



The Nonprofit Sector in Brief 2014

Public Charities, Giving, and Volunteering

Brice S. McKeever and Sarah L. Pettijohn

October 2014

This brief highlights 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 1.44 million nonprofits were registered with the Internal Revenue Service (IRS) in 2012, an increase of 8.6 percent from 2002.¹
- The nonprofit sector contributed an estimated \$887.3 billion to the US economy in 2012, composing 5.4 percent of the country's gross domestic product (GDP).²
- Of the nonprofit organizations registered with IRS, 501(c)(3) public charities accounted for just over three-quarters of the nonprofit sector's revenue (\$1.65 trillion) and expenses (\$1.56 trillion) and more than three-fifths of nonprofit assets (\$2.99 trillion) in 2012.
- In 2013, total private giving from individuals, foundations, and businesses totaled \$335.17 billion, an increase of just over 4 percent from 2012 after adjusting for inflation. According to Giving USA, total charitable giving rose for the fourth consecutive year in 2013 (Giving USA Foundation 2014). However, after adjusting for inflation, giving is still lower than at its pre-recession peak in 2007 (\$348.03 billion in 2013 dollars).
- More than a quarter (25.4 percent) of adults in the United States volunteered with an organization in 2013. Volunteers contributed an estimated 8.1 billion hours in 2013, representing approximately \$163.0 billion worth of work. Fewer individuals volunteered in 2013 than in 2012, and those that did spent fewer hours volunteering.

Size and Scope

All Nonprofit Organizations

Number. From 2002 to 2012, the number of nonprofit organizations registered with the IRS rose from 1.32 million to 1.44 million, an increase of 8.6 percent. These 1.44 million organizations contain 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 \$5,000 in annual revenue are not required to register with the IRS, though many do.³ These unregistered organizations expand the scope of the nonprofit sector beyond the 1.44 million organizations this brief focuses on.

Finances. Approximately 35 percent of nonprofits registered with the IRS in 2012 were required to file a Form 990, Form 990-EZ, or Form 990-PF with the IRS.⁴ These reporting nonprofits stated \$2.16 trillion in revenues and \$4.84 trillion in assets (table 1).⁵ Between 2002 and 2012, finances for reporting nonprofits showed healthy development. Both revenues and assets grew faster than GDP: after adjusting for inflation, revenues grew 36.2 percent and assets grew 21.5 percent, compared with 19.1 percent growth for GDP. Expenses grew at 31.1 percent (after adjusting for inflation) during the same period. Revenues grew 2.9 percent from \$2.10 trillion in 2011 to \$2.16 trillion in 2012; assets increased 4.5 percent from \$4.63 trillion to \$4.84 trillion. Expenses also grew from \$1.99 trillion in 2011 to \$2.03 trillion in 2012, an increase of 2.0 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), 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 2012, nearly 1 million organizations were classified as public charities, composing two-thirds of all registered nonprofits. Between 2002 and 2012, the number of public charities grew 29.6 percent, faster than the growth of all registered nonprofits (8.6 percent). Public charities also grew faster than other nonprofit subgroups during the decade, including foundations, which grew 23.7 percent, and 501(c)(4) organizations, which declined 29.2 percent. Consequently, public charities made up a larger share of the nonprofit sector in 2012 (67.0 percent) than in 2002 (56.2 percent).

The number of reporting charities required to file a Form 990 or Form 990-EZ was stable between 2011 and 2012, with only a slight decrease (less than 0.5 percent). For comparison, the number decreased 2.0 percent between 2010 and 2011.

TABLE 1

Size and Financial Scope of the Nonprofit Sector, 2002–12

	2002	2007	Percent change, 2002–07	Percent change, 2002–07 (inflation adjusted)	2012	Percent change, 2002–12	Percent change, 2002–12 (inflation adjusted)
All registered nonprofits	1.32 million	1.47 million	10.8	NA	1.44 million	8.6	NA
<i>Reporting nonprofits</i>	501,668	583,091	16.2	NA	499,845 ^a	-0.4	NA
Revenues (\$)	1.24 trillion	1.93 trillion	55.2	34.7	2.16 trillion	73.8	36.2
Expenses (\$)	1.22 trillion	1.70 trillion	39.9	21.4	2.03 trillion	67.3	31.1
Assets (\$)	3.12 trillion	4.28 trillion	37.1	19.0	4.84 trillion	55.1	21.5
Public charities, 501(c)(3)	743,226	916,109	23.3	NA	963,234	29.6	NA
<i>Reporting public charities</i>	276,121	342,986	24.2	NA	286,420 ^a	3.7	NA
Revenues (\$)	909 billion	1.40 trillion	53.9	33.5	1.65 trillion	81.7	42.4
Expenses (\$)	881 billion	1.25 trillion	42.1	23.3	1.56 trillion	77.5	39.1
Assets (\$)	1.64 trillion	2.55 trillion	55.8	35.2	2.99 trillion	82.6	43.1

Sources: The Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities, 2002, 2007, and 2012); the Internal Revenue Service Business Master Files, Exempt Organizations (2003–13).

Notes: NA = 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 2002 and 2007 and more than \$50,000 in gross receipts in 2012). Organizations that had their tax-exempt status revoked for failing to file a financial return for three consecutive years have been removed from the 2012 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.

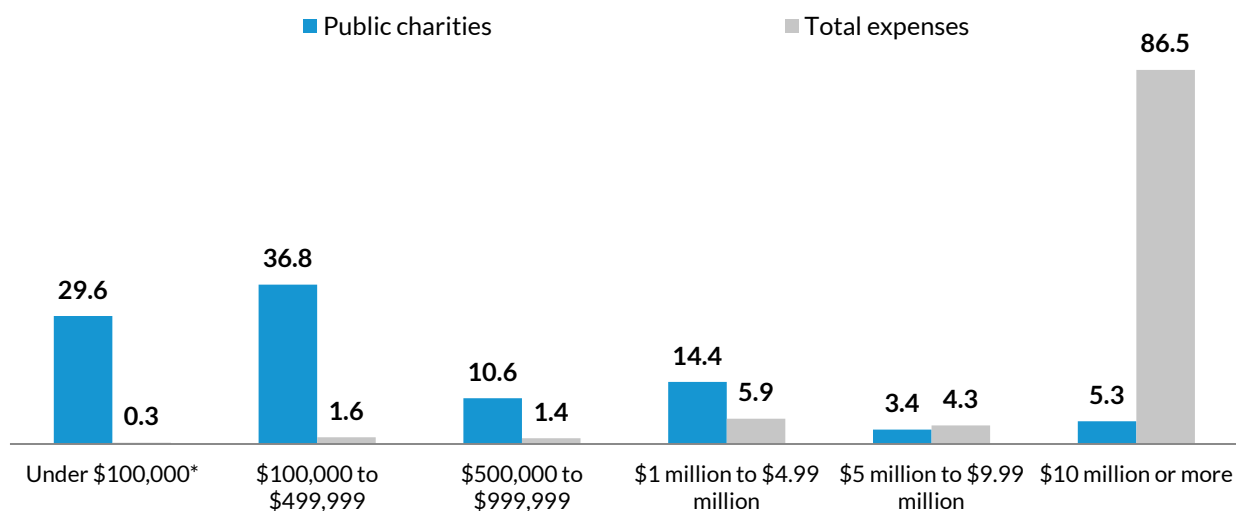
^a See note 5 of the brief.

Finances. More than half (57.3 percent) of nonprofit organizations reporting to the IRS in 2012 were public charities. Accounting for more than three-quarters of revenues and expenses for the nonprofit sector, public charities reported \$1.65 trillion in revenues and \$1.56 trillion in expenses. Assets held by public charities accounted for more than three-fifths of the sector’s total (\$2.99 trillion).

Size. Even after excluding organizations with gross receipts below the \$50,000 filing threshold, small organizations composed the majority of public charities in 2012. As shown in figure 1, almost two-thirds of reporting public charities (66.4 percent) had less than \$500,000 in gross receipts (190,249 organizations); they composed less than 2 percent of public charity expenditures (\$29.5 billion). Though organizations with expenses at \$10 million or more included just 5.3 percent of public charities (15,047 organizations), they accounted for 86.5 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, 2012



Source: The Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities, 2012)

* Organizations filing 990-N e-Postcards are not counted as reporting public charities. Consequently, the proportion of organizations in the lowest expense category will be lower than previous editions of The Nonprofit Sector in Brief. 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,

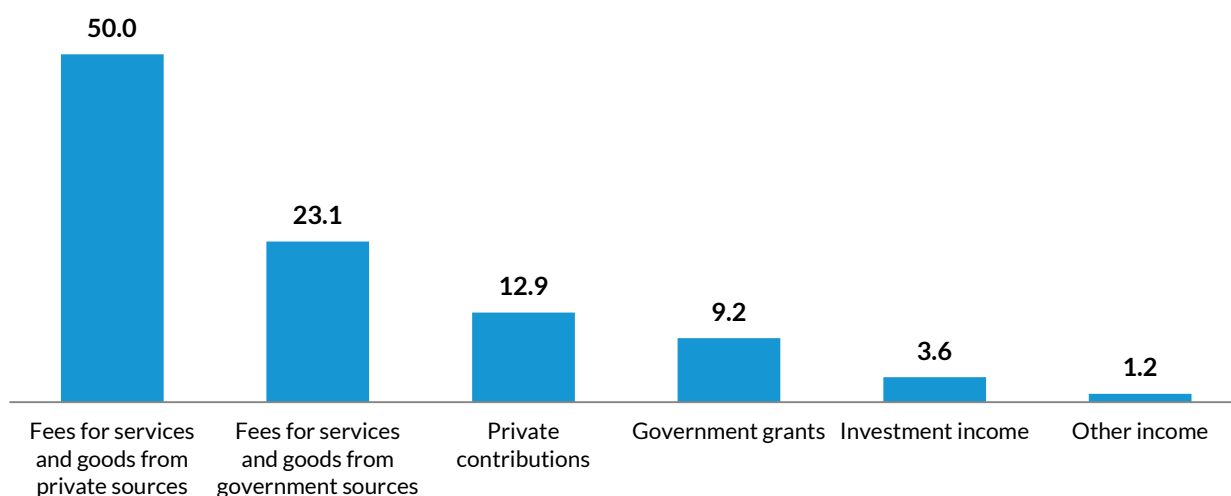
<http://nccsweb.urban.org/knowledgebase/detail.php?linkID=4029&category=40023>.

Revenue sources. Fifty 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. Fees from government sources, such as government contracts and Medicare and Medicaid payments, accounted for almost one-quarter of public charities’ revenues (23.1 percent) in 2012. Private

charitable giving represented 12.9 percent of total revenues, and government grants represented another 9.2 percent. Combining government contracts and grants into a single category, the government provided nearly one-third (32.3 percent) of 2012 nonprofit revenues.

FIGURE 2

Revenue Sources for Reporting Public Charities, 2012 (Percent)



Sources: NCCS calculations of IRS Statistics of Income Division Exempt Organizations Sample (2008); The Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities, 2012); American Hospital Association 2010 survey; and National Health Accounts (Centers for Medicare and Medicaid Services).

Type. Table 2 displays the 2012 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 thus more than twice as numerous as education organizations, 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 13.0 percent of reporting public charities, accounted for nearly three-fifths of public charity revenues and expenses in 2012. Education organizations accounted for about 17.2 percent of revenues and 17.0 percent of expenses; human services organizations, despite being more numerous, accounted for comparatively less revenue (12.5 percent of the total) and expenses (12.8 percent of the total). Hospitals, despite totaling only 2.4 percent of total public charities (slightly under 7,000 organizations), dominated the finances of public charities: they accounted for just over half of all public charity revenues and expenses (50.2 and 50.6 percent, respectively).

TABLE 2

Number and Finances of Reporting Public Charities by Subsector, 2012

			Dollar Total (Billions)			Percentage of Total		
	Number	Percentage of total	Revenues	Expenses	Assets	Revenues	Expenses	Assets
All public charities	286,420	100.0	1,652.0	1,563.8	2,991.7	100.0	100.0	100.0
Arts, culture, and humanities	28,482	9.9	31.3	28.9	103.6	1.9	1.8	3.5
Education	49,070	17.1	284.9	265.6	907.2	17.2	17.0	30.3
<i>Higher education</i>	2,011	0.7	186.5	176.7	592.9	11.3	11.3	19.8
<i>Other education</i>	47,059	16.4	98.4	88.9	314.3	6.0	5.7	10.5
Environment and animals	12,767	4.5	15.5	13.8	38.3	0.9	0.9	1.3
Health	37,374	13.0	978.8	935.1	1,280.8	59.3	59.8	42.8
<i>Hospitals and primary care facilities</i>	6,980	2.4	830.0	791.7	1,042.6	50.2	50.6	34.8
<i>Other health care</i>	30,394	10.6	148.8	143.3	238.2	9.0	9.2	8.0
Human services	101,803	35.5	206.6	199.6	313.8	12.5	12.8	10.5
International and foreign affairs	6,100	2.1	29.3	28.8	30.1	1.8	1.8	1.0
Public and social benefit	33,282	11.6	92.3	79.4	284.7	5.6	5.1	9.5
Religion-related	17,542	6.1	13.4	12.6	33.2	0.8	0.8	1.1

Source: The Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities, 2012).

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

Growth. 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 by period. Subsectors experienced varying degrees of financial expansion: although all subsectors reported increases in revenue in 2012 compared with 2002 (even after adjusting for inflation), a few subsectors decreased in number of nonprofits (table 3). The smallest subsectors (international and foreign affairs and environment and animals) saw the largest growth rates in the number of organizations, increasing 22.5 and 21.2 percent, respectively, from 2002 to 2012. International and foreign affairs also saw the greatest increase in revenues (52.5 percent) and expenses (58.2 percent) after adjusting for inflation (table 4). Education organizations had the second-largest revenue increase, growing from \$192.7 billion in 2002 to \$284.9 billion in 2012 (a change of 47.8 percent); in particular, revenues for educational organizations (excluding higher education) increased 49.7 percent (going from \$65.7 billion in 2002 to \$98.4 billion in 2012, after adjusting for inflation). Although health organizations grew at a slightly lower rate of 46.1 percent in the same period, revenues for the health subsector in inflation-adjusted dollars increased from \$670.0 billion to \$978.8 billion, by far the largest dollar growth in the same period. At over \$300 billion, the growth attributed to the health care subsector accounts for just under two-thirds of the growth of the nonprofit sector as a whole (\$491.5 billion) between 2002 and 2012.

The financial growth achieved by public charities largely occurred before the recession (see table 4). From 2002 to 2007, revenues and assets for all public charities increased by over 30 percent after adjusting for inflation (33.5 percent for revenues, 35.2 percent for assets), but both revenues and assets grew much more slowly during and after the recession from 2007 to 2012 (6.6 percent for revenues, 5.8 percent for assets). Some subsectors even experienced declining revenue between 2007 and 2012. Arts, culture, and humanities organizations have not recovered to pre-recession revenue levels. Revenues fell for arts, culture, and humanities organizations from \$36.0 billion in 2007 to \$31.3 billion in 2012; this was the only subsector to experience a decline in expenses during the same period. International and foreign affairs organizations declined in assets between 2007 and 2012, dropping from \$34.0 billion in 2007 to \$30.1 billion in 2012. However, most subsectors experienced growth (see table 3).

The number of reporting public charities in 2012 was approximately 14.5 percent lower than the number in 2011. This decrease is likely because of an increase in the number of organizations filing Form 990-N e-Postcards, not because of a reduction in the actual number of active nonprofit organizations.⁶ Despite this decline in number of reporting nonprofits, the total revenues, expenses, and assets for reporting public charities increased between 2011 and 2012. Revenues rose 1.6 percent, expenses rose 2.3 percent, and assets rose 3.5 percent after adjusting for inflation.

TABLE 3

Number, Revenues, and Assets of Reporting Public Charities by Subsector, 2002–12 (Inflation Adjusted)

	Number			Revenues (\$ Billions)			Assets (\$ Billions)		
	2002	2007	2012	2002	2007	2012	2002	2007	2012
All public charities	276,121	342,986	286,420	1,160.5	1,549.7	1,652.0	2,090.5	2,826.4	2,991.7
Arts, culture, and humanities	30,379	37,867	28,482	28.5	36.0	31.3	82.3	110.3	103.6
Education	48,129	62,018	49,070	192.7	288.9	284.9	635.6	904.1	907.2
<i>Higher education</i>	1,828	2,011	2,011	127.0	184.4	186.5	444.1	602.9	592.9
<i>Other education</i>	46,301	60,007	47,059	65.7	104.4	98.4	191.5	301.2	314.3
Environment and animals	10,532	14,541	12,767	10.5	14.9	15.5	26.3	35.9	38.3
Health	38,184	42,899	37,374	670.0	873.4	978.8	847.5	1,110.9	1,280.8
<i>Hospitals and primary care facilities</i>	6,975	7,363	6,980	567.1	734.7	830.0	668.3	877.9	1,042.6
<i>Other health care</i>	31,209	35,536	30,394	102.9	138.7	148.8	179.2	233.0	238.2
Human services	94,001	115,394	101,803	165.7	193.9	206.6	237.3	296.4	313.8
International and foreign affairs	4,980	6,412	6,100	19.2	31.4	29.3	21.5	34.0	30.1
Public and social benefit	33,933	42,315	33,282	64.0	97.5	92.3	218.3	304.4	284.7
Religion-related	15,983	21,540	17,542	9.8	13.8	13.4	21.7	30.3	33.2

Source: The Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities, 2002, 2007, and 2012).

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, 2002–12 (Inflation Adjusted)

Subsector	Change in Revenues (%)			Change in Expenses (%)			Change in Assets (%)		
	2002–12	2002–07	2007–12	2002–12	2002–07	2007–12	2002–12	2002–07	2007–12
Arts, culture, and humanities	9.5	26.1	-13.1	10.6	13.2	-2.2	26.0	34.1	-6.0
Education	47.8	49.9	-1.4	45.9	24.7	17.0	42.7	42.2	0.3
<i>Higher education</i>	46.8	45.2	1.1	44.9	20.1	20.6	33.5	35.7	-1.7
<i>Other education</i>	49.7	59.0	-5.8	47.8	33.8	10.5	64.1	57.3	4.3
Environment and animals	47.5	42.2	3.7	45.7	26.3	15.4	45.3	36.2	6.7
Health	46.1	30.4	12.1	42.0	24.4	14.2	51.1	31.1	15.3
<i>Hospitals and primary care facilities</i>	46.4	29.5	13.0	42.5	24.8	14.1	56.0	31.4	18.8
<i>Other health care</i>	44.6	34.8	7.3	39.4	21.7	14.5	33.0	30.1	2.2
Human services	24.7	17.0	6.5	24.0	13.7	9.1	32.3	24.9	5.9
International and foreign affairs	52.5	63.0	-6.4	58.2	57.6	0.4	39.9	58.1	-11.5
Public and societal benefit	44.1	52.2	-5.3	33.0	26.1	5.4	30.4	39.4	-6.5
Religion-related	37.4	40.9	-2.4	33.0	25.4	6.1	53.1	39.8	9.5
All public charities	42.4	33.5	6.6	39.1	23.3	12.8	43.1	35.2	5.8

Source: The Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities, 2002, 2007, and 2012).

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

Giving

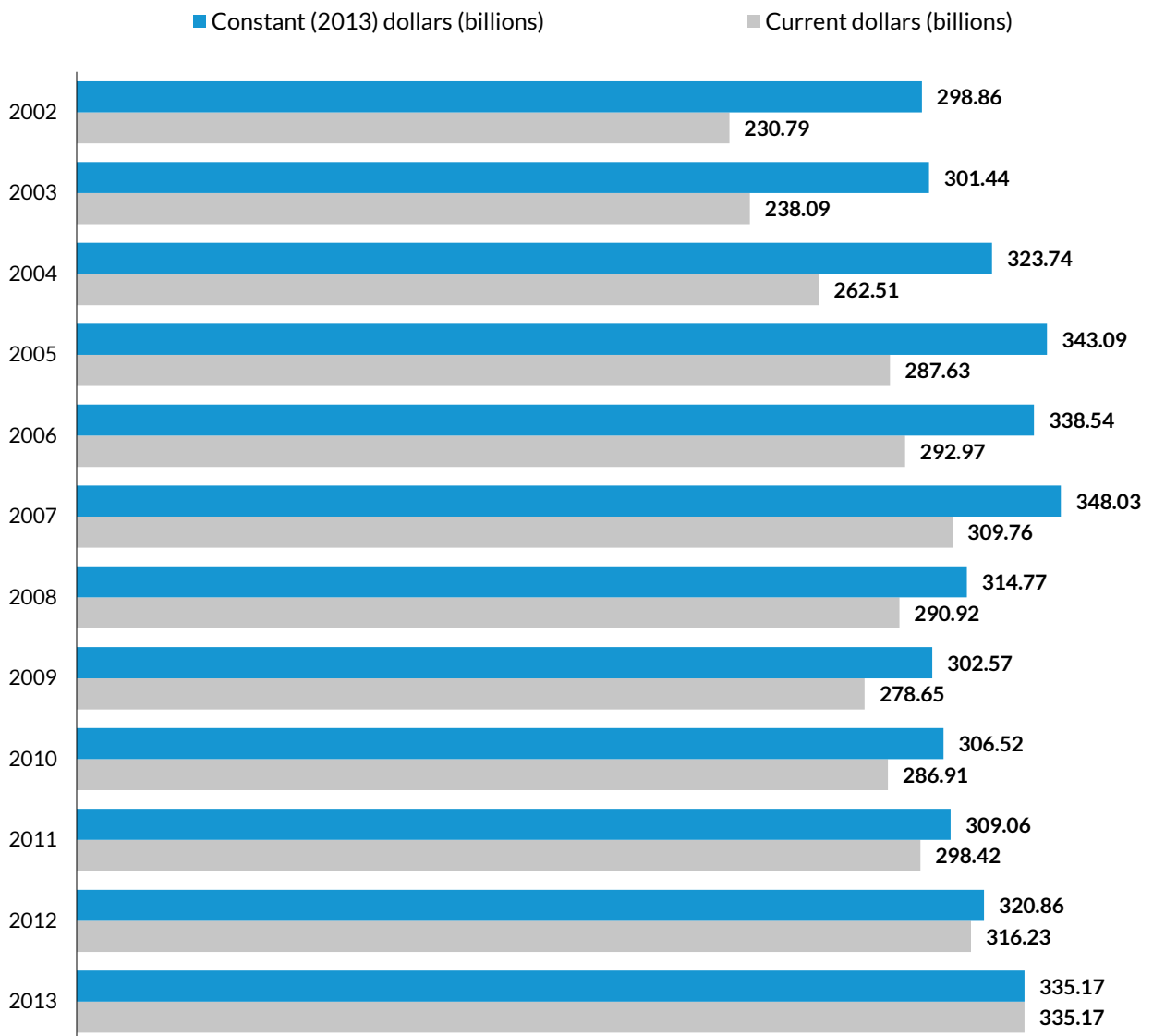
Giving amounts. Private charitable contributions reached an estimated \$335.17 billion in 2013, according to Giving USA (figure 3) (Giving USA Foundation 2014). The recession was a challenging time for nonprofit organizations, but total charitable giving has been increasing for four consecutive years, beginning with 2010. Private giving increased 10.8 percent from \$302.57 billion in 2009 to \$335.17 billion in 2013, after adjusting for inflation. Though total charitable contributions increased between 2012 and 2013, giving by corporations dropped an estimated 1.9 percent during that same period.

Recipients. Congregations and religious organizations received nearly one-third of all charitable contributions in 2013 (table 5). However, this proportion has been declining somewhat over the past

several years: that 2013 proportion is after a drop of 3.2 percentage points since 2008. Education organizations received the next-highest share of private charitable contributions (15.5 percent—a 2.4 percentage point increase over 13.1 percent in 2012), followed by human services organizations (12.4 percent). Human services organizations received a slightly lower proportion of charitable giving in 2013 compared with the proportion in 2012 (when they received 12.8 percent). Aside from this decline, however, the proportion of charitable contributions going to human services organizations has risen every year since 2008. Gifts to individuals made up the smallest proportion of private contributions: 1.1 percent.

FIGURE 3

Private Charitable Contributions, 2002–13



Source: Giving USA Foundation (2014).

TABLE 5

Charitable Contributions by Type of Recipient Organizations, 2013

Type of charity	Percentage of all charitable contributions, 2008	Percentage of all charitable contributions, 2013	Percentage-point change, 2008–13
Religion	34.7	31.5	-3.2
Education	13.3	15.5	2.2
Human services	8.4	12.4	4.0
Gifts to foundations	10.6	10.7	0.1
Health	7.0	9.5	2.5
Public and societal benefit	7.8	7.1	-0.7
Arts, culture, and humanities	4.2	5.0	0.8
International affairs	4.3	4.5	0.2
Environment or animals	2.1	2.9	0.8
Gifts to individuals/unallocated/other	7.5	1.1	-6.4

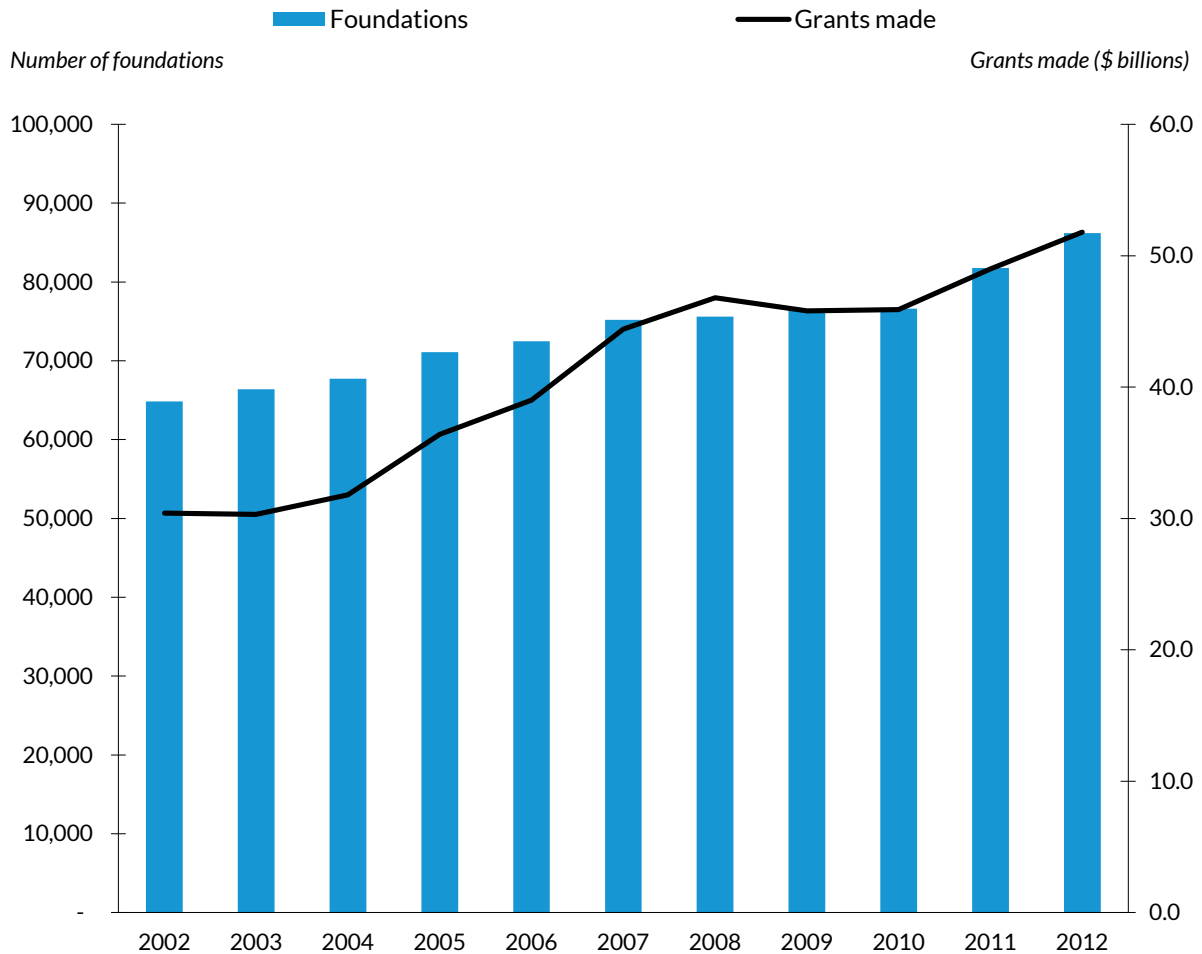
Source: Giving USA Foundation (2009; 2014).

Foundations. The Foundation Center estimates there were more than 86,192 grantmaking foundations in the United States in 2012 (The Foundation Center 2014). Their grants, a component of private charitable contributions, totaled \$51.8 billion in 2012, up 3.6 percent from 2011 after adjusting for inflation (figure 4). Between 2002 and 2012, foundation grantmaking increased by 33.5 percent after adjusting for inflation. Foundation assets also grew over the same period, increasing 28.7 percent from \$555.4 billion in 2002 to \$715 billion in 2012 after adjusting for inflation. In addition to giving money, giving time through volunteering is an important component of the nonprofit sector. Using data from the Current Population Survey (CPS) and the American Time Use Survey (ATUS), 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). This edition of *The Nonprofit Sector in Brief* uses new data from the CPS for information on the number of hours volunteered. Whereas previous editions of *The Nonprofit Sector in Brief* relied on ATUS data for these estimates, the National Center for Charitable Statistics (NCCS) team believes the CPS data offer a much more accurate calculation of hours volunteered. Nonetheless, readers should be aware that this new method leads to lower estimates than those reported in previous editions.⁷

Number of volunteers. An estimated 62.6 million adults, 25.4 percent of the US population, volunteered at least once in 2013. This volunteer rate is the lowest it has been since 2002, when the CPS volunteer supplement was first implemented; in contrast, the highest rate was 28.8 percent, which was reported in three consecutive years: 2003, 2004, and 2005. Fully 6.1 percent of the population, or 15.1 million people, volunteered on an average day in 2013.

FIGURE 4

Number of Foundations and Amount of Grants Made by Year, 2002–12



Source: The Foundation Center (2014); Lawrence (2012).

Hours volunteered. In addition to a decline in the estimated number of volunteers, volunteers are also estimated to be volunteering fewer hours. Volunteers averaged an estimated 129 hours a year in 2013 compared with 132 hours in 2012, a 2.3 percent decrease. One hundred and twenty-nine hours a year is the lowest average since 2010 (also estimated at 129 hours a year).

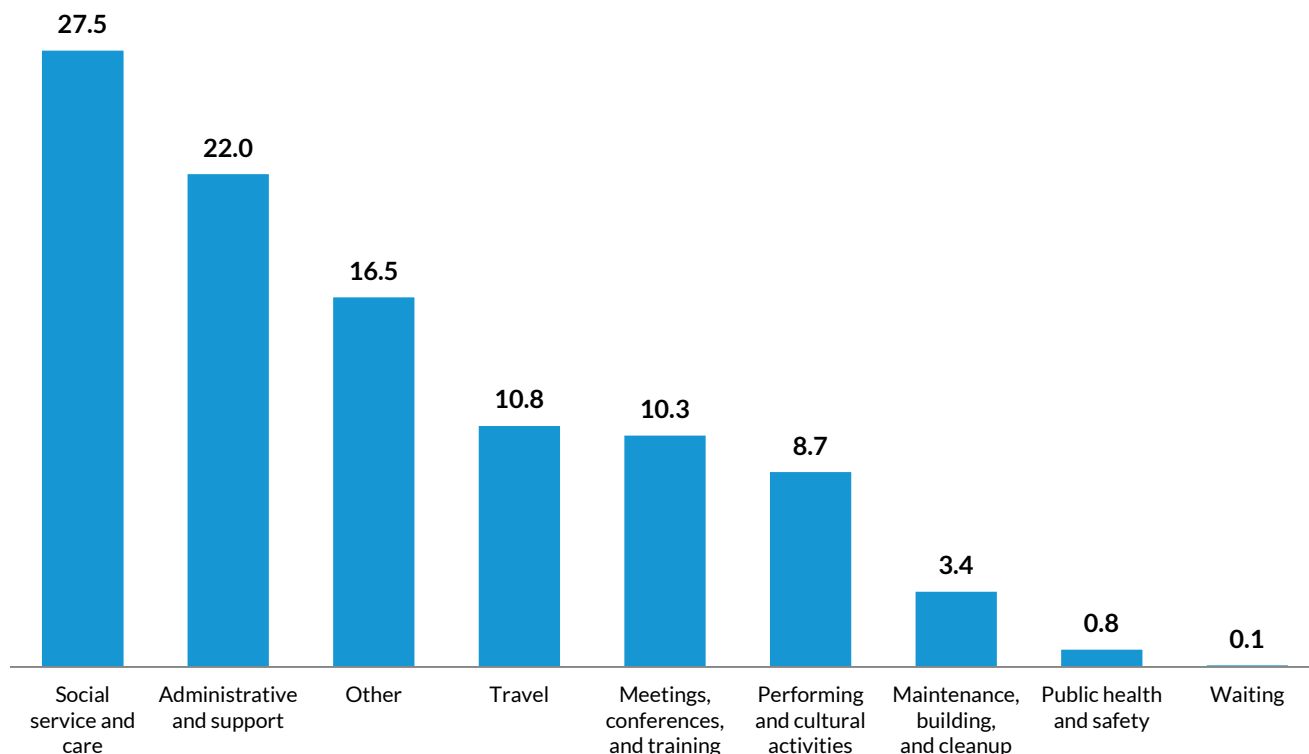
Volunteer activities.⁸ Figure 5 provides more information on how volunteers spent their time in 2013. The largest use of volunteer time in 2013 was working on social service and care activities (27.5 percent). This is both a substantial increase from 20.7 percent in 2012 and the highest proportion reported on these activities in any edition of *The Nonprofit Sector in Brief*. 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. In 2012, administrative and support activities occupied the largest proportion of volunteer time, but in 2013 these activities

represented the second-largest proportion at 22.0 percent of total volunteer time (down from 26.2 percent in 2012). The last time social service and care activities surpassed administrative support activities as a proportion of volunteer time was in 2009. In 2013 volunteers also spent proportionally less time in meetings, conferences, training activities, and travel as compared with 2012.

Value of volunteering. The time volunteers spent in 2013 was worth an estimated \$163.0 billion (table 6). The value of volunteer time combined with private giving accounted for just under half a trillion dollars (\$498.17 billion), and volunteer time represents a third (32.7 percent) of the total.

FIGURE 5

Distribution of Average Volunteer Time by Activity, 2013



Source: Authors' calculations based on US Department of Labor, Bureau of Labor Statistics, American Time Use Survey 2013.

TABLE 6

Number, Hours, and Dollar Value of Volunteers, 2007–13

	2007	2008	2009	2010	2011	2012	2013
Per year							
Percentage of population volunteering	26.2	26.4	26.8	26.3	26.8	26.5	25.4
Number of volunteers	60.8 million	61.8 million	63.4 million	62.8 million	64.3 million	64.5 million	62.6 million
Hours volunteered	8.1 billion ^a	8.0 billion ^a	8.1 billion ^a	8.1 billion ^a	8.5 billion ^a	8.5 billion ^a	8.1 billion ^b
Average hours per volunteer	133 ^a	130 ^a	128 ^a	129 ^a	132 ^a	132 ^a	129 ^b
Median hours per volunteer	52	52	52	52	51	50	50
Per average day							
Percentage of population volunteering	7.0	6.8	7.1	6.8	6.0	5.8	6.1
Number of volunteers	16.6 million	16.2 million	17.1 million	16.6 million	14.6 million	14.3 million	15.1 million
Hours per day per volunteer	2.56	2.43	2.39	2.46	2.84	2.48	2.57
Value of volunteers							
Population age 16 and over	232.5 million	234.4 million	236.3 million	238.3 million	240.0 million	243.8 million	246.2 million
Full-time equivalent employees	4.8 million ^a	4.7 million ^a	4.8 million ^a	4.8 million ^a	5.0 million ^a	5.0 million ^a	4.8 million ^b
Assigned hourly wages for volunteers	\$17.43	\$18.08	\$18.63	\$19.07	\$19.47	\$19.75	\$20.16
Assigned value of volunteer time	\$141.0 billion ^a	\$144.7 billion ^a	\$150.7 billion ^a	\$154.1 billion ^a	\$164.8 billion ^a	\$168.3 billion ^a	\$163.0 billion ^b

Sources: Authors' calculations based on data from US Department of Labor, Bureau of Labor Statistics, Current Population Survey, Volunteer Supplement (2007–13); US Department of Labor, Bureau of Labor Statistics, American Time Use Survey (2007–13); and US Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (2013).

^a See note 7 of the brief.

^b Data estimated from previous values. At the time of publication, the nationwide estimate for total number of hours volunteered for 2013, based on the September 2013 Current Population Survey, was not available. These marked numbers are estimates based on the relationship between hours volunteered and number of volunteers in previous years.

Conclusion

In 2012, 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 2007 and 2012 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. After a low during the middle of the recession in 2009, private charitable giving edged upward, growing by 4.5 percent from 2012 to 2013 alone (in inflation-adjusted dollars), peaking at \$335.17 billion. This is the fourth consecutive year that charitable giving has risen, but, after adjusting for inflation, this is still lower than pre-recession levels, which peaked in 2007 at \$348.03 billion (in 2013 dollars). For more information on the continuing effects of the Great Recession on the nonprofit sector, see the National Center for Charitable Statistics's briefs.⁹

References

- Brown, Melissa S., Brice McKeever, Nathan Dietz, Jeremy Koulish, and Tom Pollak. 2013. *The Impact of the Great Recession on the Number of Charities*. Washington, DC: Urban Institute.
- Lawrence, Steven. 2012. *Foundation Growth and Giving Estimates, Current Outlook: Overview of Foundation Giving through 2011*. New York: Foundation Center.
<http://foundationcenter.org/gainknowledge/research/pdf/fgge12.pdf>.
- The Foundation Center. 2014. *Preview of Key Facts on U.S. Foundations*. New York: The Foundation Center.
<http://foundationcenter.org/gainknowledge/research/pdf/keyfacts2014.pdf>.
- Giving USA Foundation. 2009. *Giving USA, 53rd ed.* Bloomington, IN: Giving USA Foundation.
- . 2014. *Giving USA 2014: The Annual Report on Philanthropy for the Year 2013*. Indianapolis, IN: Giving USA Foundation.
- IRS (Internal Revenue Service). 2014. "Exempt Organizations Business Master File Extract (EO BMF): April 2014." Accessible at http://www.irs.gov/pub/irs-soi/eo_info.pdf.

Notes

1. This number is significantly lower than the number quoted in the 2012 and 2013 editions of *The Nonprofit Sector in Brief*. However, this is not because a decrease in size of the sector, but rather because of an error made by the IRS in its Business Master Files. Beginning in June 2011, for a span of approximately two years following a comprehensive review of the Business Master Files including the removal of persistent nonfilers, the IRS erroneously included approximately 120,000 split-interest trusts. Although the IRS has since corrected this mistake (IRS 2014, 1), the numbers reported in the 2012 and 2013 editions are inflated by this number. The numbers reported here have been corrected, and are thus smaller than the two preceding iterations of *The Nonprofit Sector in Brief*.
2. GDP estimates are from the Bureau of Economic Analysis and include nonprofit institutions serving households. They exclude nonprofit institutions serving government or business. See Bureau of Economic Analysis, "Gross Domestic Product: Percent Change from Preceding Period," National Economic Accounts, accessed October 8, 2014, <http://www.bea.gov/national/>; and Bureau of Economic Analysis, "Table 1.3.5:

Gross Value Added by Sector (A) (Q),” National Income and Product Accounts Tables, accessed October 8, 2014, <http://www.bea.gov/iTable/iTableHtml.cfm?reqid=9&step=1&isuri=1&903=24>.

3. The standard source for estimates of religious congregations is the American Church Lists, a company that provides marketing data using phone listings and other sources. The most recent American Church Lists estimates suggest there are about 345,000 houses of worship in the United States. Of these, approximately 220,000 are registered with the IRS, according to NCCS analysis of the June 2014 IRS Business Master File. See “Church Specialty List,” InfoUSA, accessed October 10, 2014, <http://www.infousa.com/church-list>.
4. 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?” IRS, accessed October 9, 2014, <http://www.irs.gov/charities/article/0,,id=184445,00.html>.
5. Table 1 shows that the number of reporting nonprofits declined less than 0.5 percent between 2002 and 2012 and that the number of reporting nonprofits declined between 2007 and 2012. In particular, the 2012 NCCS Core File shows a decrease from previous years. Because of IRS changes in data processing, we cannot conclusively verify the reason for this change. However, NCCS 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. 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. On the other hand, the number of nonprofits required to file a Form 990 or 990-EZ (i.e., those with gross receipts above the minimum filing threshold) did not decline substantively between 2011 and 2012; in fact, the decline between 2011 and 2012 was less than the decline between 2010 and 2011. Thus, the decline in number of reporting organizations reported in this edition of *The Nonprofit Sector in Brief* compared with previous years 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>.
6. “Reduction in Number of Organizations in 2012 Core File Compared to Previous Years,” National Center for Charitable Statistics.
7. This estimation procedure represents a significant departure from previous briefs in this series. Earlier briefs relied on the ATUS, a product of the US Department of Labor’s Bureau of Labor Statistics, for information on the number of hours volunteered. It is the judgment of the NCCS team that the CPS, also a product of the Bureau of Labor Statistics, better estimates total volunteer hours, in part because of a larger sample size. However, the CPS estimates are also significantly lower than the ATUS estimates (e.g., 8.5 billion volunteer hours for 2012 versus 12.7 billion). This estimate also affects calculation of average hours volunteered, the number of full-time employees represented by volunteers, and the value in dollars of volunteering. In all instances, these estimates will be much smaller than those reported in previous versions of this brief because of this change in methodology. Thus, readers should take special caution when comparing the volunteering section of this edition of *The Nonprofit Sector in Brief* to any previous editions. For more on this change, see “What Is the Best Data Source to Use for Volunteering?” National Center for Charitable Statistics, last modified April 7, 2010, <http://nccsweb.urban.org/knowledgebase/detail.php?linkID=983&category=40009&xrefID=6779>. For more on the ATUS, see “American Time Use Survey,” Bureau of Labor Statistics, accessed October 8, 2014, <http://www.bls.gov/tus/home.htm>. For more on the CPS, see “Labor Force Statistics from the Current Population Survey,” Bureau of Labor Statistics, accessed October 8, 2014, <http://www.bls.gov/cps/home.htm>.
8. All data for figure 5 are taken from the ATUS, consistent with previous editions of *The Nonprofit Sector in Brief*. Thus, these findings can be directly compared to previous editions, unlike the total number of volunteer hours.
9. “The Great Recession’s Impact on the Nonprofit Sector,” Urban Institute, accessed October 9, 2014, <http://www.urban.org/nonprofits-great-recession>.

About the Authors

Brice McKeever is a research associate in the Center on Nonprofits and Philanthropy at the Urban Institute, where he primarily performs quantitative research for the center's National Center for Charitable Statistics. Among other projects, his work has included a series of briefs on how the Great Recession affected the nonprofit sector; a study on potential predictors of future nonprofit failure; and a longitudinal analysis of arts organizations in six major metropolitan areas as part of a study funded by the National Endowment for the Arts.

Sarah Pettijohn is an assistant professor at the University of North Carolina at Charlotte and a former research associate in the Center on Nonprofits and Philanthropy. She studied the role, capacity, and financial well-being of nonprofit organizations in the United States. Recent projects at Urban included three studies for the US Department of Health and Human Services: (1) improving performance measurement and program documentation for the Community Service Block Grants program, (2) understanding how managers use data in Head Start programs, and (3) evaluating the Head Start Designation Renewal System. Her main area of research interest was in government contracts and grants from the nonprofit perspective. She was part of the research team examining government contracting policies and practices affecting nonprofit organizations. In addition to her research work, Sarah provided support to the National Center on Charitable Statistics.