

The State of the Texas Nonprofit Sector: Regional and Statewide Data Trends

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REPORT | 2023 EDITION

BUILT FOR TEXAS

Creating a More Connected & Resourced
Future for our Nonprofit Sector

RESEARCH CONDUCTED BY



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United Ways of Texas



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BUILT FOR TEXAS

Creating a More Connected &
Resourced Future for our
Nonprofit Sector



We are **One Texas**, united in building **resilient** and **thriving** communities.



We strengthen Texas communities by creating pathways for individuals and organizations to engage, connect, and accelerate their impact.



AmeriCorps Texas

We administer AmeriCorps funding throughout Texas and advance national service as an effective solution to our state's toughest social challenges.



Volunteer Texas

We strengthen the statewide volunteer infrastructure, making it easy and accessible for all Texans to take action and make a difference in their communities.



Rebuild Texas

We equip Texas communities with expertise, resources, and tools to be more resilient during all phases of disaster.



Together Texas

We build a strong nonprofit sector to ensure that organizations have the knowledge, resources, and connections to effectively address priority issues for local communities.

North Texas Nonprofit Institute

**Building Community Leaders,
Impactful Nonprofits,
and Thriving Communities.**

- Professional Development / Training
 - DFW Nonprofit Resources Expo & Leadership Institute – Tuesday, June 10 (Hurst, TX)
- Research
- Community Resources
- Advocacy



North Texas
Nonprofit Institute

Built For Texas | 2023 Edition

Texas Nonprofit Strong was created in 2020 when United Ways of Texas and OneStar joined forces to amplify voice of the Texas nonprofit sector, highlighting its contributions to local communities, its importance to the state's economy, and its vital role in civil society.

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US Nonprofit Sector At a Glance

- 1.9 million nonprofits in the U.S.
 - 82% are 501(c)(3)
- Nonprofits contributed 1.4 trillion to the economy in 2023
 - 5.2% of the GDP comes from the nonprofit sector.
- 12.8 million jobs generated (10% of private workforce)
- 75.7 million volunteers (28% of US residents)
 - 4.99 billion hours of service
 - \$167.2 billion contributed by volunteers to the economy
- In 2023, 48.5% of US residents donated more than \$25

Source: Health of the US Nonprofit Sector, 2024 | Independent Sector

Texas Nonprofits



There are more than **130,000** nonprofits in Texas
26,000 in North Texas



Financial resources are not keeping pace with the sector's growth



The typical nonprofit is very young with limited resources



Large organizations dominate the resources

What Types of Organizations Make Up the Sector?

105,898

Public Charities (35% growth)

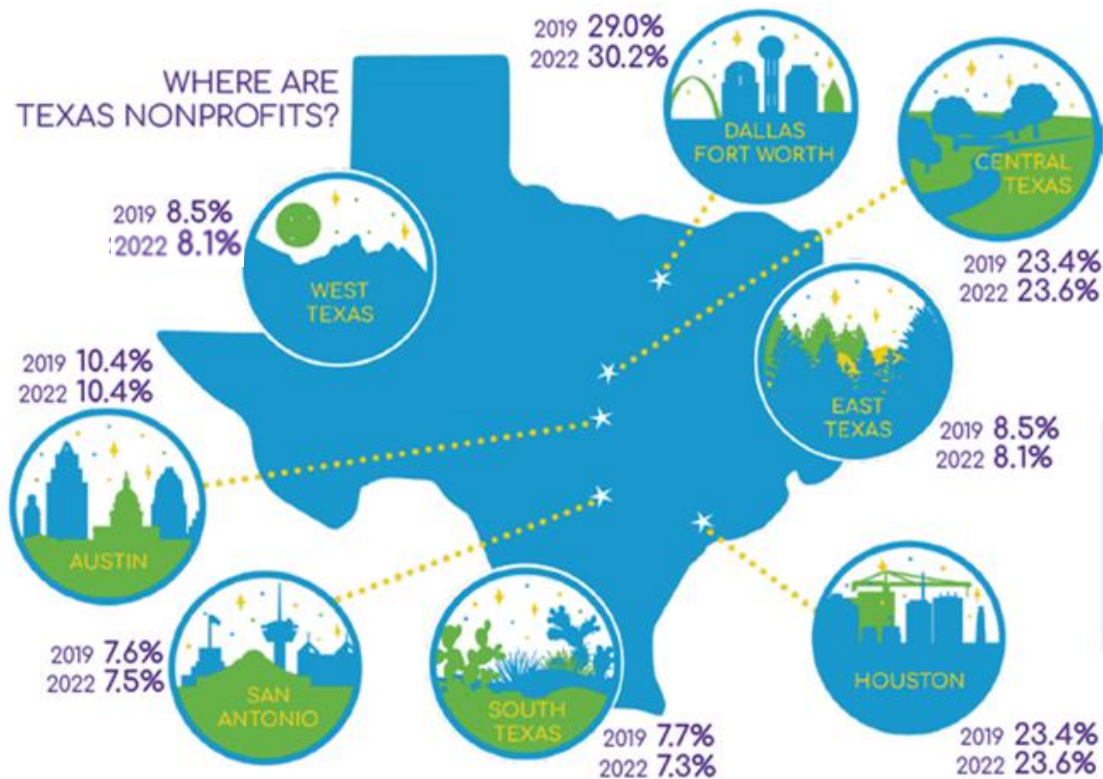
6,379

Private Foundations (1.5% growth)

21,873

501 “other” Organizations (3% **decrease**)

Where are Texas Nonprofits



There are more than
130,000
nonprofits
across the state of Texas.

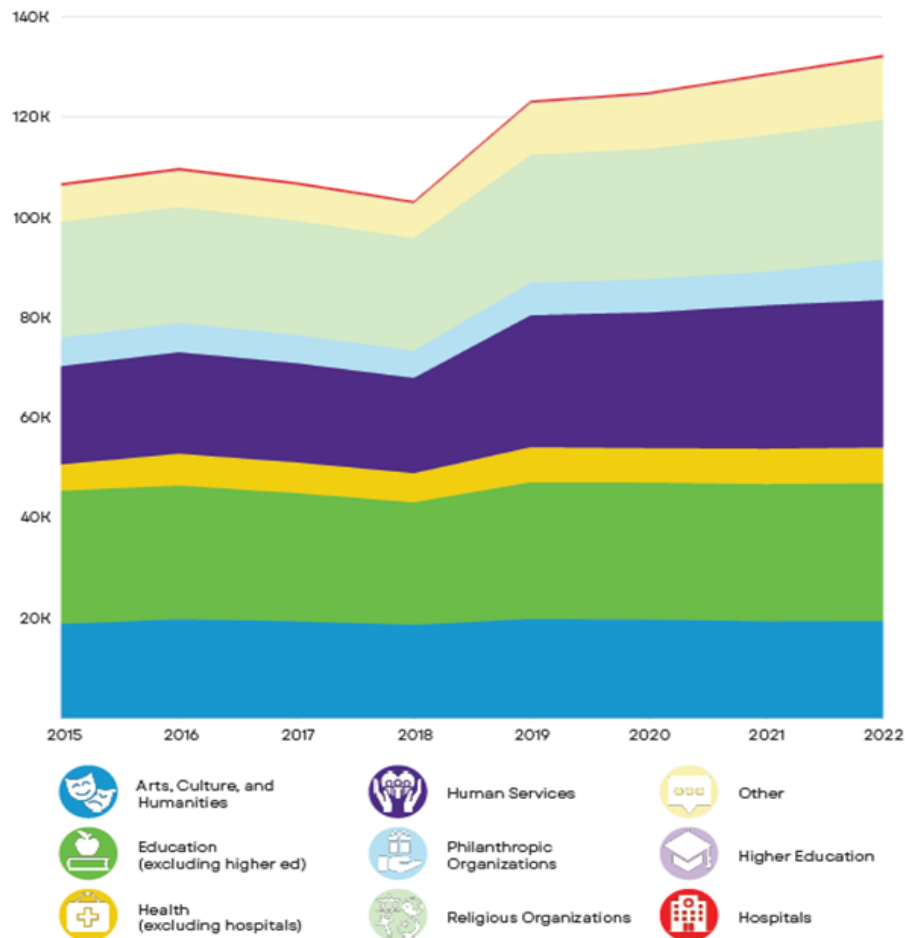
The Texas nonprofit sector
grew by 22%
between 2015 and 2022.

Texas Nonprofits by Focus Area

This graph displays an overview of the growth distribution of nonprofits by focus areas.

Certain areas, such as Arts, Culture, and Humanities, exhibit relatively stable trends with minimal growth fluctuations.

Conversely, other focus areas, notably Human Services, demonstrate more pronounced increases in growth.

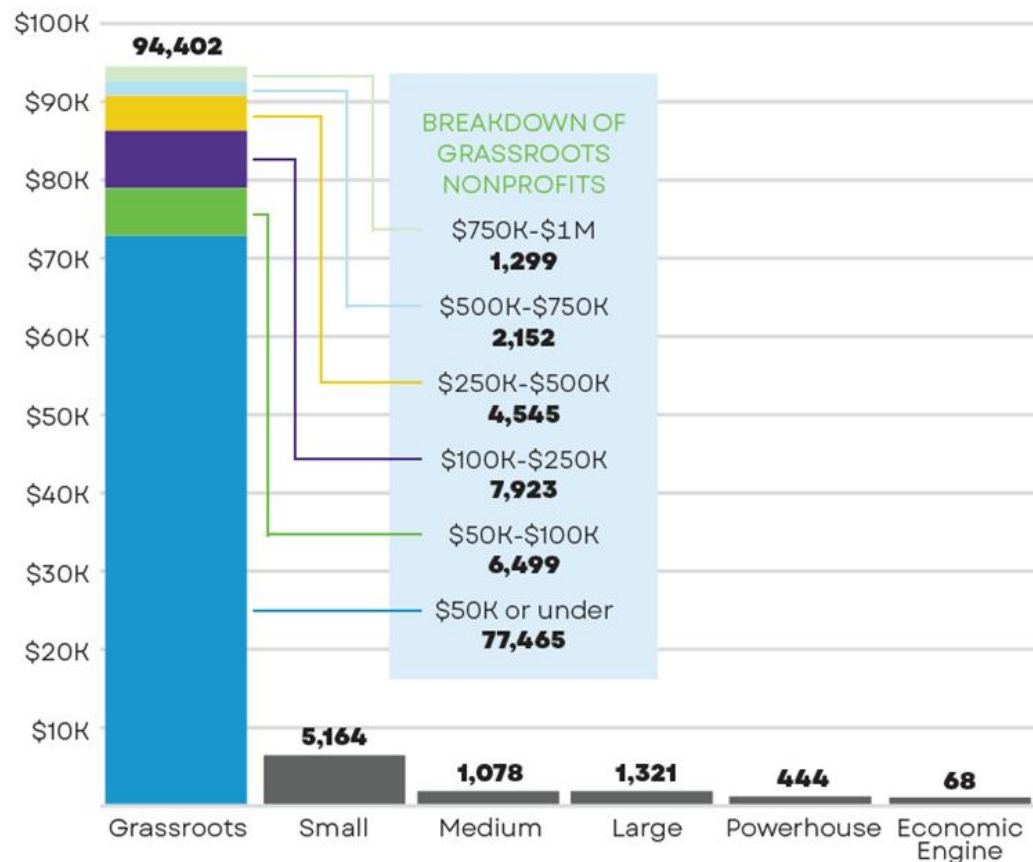


Nonprofits by Focus Area

Percent of Nonprofit Organizations (all 501 types) by subsector

Organization Type	2015	2016	2017	2018	2019	2020	2021	2022
Arts, Culture, and Humanities	17.7%	18.0%	18.2%	18.1%	16.1%	15.8%	15.1%	14.7%
Education (except higher ed)	24.9%	24.3%	23.9%	23.7%	22.1%	21.9%	21.3%	20.8%
Health (not hospitals)	4.9%	5.8%	5.7%	5.7%	5.7%	5.5%	5.5%	5.4%
Human Services	18.4%	18.4%	18.5%	18.3%	21.3%	21.7%	22.2%	22.2%
Philanthropic Organizations	5.3%	5.3%	5.3%	5.2%	5.3%	5.3%	5.2%	6.1%
Religious Organizations	21.7%	21.0%	21.3%	21.8%	20.7%	20.8%	21.1%	21.1%
Other organizations	6.6%	6.5%	6.6%	6.6%	8.2%	8.5%	9.1%	9.2%
Higher Education	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Hospitals	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%

TEXAS NONPROFITS BY BUDGET SIZE (2022)



GUIDESTAR CLASSIFICATIONS BY ANNUAL OPERATING BUDGETS

Grassroots
\$1 million and under

Small
\$1 million-\$5 million

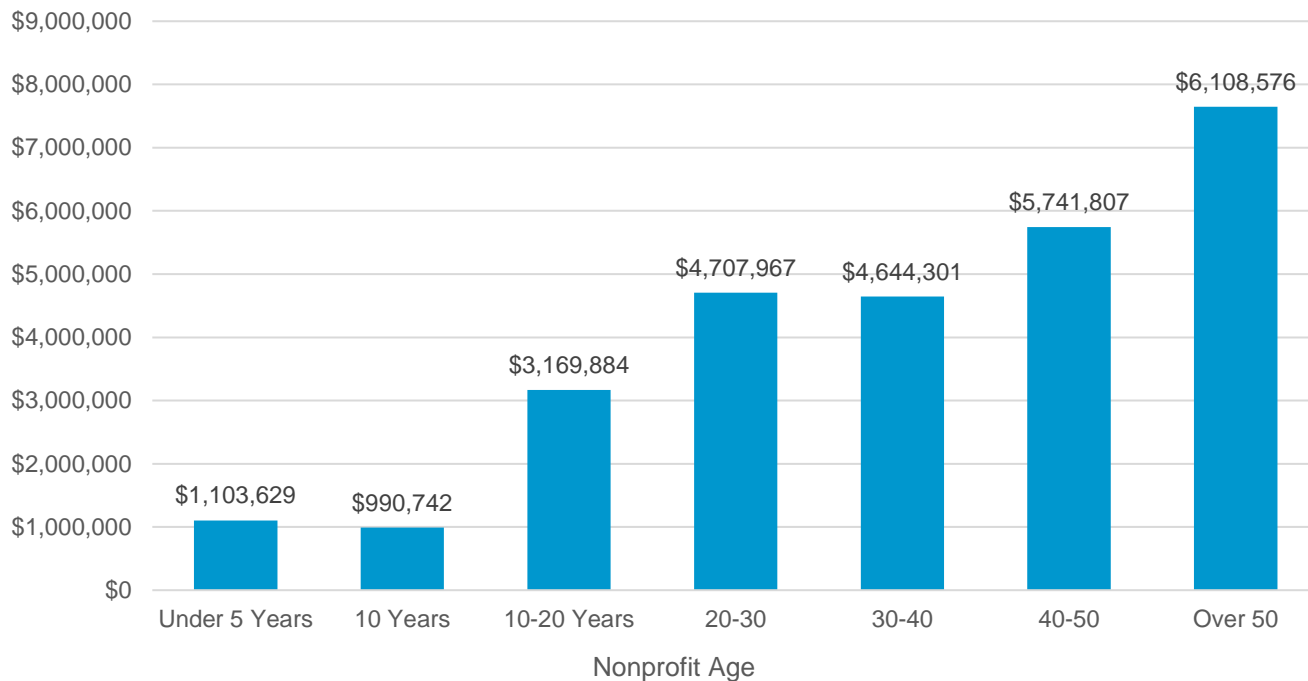
Midsize
\$5 million-\$10 million

Large
\$10 million-\$50 million

Powerhouse
\$50 million-\$500 million

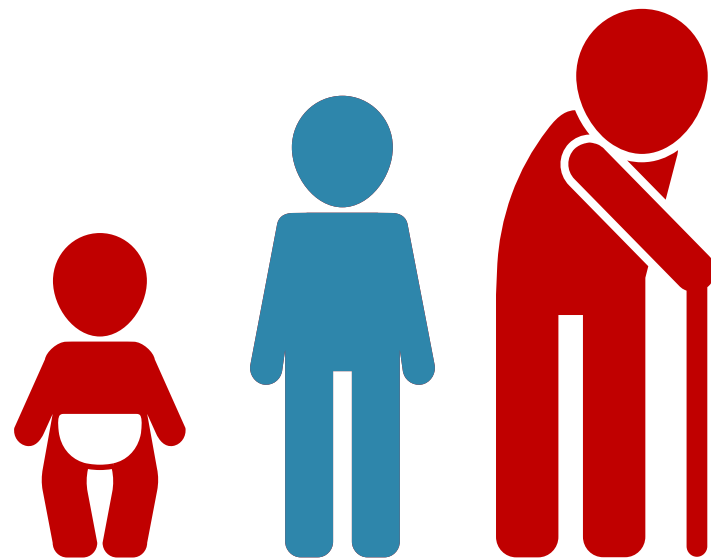
Economic Engine
Above \$500 million

How Does Age Relate to Budget Size?

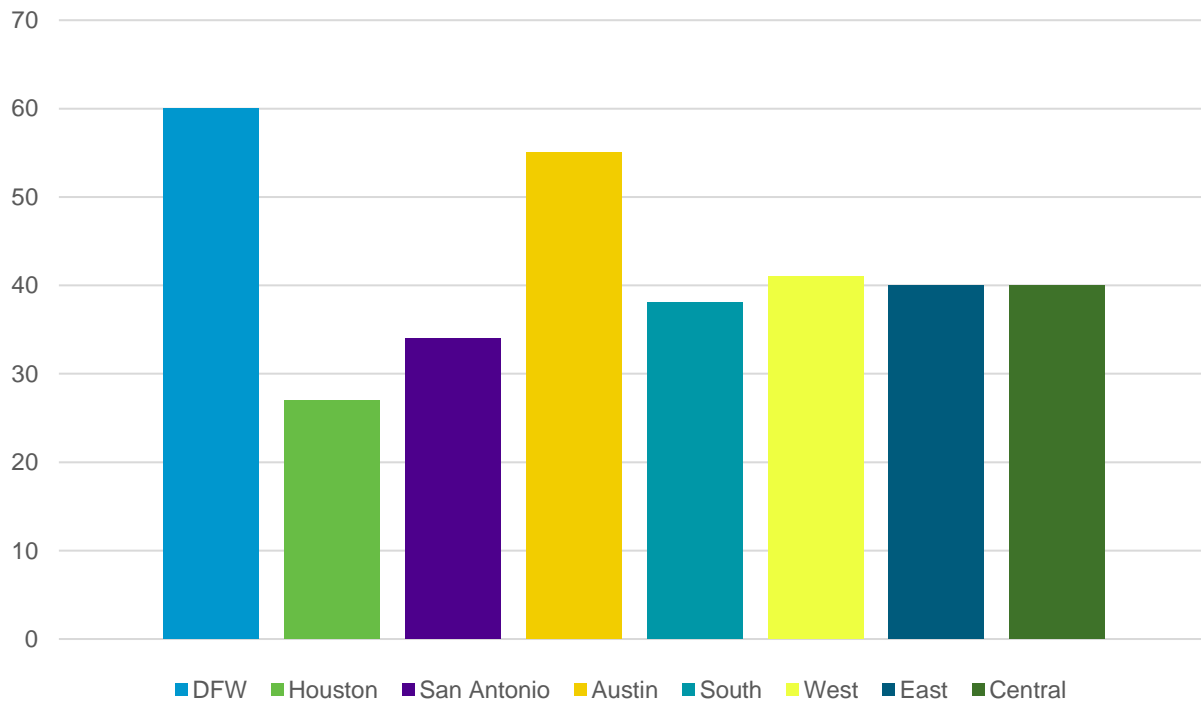


North Texas: Budget Breakdown

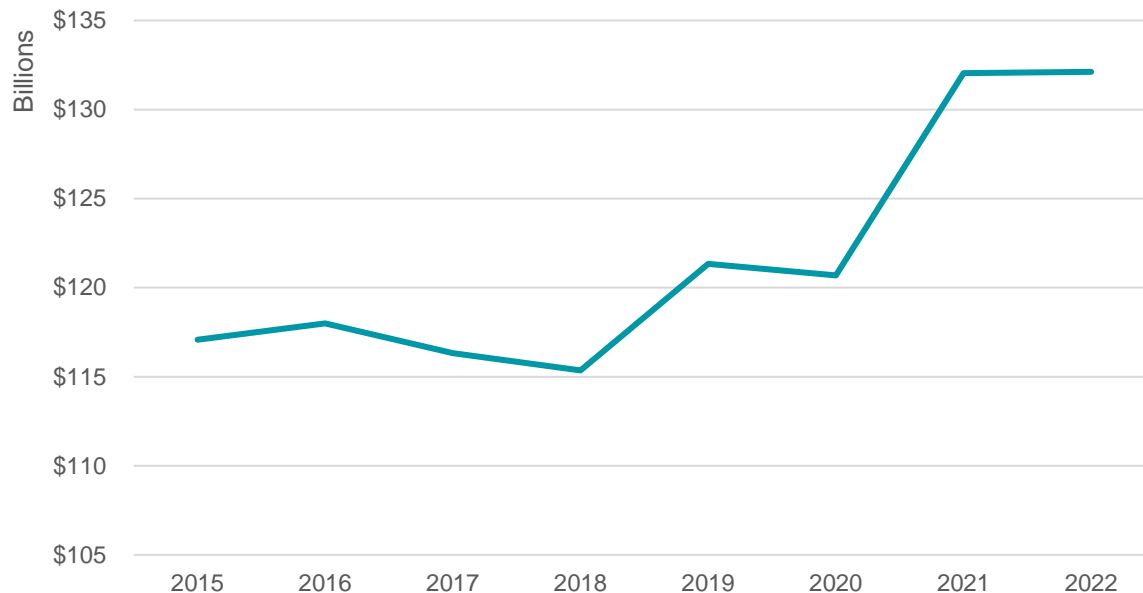
Age	1-5	6-15	15+
Individuals & Foundations	91%	49%	55%
Government Grants	4%	37%	25%
Related Organizations	0%	11%	12%
Events	3%	1%	6%
Membership	2%	1%	2%



Average Age by Region (2022)



Total Nonprofit Revenue Over Time



Revenue has grown by **13%** since 2015

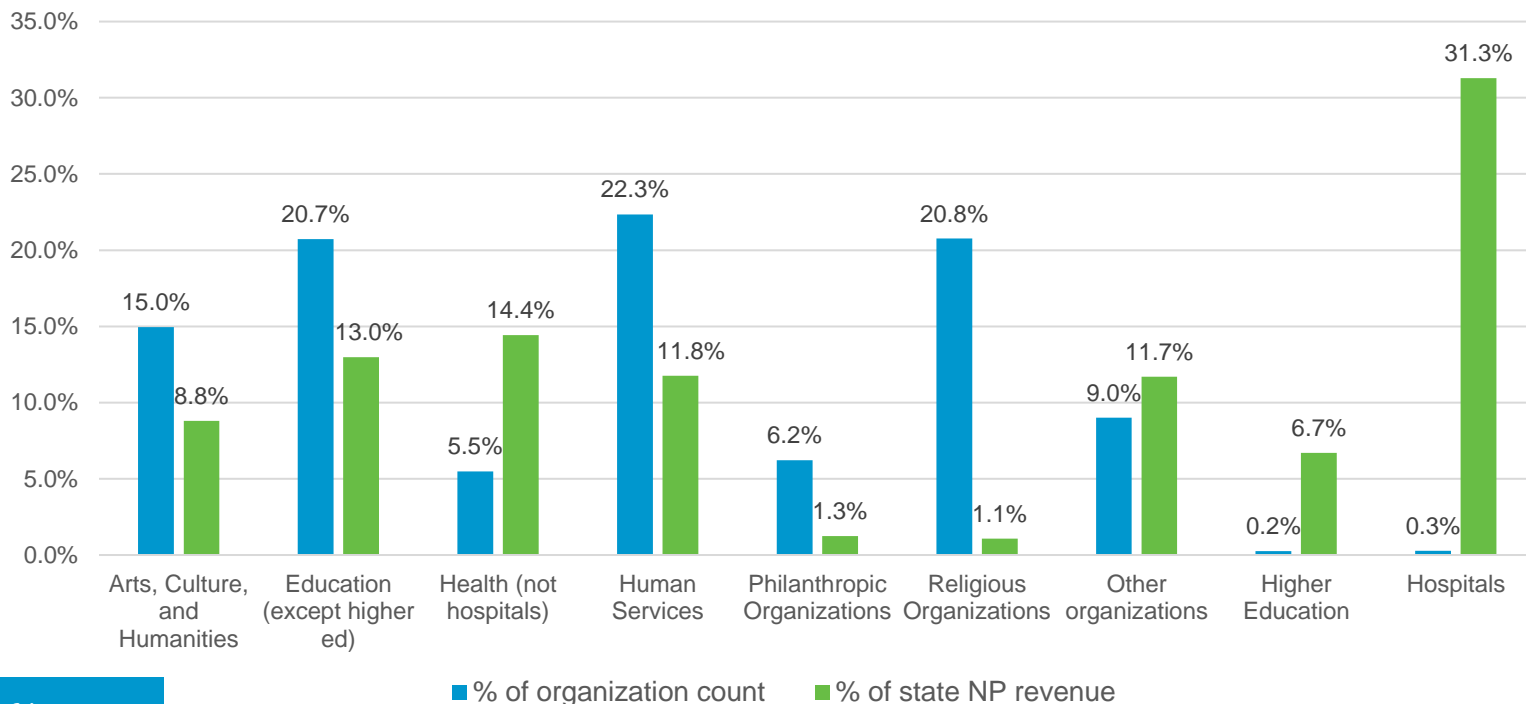
Contributions (for Public Charities only) have only increased by **4%** (as of 2019)

****keep in mind that the number of nonprofits has grown by 22%**

KEY FINDING

Large Nonprofits Dominate the Sector's Financials

% of Total Revenue by Major Nonprofit Groups



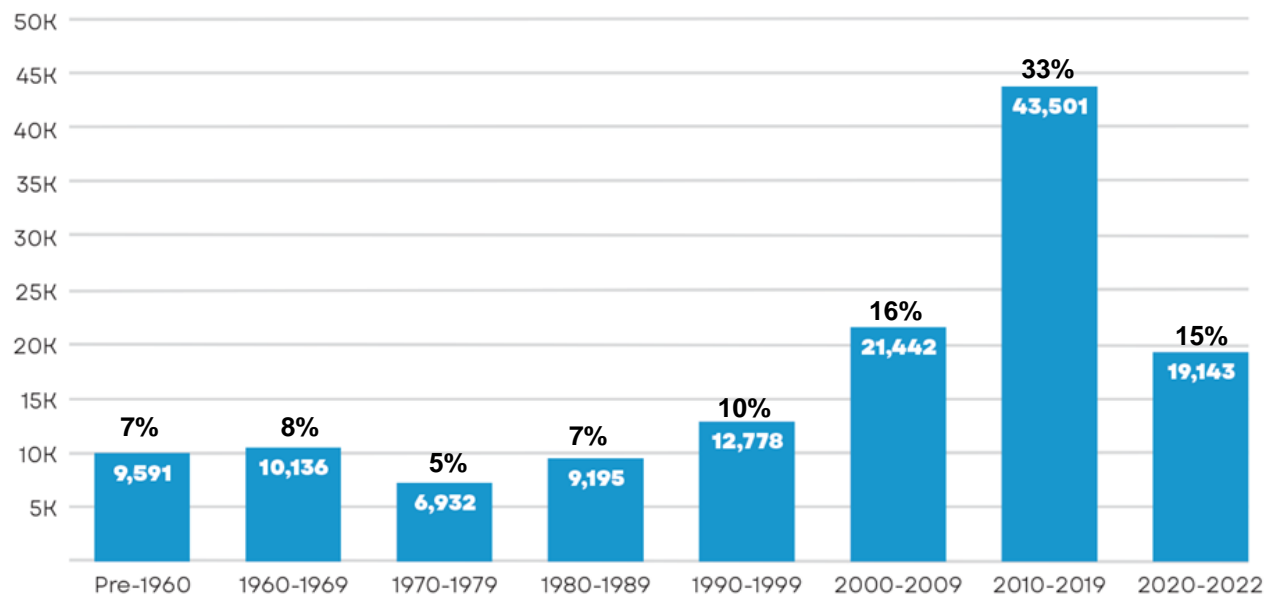
KEY FINDING

of Nonprofits Keeps Growing

Between the years of 2015 and 2022, the **nonprofit sector grew by 22%**.

The trend of more nonprofits being established each year continues, albeit now at a lessened pace.

NUMBER OF TEXAS NONPROFITS FOUNDED BY DECADE

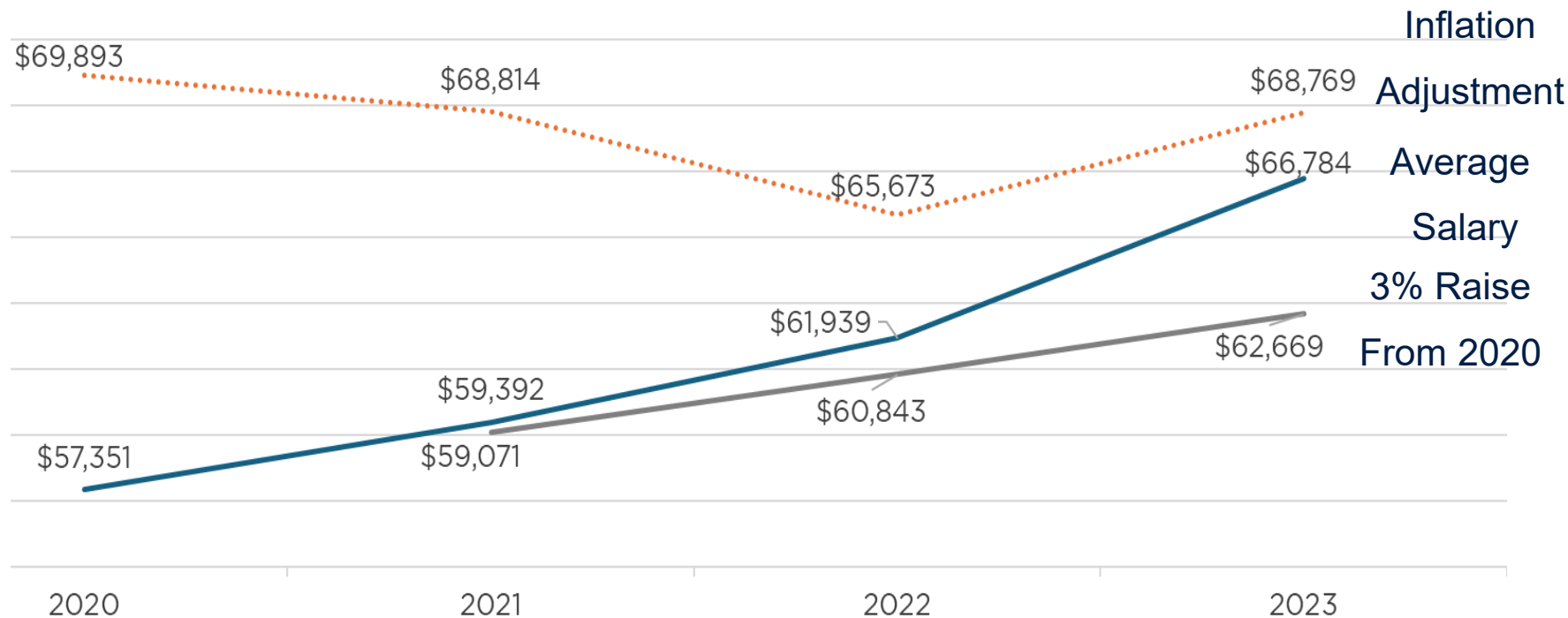


KEY FINDING

Rural Nonprofit Challenges

- 191 out of the 245 counties in Texas are rural (78%).
- As of 2022, **1 in 5 nonprofits** in Texas are rural-based (20%).
- The greatest number of rural nonprofits are currently located in the **west region of Texas**.
- For every dollar in revenue, the rural nonprofit sector receives **only nine cents (9%)**. While the rural nonprofit may have **more assets**, they receive **less incoming funding**.

North Texas Trend: "Average" Nonprofit Salary



North Texas Trend: Inflation Adjustments are NOT Raises...



2020 Salary
\$60,000

	Inflation Adjustment	3% Raise	3% Raise & Inflation Adjustment
2021	\$63,235	\$61,800	\$65,131
2022	\$68,964	\$63,654	\$71,033
2023	\$71,012	\$65,563	\$73,142
2024	\$73,122	\$67,530	\$75,315

\$100 in 2020 has the same purchasing power as \$121.87 in 2024

Economic Impact Analysis

Direct Effects

The expenditures of public charities. For example, housing nonprofits purchasing construction materials, employee wages, etc.

Indirect Effects

The spending of organizations that receive direct expenditures (not including wages). For example, hardware stores purchase raw materials.

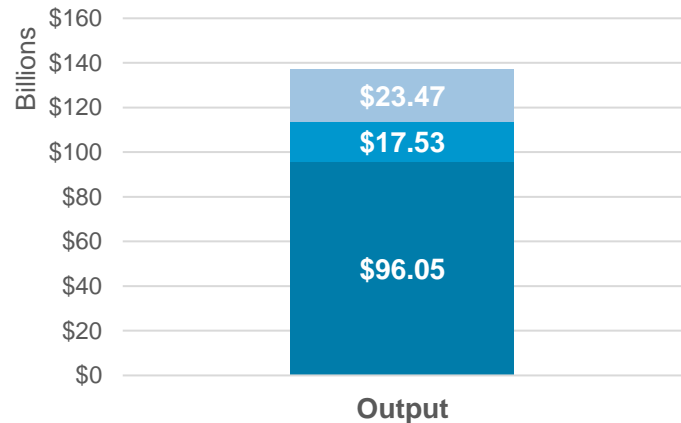
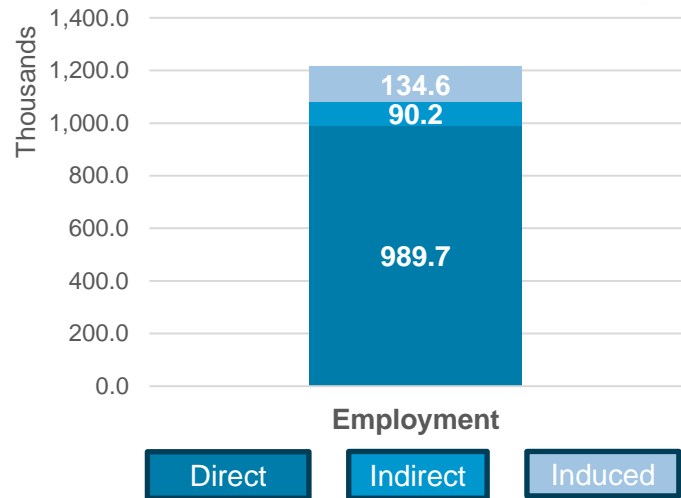
Induced Effects

How employees of public charities spend their wages and earnings.

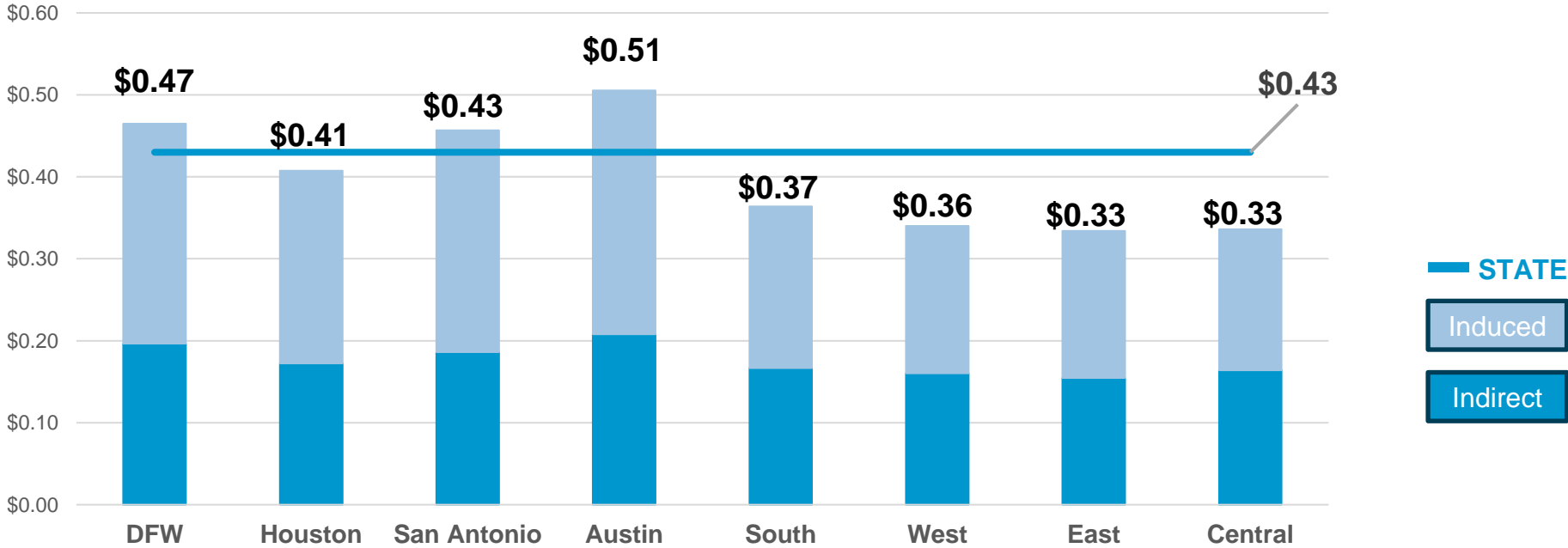
= TOTAL IMPACT

Economic Impact Across Texas

- Public charity spending supports almost one million employees through direct effects
- Indirect and induced effects support the employment of an **additional 224,000 Texans**
- Public charities spent **\$96 billion** in 2019 and supported an additional **\$41 billion** through indirect and induced effects
 - That's an additional **\$0.43** generated for each dollar spent by public charities



Every dollar spent by public charities, generates an additional...




towards the state's economy through indirect and induced effects.

EXAMPLE: Quantifying Economic (Social) Impact



RECEIPT		
Staff	35 Hours @ \$25	\$875
Supplies	Grocery Bags	\$100
Meat	100 Lbs.	\$300
WEEKLY		\$1,275
		\$66,300



RECEIPT		
Staff	35 Hours @ \$25	\$875
Supplies	Grocery Bags	\$100
Meat	100 Lbs.	\$300
Produce	300 Lbs.	\$900
Payroll	Taxes - 10%	\$88
Utilities	\$2,000/Month	\$500
Weekly		\$2,763
		\$143,676

261.9% Increase



RECEIPT		
Staff	40 Hours @ \$35	\$1,400
3 PT Staff	20 Hours @ \$16	\$960
Payroll	Taxes - 15%	\$354
Meat	100 Lbs.	\$500
Produce	300 Lbs.	\$900
Utilities	\$2,000/Month	\$500
WEEKLY		\$4,614
		\$239,928

1 Family
A = \$12.75
B = \$27.63
C = \$46.14

Average
Weekly Cost
for Families
\$243.80

**You still provide nearly
\$200+ in value to each family!**

NTXNPI Recommendations

- Quantify your economic impact or social value
- Justify your service areas and important (Tip! Use the American Community Survey to share a comprehensive needs assessment)
- Diversify Revenue Streams
- Invest in Data and Impact
- Focus on Evolving, NOT Expanding
- Grow Staff and Board Leadership

Built for Texas Toolkits

- Overview flyer
- Webinar & slides deck
- Promotional graphics
- Key messages
- Targeted audience one pagers
& more!



*NEW Regional Reports

Offers personalized insight on what the sector looks like for Texas Legislators

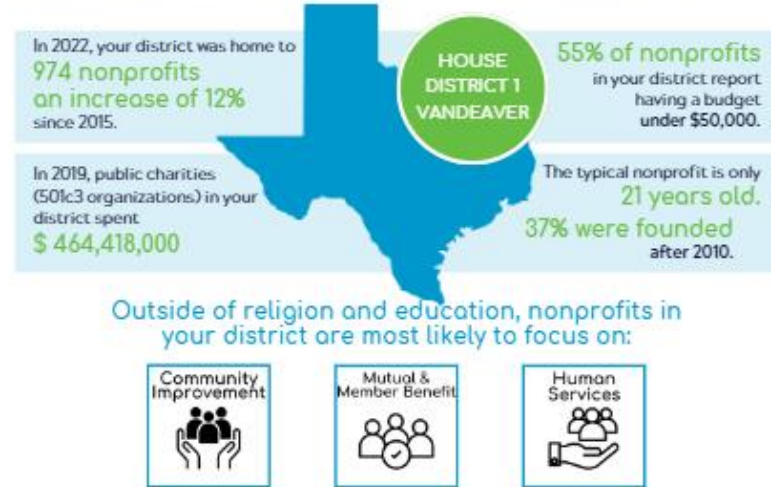
SHARE WITH YOUR LOCAL COMMUNITY
REPRESENTATIVES AND ELECTED OFFICIALS

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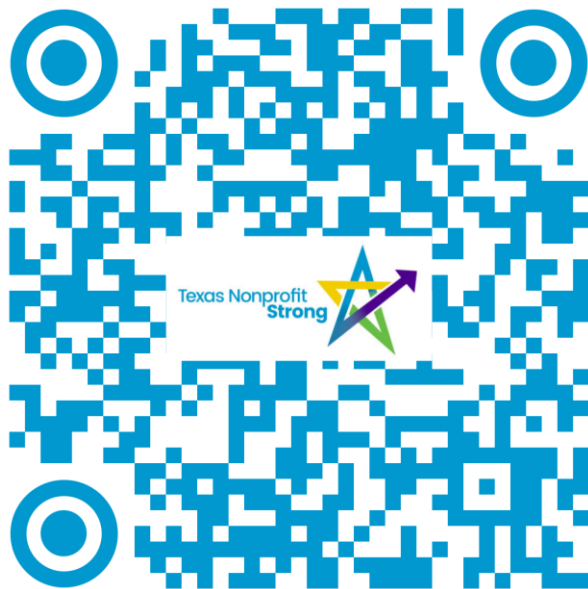
Representative VanDeaver

We believe that a robust nonprofit sector is essential for building strong and vibrant Texas communities. Two years ago, we shared key findings from our report, *Built for Texas: Creating a More Connected & Resourced Future for our Nonprofit Sector*. This year, we are thrilled to share tailored insights about your legislative district. Visit txnonprofits.org to access the full report, toolkit, and more information about Texas Nonprofit Strong!



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TEXAS NONPROFIT STRONG

A statewide resource hub for nonprofits to connect, learn, and advocate for the power and impact of the sector.



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