

Nonprofit Sector 101

Presented by Liz Wooten Reschke, MPA CGT CDTLF
CEO/President & Lead Consultant



ENGAGED LEADERSHIP. EMPOWERED PHILANTHROPY.
MISSION ACCOMPLISHED.

www.ConnectForMore.com

©2019 All Rights Reserved

What is a Nonprofit?

- IRS Tax Status - Organized/incorporated as a not-for-profit or charitable corporation
- Created for the public good (public service mission)
- Reinvests profits in to accomplishing the mission
- “Owned” by the public
- Governed by a volunteer board (Governance structures must preclude self-interest and private financial gain (also known as private inurement))
- Exempt from paying federal tax
- Special legal status that stipulates gives to them are tax deductive
- Multiple stakeholders and names

Our Nonprofit Landscape

- Total Revenue: \$90 Billion (\$78 Billion in 2014)
- Hold Assets: \$205.7 Billion (\$183 Billion in 2014)
- Provide annual payroll of \$26.6 billion (\$14.6 Billion in Wages in 2014)
- Directly employed more than 530,000 people in 2016, or 6 % of Florida's employed workforce (was 466,000 or 5.4% in 2012)
- Compare in employment size to Florida's construction and manufacturing sectors
- Ranks 40th lowest in the nation for nonprofit assets per capita
- America's 50 Worst Charities



Statistics from Florida Nonprofit Alliance, As of March 2018 Economic Impact Report

Our Nonprofit Landscape

- 83,449 nonprofits (501c3s) in Florida (76,000 in 2014)
- Hillsborough County – 5,433 and 36,778 paid employees
- Pinellas County – 4,167 and 29,782 paid employees
- Polk County – 2,250 and 14,633 paid employees
- Sarasota County – 2, 154 nonprofits and 12,718 employees
- Manatee County – 1,368 nonprofits & 4,041 employees



Statistics from Florida Nonprofit Alliance, As of March 2018 Economic Impact Report

**CONNECT
FOR MORE**

www.ConnectForMore.com

Tampa Bay Region

- Citrus, Hernando, Hillsborough, Manatee, Pasco, Pinellas, Polk, & Sarasota counties
- 17,844 Nonprofits*
- Revenue: \$20,283,125,867; Assets: \$53,632,864,460
- Average Employment: 105,897
- Annual Wages: \$4,793,118,940
- Hourly Wage: \$21.76
- 3 of Top 10 Counties in # of Nonprofits & Assets: Hillsborough (#5 – 5,432; \$27 billion; Pinellas (#7 – 4,164; \$12 billion ; Polk (#10 – 2,250; 5 billion)

Statistics from Florida Nonprofit Alliance, As of March 2018 Economic Impact Report

How much did Americans give in 2018?

\$427.71 billion

Americans gave \$427.71 billion to charity in 2018 in a complex year for charitable giving.

Giving to foundations decreased the most, after experiencing strong double-digit growth in the year prior.



Where did the generosity come from?

Contributions by source (by percentage of the total)

Giving by Foundations

\$75.86 billion
(4.7% up when inflation adjusted)

18%
7.3% over 2017

Giving by Bequest

\$39.71 billion
(2.3% down when inflation adjusted)

9%
0.0% same as 2017

Giving by Corporations

\$20.05 billion
(2.9% up when inflation adjusted)

5%
5.4% from 2017

Giving by Individuals

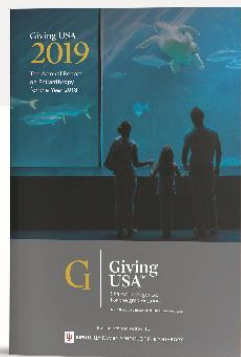
\$292.09 billion
(3.4% down when inflation adjusted)

68%
1.1% from 2017

Giving by individuals declined in 2018, comprising less than 70 percent of overall giving for the first time in at least 50 years.



* All figures on this infographic are reported in current dollars unless otherwise noted.



Visit www.GivingUSA.org to learn more and to order your copy of *Giving USA 2019: The Annual Report on Philanthropy for the Year 2018*.

Where are all the charitable dollars going?

Contributions by source (by percentage of the total)

Giving to international affairs showed the largest growth in 2018 of any sector.



% of total giving in 2018

% change from 2017 inflation adjusted



29% to Religion | \$124.52 billion ↓ -1.5% -3.9%



14% to Education | \$58.72 billion ↓ -1.3% -3.7%



12% to Human Services | \$51.54 billion = -0.3% -2.7%



12% to Foundations | \$50.29 billion ↓ -6.9% -9.1%



10% to Health | \$40.78 billion = 0.1% -2.3%



7% to Public-Society Benefit | \$31.21 billion ↓ -3.7% -6.0%



5% to International Affairs | \$22.88 billion ↑ 9.6% 7.0%



5% to Arts, Culture, and Humanities | \$19.49 billion = 0.3% -2.1%



3% to Environment/Animals | \$12.70 billion ↑ 3.6% 1.2%



2% to Individuals | \$9.06 billion - -

= indicates growth in current dollars with a decline after adjusted for inflation



Giving USA™

Shared intelligence. For the greater good.

A public service initiative of The Giving Institute



THE Giving Institute™

Shared intelligence. For the greater good.



IU Philanthropy

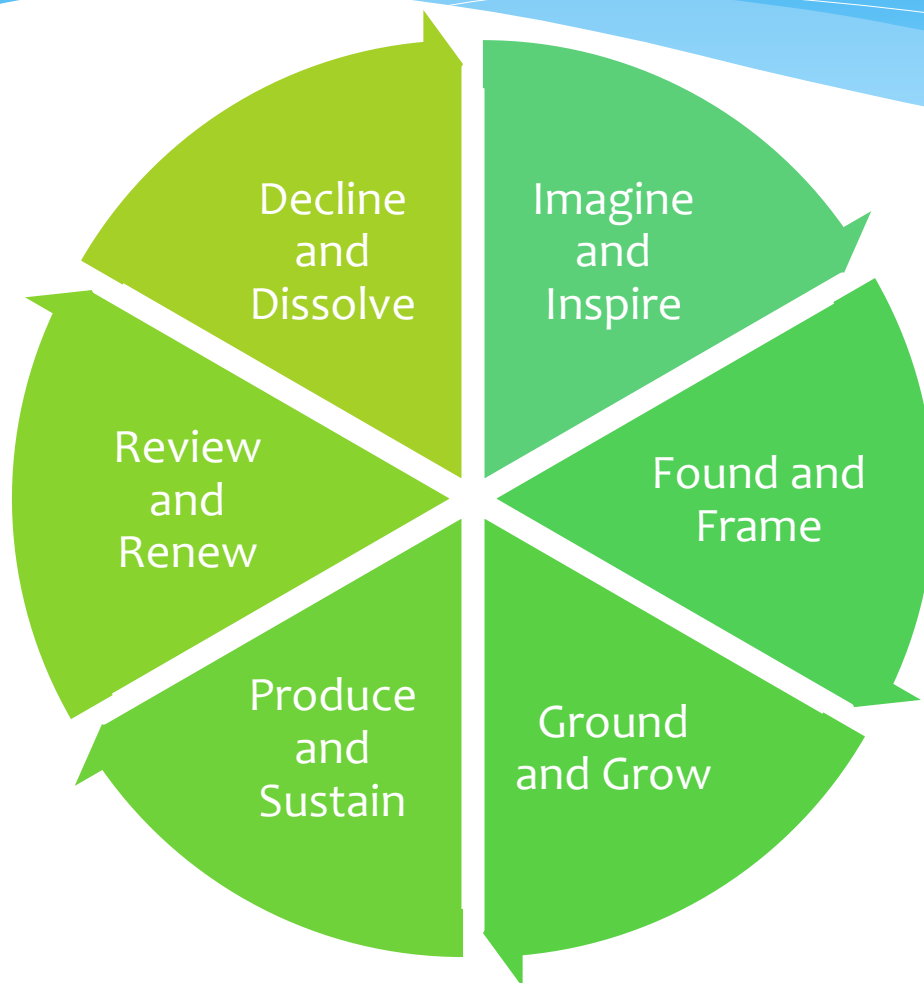
LILLY FAMILY SCHOOL OF PHILANTHROPY

Giving USA Foundation™, The Giving Institute, and the Indiana University Lilly Family School of Philanthropy are pleased to continue their partnership in providing the most comprehensive, longest-running, and most rigorously researched resource on U.S. charitable giving, *Giving USA: The Annual Report on Philanthropy*. It is a privilege to report on the generosity of Americans and related historical trends on U.S. charitable giving.

Nonprofit Governing Documents

- Articles of Incorporation
- Bylaws
- Form 990*
- Conflict of Interest, Whistleblower, Document Retention (Policies)

Nonprofit Life Cycle



The 5 Life Stages of Nonprofit Organizations

by Judith Sharken Simon
and J. Terence Donovan

**CONNECT
FOR MORE**

www.ConnectForMore.com

The Importance of Mission & Vision

“If you don’t know where you’re going,
any road will get you there.”

– Cheshire Cat, Lewis Carroll’s Alice in Wonderland

**CONNECT
FOR MORE**

www.ConnectForMore.com

Dynamics of the NPO Sector

- Mission Driven
- Board Led
- Volunteer Fueled
- Staff Managed
- Fundraising (& Friend-raising) Focused
- Client/Service Niches
- Working in the Social Sector (or looking for work)
- AVO vs. staffed nonprofit

NPO Sector Trends

- Increased Public Scrutiny
- Board Culture & Engagement (Serve NOT Sit)
- Social Enterprise & Earned Income
- Crowdfunding (gofundme, KickStarter, indiegogo)
- Going Viral (ALS Ice Bucket Challenge)
- Generational Changes in Leadership
- Donor Fatigue

NPO Sector Myths

- Nonprofit Status = tax designation, NOT a way of life
- Overhead Costs vs. Program Costs (Dan Pallotta)
- All nonprofits do good work, and mean well
- Running a nonprofit is easier than running a for-profit business
- Grants are easy to receive & manage

Resources

- Independent Sector (independentsector.org)
- National Council of Nonprofits (councilofnonprofits.org)
- Nonprofit Leadership Center of Tampa Bay (nonprofitleadershipcenter.com)
- Guidestar (guidestar.org)
- Social Enterprise Alliance (<https://socialenterprise.us>)
- Stand For Your Mission Campaign (standforyourmission.org)
- Alliance for Justice (afj.org)
- Grant Gopher (grantgopher.com)
- Social Stanford Innovation Review (ssir.org)
- BoardSource (boardsource.org)
- Board Builders (<http://boardbuilders.com/governance>)
- Leading with Intent: Nonprofit Governance Report (<https://leadingwithintent.org>)
- GivingUSA: <https://givingusa.org/>

**CONNECT
FOR MORE**

www.ConnectForMore.com

Thank you!

Liz Wooten-Reschke, MPA
President/CEO & Lead Consultant

For Resource lists and downloads visit:

www.ConnectforMore.com

Twitter: @ConnectForMore

* Board & Organizational Development *

* Workshop & Retreat Facilitation *

* Coaching & Ongoing Support *

* Philanthropic Advising *

Board
Source | Certified Governance
Trainer



CONNECT
FOR MORE

ENGAGED LEADERSHIP. EMPOWERED PHILANTHROPY.
MISSION ACCOMPLISHED.