



Partners in Prosperity

The Maine Nonprofit Sector Impact

January 2013

A report detailing the economic impact of the Maine nonprofit sector, written by the Maine Association of Nonprofits with generous support from the Maine Community Foundation, the Unity Foundation, and Healey & Associates.





About the Maine Association of Nonprofits

Since 1994, MANP has developed into the critical resource for the tools, knowledge, and connections nonprofits need to be effective and well-run.

With a growing statewide membership of almost 800 nonprofits and 130 for-profit organizations, MANP **advances** the public profile of Maine nonprofits by highlighting their vital contribution to the quality of life in our state; **connects** people, organizations and resources from all sectors to foster collaborative problem solving that increases the collective impact of Maine nonprofits; and **strengthens** Maine nonprofits by providing opportunities for volunteer and professional leaders to learn and share the knowledge and skills they need to thrive.

It is our honor to support and serve the organizations that promote the values and ideals that attract so many to our quality of life.

www.NonprofitMaine.org

About the Maine Community Foundation

Marking its 30th anniversary in 2013, the Maine Community Foundation works with donors and other partners to strengthen Maine's economy and communities and improve the quality of life for all Maine people. The community foundation brings special focus to three areas: **leadership**—mobilizing people and resources to effect positive change for Maine; **education**—increasing post-secondary degree and credential attainment rates; and **place**—helping communities and the environment flourish.

Known for its innovative grant programs, financial strength, and prudent investment strategies, the community foundation is a public charity incorporated in Maine and governed by a statewide volunteer Board of Directors. With assets totaling \$300 million, the foundation has awarded nearly \$175 million in grants and scholarships since its founding.

www.MaineCF.org

About the Unity Foundation

The Unity Foundation was established as a public grantmaking foundation in 2000 by the late Bert G. Clifford of Unity, Maine. Bert and Coral Clifford wanted to **build the capacity** of well-managed nonprofit organizations to fulfill their missions to arts/culture/recreation, community/economic development, education, the environment, and youth. The Unity Foundation remains committed to the dream of its founder, Bert G. Clifford, who passed away in August 2001. His vision of supporting high-performance, mission-driven nonprofits that demonstrate “best practices” in administration and management remains our guiding principle.

Jumpstart Our Youth, a program advancing youth philanthropy in Maine intended to **build** and **strengthen** communities, highlights Unity Foundation's commitment to collaborative partnerships. The program supports 4,000 middle and high-school students each year in making philanthropic choices to support their local communities throughout Maine. Unity Foundation's partners are Jobs For Maine's Graduates, the Maine Community Foundation and UniTel, Inc.

www.UnityFdn.org

Contents

Executive Summary + Key Findings	4-7
Return on Investment: Case Studies	8-11
Nonprofit Employment	12-13
Maine Nonprofits By the Numbers	14-15
Sources of Nonprofit Revenue	16-17
Philanthropy in Maine	18-19
Conclusion + Source Notes	20-21
Supporting Data	22-23

MANP extends deep appreciation to DeAnn Lewis of South Portland for her contributions in gathering and writing the case studies included in this report, and to our partners and sponsors:



Nonprofits Matter



The future prosperity of Maine will depend on advancing creative solutions to address community challenges, connecting people to opportunities, and strengthening our social fabric through broader civic engagement. Advancing, connecting and strengthening—this is the daily work of an often overlooked part of Maine’s economic engine: the nonprofit sector.

Nonprofits matter. Scratch the surface of why people love Maine and you’ll find a strong network of nonprofit organizations delivering on their mission. Maine’s nonprofits protect the environment, care for our most vulnerable citizens, support arts and culture, educate our children, develop community leaders, and sustain our spirit, all while also investing significant financial and human resources in communities throughout the state. Maine’s nonprofit community is one of the most robust and vibrant in the country, playing a significant role in the state’s reputation as a great place to live and raise a family.

For example, Maine nonprofits:

support the growth of our future citizens and community leaders by investing in early care and education, and connecting youth to service and work opportunities

promote economic development by counseling small businesses, providing education and job training, and investing in community economic development

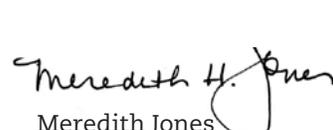
inspire and nurture us through the arts, while contributing to the Creative Economy

weave a strong safety net by providing physical and mental health services to those most in need

protect the environment by preserving open space, fighting for clean air and water, and promoting sustainable development

A healthy and engaged nonprofit sector is essential to both maintaining and improving the quality of life in our state, and Maine citizens have continued to place their trust in the responsiveness, performance and quality of services provided by nonprofits. The Maine Association of Nonprofits, the Maine Community Foundation, and the Unity Foundation are pleased to present this report as a way to foster a broader awareness and appreciation of the significant impact of this sector on Maine’s people and the economy.


Scott Schnapp
Executive Director
MANP


Meredith Jones
President
Maine Community
Foundation


Lawrence Sterrs
President, CEO
Unity Foundation

Maine nonprofit organizations benefit us all as resources for community-building, fostering civil society, and building economic prosperity.

Community Builders

Building and preserving local public structures such as libraries, clinics, open space, and emergency + health care facilities.

Partnering with government to provide social services for our most vulnerable residents.

Improving and shaping the quality of life in local communities.

Civil Society Cultivators

Engaging citizens in their communities through volunteerism and democratic process.

Developing future leaders by providing opportunities for people to come together to address community challenges.

Economic Stimulators

Employing a significant portion of the workforce, including underemployed citizens.

Serving as the foundation of Maine's creative economy, which attracts businesses to communities.

Conserving the natural resources that are the cornerstone of Maine's economy and quality of life.

Health Promoters

Caring for the mental and physical well-being of Mainers of all ages.

Preserving access to Maine's wild places and ensuring a healthy environment by promoting bio-diversity, consumer product safety, clean air and clean water.

The Economic Impact: Creating Jobs

During 2011, Maine nonprofits employed 1 in 7 Maine workers, making it the largest employer in the state. The nonprofit sector provides job opportunities to workers with a broad range of educational backgrounds, interests, and experience levels, from new workers and those seeking a career change to highly skilled, experienced and educated workers. p. 23

In 2010, Maine reporting public charities added \$9.3 billion to the Maine economy through wages paid, retail and wholesale sales, and professional services contracted. This accounts for 18.3% of the State's Gross Product, which is greater than the manufacturing and construction industries combined. p. 22

The Total Impact: Vibrant Communities

Economic impact is fairly easy to measure, and later sections of this report detail this impact, but the full impact of Maine's nonprofits cannot be measured simply by the numbers of people it employs, volunteers it mobilizes, or its contribution to the State's Gross Product. The full impact is measured by lives changed and communities enriched. On the following pages we provide case studies that exemplify our assertion that Maine's nonprofits are Partners in Prosperity.

What's in a Name?

The nonprofit sector is the collective name used to describe institutions and organizations in American society that are neither government nor business. Other names often used include the not-for-profit sector, the third sector, the independent sector, the philanthropic sector, the voluntary sector, or the social sector.

This report focuses on a unique category of nonprofits, those classified by the Internal Revenue Service (IRS) as 501(c)(3) organizations. These organizations are further classified by the IRS as either **public charities** (sometimes called charitable nonprofits) or **private foundations**. They are exempt from federal income

tax and are able to receive tax deductible contributions from individuals and businesses. These 501(c)(3) organizations must operate “exclusively for religious, charitable, scientific, or educational purposes” and serve the common good. By law, 501(c)(3)s may not distribute profits to individuals or businesses.⁵ In 2010, the most recent

data available, of the almost 10,000 nonprofit organizations in Maine registered with the IRS, **5,977 were classified as public charities** and **523 were classified as private foundations**. These numbers do not include the many churches or small associations and nonprofit corporations that don't register with the IRS.

Figure 1

Snapshot of the Maine 501(c) Nonprofit Sector, 11/2010

Types of Tax-Exempt Organizations	Maine Nonprofits Registered with IRS *	Maine Nonprofits Filing Annual IRS Form 990, 990-PF and 990-EZ Report
Under IRC Subsection 501(c)(3)	6,500	3,022
Private Foundations	523	403
Public Charities*	5,977	2,619
Under Other IRC 501(c) Subsections	3,173	956
501(c)(4) social welfare	550	186
501(c)(5) labor/agricultural	266	91
501(c)(6) business leagues	446	234
All other 501(c) organizations	1,911	445

SOURCE: IRS Business Master Files (BMF), NCCS Data Web, National Center for Charitable Statistics, <http://nccsdataweb.urban.org/> ©2012.11/2010 BMF data may not match other figures in this report

*Does not include all religious congregations that meet the requirements of IRC section 501(c)(3), which are automatically considered tax-exempt and not required to register with the IRS or file Forms 990. Religious congregations that do register and file are included.

Terms in this Report

From this point forward, the term **nonprofit** will be used to refer to those classified by the IRS as 501(c)(3) organizations.

The **6,500 registered nonprofits** are those organizations that applied for and received tax-exempt status under IRS code 501(c)(3) (generally those with over \$5,000 in gross receipts.)

Reporting nonprofits are the 3,022 nonprofits and foundations that file tax returns that include financial information (Form 990, Form 990-EZ and Form 990-PF.)

These are generally organizations with annual gross receipts greater than \$50,000, though some smaller nonprofits choose to file one of these forms as well.

In this report, many charts pertain specifically to **reporting public charities**, and not to private foundations or public charities that do not file financial information.

Key Findings

▶ Most Maine public charities (56%) are small – very small. Their annual income is less than \$50,000, yet the sector mobilizes approximately 350,000 volunteers every year who donate almost 40 million hours of service to their communities.¹

▶ One Maine nonprofit, by efficiently leveraging volunteers, interns and technology, helped almost 1,500 men and women in all regions of the state achieve greater economic security, including increased earnings, additional educational enrollments, and an unprecedented 97% survival rate for start-up enterprises. p. 10

▶ Nonprofits have a significant presence in every county and community in the state, from the most populous, Cumberland, to the least, Piscataquis.

▶ Last year, one nonprofit received 38 million pounds of donated used goods, diverting 71% of the goods from the landfill into resale, which funded 1,700 jobs and programs that helped close to 50,000 individuals in Maine, New Hampshire and Vermont lead independent lives. p. 9

▶ At an average cost of \$2,500 per youth, one nonprofit is using Functional Family Therapy (FFT), a well-studied and effective treatment model, and saving taxpayers as much as \$16,250 per at-risk adolescent through reduction in crime, substance abuse, and other negative behaviors. p. 8

\$9.3 billion
per year
contributed by
nonprofits to the
Maine economy

through wages paid,
retail + wholesale sales
+ professional services
contracted²

▶ Every dollar spent by one Maine nonprofit to provide quality early childhood care is estimated to create long-term economic benefits of \$16 in increased earnings, reduced crime, and lower costs for special education and welfare programs. p. 8

▶ During 2011, Maine nonprofit organizations tax-exempt under IRS section 501(c)(3) organizations provided 86,209 jobs, employing 1 in 7 Maine workers, making the nonprofit sector the largest employer in the state.³

▶ Nonprofit, for-profit and public partners invested over \$6 million in the development of a 37-unit affordable housing property in Portland which created jobs and revenue for local workers and building materials suppliers, while also generating an estimated \$2.2 million in spending at stores in the local economy. The project now provides energy-efficient affordable housing and increased tax revenues to both the city of Portland and the state of Maine. p. 11

▶ Maine nonprofit hospitals continue to be vital economic engines in many communities, accounting for fifty-three cents out of every dollar expended by reporting Maine nonprofits. p. 15

▶ Spending by nonprofit arts and culture organizations in one Maine city totaled \$26.5 million during 2010; audiences added an additional \$22.6 million in event-related spending, all of which employs artists, creates jobs in many related industries, and generates revenue for local and state government. p. 10

In 2011, Maine nonprofits paid
\$3.5 billion
in taxable wages⁴

▶ Last year, one Maine nonprofit raised nearly \$1 million for grants and provided over 13,569 volunteer hours, valued at almost \$230,000, to help Acadia National Park attract and serve more visitors who spend \$186 million annually, generating more than 3,100 jobs and creating more than \$79 million in wages. p. 11

▶ The 327 foundations registered in Maine granted over \$126 million in 2009. That is approximately \$41 million more than the 5% of assets required by federal law. p. 18

▶ At a cost of \$308 per student, one nonprofit helps to lift low literacy levels which annually cost the US \$230 billion in increased health care costs, \$225 billion in lost productivity and tax revenue due to unemployment and underemployment, and contribute to higher rates of incarceration. p. 9

Early Investments Yield Dramatic Long-Term Gains

The Impact

The long term benefit of quality early childhood care is dramatic. The rate of return for starting early is greater than initiating the investment at any other stage of life. Child and Family Opportunities (CFO) provides quality early childhood education and forms partnerships with families to help them problem-solve and access available resources. CFO's Ready by 21 program pulls together resources from

schools and many other organizations and funding sources to help children reach adulthood with the education, training, and personal skills needed to be healthy, successful adults.

The Story Behind the Impact

As a grantee for federal funding for quality early childhood education, as well as a recipient of local grants and some state and private funding, Child and Family Opportunities provides quality early

childhood education programs to over 350 children per year in Hancock and Washington Counties, through 11 child care centers in 10 towns. In the 2010-2011 program year the organization served 442 children, 76% coming from families living at or below the poverty level or who otherwise qualified for assistance through State or private subsidy. Every dollar spent on these programs provides an immediate

return in spending through salaries paid, purchase of goods and services, and by providing parents with the ability to work or attend school to increase earnings. The long-term return for every dollar spent is estimated to be as high as \$16 by the time a child reaches the age of 40. The returns come in the form of higher earnings, better health, lower crime rates, and less use of public programs such as welfare.

FMI: p. 21 + www.ChildAndFamilyOpp.org

Less Crime, Brighter Outlook for Youth + Families

The Impact

At risk youth who complete Functional Family Therapy (FFT) at Spurwink Services have a recidivism rate lower than those who receive no treatment or juvenile court probation services only (up to 74%.) Other positive impacts of FFT include less at-risk behavior by the youths' siblings, and improved conflict resolution skills for entire families. On average, this highly effective, short-term treatment is thousands of dollars less

expensive than equivalent juvenile detention intervention or residential treatment.

The Story Behind the Impact

Functional Family Therapy (FFT) is an evidence-based family treatment model that is family-focused and targets the behavior of youth between the ages of 10 and 19 who are displaying at-risk behaviors, most of whom are referred to the program by the Department of Corrections. One factor of the program's

success is its ability to engage and motivate youth and families to take part in therapeutic services. Spurwink's FFT program served 169 families in 2012; clients reported improvement in overall family functioning, including conflict resolution, supervision ability, parenting skills, and communication skills.

National FFT research shows that not only are recidivism rates lower for those who receive this treatment, but also shows

that the significantly fewer crimes committed were much less severe. FFT also reduces the future need for more restrictive higher cost services such as juvenile detention or residential treatment services; future incidences of problems; and the likelihood of younger children in the family needing social services. For all of these reasons, every dollar spent on FFT has the potential of saving society \$7.50 in costs for correctional and other services.

FMI: p. 21 + www.Spurwink.org

Used Goods Sustain Better Lives

The Impact

Goodwill Industries of Northern New England (GNNE) helps to sustain the earth by selling donated goods through its 26 retail stores and Buy the Pound Outlet and Recycling Center. The revenue from sales impacts people's ability to work by funding brain injury, community support, residential and workforce programs. Last year, GNNE's social enterprise model allowed them to employ 1,700 people in Maine, New Hampshire and Vermont and convert 71%

of the 38 million pounds of donations (including over two million pounds of computer equipment and 100% of donated textiles) into sources of revenue that enabled them to serve close to 50,000 individuals.

The Story Behind the Impact

Goodwill Industries of Northern New England has become a nationwide leader in sustainability among Goodwill organizations, finding new and creative ways to divert the 38 million pounds of goods donated each year to

useful ends. These goods are made available at low cost to over two million shoppers who visit their retail stores each year.

The proceeds from retail sales and recycling operations are used to support programs aimed at helping all people achieve their fullest potential and participate and contribute to all aspects of life. Last year, 342 low-income, at-risk youth received mentoring, education guidance and job search skills; 250 individuals receiving

Temporary Assistance for Needy Families (TANF) participated in financial planning and loan services to find, purchase and maintain a car for employment; and 170 women and young adults with prior involvement with the criminal justice system received mentoring to support education and career goals. In addition, over one thousand individuals were served through GNNE's brain injury, community support and residential programs.

FMI: p. 21 + www.GoodWillNNE.org

Higher Literacy Lifts Health of Businesses + Community

The Impact

Through Literacy Volunteers of Bangor (LV-Bangor), 277 volunteers donated more than 16,000 hours of service at a community value of \$265,000 to help improve literacy for 238 adults over the past year. By mobilizing a large pool of skilled volunteers, LV-Bangor is able to serve adults who want to improve their reading, writing, and/or English speaking abilities for just over \$300 per student. This small investment in Bangor area residents increases literacy, which helps communities

be healthier and Maine businesses be more productive, profitable and sustainable.

The Story Behind the Impact

When literacy within a community is improved, lots of other areas improve, too. For example, securing appropriate healthcare hinges on having the skills to read and fill out medical and health insurance forms, communicate with healthcare providers, and follow basic instruction and medical advice. Low literacy adds an extra \$230 billion to the country's annual health care costs,

while improved literacy helps people be healthier and reduce individual, insurer, employer and government health care costs.

Businesses do better when literacy improves, as well. Increased profitability, improved sustainability, and greater employability of Maine residents all result. Low literacy costs an estimated \$225 billion per year nationally in non-productivity and lost tax revenue due to unemployment, and among those with the lowest literacy rates,

unemployment is higher than average. Improved literacy also benefits immigrant communities. Every 1% increase in the English literacy rate of speakers of other languages yields a 1.5% permanent increase in the GDP.

LV-Bangor helped improve the literacy of 238 adults last year, 53% of whom are learning English as another language. Thanks to over 16,000 volunteer hours, valued at \$265,000, the services have an actual cost of \$308 per student, and are provided free of charge.

FMI: p. 21 + www.LVBangor.org

Building a Prosperous Creative Economy

The Impact

Local Portland nonprofit arts and culture organizations are a significant industry that generates \$49.2 million in total economic activity, supporting 1,535 full-time equivalent jobs, generating \$35.4 million in household income to local residents, and delivering \$5 million in local and state government revenue. In addition to the hard currency spent in the city, an estimated value of over \$3 million in volunteer time and in-kind donations was contributed to increase

the amount and quality of experiences that attract people to the city, 32% of whom live outside of the county in which the events took place.

The Story Behind the Impact

Nonprofit arts and culture organizations employ people locally, purchase goods and services from within the community, and market and promote their regions. Arts events within the community keep residents and their discretionary spending close to home, and attract

visitors who spend additional money on lodging, parking, restaurant dinners, and local retail stores. In 2010, \$26.5 million in spending by these organizations was added to by \$22.6 million in event-related spending by audiences, to generate a total of \$49.2 million in economic activity.

The volunteerism and in-kind contributions show the extent of local support for these organizations. According to Americans for the Arts, during 2010,

a total of 1,766 volunteers donated a total of 67,645 hours to the City of Portland's surveyed nonprofit arts and culture organizations, a donation of time with an estimated value of \$1,444,897. In-kind contributions of products and services, with an aggregate value of \$1,687,926, were received from a variety of sources including corporations, individuals, local and state arts agencies, and government.

FMI: p. 21 + www.PortlandArts.org

Fostering Prosperity for Small Businesses + Individuals

The Impact

As part of its mission of helping women succeed in the Maine economy and achieve economic security for themselves and their families, Maine Centers for Women, Work, and Community (WWC) provided training and individual assistance at no charge to 1,476 individuals and awarded \$7,680 in mini-grants in FY2012. A 2010 survey of WWC-assisted micro businesses showed a 60% business start-up rate and a 97% survival rate after one year among those with an existing business. WWC services target displaced homemakers, single

parents, older workers in transition, unemployed and dislocated workers and are provided at no cost to participants. Additionally, initial data from a study of 2009-10 program graduates shows a trend line of increased earnings and additional educational enrollments within 12 – 16 months after training.

The Story Behind the Impact

WWC provides training and individual assistance in the areas of career development and educational attainment, small business and entrepreneurship development, asset development and financial

education, and leadership development and civic engagement. Services are provided out of nine centers and eight outreach sites in six regions by a staff of twenty, augmented by work study students, interns and community volunteers. To reach more individuals throughout the state, saving time and energy in travel for rural residents, the WWC has also developed on-line training in career planning and money management.

WWC-awarded mini-grants of \$7,680, funded through private philanthropy, to 32 businesses. These grants were matched by an additional \$1,920 in

individual contributions to pay for marketing tools and collateral leading to additional revenues for web-developers, graphic designers, printers, sign makers and distributors, among other small enterprises. Four individuals were assisted in leveraging \$335,000 in loans to start or expand their ventures from private and non-profit lenders. 62 individuals saved an average of \$1,200 each for business expenses, home ownership or education in Family Development Accounts, which match individual savings 4 to 1 through funding from public and private investors.

FMI: p. 21 + www.WomenWorkAndCommunity.org

Green Lofts Produce Jobs, Affordable Homes + More Revenue for City

The Impact

Nonprofit developer Avesta Housing, along with public and private funding partners, including the nonprofit Genesis Community Loan Fund, used the economic development tool of bonding to help complete the Oak Street Lofts in Portland. The Green Affordable Housing Bond, proposed to the State Legislature by the Maine Affordable Housing Coalition, was passed in 2009 to accomplish three specific goals: 1) create jobs in the hard-hit construction sector, 2) increase the energy efficiency of Maine's

aging housing stock, and 3) build safe, quality homes that low and moderate income Mainers can afford. The resulting Oak Street Lofts project is an example of how all three of these goals have been met, while at the same time generating millions of dollars of revenue into the local economy.

The Story Behind the Impact

The development of Oak Street Lofts required 332 construction workers who were paid total salaries of \$1.4 million, at a time when Maine's construction sector was experiencing an unemployment rate

of 19.4% - nearly three times the state average. Total local spending on construction was \$4.1 million, including \$2.3 million in spending for local materials. Economic models estimate that this project also generated \$2.2 million in spending at stores in the local economy from the construction phase alone.

The City of Portland was paid \$53,000 in municipal fees through the development process, and will annually receive an additional \$30,000 in property tax revenue over those received from the surface parking lot that

used to occupy the parcel. The construction of the building also generated another \$250,000 in state income and sales taxes and other fees.

Oak Street Lofts, now managed by Avesta, has been certified LEED Platinum by the US Green Building Council, becoming the first affordable multifamily building in Maine to achieve this distinction. Annual projected fuel and electricity costs average \$400 less per unit, or \$15,000 for the building, than the cost of comparable apartments.

FMI: p. 21 + www.AvestaHousing.org

Inspiring Millions

The Impact

Friends of Acadia, which is an independent organization devoted to preserving, protecting and promoting stewardship of Acadia National Park and its surrounding communities, leverages private contributions, public funds, and significant volunteer labor to help Acadia National Park provide the outdoor experience that draws ever-increasing numbers

of visitors to the area. These visitors spend about \$186 million annually, generating more than 3,100 jobs and creating more than \$79 million in labor income.

The Story Behind the Impact

Friends of Acadia (FOA) helped Acadia National Park stretch its limited resources last year by providing nearly \$1 million in grants to Acadia and partner entities, including

Downeast Transportation, to fund jobs and park-enhancing projects in the local area. FOA also led 2,865 volunteers to contribute a total of 13,569 hours of work to help keep the Park in good condition. The Island Explorer bus system, which FOA has helped plan and support financially, has carried more than 4.3 million riders since its inception, providing much-needed

transportation to work for local youth and Mount Desert Island residents; as well as a car-free way for visitors to enjoy the Park. By helping to restore and maintain Acadia's 125 miles of hiking trails and 45 miles of carriage roads, funding youth initiatives, and supporting the Island Explorer bus system, FOA helps preserve the Park and continue to inspire millions of visitors each year.

FMI: p. 21 + www.FriendsOfAcadia.org

Nonprofit Employment

Recent nonprofit employment trends in Maine demonstrate that the nonprofit sector remains a major economic engine in the state and confirm an earlier finding of the Johns Hopkins Center for Civil Society Studies (JHCCSS) that nonprofit organizations are a counter-cyclical force in the economy, actually adding workers in times of economic downturn. The new Maine data draw on the state's Quarterly Census of Employment and Wages (QCEW) for 2008 and 2011.

1 IN 7

Maine workers is employed by a Maine nonprofit

That's over **86,000** Maine workers

Nonprofit employment grew 4.1 percent since 2008, while overall employment declined by 3.8 percent during the same time period, countering some of the painful job losses during the economic downturn.

As a result of this growth, Maine's nonprofit workforce grew to 86,209 jobs by the end of 2011. This represented 14.9 percent of all jobs in Maine (or about 1 out of every 7 jobs) and 17.9 percent of total private employment in the state (or about 1 out of every 6 private jobs.)

This workforce makes Maine's nonprofit sector the largest industry in the state in terms of employment. In fact, Maine's nonprofits employ nearly 15 times as many workers as the state's agriculture industry (which includes fishing), 15 percent more workers than the state's manufacturing & construction industries combined, and nearly 1/3 more workers than all of the state's local governments (see Figure 2).

Growth has not been uniform across mission areas. Nonprofits providing social services shed almost 800 jobs, while hospital, other health care providers, and educational institutions maintained their percentage of the overall employment. The one area of outstanding nonprofit employment growth, adding over 3,000 jobs, seems to be in the Professional & Business Services category which includes scientific research organizations.

Maine's nonprofit sector generated almost \$3.5 billion in wages in 2011, or almost 16 percent of the state's total payroll. These wages translated into an estimated \$200 million of personal income tax revenue for Maine's state and local governments and over \$398 million in federal tax revenues.

Nonprofit organizations are active in a range of fields in Maine. Hospitals account for the bulk of nonprofit jobs (37 percent), followed by social assistance (13.5 percent), nursing and residential care (12.5 percent), educational services (10.9 percent), and ambulatory health services (9.3 percent) (see Figure 3).

ment in Maine

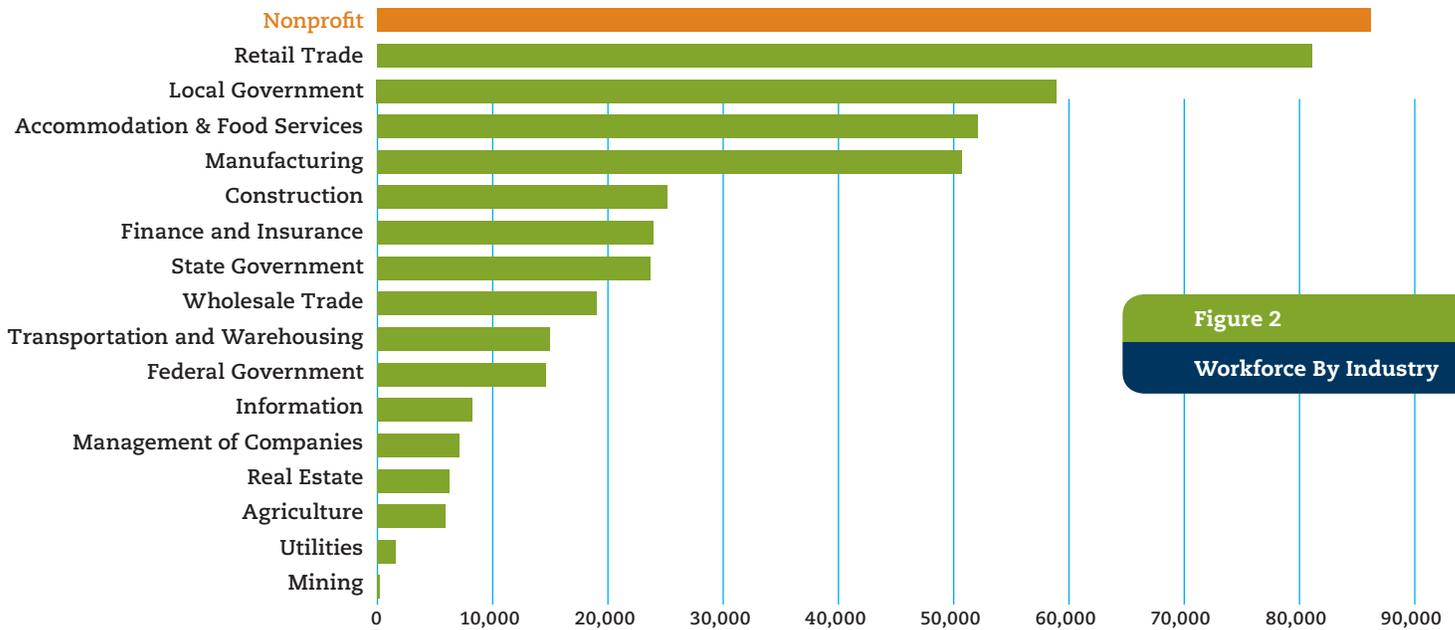
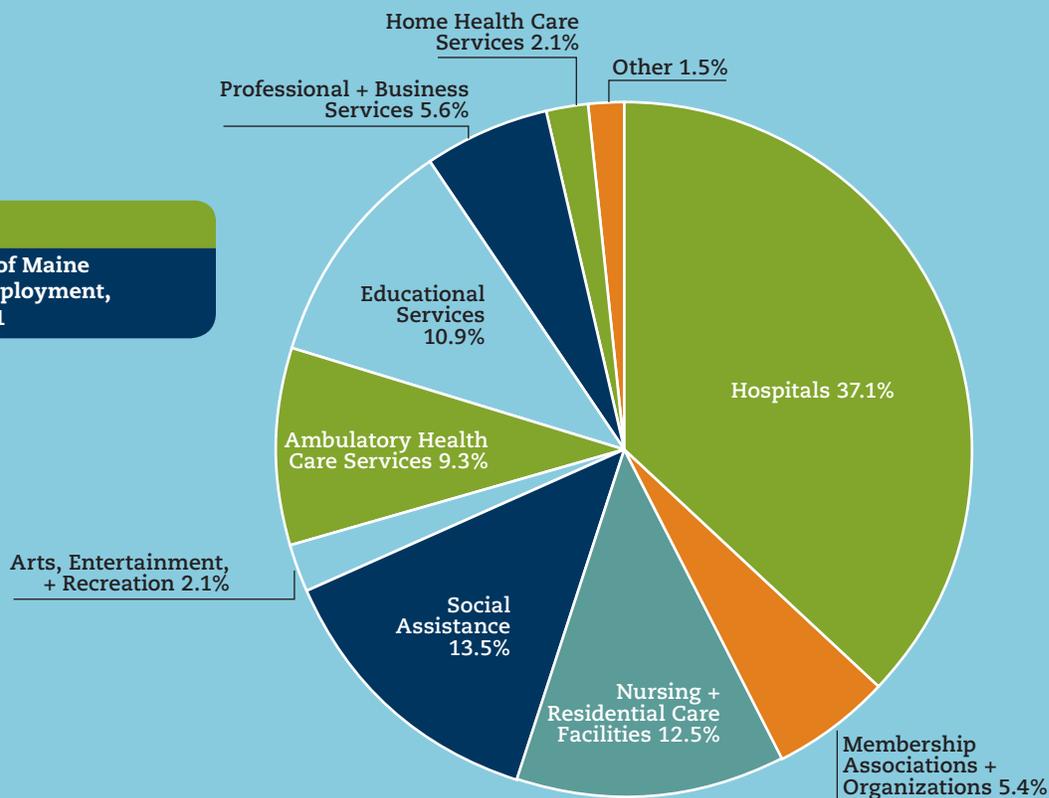


Figure 2

Workforce By Industry

Figure 3

Distribution of Maine Nonprofit Employment, by Field, 2011



Source: Data drawn from Maine Department of Labor, Quarterly Census of Employment & Wages (QCEW) for 2011 using the IRS Exempt Organizations Master File for c3 Nonprofits in Maine.

By the Numbers

Most Maine Public Charities are Small Businesses

97% of public charities are small with annual budgets under \$5 million

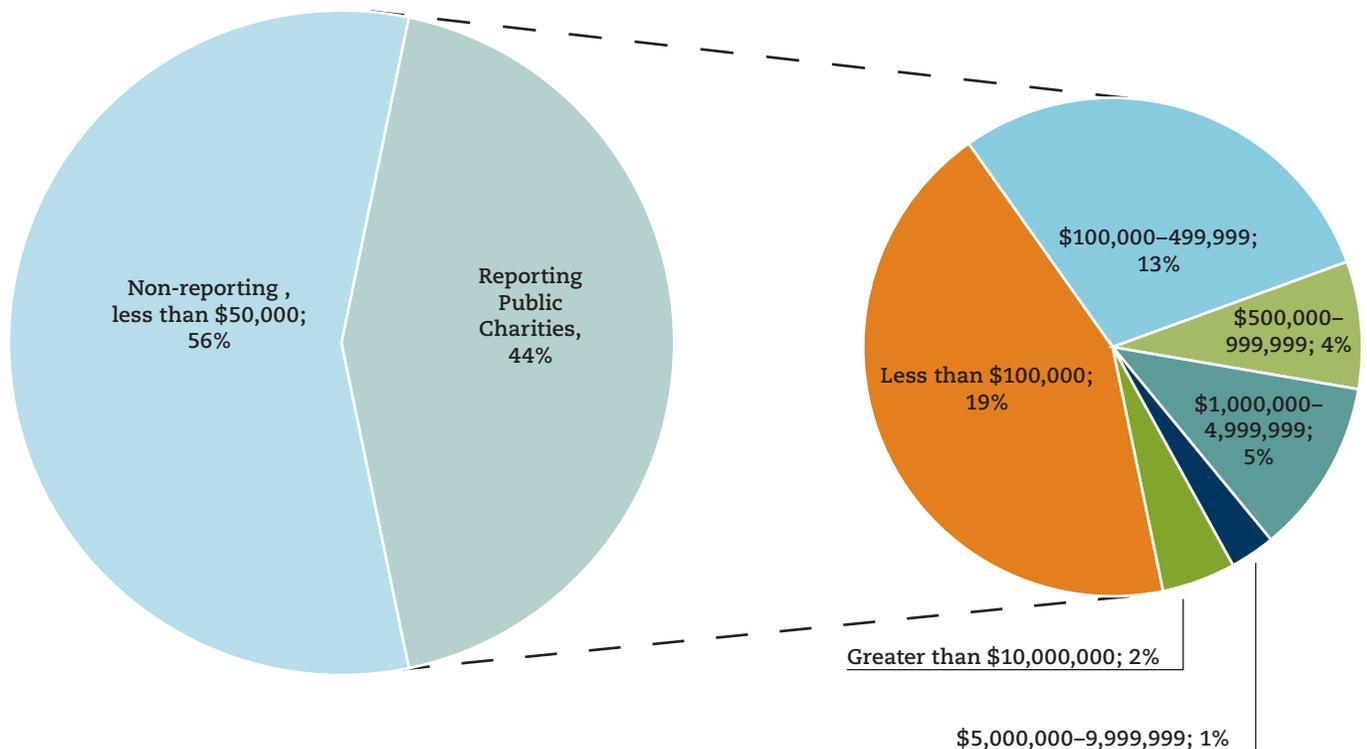
88% are very small, with annual budgets under \$500,000

Furthermore, 56% are so small that annual financial reporting is not required, with annual budgets under \$50,000

Figure 4

Public Charities by Expenditure Level, 2010

Percent of Total Public Charities



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

Nonprofits are **a big part** (75%) of Maine's small business community **have budgets under \$100k**

The 2010 IRS filings of 2,600 reporting public charities (the 44%) were analyzed by the National Center of Charitable Statistics. Those findings are found in the following pages.

In figure 5 below, the white bars correspond to the percent of the 2,600 reporting public charities that fall in each classification and the navy blue bars correspond to the percent of the \$9.3 billion in total expenditures each group adds to the Maine economy.

Human service organizations provide hot meals and transportation to the elderly, counseling for youth, housing for families, and hundreds of other services important to the quality of life in each Maine community. They comprise 34% of the 2,600 reporting public charities, yet are only responsible for 12% of the \$9.3 billion in expenditures, showing that most of these organizations are small and community-based.

Hospitals are vital economic engines. They are located in every county in Maine. Although they represent less than 2% of the 2,600 reporting public charities, hospitals are responsible for 53% of the sector's \$9.3 billion impact on the Maine economy.

Figure 5

Number+Expenditures of Reporting Public Charities in Maine by Field, 2010



SOURCE: NCCS Data Web, National Center for Charitable Statistics, <http://nccsdataweb.urban.org/> © 2012 From The Foundation Center. Copyright © 2011, All rights reserved.

Sources of

As you can see from Figures 6 and 7, nonprofit revenue sources vary significantly by budget size and sub-sector. Because nonprofits attract significant

private funding, they are able to augment the government's impact on the issues of our times. A relatively small number of large, complex nonprofits

have the capacity to manage complicated processes attached to public dollars. A majority of nonprofits receive very little funding from government sources.

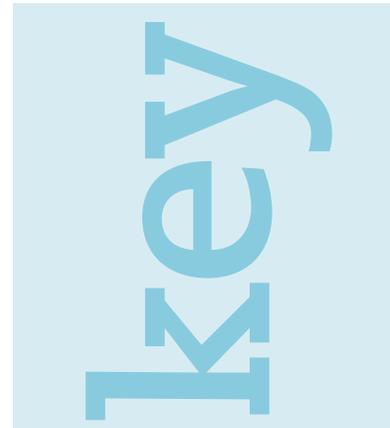
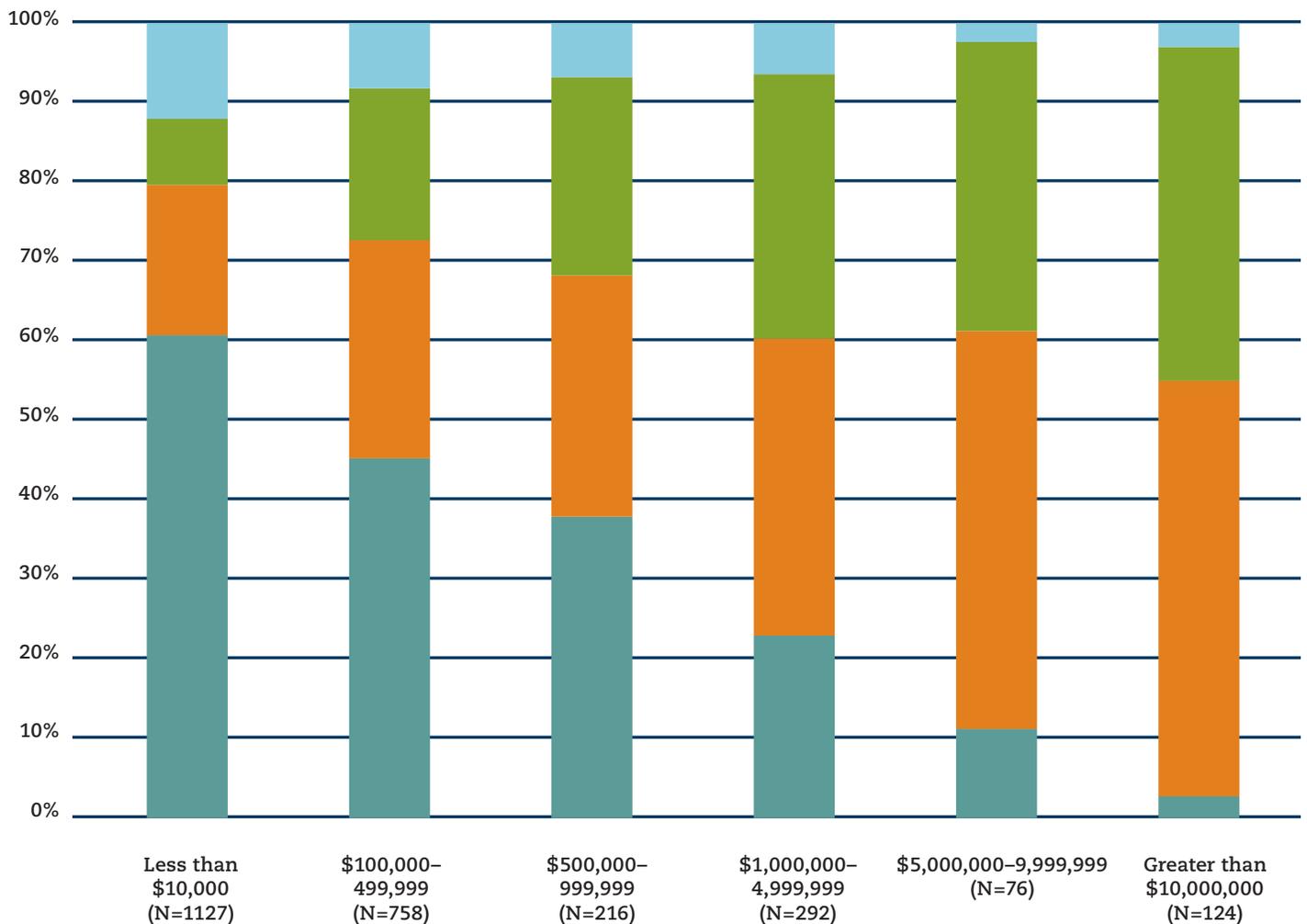


Figure 6
Sources of Revenue by Organization Size



Source: NCCS calculations of IRS Statistics of Income Division Exempt Organizations Sample (2008); Urban Institute, National Center for Charitable Statistics, Core Files (2010); American Hospital Association (AHA) 2010 survey; and the National Health Accounts, produced by CMS.

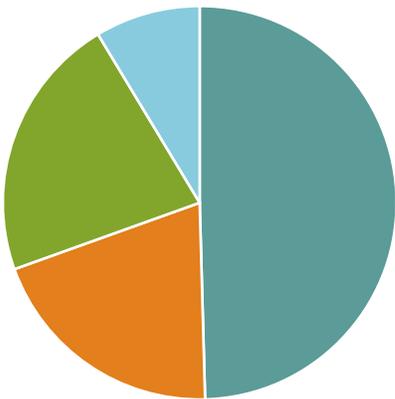
Nonprofit Revenue

- Individual & Foundation Giving
- Fees for Goods & Services (Private)
- Government (Grants and Fees for Goods and Services)
- Other Income

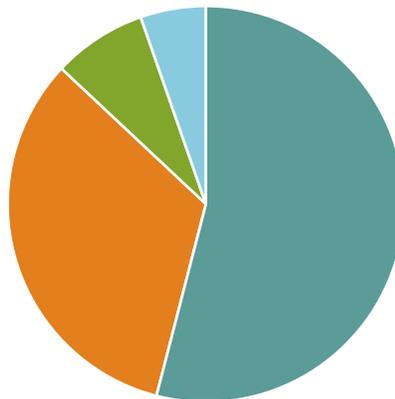
Figure 7

Sources of Revenue by Select Sub-Sectors

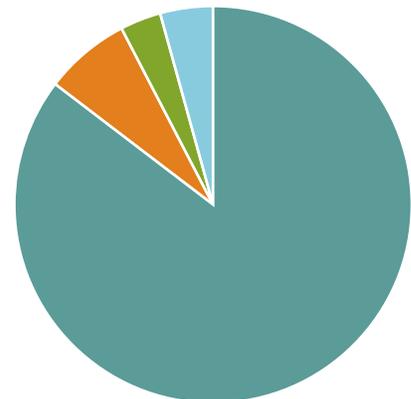
Environment and animal-related (N=239)



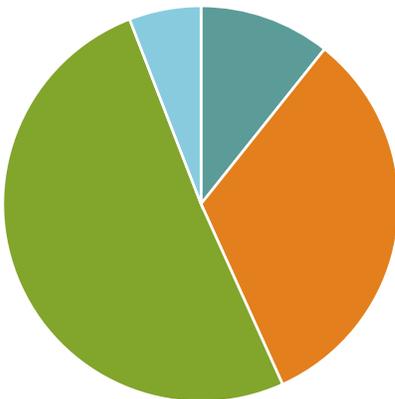
Arts, culture, and humanities (N=326)



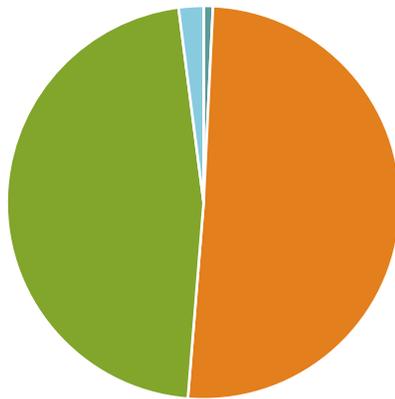
Religion Related, Spiritual Development (N=57)



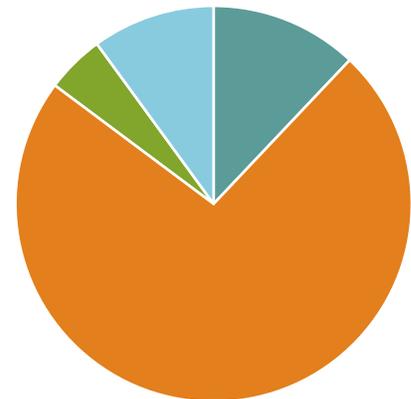
Human services (N=872)



Hospitals (N=48)



Higher education (N=19)



Source: NCCS calculations of IRS Statistics of Income Division Exempt Organizations Sample (2008); Urban Institute, National Center for Charitable Statistics, Core Files (2010); American Hospital Association (AHA) 2010 survey; and the National Health Accounts, produced by CMS.

Philanthropy in

Nonprofits partner with the government, private individuals and the philanthropic community to provide enrichment and services that can't or won't be provided by the free market. This section of the report looks at foundation and individual giving in Maine.

In order to ensure their ongoing financial stability while maintaining their charitable purposes, most **foundations** must grant 5% of assets annually. **Maine foundations** exceeded that requirement by over \$41 million in 2009; however, this translates to 7.4% of assets which lags behind the US average of 8.5% of assets.

Giving by the **top 10 foundations** amounts to 83.5% of total Maine foundation giving.

Figure 8

Overview of Maine Foundations, circa 2009

Foundation Type	Number of Foundations	Assets	Total Giving *
Independent	280	\$ 1,329,603,996	\$ 90,380,944
Corporate	15	\$ 134,203,721	\$ 18,281,801
Community	2	\$ 185,852,400	\$ 15,780,267
Operating	30	\$ 63,981,759	\$ 2,275,408
Total in Maine	327	\$ 1,713,641,876	\$ 126,718,420
Total in United States	76,545	\$ 590,188,365,000	\$ 50,388,584,000
Maine as % of U.S.	0.43%	0.29%	0.25%

* Includes grants, scholarships, and employee matching gifts.

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.

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

Figure 9

Top 10 Maine Foundations by Total Giving, circa 2009

Foundation Name	Total Giving*	Foundation Type
The Oak Foundation USA	\$42,716,398	Independent
Maine Community Foundation Inc	\$13,567,282	Community
TD Charitable Foundation	\$12,362,914	Corporate
Harold Alfond Foundation	\$10,269,723	Independent
Libra Foundation Owen W Wells Trustee	\$8,863,218	Independent
Vincent B Welch Foundation	\$6,028,908	Independent
Elmina B Sewall Foundation	\$5,810,650	Independent
Maine Health Access Foundation Inc	\$2,331,889	Independent
Davis Family Foundation	\$2,225,217	Independent
Hannaford Charitable Foundation	\$1,736,552	Corporate
Total	\$105,912,751	

*Basis for reporting total giving for 501(c)(3) Private Foundations filing Form 990PF is greater of book or cash value.

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

Foundations

Maine

Almost 70% of **Maine taxpayers** do not itemize their taxes ⁶ and therefore do not receive a tax deduction for their charitable contributions, so it is

difficult to quantify their generosity. This is typical for the rest of the country as well. For those who do itemize, we have the following information:

Maine median income lags behind the U.S. and the rest of New England, resulting in a lower average charitable giving per itemizer.

Maine and the rest of New England continue to lag behind the national average for charitable giving.

Individuals

Figure 10

Average Charitable Contribution of Itemizers, 2010

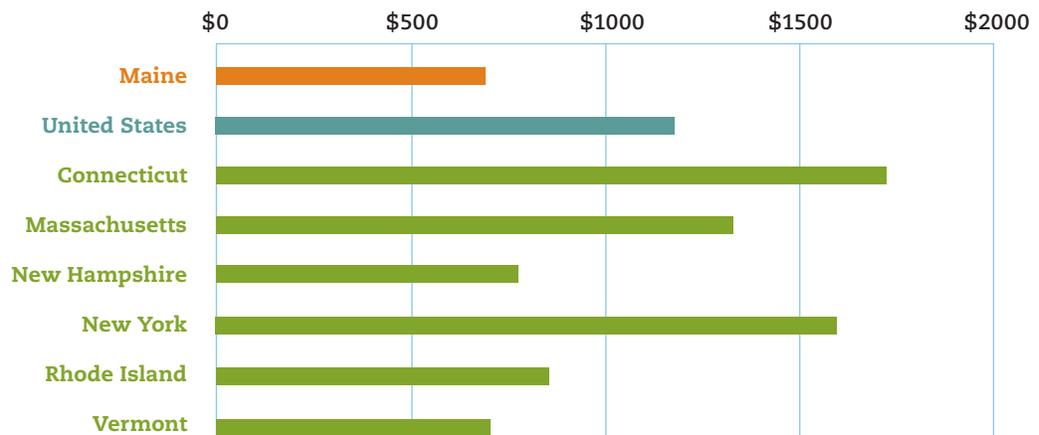
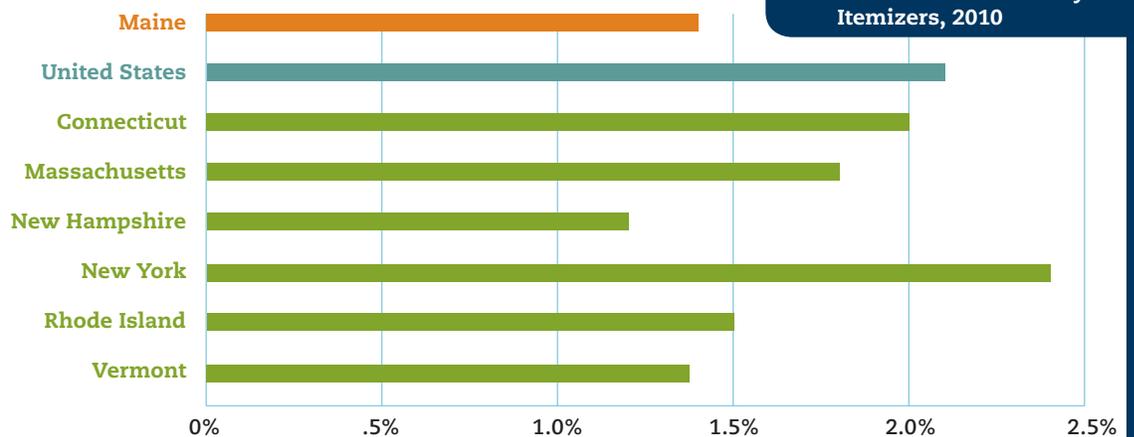


Figure 11

Average Percent of Income Contributed by Itemizers, 2010



SOURCE: IRS Statistics of Income Tax Stats - Historical Table 2, <http://www.irs.gov/uac/SOI-Tax-Stats---Historic-Table-2>

Conclusion

Adding Up the Impact

Maine has one of the most robust nonprofit sectors in the country⁷ supported by one of the smallest philanthropic communities,⁸ proving that Maine's nonprofits are strong, innovative and efficient partners in prosperity. However, nonprofits are not immune to the downward pressures on public spending and it is critical that we continue to nurture the important role nonprofits play in our economy and our lives.

John W. Gardner, American writer (1933 – 1982), wrote,

“The [nonprofit] sector enhances our creativity, enlivens our communities, nurtures individual responsibility,

stirs life at the grassroots, and reminds us that we were born free.”

The lingering economic downturn has underscored the importance of this sector of the economy that rarely strays from the local communities where they began. These mostly small and local organizations provide counter-cyclical employment, resources to areas and individuals hard hit by the economic downturn, and opportunities for residents to come together and create solutions to the pressing issues facing our communities. We count on these local organizations to be there for us, but since our last report, we are beginning to see evidence of the stress under which this sector is working.

For example, social service organizations, providing critical supports to those in need and who rely heavily on government funding, shed almost 800 jobs between 2008 & 2011. As policy makers work to turn the economy around, we need Maine's nonprofit community to remain a strong part of the solution.

If it weren't for the innumerable public structures and resources created by Maine's nonprofit sector, would all of Maine's residents be able to attain as high a quality of life? This report demonstrates that nonprofits play a critical role in ensuring prosperous communities with strong social fabric. When nonprofits partner with government, business and engaged individuals in pursuit of a common goal, everyone profits.

For More Information

Maine Association of Nonprofits (www.NonprofitMaine.org)

Maine Community Foundation (www.MaineCF.org)

Unity Foundation (www.UnityFdn.org)

National Center for Charitable Statistics at the Urban Institute (www.NCCS.Urban.org)

The Foundation Center (www.FdnCenter.org)

Maine Department of Labor (www.Maine.gov/labor/labor_stats/index.html)



Additional Sources

Case Study Sources

Early Investments Yield Dramatic Long-Term Gains • Making Maine Work: Investments in Young Children = Real Economic Development, January 2012, a joint publication of the Maine Chamber of Commerce and the Maine Development Foundation; Interview with Doug Orville, CFO Executive Director, Child and Family Opportunities, conducted by DeAnn Lewis, 9/25/12; Interview with Rachel Nobel, Administrative Support and Development Manager, Child and Family Opportunities, conducted by DeAnn Lewis, 10/24/12.

Fostering Prosperity for Small Businesses + Individuals • Interview with Eloise Vitelli, Director of Program and Policy Development, ME Centers for Women, Work and Community, conducted by DeAnn Lewis, 10/19/12.

Used Goods Sustain Better Lives • Interview with Michelle Smith, Communications Manager, and Jane Driscoll, VP of Public Affairs, Goodwill Industries of Northern New England, conducted by DeAnn Lewis, 10/24/12.

Higher Literacy Lifts Health of Businesses + Community • Interview with Mary Marin Lyon, Executive Director, Literacy Volunteers Bangor, conducted by DeAnn Lewis, 10/22/12; <http://www.proliteracy.org/the-crisis/adult-literacy-facts>.

Building a Prosperous Creative Economy • Arts and Economic Prosperity IV: In the City of Portland, © 2012 Americans for the Arts, 1000 Vermont Avenue NW, 6th Floor, Washington, DC 20005.

Less Crime, Brighter Outlook for Youth + Families • Interview with Sonia Garcia, Director – Clinical Business Development and Marketing, Spurwink, conducted by DeAnn Lewis, 11/09/12; Return on Investment: Evidence-Based Options to Improve Statewide Outcomes – April 2012 Update, Washington State Institute for Public Policy; Foundations of Functional Family Therapy Clinical Training Manual, <http://www.colorado.edu/cspv/blueprints/modelprograms/FFT.html>.

Green Lofts Produce Jobs, Affordable Homes + More Revenue for City • From a Run-Down Parking Lot...to Oak Street Lofts. So What Does This Mean for the Local Economy? Avesta, 2012; Interview with Bill Floyd, Executive Director, Genesis Community Loan Fund, conducted by DeAnn Lewis, 9/28/12; Information provided by Jane Irish, Director of Development, Genesis Community Loan Fund, 10/15/12.

Inspiring Millions • Interview with David MacDonald, President, Friends of Acadia, conducted by DeAnn Lewis, 10/12/12; Corporation for National and Community Service, 2010 Volunteering in America.

Endnotes

- 1 See Corporation for National & Community Service, Volunteering and Civic Life in America 2011; www.nationalservice.gov.
- 2 See U.S. Department of Commerce, Bureau of Economic Analysis; Gross Domestic Product By State, www.bea.gov & NCCS Data Web, National Center for Charitable Statistics, <http://nccsdataweb.urban.org/> ©2012.
- 3 Data drawn from Maine Department of Labor, Quarterly Census of Employment & Wages (QCEW) for 2011 & 2008.
- 4 Ibid.
- 5 For more information about the history, structure, and purpose of the nonprofit sector, visit www.NonprofitMaine.org/all_about_nonprofits.asp.
- 6 See IRS statistics of Income, <http://www.irs.gov>.
- 7 See the bottom two lines of Figure 12 in Supporting Data.
- 8 See The Foundation Center, Fiscal Data of Grantmaking Foundations by Region and State, 2010, http://foundationcenter.org/findfunders/statistics/gm_financial.html.

Credits

Photos: Cover: Goodwill Hinckley, P 2: Cultivating Community, P 3+4: Ferry Beach Ecology School, P 20: Goodwill Hinckley

Design: Jodie Lapchick, Lapchick+Co.

Supporting

Figure 12

Reporting Public Charities
in Maine by County, 2010

County	2010 Population	Number of Reporting Charities	2010 Public Charities/ 1000 People	Expenditures	Assets	Expenditures as a % of Gross State Product
Androscoggin	107,702	130	1.21	\$969,590,938	\$1,284,476,599	1.9%
Aroostook	71,870	107	1.49	\$433,150,436	\$234,923,970	0.9%
Cumberland	281,674	746	2.65	\$2,649,389,828	\$4,718,828,555	5.2%
Franklin	30,768	57	1.85	\$122,127,272	\$135,687,438	0.2%
Hancock	54,418	192	3.53	\$452,406,174	\$1,167,948,395	0.9%
Kennebec	122,151	232	1.90	\$1,069,919,953	\$1,801,323,748	2.1%
Knox	39,736	157	3.95	\$214,865,144	\$370,595,443	0.4%
Lincoln	34,457	108	3.13	\$172,360,546	\$345,603,854	0.3%
Oxford	57,833	93	1.61	\$192,411,249	\$245,868,824	0.4%
Penobscot	153,923	223	1.45	\$1,707,552,745	\$1,365,860,379	3.4%
Piscataquis	17,535	24	1.37	\$46,156,721	\$46,894,291	0.1%
Sagadahoc	35,293	56	1.59	\$62,673,208	\$273,477,019	0.1%
Somerset	52,228	52	1.00	\$162,535,557	\$219,415,129	0.3%
Waldo	38,786	75	1.93	\$136,019,484	\$191,148,112	0.3%
Washington	32,856	88	2.68	\$132,533,905	\$151,274,469	0.3%
York	197,131	260	1.32	\$753,574,626	\$943,153,361	1.5%
Maine Totals	1,328,361	2,600	1.96	\$9,277,267,786	\$13,496,479,586	18.3%
US Totals	308,745,538	366,086	1.19	\$1,454,800,000,000	\$2,708,900,000,000	5.5%

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

Figure 13

Reporting Public Charities
in Maine by Expenditure
Level, 2010

Expenditure Level	Number of Reporting Public Charities	Assets	Expenditures	% of Reporting Public Charities	% of Total Reported Assets	% of Total Reported Expenditures
Less than \$100,000	1,130	\$265,266,603	\$50,933,825	43.5%	2.0%	0.5%
\$100,000 - \$499,999	760	\$659,005,755	\$179,155,098	29.2%	4.9%	1.9%
\$500,000 - \$999,999	215	\$388,848,208	\$154,255,553	8.3%	2.9%	1.7%
\$1,000,000 - \$4,999,999	295	\$1,460,241,458	\$671,348,757	11.3%	10.8%	7.2%
\$5,000,000 - \$9,999,999	76	\$989,300,003	\$532,717,481	2.9%	7.3%	5.7%
Greater than \$10,000,000	124	\$9,733,817,559	\$7,688,857,072	4.8%	72.1%	82.9%
Total	2,600	\$13,496,479,586	\$9,277,267,786	100.0%	100.0%	100.0%

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

Data

Figure 14

Number, Expenditures, and Assets of Reporting Public Charities in Maine by Field, 2010

Type of Charitable Nonprofit	#	% of Total	Expenditures	% of Total Expenditures	Assets	% of Total Assets
Arts, Culture, Humanities	334	12.8%	\$101,554,650	1.1%	\$358,488,394	2.7%
Education, excluding Higher Education	403	15.5%	\$356,529,324	3.8%	\$1,101,400,995	8.2%
Higher Education	20	0.8%	\$682,636,814	7.4%	\$3,016,361,757	22.3%
Environment / Animal Related	238	9.2%	\$115,457,914	1.2%	\$572,275,568	4.2%
Health Care/Mental Health, excluding Hospitals	341	13.1%	\$1,658,855,381	17.9%	\$1,767,881,611	13.1%
Hospitals	50	1.9%	\$4,917,056,572	53.0%	\$4,409,439,451	32.7%
Human Services	875	33.7%	\$1,154,590,186	12.4%	\$1,430,097,668	10.6%
Community Improvement, Public/Societal Benefit	218	8.4%	\$145,574,958	1.6%	\$615,034,907	4.6%
Research: Science, Technology, Social Science	23	0.9%	\$27,800,958	0.3%	\$43,190,597	0.3%
Religion Related, Spiritual Development	56	2.2%	\$17,673,461	0.2%	\$99,576,466	0.7%
All Others	42	1.6%	\$99,537,568	1.1%	\$82,732,172	0.6%
Total	2,600	100%	\$9,277,267,786	100.0%	\$13,496,479,586	100.0%

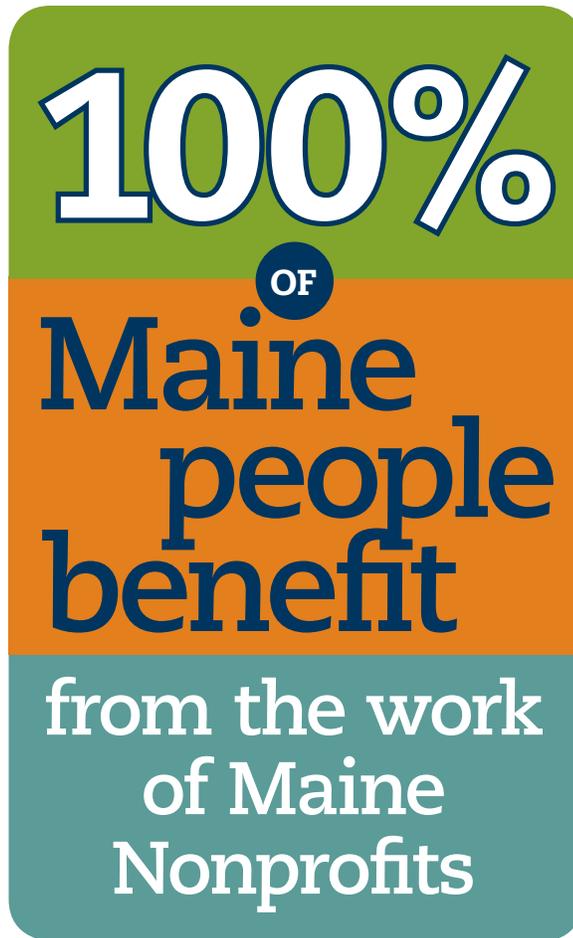
SOURCE: NCCS Data Web, National Center for Charitable Statistics, <http://nccsdataweb.urban.org/> ©2012

Figure 15

Nonprofit Employment in Maine, by County, in Comparison to Total Employment, 2011

County	Total Nonprofit Employment 501(c)(3)	Total Employment	Nonprofit Employment as % of Total Employment	Total Nonprofit Wages 501(c)(3)	Total Wages	Nonprofit Wages as % of Total Wages
Androscoggin	8,548	47,196	18.1%	\$378,965,076	\$1,693,909,347	22.4%
Aroostook	4,098	28,225	14.5%	\$150,304,023	\$899,623,866	16.7%
Cumberland	24,408	169,033	14.4%	\$1,022,218,744	\$7,277,549,602	14.0%
Franklin	1,585	10,863	14.6%	\$61,109,657	\$373,366,675	16.4%
Hancock	4,441	21,998	20.2%	\$193,526,774	\$742,598,689	26.1%
Kennebec	10,223	57,702	17.7%	\$397,090,113	\$2,128,152,634	18.7%
Knox	2,575	16,486	15.6%	\$96,167,226	\$551,481,064	17.4%
Lincoln	2,068	10,764	19.2%	\$64,949,237	\$325,974,361	19.9%
Oxford	2,362	16,212	14.6%	\$77,020,474	\$531,854,734	14.5%
Penobscot	10,944	68,257	16.0%	\$500,745,769	\$2,416,860,643	20.7%
Piscataquis	705	5,548	12.7%	\$17,968,692	\$163,519,900	11.0%
Sagadahoc	815	15,100	5.4%	\$21,807,493	\$664,182,849	3.3%
Somerset	2,144	16,882	12.7%	\$76,126,544	\$592,974,753	12.8%
Waldo	1,827	10,584	17.3%	\$66,199,471	\$341,163,298	19.4%
Washington	1,629	10,225	15.9%	\$61,581,870	\$319,478,016	19.3%
York	7,729	66,144	11.7%	\$305,325,459	\$2,493,102,140	12.2%
Unassigned or Statewide	108	8,463	1.3%	\$1,729,860	\$526,117,409	0.3%
Grand Total for the State	86,209	579,682	14.9%	\$3,492,836,482	\$22,041,909,980	15.8%

Source: Data drawn from Maine Department of Labor, Quarterly Census of Employment & Wages (QCEW) for 2011 using the IRS Exempt Organizations Master File for c3 Nonprofits in Maine.



We help nonprofits help Maine.



www.NonprofitMaine.org