

Executive Summary

The Economic Impact of Georgia's Nonprofit Sector

The nonprofit sector in Georgia is large, diverse, and growing. In every county across the state you will find nonprofits working to better their communities by directly addressing issues of concern through service or civic engagement. The nonprofit sector spans the political spectrum of ideas and encompasses every aspect of human endeavor, from symphonies and little leagues, to homeless shelters and day care centers. While every nonprofit is unique, all are based on the core value of people coming together around issues of mutual concern and common interest in pursuit of the common good. All of our lives are touched and in some cases transformed by nonprofits.

The purpose of this report is to summarize data on Georgia's nonprofit sector and illustrate how nonprofits directly and significantly impact the economy. This analysis provides an estimate of the nonprofit sector's impact by comparing it to traditional areas of commerce and industry and demonstrating the sector's influence beyond its primary role as a provider of needed services. Contributing to the overall health of our economy, nonprofits bring in money from outside sources, provide jobs and wages to residents, and circulate money in the economy through their purchases of goods and services — as well as being a taxpaying workforce, and a network of community leaders, policy makers, and businesses.

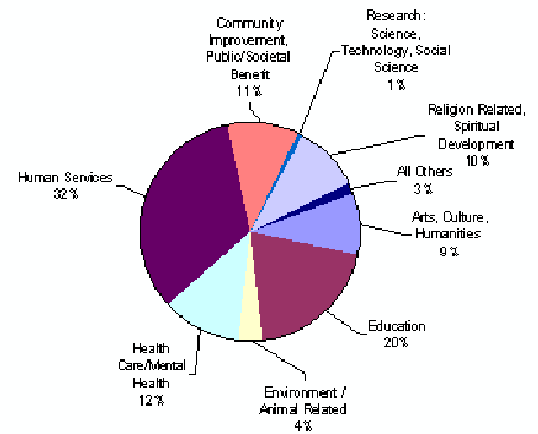
Key Findings

- In 2003, there were over 22,249 nonprofit organizations in Georgia, in increase of over 57% since 1997 (14,155).
- The value of assets held reached \$42.7 billion, which is almost three times the assets — \$15.2 billion — over the last 10 years.
- The 6,362 IRS-reporting nonprofits had \$22.1 billion in expenditures—almost 7% of Georgia's gross state product—the total market value of goods and services produced by a state's economy over a given period of time.
- About 63% of total revenues for reporting nonprofits in Georgia were from fees for services, while only 22% of total revenues of these nonprofits were from contributions made by individuals, corporations, and foundations.
- There were 1,276 foundations in Georgia, with total assets of almost \$9 billion, and a total giving of \$648 million.

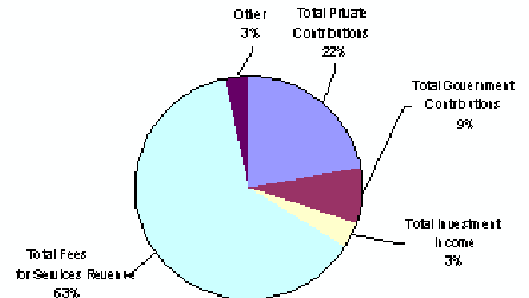
The percent of income contributed by Georgia itemizers contributed 4.7% of total giving – well above the national average of 3.7%.

- With a \$6-billion payroll, nonprofits have a greater total payroll than the real estate, food and accommodations, or telecommunications sectors.

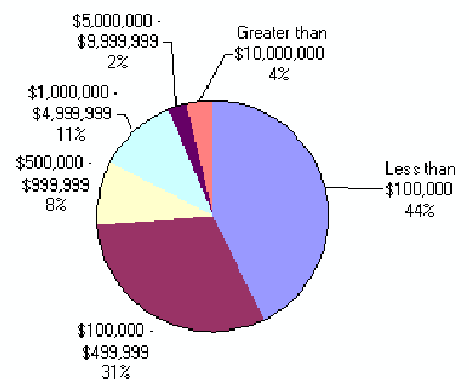
Nonprofits by Type



Nonprofits by Sources of Revenue



Nonprofits by Expenditure Level



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Key Findings (cont.)

- Depending upon the precise assumptions used, over the study period of 2000 to 2035, an average of 500,000 jobs in the state of Georgia are projected to exist because of the presence of the Georgia nonprofit sector.
- The existence of the nonprofit sector is forecasted to contribute between \$91.1 and 25.4 billion in personal income in Georgia. That is a total of between \$686 billion and \$913 billion over the period.
- Between \$17.6 and \$26.8 billion in revenue will be generated each year for Georgia businesses because of the presence of the Georgia nonprofit sector. That is a total of between \$635 and \$964 billion over the 35-year period.

If state and local governments in Georgia assumed the responsibilities of Georgia nonprofits, it would create a budget deficit for state government of between \$13 and \$22 billion dollars per year, depending on the financing approach, and a budget deficit for local governments of between \$1 and \$3 billion dollars per year, depending on the financing approach, both over the study period of 2000 to 2035.

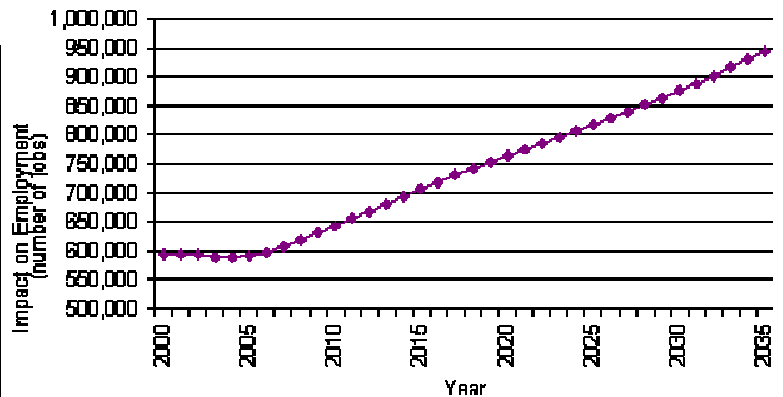
Conclusion

This report offers the first in-depth examination of the size and scope of Georgia's nonprofit community in terms of its overall economic magnitude. Our findings demonstrate that nonprofits are a significant economic force in Georgia, directly generating over \$22 billion in revenue each year; employing more than 179,000 people in addition to indirectly creating 3 jobs in

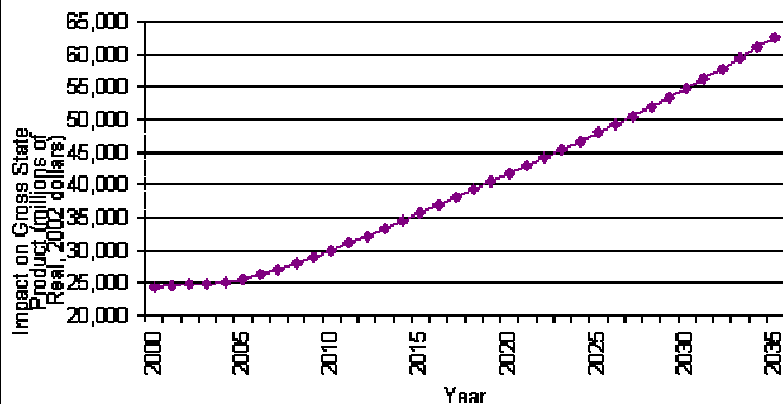
other industries for every one job in the nonprofit sector; supporting a payroll of over \$6 billion; and providing valuable services that impact virtually every Georgia resident. Georgia's nonprofit sector clearly contributes to the vitality of the economy beyond the services it provides to the population. Nonprofits should use this report to:

- Insert themselves in local and state policy discussions about economic development.
 - Seek inclusion in budget discussions as an industry.
 - Mitigate local property tax challenges.
 - Seek industry-wide exemption from sales tax and other nonprofit business-friendly policy.
 - Seek leadership inclusion on boards, committees, and other governmental decision bodies that shape state, local, or departmental strategy.
 - Promote partnerships with local industry.
- Enhance communications to position themselves beyond "quality of life benefit" toward a blended statement of quality and economic benefit.

Impact of Nonprofit Sector on Total Employment



Impact of Nonprofit Sector on Gross Regional Product



Impact of Nonprofit Sector on Real Personal Income

