

North Dakota's NONPROFIT SECTOR

IN BRIEF



Nonprofits ARE ESSENTIAL

Nonprofits work in every community across North Dakota. They exist for the good of all North Dakotans. And they are essential partners with government and business in building a strong North Dakota with a high quality of life for all.



NORTH DAKOTA ASSOCIATION
NDANO
OF NONPROFIT ORGANIZATIONS

Our Sector

As you review this brief about North Dakota's nonprofit sector, we ask you to reflect on the valuable contributions the nonprofit community makes every day in the lives of the people of North Dakota and to consider our positive track record of partnering with government and business to address some of our state's most pressing problems.

Charitable nonprofits work to protect and educate children, train the workforce, nurse the sick, support our elders, care for returning soldiers, provide food and shelter, foster faith, elevate the arts, protect natural resources, and more.

We trust that you will agree that a strong charitable nonprofit sector is vital to the health of North Dakota. And we ask you to commit to work with us – whether your role is volunteer, lawmaker, business executive, donor, friend, or advocate – as we continue our work to meet the needs of all of North Dakota's citizens and ensure our state retains its strong quality of place.

NDANO Board of Directors & Staff

Acknowledgements

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NDANO extends a special thank you to its nonprofit members whose photographs are included in this publication: Missouri Valley Historical Society; Fargo-Moorhead Coalition for Homeless Persons; Ronald McDonald House Charities of the Red River Valley; Eastern Dakota Housing Alliance; The Arts Partnership; Global Friends Coalition; United Way of Grand Forks, East Grand Forks & Area; HERO; and Beyond Shelter Inc.

Nonprofits ARE DIVERSE

North Dakota's nonprofits, mostly small, community-based organizations, are focused on an astounding array of issues. The state's nonprofits range from emergency shelters to boys and girls clubs, from museums to community health centers, from daycares to organizations working with the elderly, and so many more.

North Dakota is home to 6,201 nonprofits. Of these, 3,515 are public charities, including community-based organizations, hospitals, and colleges. Another 147 are private foundations. The remaining 2,539 are other nonprofits, such as fraternal organizations and trade associations. Generally not accounted for in these numbers are religious congregations, which are not required to report to the IRS.¹

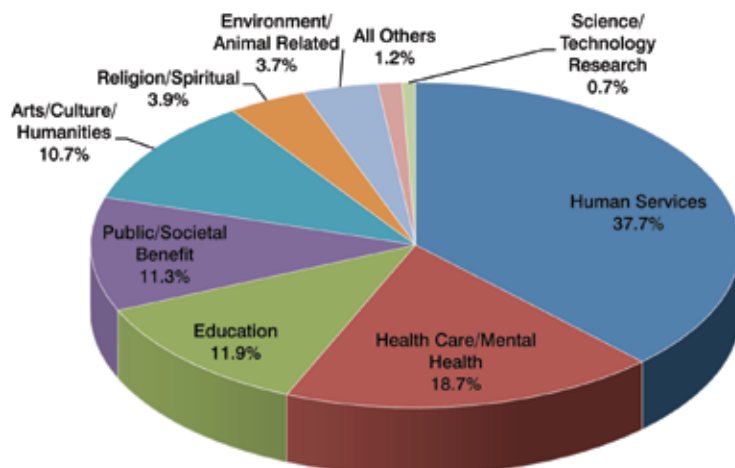
Charitable nonprofits – those that are granted tax exempt status as a 501(c)(3) by the IRS and may receive tax-deductible contributions – make up

the majority of North Dakota nonprofits. Reporting charitable nonprofits, those with annual revenue of more than \$50,000, are the focus of this brief.

1,174 Reporting Charitable Nonprofits in North Dakota

Human service organizations make up the largest proportion of North Dakota's nonprofits. These organizations, 38 percent of charities, provide a broad spectrum of services, including youth development, disaster relief, housing services, and family support. Health care/mental health is the second largest at 19 percent, with education rounding out the three largest subsectors at 12 percent.

Reporting Charitable Nonprofits by Mission



SOURCE: Core Public Charity Files, NCCS Data Web, National Center for Charitable Statistics, <http://nccsdataweb.urban.org/> ©2012

Nonprofits MAKE AN ECONOMIC IMPACT

Nonprofits are vital to our economy. Nonprofit arts, culture, heritage, and recreation organizations play a significant role in tourism, the state's third largest industry. Nonprofits also help sustain safe, livable communities where families and businesses want to locate. And, workforce training and other educational programs provided by nonprofits support a skilled workforce and a healthy consumer marketplace.

Nonprofit expenditures help grow North Dakota's economy. Annually, 1,174 North Dakota charities account for \$4.1 billion in expenditures.² Nonprofits are employers, contributing to the state's payroll and offering mission-focused employment opportunities. They are also purchasers of products and services provided by private sector businesses.

Nonprofits are significant employers.

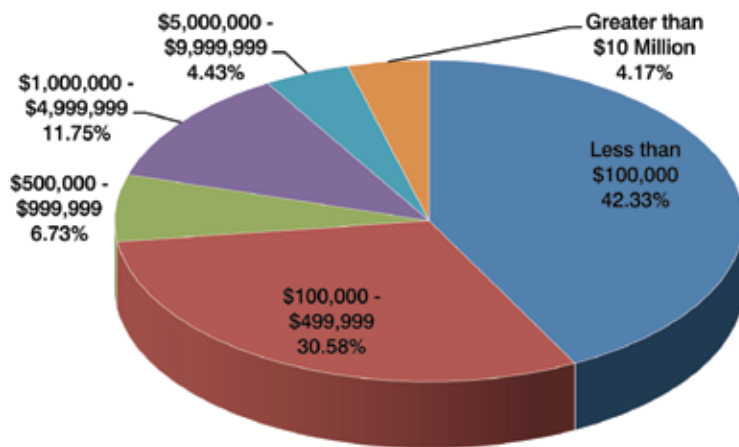
North Dakota charitable nonprofits provide more than 15 percent of the state's private sector jobs. This is more than double North Dakota's manufacturing sector.³ These nonprofit employees pay income taxes, property taxes, and local and state sales taxes.

45,500 North Dakotans
Employed by
Nonprofits

Most North Dakota nonprofits are small, community-based organizations.

In fact, 80 percent of North Dakota's reporting charities (935 nonprofits) have annual expenditures under \$1 million. Just 4 percent (49 nonprofits) have expenditures greater than \$10 million. It is estimated more than 2,300 additional North Dakota charities are so small they aren't required to report annual expenditures to the IRS.⁴

Reporting Charitable Nonprofits by Expenditures



SOURCE: NCCS Data Web, National Center for Charitable Statistics, <http://nccsdataweb.urban.org/> ©2012



As the premier association, leader, and voice of North Dakota's nonprofits, the North Dakota Association of Nonprofit Organizations (NDANO) strengthens communities and enhances quality of life through engaging and ensuring a strong charitable sector.

NDANO is the statewide membership association advancing nonprofit organizations through advocacy and public policy, education and training, resources and research, cost-saving programs, and networking and leadership.

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²Core Public Charity Files, NCCS Data Web, National Center for Charitable Statistics, <http://nccsdataweb.urban.org/> ©2012

³Nonprofit Economic Data Bulletin #39, Holding the Fort: Nonprofit Employment during a Decade of Turmoil, Center for Civil Society Studies, Johns Hopkins University, <http://ccss.jhu.edu>

⁴IRS Business Master Files (BMF), NCCS Data Web, National Center for Charitable Statistics, <http://nccsdataweb.urban.org/> ©2012

Nonprofits **LEVERAGE RESOURCES**

North Dakota nonprofits rely on a variety of funding sources to provide services and enrichment across the state. Because of their flexible structures and understanding of community issues, nonprofits are able to create innovative programs that ensure all are heard and have the opportunity to serve and be served, regardless of circumstance.

Nonprofits achieve results with diverse funding models. Public support through charitable contributions from individuals, businesses, and foundations help finance nonprofit efforts. Also important are government contracts and grants and program service fees. Regardless of budget size, nonprofits are accountable to the public and strive for financial and operational transparency in their work for the common good.

North Dakota's 89 foundations represent only 0.12 percent of all foundations in the United States. The total assets of these foundations are more than \$287 million and their giving totals almost \$20 million.

Foundation Overview*	Number	Assets	Total Giving**
Total in North Dakota	89	\$ 287,720,075	\$ 19,977,359
Total in United States	76,545	\$ 590,188,365,000	\$ 50,388,584,000
North Dakota as Percent of U.S.	0.12%	0.05%	0.04%

*Due to rounding, figures may not add up. The search set includes all active private and community grantmaking foundations located in the state. Only grantmaking operating foundations are included.

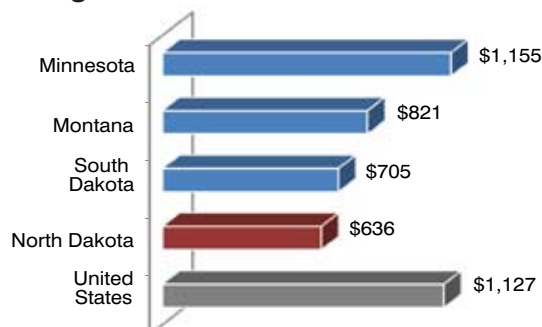
**Includes grants, scholarships, and employee matching gifts.

SOURCE: The Foundation Center, foundationcenter.org/findfunders/statistics/ © 2011

The average charitable contribution of North Dakotans who itemize deductions is \$636.

However, approximately 80 percent of North Dakota taxpayers do not itemize their taxes and therefore do not receive a tax deduction for their charitable contributions, so it is difficult to quantify their generosity.

Average Charitable Contribution of Itemizers



SOURCE: NCCS Data Web, National Center for Charitable Statistics, <http://nccsdataweb.urban.org/> ©2012

North Dakota nonprofits depend on the power of volunteers. Charitable nonprofits are governed by a volunteer board of directors. Program volunteers are also critical to many nonprofits, providing a broad range of services such as mentoring and coaching youth, distributing food and clothing, and fundraising.

The state ranks 16th in volunteerism among the 50 states and Washington, D.C., with 31 percent of North Dakotans volunteering. North Dakota's 158,280 volunteers donate 14.1 million hours of time annually.⁵

\$340.8M in Services Contributed by North Dakota Volunteers



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⁵Volunteering in America, Corporation for National and Community Service, <http://www.volunteeringinamerica.gov/ND>