The Power of Nonprofits: Engines of Growth

An Economic Impact Report of Nonprofits in Long Beach and the South Los Angeles Region
INTRODUCTION

The nonprofit sector is large, diverse and multifaceted. It plays an indispensable role in society and the economy through its contributions in delivering services and creating jobs.

Nonprofit organizations provide essential services, needed assistance, and enhance the quality of community life by providing cultural and environmental enrichment. You will find nonprofits anchoring healthcare, education, human services and the arts. By design, nonprofits are dedicated to the common good, and their success is often measured by their impact on a community’s quality of life.

Yet another way to measure the impact of nonprofit organizations is through their economic contributions to the local and regional economy. Commissioned by the Board of Directors of the Long Beach Nonprofit Partnership, The Power of Nonprofits: Engines of Growth is an economic impact report that builds and expands upon the groundbreaking 2007 Nonprofits: Profitable Partners for Long Beach, also commissioned by the Long Beach Nonprofit Partnership. The data for both reports was generated by researchers from the California State University, Long Beach Economics Department.

Nonprofit organizations are employers and consumers of services. Nonprofits spend millions of dollars annually in purchasing goods and services from local and area firms. They also provide employment for thousands of area residents, thereby generating additional income throughout the region.

Recognizing the regional nature of our economy, this report provides a systematic look at the size and economic contributions of the nonprofit sector in Long Beach and additionally explores the economic impact of the sector in seventeen cities in south Los Angeles County, including those in the South Bay/ Harbor Area and along the southern portion of the 710 freeway corridor. Many of these nonprofits have service areas which extend beyond their local communities.

The same methodology was used to gather and analyze information of all the nonprofits included in the study. Researchers, Drs. Lisa Grobar and Joseph P. Magaddino of the CSULB Department of Economics used data from 2012 along with surveys completed in 2013 to prepare the report.

The results of the study merited two separate chapters; one examining the economic impact of nonprofits in Long Beach and the other examining the economic impact of nonprofits serving the 17 South Los Angeles Communities of Artesia, Bellflower, Carson, Cerritos, Compton, Downey, Harbor City, Hawaiian Gardens, Lakewood, Lomita, Lynwood, Norwalk, Paramount, San Pedro, Signal Hill, South Gate & Wilmington.

How is NONPROFIT DEFINED FOR this study?

For purposes of this study a nonprofit is defined as a charitable organization that has been designated as a ‘501 (c) (3)’ under the federal tax code. Private foundations and religious institutions are not included in this study. Also excluded are professional associations, trade groups, etc. since their primary services are not charitable in nature.
An ECONOMIC IMPACT REPORT on Nonprofits in LONG BEACH

In 2007 the Long Beach Nonprofit Partnership launched its inaugural economic impact report, Nonprofits: Profitable Partners for Long Beach which illustrated the powerful role nonprofits play as a key sector in the local economy. Since that time, the United States has experienced one of the worst recessions in the nation’s history, resulting in dramatic job losses throughout the region and country. From 2007 to 2009 businesses nationally averaged job losses of 3.7% per year while nonprofit jobs increased by an average of 1.9% per year.²

With a goal of continuing to share the important role of nonprofits in the regional economy and to further understand the sector’s impact during this tumultuous time, the Long Beach Nonprofit Partnership’s Board of Directors commissioned this second economic impact report, The Power of Nonprofits: Engines of Growth.

Anchored by the healthcare industry, this newest study shows that Long Beach’s nonprofits have been exceptional drivers of resilient job growth and economic vitality for Long Beach and beyond.

LONG BEACH POWER FACTS:

- 10% of all Long Beach Jobs are nonprofit
- 19,230 Nonprofit Jobs in Long Beach (direct)
- 41,970 jobs (direct, indirect + induced)
- 60% nonprofits planning to increase hiring in near future
- 120,000 Volunteers
- 4.9 MILLION Volunteer Hours

Value of Volunteer Hours = $109 MILLION

$687 MILLION in Payroll

$795 MILLION in payroll including volunteers attributed value

$859 Total Labor Income

$2.7 BILLION in expenditures (direct)

$4.9 BILLION in total expenditures (direct, indirect + induced)
profile of Long Beach Nonprofits
Who are they?

Using the definition of nonprofits, our study identified 417 nonprofit establishments in the Long Beach economy in 2012. Figure 1 shows the distribution of these establishments across service categories.

<table>
<thead>
<tr>
<th>CATEGORY OF SERVICE</th>
<th>% OF ESTABLISHMENTS</th>
</tr>
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<tbody>
<tr>
<td>Human Service</td>
<td>18</td>
</tr>
<tr>
<td>Health</td>
<td>16</td>
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<tr>
<td>Community Improvement/Social Justice</td>
<td>16</td>
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<tr>
<td>Art &amp; Culture</td>
<td>13</td>
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<tr>
<td>Education/Training</td>
<td>13</td>
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<tr>
<td>Youth</td>
<td>13</td>
</tr>
<tr>
<td>Housing Shelter</td>
<td>6</td>
</tr>
<tr>
<td>Animals &amp; Environment</td>
<td>5</td>
</tr>
</tbody>
</table>

The concentration of nonprofit organizations providing human-social services is fairly typical of most cities. This category includes local organizations with a national brand such as the YMCA of Greater Long Beach, and Ronald McDonald House as well as many others. The health sector includes nonprofit hospitals such as Long Beach Memorial Medical Center and St. Mary Medical Center, SCAN Health as well as clinics and a wide array of other organizations providing or advocating for improved access to health care. Community improvement/social justice organizations include Housing Long Beach and Long Beach Community Action Partnership. With its rich tradition in the arts and culture, Long Beach is home to several museums, performing arts groups, historical sites, and other organizations that support art and cultural activities. Education and training includes parent training, the development of workforce skills as well as leadership skills. Organizations such as the Camp Fire USA and Khmer Girls in Action focus on youth development. Examples of organizations included in housing shelter are the Long Beach Rescue Mission and LINC Housing. Finally, the Aquarium of the Pacific, animal shelters, and organizations dedicated to preserving the environment and habitat are included in the animal and environment category.

Who do they serve?

Virtually every member of the community has some contact, either direct or indirect, with a nonprofit organization located in Long Beach. Whether a person is directly accessing services, enjoying cultural amenities, is a donor or volunteer, Long Beach’s strong base of nonprofits enhance the quality of life of its citizens.
In addition to collecting data from outside sources such as Guidestar and the National Center for Charitable Statistics, a survey was sent out to a wide variety of nonprofits. The survey was designed to better identify various characteristics, including service area, ethnic and socio-economic categories of clients, use of volunteers, and identification of income streams. A total of 88 Long Beach organizations responded to the survey.

When all the organizations surveyed were asked to identify the percentage of their clients that are low-income\(^{*}\) the average response was 69 percent. About one-fifth of the respondents indicated that 95-100% of their clients are low-income.

**Figure 2** shows the clients served by category for the organizations responding to the survey. It is important to note that some organizations serve more than one category of client.

The diversity of Long Beach’s population is reflected in the ethnic groups served by nonprofits. Again, some organizations identified more than one ethnic group as their main client base. These results are displayed in **Figure 3**.
The NONPROFIT WORKFORCE

The nonprofit sector is an important part of the Long Beach economy both in terms of the number of organizations and the impressive number of jobs created. The 417 Long Beach nonprofits provide 19,230 direct jobs within the city. In 2012, these jobs accounted for over 10 percent of all jobs within Long Beach.

By way of comparison, the accommodation and food services sector, the backbone of Long Beach’s tourism industry, represents 9.6 percent of all jobs in the city.

The 417 nonprofits employ 19,230 workers and generate an annual payroll of $687 million.

LONG BEACH WORKFORCE

Where do Nonprofit Employees Work?

The average payroll for all nonprofits is $35,712, see Figure 4, which is below the $50,968 average city-wide. The relatively low average wage is in part related to the number of part-time workers. Other employment sectors in the overall economy with large numbers of part-time workers include retail trade and accommodations and food services, where the average payroll is $29,417 and $18,717 respectively.

Nonprofits employ a variety of workers, many of them highly skilled. According to Paul Schmitz, CEO of Public Allies, “While nonprofits are known for employing social workers, they also need managers, human resource professionals, educators, artists, computer programmers, marketers, accountants, athletes, carpenters, researchers, cooks and many other skilled workers.” In addition, nonprofits also generate indirect jobs as they spend on legal, accounting, technology, and other professional services.
Healthcare Sector as a Major Economic Driver

The healthcare sector is the largest nonprofit sector in the city, both in terms of its expenditures and employee base. Hospitals, clinics and other healthcare nonprofits had total expenditures of almost $3 billion and employed 9,000 workers, accounting for 82 percent of all nonprofit expenditures and 47 percent of all nonprofit jobs. The healthcare sector is dominated by Long Beach’s major nonprofit hospitals. Most of the hospital expenditures are fee for services. The average payroll in the healthcare sector is approximately equal to the average payroll citywide. When healthcare is defined more broadly (as in Figure 4) to include mental health and medical research, the employment figure for healthcare rises to 10,637 jobs.

“While nonprofits are known for employing social workers, they also need managers, human resource professionals, educators, artists, computer programmers, marketers, accountants, athletes, carpenters, researchers, cooks and many other skilled workers”
Value of Volunteers
In addition to the number of paid personnel, a unique aspect of nonprofits is their widespread use of volunteers. Based on the sample of nonprofits, the study’s researchers estimate that there were 120,000 volunteers who donated over 4.9 million hours in 2012, about one hour per week. Clearly, some volunteers are full-time while others only periodically donate their time. This time has an economic value. While the economic value of volunteers varies widely from highly skilled professionals to those with a more limited skill set, the national average is $22.14 per hour. Accordingly, the value of volunteer works is an additional $109 million, raising the imputed aggregate payroll of all working in the nonprofit sector to $795 million annually.

Nonprofits as Job Creators
Nonprofits are proven job creators. As noted earlier, in Long Beach, nonprofit jobs account for 10% of the workforce; a larger creator of jobs than the accommodations and food sector of the tourism industry. Additionally, almost 60 percent of the nonprofits surveyed indicated that they plan to increase hiring in the near future. Nonprofits are clearly one of the fastest-growing, resilient job-creating sectors in the local economy.

The Guidance Center
For more than 60 years, The Guidance Center has been providing quality mental healthcare to more than 2,600 children and families in the communities of Long Beach, Compton, San Pedro, and Avalon.

<table>
<thead>
<tr>
<th>Paid Positions</th>
<th>140</th>
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<tbody>
<tr>
<td>How Much Has Your Staff Increased in 2013?</td>
<td>20</td>
</tr>
<tr>
<td>Positions Expected to Add in Next 2 Years</td>
<td>10</td>
</tr>
<tr>
<td>Volunteers</td>
<td>18</td>
</tr>
<tr>
<td>Total Volunteer Hours</td>
<td>1,000</td>
</tr>
</tbody>
</table>
**Arts and Services for Disabled**

Arts & Services for Disabled provides life-long learning, community service and career opportunities through the creative arts for people with disabilities in an environment of warmth, encouragement and respect.

| Paid Positions | 55 |
| How Much Has Your Staff Increased in 2013? | 10 |
| Positions Expected to Add in Next 2 Years | 10 |
| Volunteers | 100 |
| Total Volunteer Hours | 5,000 |

**Precious Lamb Preschool**

Precious Lamb Preschool provides children and families facing homelessness with free education and care. They serve families in the Long Beach area who have experienced domestic violence, crisis pregnancy, substance abuse and homelessness. At no cost to the family, the young children benefit from a full day, developmentally appropriate preschool program while parents participate in rehabilitation, job training or educational programs.

| Paid Positions | 10 |
| How Much Has Your Staff Increased in 2013? | 3 |
| Positions Expected to Add in Next 2 Years | 4 |
| Volunteers | 150+ |
| Total Volunteer Hours | 50,000 |
Financial Profile of Nonprofits

Sources of Revenue

Nonprofit organizations receive their funds from a wide variety of sources. Some nonprofits, like hospitals, have highly diverse sources of funding including fees for service, charitable gifts from individuals, foundations or corporations, and grants from governmental agencies. Other nonprofits have less diverse sources of funding and may heavily rely on a single source such as individual donations or foundation grants. The profile of support of Long Beach nonprofits indicates that government grants are the largest source of funds. Individual donations, foundation and corporate support represent about half of all revenues received by nonprofits.

Economic Impact of Nonprofits

Value of Expenditures

The direct value of the total expenditures of the Long Beach nonprofit sector is $2.7 billion dollars. In addition, these expenditures associated with the activities of Long Beach nonprofits create further economic activity by creating additional employment and expenditures in the region.

Figure 5 illustrates the economic impact in Los Angeles County, in terms of total expenditures on goods and services, when the indirect and induced expenditures brought about as employees of Long Beach nonprofits and their suppliers spend their incomes in the local economy are included.

Value of Employment

Figure 6 summarizes the total employment impacts in Los Angeles County. These employment figures reflect both full and part-time jobs. The direct employment numbers include 19,230 individuals who are employed by Long Beach nonprofits.
These 19,230 jobs comprise more than 10 percent of all jobs in the City of Long Beach. This result is consistent with national data. A recent report by the Congressional Research Service concludes that “charitable organizations are estimated to employ more than 7% of the U.S. workforce, while the broader nonprofit sector is estimated to employ 10% of the U.S. workforce.” Both at a local and national level, the nonprofit sector is a significant job creator.

### VALUE OF PAYROLL

Long Beach nonprofits generate an annual payroll of $687 million, and total labor income of $858 million (Figure 7). The additional difference between these two figures represents expenditures of Long Beach nonprofits on employee benefits. The proportion of benefits in total labor income is smaller for the nonprofit sector than the economy as a whole (25 percent versus 30.9 percent for the US economy as a whole), because of the high prevalence of part-time employment in the nonprofit sector.

As stated earlier, the value of volunteer work is an additional $109 million, raising the imputed aggregate payroll of all working in the nonprofit sector to $795 million annually (Figure 8).

Indirect labor income reflects the income created as Long Beach nonprofits spend on local goods and services. Induced labor income is the extra income created as Long Beach nonprofit employees and employees of suppliers spend their incomes in the local economy.
LONG BEACH SUMMARY

Long Beach nonprofits employ 19,230 individuals (over 10 percent of all Long Beach jobs). This result is consistent with a national study that found 12.9 million jobs in the nonprofit sector, almost 10 percent of America’s workforce.⁹

These Long Beach nonprofit jobs support a payroll of $687 million and create expenditures on goods and services of $2.7 billion. In Los Angeles County, the total economic impact including indirect and induced effects is about 42,000 jobs, labor income (including benefits) of over 2 billion, and total expenditures of $4.9 billion.
THE POWER OF NONPROFITS: ENGINES OF GROWTH

LONG BEACH & THE 17 SOUTHERN LOS ANGELES COMMUNITIES
An Economic Impact Report of Nonprofits in the
17 Southern Los Angeles Communities of:
ARTESIA, BELLFLOWER, CARSON, CERRITOS, COMPTON,
DOWNEY, HARBOR CITY, HAWAIIAN GARDENS, LAKEWOOD,
LOMITA, LYNWOOD, NORWALK, PARAMOUNT, SAN PEDRO,
SIGNAL HILL, SOUTH GATE, AND WILMINGTON.

The Long Beach Nonprofit Partnership was gratified to be able to expand this new economic impact report to include cities and communities beyond Long Beach. Recognizing the regional nature of our economy, this section of the report provides a systematic look at the size and economic contributions of the nonprofit sector in 17 Southern Los Angeles Communities, including those in the South Bay/Harbor Area and along the southern portion of the 710 freeway corridor. While the communities are varied in demographic and socio-economic factors all 436 nonprofits included in this study contribute to the economy and well-being of their individual communities and the region as a whole.

17 SOUTHERN LOS ANGELES COMMUNITIES POWER FACTS:

11,370 Nonprofit Jobs in the 17 Southern Los Angeles Communities (direct)
21,579 jobs (direct, indirect + induced)
50% nonprofits planning to increase hiring in near future
125,000 Volunteers
3.3 MILLION Volunteer Hours
Value of Volunteer Hours = $73 MILLION
$346 MILLION in Payroll
$419 MILLION in payroll including volunteers attributed value
$407 MILLION Total Labor Income
$666 MILLION in expenditures (direct)
$1.6 BILLION in total expenditures (direct, indirect + induced)
profile of THE 17 SOUTHERN LOS ANGELES COMMUNITIES’ NONPROFITS WHO ARE THEY?

Using the definition of nonprofits referred to at the beginning of this document, this study identified 436 nonprofit organizations within the South Bay/ Harbor Area and southern 710 freeway corridor. Figure 9 shows the distribution of these organizations across service categories. Education/Training is the largest category of nonprofit in the 17 Southern Los Angeles Communities.

<table>
<thead>
<tr>
<th>CATEGORY OF SERVICE</th>
<th>% OF ESTABLISHMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education/Training</td>
<td>23</td>
</tr>
<tr>
<td>Human Service</td>
<td>15</td>
</tr>
<tr>
<td>Health</td>
<td>13</td>
</tr>
<tr>
<td>Community Improvement/ Social Justice</td>
<td>13</td>
</tr>
<tr>
<td>Youth</td>
<td>13</td>
</tr>
<tr>
<td>Housing Shelter</td>
<td>10</td>
</tr>
<tr>
<td>Art &amp; Culture</td>
<td>9</td>
</tr>
<tr>
<td>Animals &amp; Environment</td>
<td>4</td>
</tr>
</tbody>
</table>

Who do They Serve?
To find out more about the characteristics of nonprofits in the 17 Southern Los Angeles Communities, a survey was administered. A total of 42 organizations responded to this survey.

When all the organizations surveyed were asked to identify the percentage of their clients that are low-income the average response was 83 percent. Of those responding, 42 percent indicated that 95-100% of their clients are low-income.

Almost half of the nonprofits surveyed indicated that they plan to increase hiring in the near future.

Figure 10 shows the clients served by category for the organizations responding to the survey. It is important to note that some organizations serve more than one category of client. Compared to Long Beach, a much higher proportion of nonprofits in the 17 Southern Los Angeles Communities serve the unemployed.
These organizations were also asked to identify the main ethnic groups that they serve. Again, some organizations identified more than one ethnic group as their main client base. These results are displayed in Figure 3. Compared to Long Beach, nonprofits in the 17 Southern Los Angeles Communities serve a higher proportion of Black/African American clients and a smaller proportion of American Indian and Alaska natives. Hispanic/Latinos were the primary ethnic populations served in both Long Beach and the 17 Los Angeles communities.
The NONPROFIT WORKFORCE

The 436 nonprofits employ 11,370 workers and generate an annual payroll of $346 million. Healthcare makes up the largest portion of the nonprofit sector in this area, both in terms of its expenditures and employee base. Hospitals, clinics and other healthcare nonprofits had total expenditures of $830 million and employed more than 4,808 workers, accounting for 76 percent of all nonprofit expenditures and 42 percent of all nonprofit jobs. The employment figures for Health as shown in Figure 12 include jobs in mental health and medical research, which pushes the employment figure to 5,289 jobs.

<table>
<thead>
<tr>
<th>CATEGORY OF SERVICE</th>
<th>EMPLOYEES</th>
<th>EXPENDITURE $</th>
<th>AVERAGE PAYROLL $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Services</td>
<td>1,276</td>
<td>65,081,954</td>
<td>23,496</td>
</tr>
<tr>
<td>Art &amp; Culture</td>
<td>445</td>
<td>10,858,716</td>
<td>5,544</td>
</tr>
<tr>
<td>Education &amp; Training</td>
<td>3,444</td>
<td>108,685,983</td>
<td>12,635</td>
</tr>
<tr>
<td>Health</td>
<td>5,289</td>
<td>846,308,200</td>
<td>47,724</td>
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<tr>
<td>Community/Improvements/Social Justice</td>
<td>339</td>
<td>219,237,739</td>
<td>19,547</td>
</tr>
<tr>
<td>Housing/Shelter</td>
<td>179</td>
<td>25,882,746</td>
<td>30,091</td>
</tr>
<tr>
<td>Youth</td>
<td>335</td>
<td>12,479,839</td>
<td>14,280</td>
</tr>
<tr>
<td>Animals &amp; Environment</td>
<td>63</td>
<td>4,750,667</td>
<td>11,831</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>11,370</strong></td>
<td><strong>1,095,971,844</strong></td>
<td><strong>30,419</strong></td>
</tr>
</tbody>
</table>

The average payroll for all nonprofits is $30,419 which is below the $54,422 average county-wide. The relatively low average wage is in part related to the number of part-time workers.

Value of Volunteers

Based on the sample of nonprofits, the study researchers estimate that there were 125,000 volunteers who donated over 3.3 million hours in 2012, about one-half hour per week. Clearly, some volunteers are full-time while others only periodically donate their time. This time has an economic value. While the economic value of volunteers varies widely from highly skilled professionals to those with a more limited skill set, the national average is $22.14 per hour. Accordingly, the value of volunteer work is an additional $73 million, raising the imputed aggregate payroll of all working in the nonprofit sector to $419 million annually.
NONPROFITS AS Job Creators

Even in areas with a sparser nonprofit presence, nonprofits are proven job creators. Almost 50% of the nonprofits surveyed indicated that they plan to increase hiring in the near future.

Food Finders / Signal Hill

Food Finders is a community-based food rescue organization that serves as a conduit for food, education, and awareness between donors, volunteers, agencies and people in need. Their mission is to eliminate hunger and food waste, while improving nutrition in the communities they serve.

<table>
<thead>
<tr>
<th>Paid Positions</th>
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<tbody>
<tr>
<td>How Much Has Your Staff Increased in 2013?</td>
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<tr>
<td>Positions Expected to Add in Next 2 Years</td>
<td>2</td>
</tr>
<tr>
<td>Volunteers</td>
<td>250</td>
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<tr>
<td>Total Volunteer Hours</td>
<td>19,000</td>
</tr>
</tbody>
</table>

South Asian Helpline and Referral Agency (SAHARA) / Artesia

South Asian Helpline And Referral Agency (SAHARA) was founded in 1991 by a group of five licensed clinical social workers and two physicians. SAHARA meaning “support” in Hindi, provides culturally-sensitive information and support services to the South Asian community in Southern California. A major focus of this organization is empowering the silent and unacknowledged section of society suffering from domestic violence.

<table>
<thead>
<tr>
<th>Paid Positions</th>
<th>10</th>
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<tbody>
<tr>
<td>How Much Has Your Staff Increased in 2013?</td>
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<td>Positions Expected to Add in Next 2 Years</td>
<td>1</td>
</tr>
<tr>
<td>Volunteers</td>
<td>50</td>
</tr>
<tr>
<td>Total Volunteer Hours</td>
<td>5,000</td>
</tr>
</tbody>
</table>
The Boys & Girls Club of the Los Angeles Harbor helps young people, especially those most in need, to reach their full potential as productive, caring, and responsible citizens. The Club achieves this by providing a safe, nurturing environment where quality programs and services inspire its members to greatness. The Club serves nearly 2,250 children a day, with over 7,500 members, making it the largest private daily service provider to at-risk children in the entire L.A. Harbor/South Bay area.

| Paid Positions | 202 |
| Positions Expected to Add in Next 2 Years | 25 |
| Volunteers | 600 |
| Total Volunteer Hours | 70,000 |

**Financial Profile of Nonprofits**

**SOURCES OF REVENUE**

Nonprofit organizations receive their funds from a wide variety of sources, usually from two revenue streams, contributed income and earned income. Some nonprofits, like hospitals, have highly diverse sources of funding including fees for service (earned income), charitable gifts from individuals, foundations or corporations (contributed income), and grants from governmental agencies (usually earned income). Other nonprofits have less diverse sources of funding and may heavily rely on a single source such as individual donations or foundation grants. The profile of support of nonprofits in the 17 Southern Los Angeles Communities indicates that fee for service is the largest source of funds, followed by individual donations and foundation grants. In the “other” category of sources of income, organizations reported special fundraising events, church funding, funding from charitable partners, and other sources of revenue.
**Economic Impact of Nonprofits**

**VALUE OF EXPENDITURES**

The direct value of the total expenditures of the nonprofit sector in the 17 Southern Los Angeles Communities is $1.586 billion dollars. In addition, these expenditures associated with the activities of these nonprofits create further economic activity by creating additional employment and expenditures in the region.

**Figure 13** shows the economic impact in Los Angeles County in terms of total expenditures on goods and services when we include the indirect and induced expenditures brought about as employees of these nonprofits and their suppliers spend their incomes in the local economy.

![Value of Expenditures Diagram](image13)

**VALUE OF EMPLOYMENT**

These employment figures reflect both full and part-time jobs. The direct employment numbers include 11,370 individuals who are employed by nonprofits in the 17 Southern Los Angeles Communities.

**Figure 14** summarizes the total employment impacts in Los Angeles County. These employment figures reflect both full and part-time jobs. The direct employment numbers include 11,370 individuals who are employed by nonprofits throughout the 17 Southern Los Angeles Communities.

![Value of Employment Diagram](image14)
VALUE OF PAYROLL

This section summarizes the total impacts on labor income in Los Angeles County. Labor income is defined as total salaries and wages plus benefits. The study researchers found that nonprofits in the 17 Southern Los Angeles Communities generate an annual payroll of $346 million, and total labor income of $407 million. The difference between these two figures represents expenditures of nonprofits on employee benefits. The proportion of benefits in total labor income is smaller for the nonprofit sector than the economy as a whole; 18 percent versus 30.9 percent for the US economy as a whole. The high prevalence of part-time employment contributes to this discrepancy in the nonprofit sector.

Figure 15 shows the economic impact of the 17 Southern Los Angeles Communities’ nonprofits on labor income in Los Angeles County. Indirect labor income of $357 million reflects the income created as nonprofits spend on local goods and services. Induced labor income of $244 million is the extra income created as area nonprofit employees and employees of suppliers spend their incomes in the local economy.

TOTAL ECONOMIC IMPACT

The total economic impact of nonprofits in the 17 Southern Los Angeles Communities, including indirect and induced impacts, on the economy of Los Angeles County is significant. In the county, nonprofits in the 17 Southern Los Angeles Communities support a total of 21,579 jobs, generating labor income of $1,008 million. Nonprofits in this group of communities also support total expenditures on goods and services in the county of $1,586 million.

17 SOUTHERN CALIFORNIA COMMUNITIES SUMMARY:

In the 17 Southern Los Angeles Communities the nonprofit sector is an important engine of economic activity. These nonprofits employ 11,370 individuals and are significant job-creators.

Nonprofits in the 17 Southern Los Angeles Communities generate labor income of $407 million and create expenditures on goods and services of $666 million. In Los Angeles County, the total economic impact including indirect and induced effects is about 22,000 jobs, labor income (including benefits) of over a billion, and total expenditures on local goods and services of $1.6 billion.
CONCLUSION

Virtually every member of the communities studied has some contact with a nonprofit organization. Whether a person is directly accessing services of a health care provider or preschool, enjoying a park supported by the work of a nonprofit, enrolled in a job training program, enjoying a concert or a play, learning to draw, finding safe shelter, working as a volunteer or donating money. Everyone’s life is touched by the work of these community benefit organizations. While many residents come in contact with, and appreciate the social services and cultural benefits that nonprofits provide, fewer residents, business and government leaders recognize that the nonprofit sector is an important engine of economic activity.

In keeping with national trends, nonprofits in our area have proven resilient through the recent recessions.

In Long Beach alone, nonprofits are 10% of the workforce. Long Beach nonprofits, anchored by the nonprofit healthcare industry, have a total income impact of $2.2 billion and $4.9 billion expenditure impact in the region. The nonprofits studied in the 17 South Los Angeles County Communities, while spread throughout a wide swath of communities and while fewer in number yet serving a larger portion of the impoverished, still managed to be important producers of jobs with a significant income impact of $1,008 million in total labor income and $1.6 billion in total expenditures.

At least 50% of all nonprofits surveyed indicated that they anticipated increased hiring in the near future.

A January 2012 Johns Hopkins University study, Holding the Fort: Nonprofit Employment in a Decade of Turmoil, stated, “...the U.S. nonprofit sector posted a remarkable 10 year record of job growth despite two recessions, achieving an annual growth rate of 2.1% from 2000 to 2010. Even during the recession from 2007 to 2009, nonprofit jobs increased by an average of 1.9% per year. At the same time, businesses averaged jobs losses of 3.7% per year.” 10

The same report concludes that the nonprofit workforce is the third largest workforce in America and accounts for 10.1% of the nation’s total private employment.
In California, the first statewide report aggregating economic data on the nonprofit sector shows that nonprofits rank as the 4th largest private employer in California and accounts for 15% of the state GDP. **Causes Count: The Economic Power of California’s Nonprofit Sector** was commissioned by the California Association on Nonprofits (CalNonprofits), the statewide policy alliance of more than 10,000 organizations.\(^1\)

“While sometimes portrayed as too small to matter, this report shows that California’s nonprofit sector is too big to overlook,” said CalNonprofits CEO Jan Masaoka. “Not only do our state’s nonprofits uniquely represent the dreams and visions of California’s varied communities, but they are robust with human and financial capital.”

As Robert Eggers, Founder and President of The L.A. Kitchen pointed out in a recent interview, a chamber of commerce will inevitably inventory the great programs and organizations a city has to offer when trying to woo business. Eggers argues that a chamber of commerce or a city government official will tout its arts and culture, its beautiful parks, universities, healthcare, recreational amenities, and communities of faith. “...all these things that are 100%, American-as-apple-pie, nonprofits,” said Eggers. “What they are saying...is that you can make money here because we have great nonprofits.”\(^2\)

Nonprofits help our communities thrive. Nonprofits bring money from outside by attracting tourism, for profit businesses, research dollars, and federal grants. They satisfy the multiple needs of a community’s citizens from the spiritual to the physical. They keep dollars in the community & region by employing workers and purchasing goods and services. It is clear nonprofits are and will continue to be a key engine of growth and strength in Long Beach, our region and the nation.
NOTES
Methodology for calculating economic impacts
The term “economic impact” is commonly used to describe the contribution that an enterprise or organization will make to the local and regional economies and state economies. These economic impacts take four forms:

Direct Impacts: These include the direct expenditures and employment of Long Beach nonprofits. The direct employment occurs entirely in the City of Long Beach, and the direct expenditures measure the expenditures of these organizations, both in the city and county.

Indirect Impacts: These impacts measure the economic activity that will occur in Los Angeles County resulting from the direct purchases of goods and services by Long Beach nonprofits. For example, Long Beach nonprofits purchase business services, equipment, and supplies from other firms in Los Angeles County.

Induced Impacts: These economic impacts measure the economic activity in Los Angeles County that will result when Long Beach nonprofits and their employees spend their wages in the local economy.

The data and analysis for this study were prepared by Drs. Lisa M. Grobar and Joseph P. Magaddino. The authors may be contacted at 562.985.5061. To calculate the indirect impacts, the authors used the INPLAN model for Los Angeles County.

Data for this report was derived from the following sources: The National Center for Charitable Statistics (NCCS); www.guidestar.com which maintains a listing of nonprofit 501 (c) (3) that have annual revenues over $25,000 and must file a tax return (Form 990) with the IRS; the database maintained by the CSULB Office of Economic research. All data was collected for 2012. A survey by the Long Beach Nonprofit Partnership of the 18 communities included in this report was conducted in Fall 2013 and includes data for 2012 and forecast data for 2012-2014.

END NOTES
1. Data was collected from the National Center for Charitable Statistics (NCCS), from www.guidestar.com, and from the database maintained by the CSULB Office of Economic research.
3. National Taxonomy of Exempt Entities (NTEE) Classification System was used as a guideline by the study authors in defining the Categories of Service.
4. The name “Long Beach Memorial Medical Center” includes Long Beach Memorial, Community Hospital Long Beach, and Miller Children’s and Women's Hospital Long Beach.
5. 2012 Federal Poverty Guidelines for the 48 Contiguous States and the District of Columbia is defined as income under $23,050 for a family of 4.
7. www.independentsector.org The estimate is based on the average hourly wage of all production and non-supervisory workers and includes a 12 percent fringe benefits factor.
LONG BEACH survey PARTICIPANTS

AbilityFirst-Long Beach Center
Algalita Marine Research Institute
All Wildlife Rescue & Education Foundation
Alpert Jewish Community Center of Long Beach
American Indian Changing Spirits
Andy Street Community Association
Aquarium of the Pacific
Arthritis National Research Foundation
Arts and Services for Disabled
Arts Council for Long Beach
Assistance League of Long Beach
Bal Jagat Children’s World
Bayfront Youth and Family Services
Betty Clooney Foundation
Boy Scouts of America - Long Beach
Boys and Girls Club of Long Beach
California Aquatic Therapy and Wellness Center
California Association for the Education of Young Children Beach Cities
California State Student Association
Camp Fire USA Long Beach Area Council
Century Villages at Cabrillo
Childnet Youth and Family Services
Children Today
Children’s Dental Clinic
City Frock
Comprehensive Child Development
Conservation Corps of Long Beach
Cubberley School Foundation
EndOil
Families Uniting Families
Freedom Writers Foundation
For the Child
Friends of Amateur Rocketry
Friends of Colorado Lagoon
Girl Scout Council of Greater Long Beach
Go-Fame
Haven of Hope Foundation for the Homeless
Housing Long Beach
Jewish Children and Family Service of Long Beach
Jewish Federation of Greater Long Beach & West Orange County
Khmer Girls in Action
Leadership Long Beach
Linc Housing Corporation
Living Hope Clinical Trials
Long Beach Affordable Housing Coalition
Long Beach Better Learning After School Today
Long Beach Cares
Long Beach Community Action Partnership
Long Beach Community Players
Long Beach Day Nursery
Long Beach Education Foundation
Long Beach Heritage Coalition
Long Beach Museum of Art
Long Beach Nonprofit Partnership
Long Beach Public Library Foundation
Long Beach Rescue Mission
Long Beach Symphony Orchestra
Making Education the Answer
Marguerite Kiefer Education Center
Meals on Wheels Long Beach
Memorial Medical Center
Museum of Latin American Art
New City Public Schools
New Hope Grief Support Community
Partners of Parks
Power 4 Youth
Precious Lamb Preschool
Rancho Los Alamitos
Rancho Los Cerritos
Rebuilding Together Long Beach
Ronald McDonald House
SCAN Health
Southern California Institute for Research and Education
Southern California Regional Transit Training Consortium
St. Mary Medical Center
Su Casa - Ending Domestic Violence
Success in Challenges
The Center Long Beach
The Guidance Center
The Jazz Angels
Tichenor Orthopedic Clinic for Children
United Cambodian Community
Urban Community Outreach
Westerly School of Long Beach
Women in Non Traditional Employment Roles (WINTER)
Womenshelter of Long Beach
YMCA of Greater Long Beach
Young Horizons Child Development Centers

88 Long Beach Nonprofit Organizations participated in the survey
417 Long Beach Nonprofits Included in the Study
17 SOUTHERN LOS ANGELES COMMUNITIES SURVEY PARTICIPANTS

Angels Gate Cultural Center
Apollo West Theater and Drama Workshop Carson Players
Beacon House Association of San Pedro
Bellflower Friendship Manor
Bethany Manor Development & Learning Center
Boys and Girls Club of the Los Angeles Harbor
Champions of Caring Connections, Inc.
Clothes the Deal
Community’s Child
Coy Chiropractic Institute
Culture Shock Los Angeles
Dramatic Results
Finding Arts Center
Food Finders
Harbor Community Benefit Foundation
Harbor Community Clinic
Harbor Interfaith Services
International Society for Mannosidosis & Related Diseases
Jr Posse Youth Equestrian Program
Kingdom Causes Bellflower
LA Harbor International Film Festival
Lakewood Education Foundation
Lakewood Meals on Wheels
Los Angeles Maritime Museum
New Partnership Foundation
Northwest Downey Little League
Olive Crest
Pacific Unicom Corporation
Pathways Volunteer Hospice
Peace 4 Kids
PortTech Los Angeles
Robert F Kennedy Institute of Community and Family Medicine
Sophisticated Dance, Inc.
South Asian Helpline and Referral agency
St Francis Medical Center
The Compton Initiative
Toberman Neighborhood Center, Inc.
Tomorrow’s Aeronautical Museum
Trails4all
YWCA Harbor

42 Nonprofit Organizations participated in the survey
436 17 Southern Los Angeles Communities’ Nonprofits Included in the Study
1. Which one of the following best describes the focus of your work?
   - Youth Development
   - Health Care
   - Education & Training
   - Community Improvement & Social Justice
   - Human / Social Services
   - Arts & Culture
   - Animals & Environment
   - Housing / Shelter
   - Other (please specify)

2. (check all that apply)
   - General Population
   - Pre-school children
   - School Age Youth
   - College Students
   - Seniors
   - Disabled
   - Homeless
   - Unemployed
   - LGBT
   - Immigrants
   - Low Income
   - Other (please specify)

3. What is the primary ethnic/cultural population you serve?
   - White
   - Black or African American
   - American Indian and Alaska Native
   - Asian
   - Native Hawaiian and Other Pacific Islander
   - Multi-Ethnic
   - Hispanic or Latino
   - Other (please specify)

4. How many clients did you serve in 2012? (e.g. 25,000)


6. How many paid positions were supported by your organization in 2012? (This is a head-count of # of people you employed in 2012 and should include full and part-time employees)

7. Has your paid staff increased, decreased or stayed the same in 2013?
   - Staff size has increased - indicate # of jobs:
   - Staff size has decreased - indicate # of jobs:
   - Staff size will remain the same (indicate “Yes” if applicable)

8. How many paid positions do you project to ADD to your organization in the next 2 years – (2014-2015)?

9. How many volunteers did you have in 2012? * We define a “volunteer” as one who provides direct support to the organization. Please do not include board members. (e.g. 1,250)

10. How many total volunteer hours were donated in 2012? (e.g. 10,250)

11. From how many locations does your organization operate? Please include all program and staff facilities? (e.g. 5)

12. Do you rent/lease and/or own these facility/facilities? (Leave question blank if not applicable):
   - Rent/Lease/Own - please indicate
   - Rent/Lease: How much do you pay per month? (e.g. $1,500, if applicable)
   - Own: What is the value of the property? (e.g. $230,000, if applicable)

13. Each of the following account for what percent age of your total revenue? Once you’ve completed each box, the total should be 100 percent.
   - Foundation Grants
   - Corporate Support
   - Government Grants
   - Individual Donations
   - Fee for Service
   - Other (please explain to right)

14. What is the value of your endowment? Please enter 0 if you do not have one, (e.g. $250,500)

15. If applicable, what factors will be influencing future job growth for your organization, i.e., the Affordable Care Act, etc?

16. Additional Comments?

17. To conclude, are there any areas where we may be of further assistance to your organization - through customized consulting and/or training? (check all that apply)
   - Board Development
   - Strategic Planning
   - Financial Management / Reporting
   - Human Resources
   - Fund Development
   - Volunteer Development
   - Grantwriting
   - Marketing / Communications
   - Social Media
   - Information Technology / Support
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St. Mary Medical Center Foundation
Supervisor Don Knabe
Josephine S. Guminer Foundation
Earl B. and Loraine H. Miller Foundation

Long Beach Nonprofit Partnership serves greater Long Beach and surrounding communities by strengthening nonprofit organizations through leadership, education, and collaboration. As the premiere management support organization, Long Beach Nonprofit Partnership transforms communities by supporting critical services, efforts and missions of vital nonprofit organizations. It provides access, expertise and resources needed by community based organization to succeed in their missions.

About LBNP
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Children’s Benefit League
Children’s Dental Health Clinic
Clothes the Deal
Community Hospital Long Beach
Dramatic Results
Food Finders
Historical Society of Long Beach
Interval House
Jr. Posse Youth Equestrian Program
Junior League of Long Beach
Leadership Long Beach
Long Beach Better Learning for All Students Today (BLAST)
Long Beach Memorial Medical Center
Long Beach Museum of Art
Long Beach Organic
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Long Beach Symphony Orchestra
Museum of Latin American Art
Pathways Volunteer Hospice
Precious Lamb Preschool
South Asian Helpline and Referral Agency (SAHARA)
St. Mary Hospital
The Children’s Clinic
The Guidance Center
The Jazz Angels
Young Horizons

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