



# Surprising Power: The State of the Nonprofit Sector in North Texas



**Published by:**  
Center for Nonprofit Management © 2009

**Presented in partnership with:**  
Communities Foundation of Texas

## Introduction

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Large and small, well-known and new, from the arts to homeless, all of us shape and build the nonprofit sector of North Texas. Together, we represent a wide scope of services to support those in need, protect the environment, educate and develop our children, build our appreciation of arts and culture and much more.

Beyond the integral role we play for citizens of all ages, we are a powerful force in terms of our economic impact. We invest resources to carrying out our charitable purpose and the size of the nonprofit workforce is significant.

**The purpose of this report is to highlight the significant size, economic impact and societal benefits provided by the nonprofit sector in North Texas.**

**Nonprofit Sector =  
Big, Powerful, Influential**

### **Background:**

The US economy is divided into three sectors: Private/Business, Public/Government and Nonprofit.

This report is based on research from a variety of local and national sources. Specifically, the data focused on the 16 counties of North Texas: Collin, Dallas, Denton, Ellis, Erath, Hood, Hunt, Johnson, Kaufman, Navarro, Palo Pinto, Parker, Rockwall, Somervell, Tarrant, and Wise.

Nonprofits are doing everything they can to help our community and the Center for Nonprofit Management is doing everything it can to help nonprofits. Since 1980, we have helped thousands of nonprofits excel. We invite you to learn more about our impact through our first “state of the sector” report.

**DONORBRIDGE**  
*The Power to Give Wisely*

This is the first of many reports that will be developed to build awareness about the state of the nonprofit sector in North Texas. We will be leveraging the data that is compiled from DonorBridge, an online resource featuring hundreds of profiles of local nonprofit organizations. DonorBridge was created by Communities Foundation of Texas in partnership with the Center for Nonprofit Management and with support from The Dallas Foundation.

We hope this report will educate and inspire you to continue or expand your support of the work of nonprofits in our community.



## Registered Nonprofits

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### Did you know?

There are 19,336 registered 501(c)(3) organizations in the 16 counties that make up North Texas. All of us are touched by a nonprofit in some way in our lives, but the number and scope of the nonprofits in our area often surprises people.

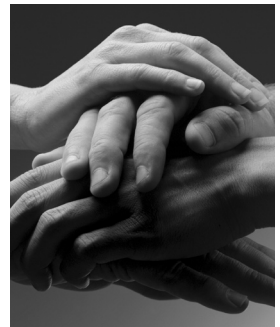
“19,336 registered nonprofits”

County	Number of Registered 501(c)(3) Organizations
Collin	1,679
Dallas	9,149
Denton	1,471
Ellis	333
Erath	100
Hood	145
Hunt	193
Johnson	336
Kaufman	231
Navarro	166
Palo Pinto	99
Parker	283
Rockwall	189
Somervell	36
Tarrant	4,788
Wise	138
<b>Total</b>	<b>19,336</b>

Of the 19,336 registered nonprofits, 7,393 file IRS Form 990 returns with the IRS.

### Growing in Size

The number of nonprofits has increased and continues to increase as new agencies emerge. In 1998, there were 70,383 nonprofits registered in the state of Texas. In 2008, that number was 100,734.



“7,393 organizations file IRS 990 returns”

## Areas of Service

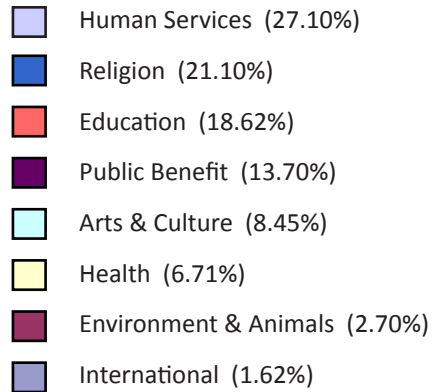
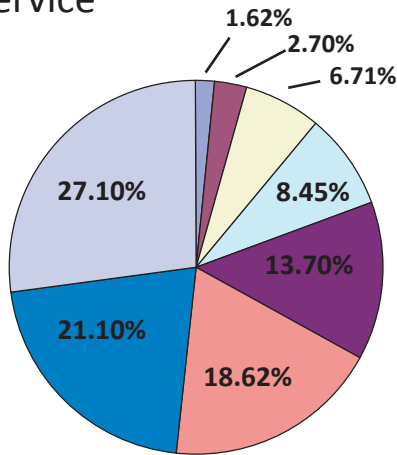
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### Did you know?

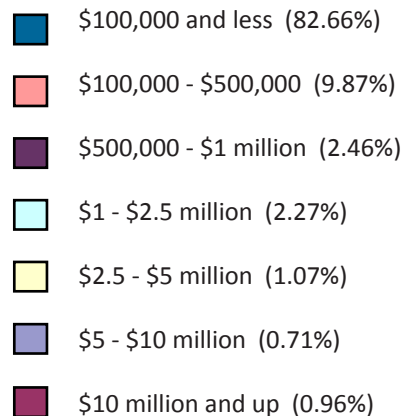
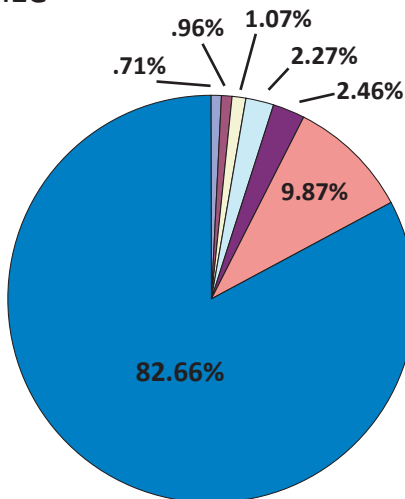
Nonprofits serve many different missions and vary in size and scope. They feed the hungry, shelter the homeless and heal the sick. They serve people with disabilities, the elderly, children in need and the low-income population.

Most operate with an income less than \$100,000, although North Texas is home to many large, national organizations with budgets more than \$5 million.

### Area of Service



### Budget Size



# strength in numbers

Organizations with incomes more than \$25,000 must report their financials to the IRS via the Form 990. In 2008, the total revenue as reported on the Form 990 for all organizations in North Texas was \$17.7 billion.

# \$17.7 billion

Dallas and Tarrant County reported the highest revenues at \$12.1 billion and \$4.4 billion respectively.

County	Total Revenue for All 501(c)(3) Organizations
Collin	\$602,653,075
Dallas	\$12,061,079,518
Denton	\$261,220,297
Ellis	\$20,216,453
Erath	\$46,544,403
Hood	\$23,603,990
Hunt	\$28,082,680
Johnson	\$84,127,675
Kaufman	\$49,027,341
Navarro	\$39,493,010
Palo Pinto	\$5,672,284
Parker	\$42,966,638
Rockwall	\$12,188,916
Somervell	\$29,721,527
Tarrant	\$4,365,250,478
Wise	\$4,745,624
<b>Total</b>	<b>\$17,676,593,909</b>

Nonprofits in North Texas reported assets in excess of \$39.3 billion.

## Did you know?

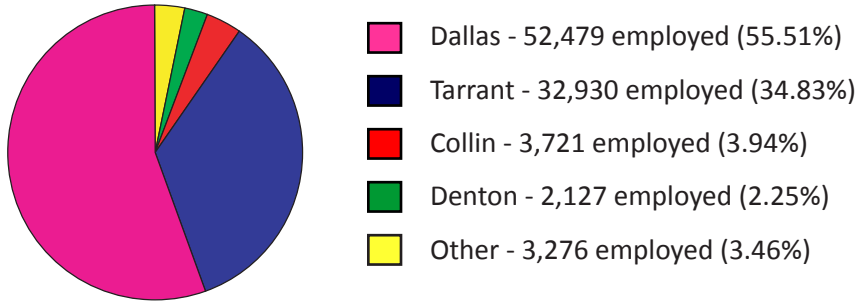
- Texas has 99,228 nonprofits—the second largest amount of any state in the country. This amount represents 40.8 nonprofits for every 10,000 people.
- Nationally, the sector employs nearly 12.9 million people, which represents 9% of the nation’s workforce.
- Nationally, nonprofits make up 5.2% of the U.S. gross domestic product and 8.3% of U.S. salary and wages.
- By comparison, the utilities industry accounts for 2.3% of GDP, the construction industry for 5.1% and the financial industry including banks, insurance companies and financial service firms for 5.6%.
- According to World Bank data, if the nonprofit sector were a country, this would put it just shy of Australia in terms of GDP. Based on wages only, the sector would push out the Netherlands to be the sixteenth largest economy in the world.
- The U.S. nonprofit sector’s revenue alone would represent the eighth largest economy in the world; ahead of Canada, Spain, Brazil and Russia, and behind Italy.

## Employment

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In total, North Texas nonprofits employ 94,533 individuals, with the majority based in Dallas and Tarrant Counties. More than \$3.1 billion is paid in wages with Dallas County's payroll at \$1.7 billion and Tarrant County's payroll at \$1.1 billion.

### Employment in Nonprofits in North Texas



**\$3.1 billion in payroll**  
**94,533 individuals**  
**employed by nonprofits**



In 2006, nonprofits—including public charities, private foundations, and all others—accounted for 8.11 percent of the wages and salaries paid in the United States.

According to reports from Independent Sector, nonprofit employment grew at an annual rate of 2.5 percent between 1997 and 2001, adding more than 1 million jobs to the nation's economy. During the same time period the business sector grew at 1.8 percent annually, and employment in the government sector grew at a rate of 1.6 percent. From 1998 to 2005, employment in the nonprofit sector grew by 16 percent—three times faster than the rest of the economy.

### Nonprofit Sector Employment Growth Outpaces Business, Government

Nonprofit employment, which has doubled in the past 25 years, encompasses 12.5 million workers—nearly 10 percent of total employment in the United States. By 2010, this total should reach approximately 15 million, with growth forecast specifically in the areas of health services and social/human services.

## Conclusion

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### what this means

The nonprofit sector is a vast sector with far-reaching impact. Not only **social impact** addressing the critical needs of our community, but also **economic impact**. The nonprofit sector employs a high percentage of North Texas professionals with \$3.1 billion paid in wages and contributes more than \$17.7 billion in revenue. This is the direct economic impact of nonprofit organizations.

In addition to the direct impact on the economy, the nonprofit sector generates other economic activities known as **indirect** and **induced** effects. **Indirect** effects are the result of purchases by the nonprofit sector from other sectors of the economy- for example, transportation, communications, and utilities services- that generate income and employment in other sectors.

**Induced** effects are the result of nonprofit employees spending their income on goods and services building the local economy.

Based on standard models to compute the indirect and induced impact, nonprofit organizations in North Texas result in an estimated total employment of more than 165,000 people and generate a total economic impact of approximately \$36 billion.

### \$36 billion contribution to the North Texas economy

The nonprofit sector plays a critical role in the overall health and vitality of our community in ways that cannot be measured; from preventing disease, developing our youth, to assisting those who struggle with drug abuse or mental health issues. The nonprofit sector cannot be ignored as a strong and powerful economic force in North Texas.

## building strong communities...

The **Center for Nonprofit Management** is designed to build stronger communities by increasing the performance and impact of nonprofit organizations.

The Center's services:

- Help nonprofits recruit talented board/staff.
- Help staff/boards be the best that they can be.
- Help move organizations to the next level.

As one of the nation's leading management support organizations, the Center brings the most current tools for education and consulting to more than **1,300 nonprofit agencies annually**.

Services range from public seminars, nonprofit certification programs, strategic planning and organizational assessments, board training, a nonprofit job listing and much more.

### Center for Nonprofit Management

Learn more at [www.cnmdallas.org](http://www.cnmdallas.org), or call 214-826-3470 to find out how you can get involved.

## Sources

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