprofits employ 11.4 million workers, approximately 10.3% of the private sector workforce, and pay them more than \$532 billion annually in wages. The nonprofit sector is the third largest workforce in the country behind only the retail and manufacturing industries. Nonprofits contributed an estimated \$905.9 billion to the national economy in 2013 and reported \$5.71 trillion in assets, compared to the \$16.8 trillion U.S. GDP.¹

Oregon's nonprofit sector has continued to grow even through times of economic turmoil. It provides not only relatively stable employment opportunities, but it is also an important contributor to Oregon's overall economy. In 2016, Oregon's 19,786 nonprofits employed over 183,000 Oregonians, with over \$8.7 billion in annual payroll. The workforce of the nonprofit sector in Oregon comprises over 12% of the total private workforce in the state. By comparison, manufacturing in Oregon comprises only 10% of the total private workforce.

The indirect economic impact of nonprofits is considerably more than basic metrics of employment and average wage payroll indicate. All charities have ancillary economic impacts in communities when they contract for local services, build new buildings, attract spending in downtown areas and save government and taxpayers through their prevention and direct service work.

Top Five Nonprofit Focus Areas²

-  1. Educational Institutions
-  2. Arts, Culture and Humanities
-  3. Human Services
-  4. Religion
-  5. Recreation Sports

Based on NTEE codes for recognized 501(c)(3) organizations in Oregon.

Oregon Nonprofit Economic Snapshot

There are over 183,000 nonprofit jobs in Oregon. Oregon's private for-profit industries paid an average salary of \$47,602 in 2015, compared to \$47,554 for nonprofits. The average nonprofit hourly wage in 2015 was \$20.79; 70% of nonprofit jobs paid \$15 or more per hour.³

- > **183K** NONPROFIT JOBS THROUGHOUT THE STATE OF OREGON
- > **12%** OF OREGON'S TOTAL WORKFORCE ARE EMPLOYED BY NONPROFIT ORGANIZATIONS
- > **\$8.7** BILLION DOLLARS IN PAYROLL PAID BY 501(C)(3) ORGANIZATIONS

Top Oregon Nonprofit Employer Industries³



61%

HEALTHCARE &
SOCIAL ASSISTANCE



14%

SERVICE
ORGANIZATIONS

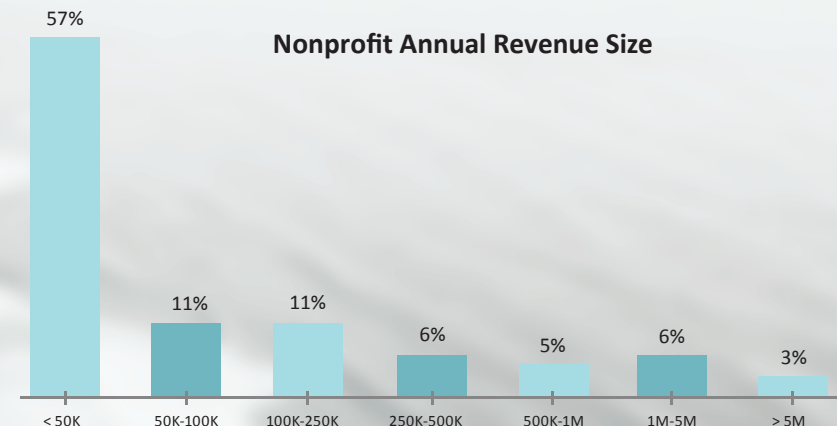


11%

EDUCATION &
TRAINING PROVIDERS

Small Budget, Huge impact

The vast majority of nonprofits in Oregon are smaller organizations. About 68% of nonprofits have less than \$100,000 in annual revenues, but do not dismiss the power of these vital contributors! Whether addressing community needs or supporting a pioneer museum, these small nonprofits make up for their size through dedicated volunteers spending thousands of hours of time on vital missions that serve community.⁴





Why Giving is Important

The role of independent philanthropy as an investor in innovation and a supporter of safety net services is well understood and more imperative than ever for supporting communities and sustaining a strong economy. Fortunately, the data clearly shows that giving to charitable nonprofits is a strongly held belief across Oregon. Every day, philanthropists in Oregon help nonprofit organizations positively touch the lives of people and work on problems in our communities. In a 2016 poll commissioned by Independent Sector, 74% of Americans stated they would rather give \$1,000 to charities than to the government in taxes.

The power that individuals draw from giving to charity comes from a selfless act: it is often a deeply personal decision of the heart. That care of community, coupled with a hearty nonprofit sector in Oregon addressing a vast array of needs and missions, compels Oregonians to give and they give significantly. According to the 2015 Giving in Oregon report by the Oregon Community Foundation, more than \$1.76 billion was donated by private individuals. The Foundation Center reported that for 2014, Oregon's 878 foundations gave more than \$371 million to nonprofit causes and projects.



Volunteering in Oregon⁵

Helping each other in communities is a deeply held Oregonian value. Some volunteer as a part of their faith practice, others volunteer as part of national or community-driven calls to action. Whether as part of an organized program or an impromptu sense of wanting to help, Oregonians care.

According to the Corporation for National and Community Service, about 62.8 million Americans, or 25.3 percent of the adult population, gave 7.9 billion hours of volunteer service worth \$184 billion in 2014.

By comparison, over 31% of Oregonians volunteer helping to put Oregon at 13th place in national state rankings. In 2015, over one million volunteers gave of their time to Oregon's nonprofits with a total equivalent value of \$2.7 billion of service contributed.



56.3%

OF OREGONIANS DONATE \$25 OR MORE TO CHARITY



13th

NATIONAL RANKING (INCLUDING WDC)



31.6

VOLUNTEER HOURS PER CAPITA



128.4

MILLION HOURS OF SERVICE



31.4%

OF OREGONIANS VOLUNTEER



\$2.7B

BILLION DOLLARS OF SERVICE CONTRIBUTED

Nonprofit Foundation Support in Oregon⁶

878

TOTAL FOUNDATIONS IN OREGON

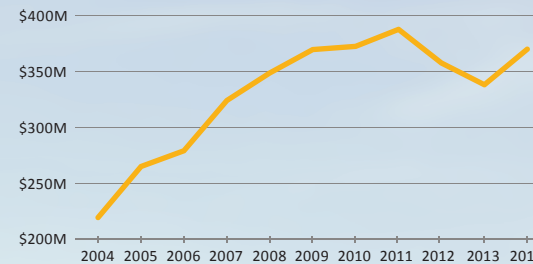
\$371M

TOTAL FOUNDATION GIVING IN OREGON

28th

NATL. RANK FOR FOUNDATION GIVING (INCLUDING WDC)

Foundation total giving in Oregon



Foundation type

# of foundations	% of giving
777	63%
63	1%
30	16%
8	20%



Giving in Oregon⁷

Oregon ranks in the top half nationally in both volunteerism and average charitable contributions as a percentage of discretionary income at 4.6%

2.8

OREGON'S GIVING RATIO

18th

NATIONAL RANK FOR INDIVIDUAL GIVING

\$1.76B

TOTAL BILLION DOLLARS INDIVIDUAL GIVING



The Nonprofit Association of Oregon (NAO) is the statewide membership organization providing a unique vehicle for nonprofit sector expression and support. We believe the nonprofit sector strengthens the fabric of our democracy and our communities. We strive to convene, build capacity, promote best practices and be a thought leader to help nonprofits build a thriving and vital Oregon. Visit us on the web www.nonprofitoregon.org

¹ Independent Sector, America's Nonprofit Sector – Impact, 2016
² IRS Exempt Organization Business Master File, 2016
³ State of Oregon Employment Department, 2015
⁴ Oregon Department of Justice, 2017

⁵ Corporation for National & Community Service, 2015
⁶ Foundation Center, 2014
⁷ Oregon Community Foundation, Giving in Oregon, 2015
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