Executive Summary

There are more than 72,000 active nonprofits in California, of which about 25,000 have paid staff. With 15 percent of the State GDP, a million employees and millions of volunteers, nonprofits not only help drive the California economy, but touch the lives of every Californian every day.

This groundbreaking report commissioned by the California Association of Nonprofits (CalNonprofits) reveals for the first time the size, scope and economic significance of California's nonprofits, relying on data that has never before been aggregated. While sometimes portrayed as too small to matter or less efficient than for-profit businesses, this report shows California's nonprofit sector to be too big to overlook, robust with human and financial capital, and uniquely representative of the visions and values of California’s diverse communities. Causes Count reveals nonprofits to be a deep and integral part of what makes California the uniquely vibrant state it is.

Download the full report, order hard copies, watch our video overview and find out about more ways to engage with Causes Count at: www.calnonprofits.org/causes-count
Economic strength

Nonprofits are a large and vital part of California's economy, with nonprofit economic activity contributing 15% — or 1/6 — of California's Gross State Product (GSP).

Despite being exempt from corporate income tax, nonprofits generated $37 billion in taxes in 2012 at federal, state and local levels.

Nonprofits generate $208 billion in annual revenue and hold $328 billion in assets.

There are 25,000 nonprofits with paid staff and 50,500 identified as grassroots or mostly voluntary.

The nonprofit sector is a growth industry: while the total number of nonprofits has leveled off since 2009, the California sector has grown in revenue, assets, jobs, and wages.

California foundations make nearly $2 billion in grants to California nonprofits annually.

Significant resource disparities persist:
- In rural compared to metropolitan communities
- In communities of color
- In southern versus northern California
- In certain subsectors
- Between “have” and “have not” communities

Each year California nonprofits bring in at least $40 billion in revenue from out-of-state sources.

California is a big player...
- 12% of U.S. population
- 12% of U.S. nonprofit revenues
- 10% of U.S. nonprofit assets

10% of U.S. nonprofit assets

12% of U.S. population

12% of U.S. nonprofit revenues

Disparities

The 10 Regions of California

Far North
Sac Metro
Sierras
San Joaquin
Central Coast
Los Angeles
Inland Empire
Bay Area
Orange
San Diego

Northern California nonprofits generate $5,006 in revenue for every person

Southern California nonprofits only generate $1,727 for every person

Fewer nonprofits and nonprofit resources in communities of color

<table>
<thead>
<tr>
<th>Communities of color (population in zip code &gt;80% non-white)</th>
<th>All others (population in zip code &lt;80% non-white)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonprofit organizations per capita (1,000)</td>
<td>0.5</td>
</tr>
<tr>
<td>Nonprofit revenues per capita (1,000)</td>
<td>$1,355</td>
</tr>
<tr>
<td>Assets per capita (1,000)</td>
<td>$1,921</td>
</tr>
</tbody>
</table>
Major employer

Nonprofits rank as the 4th largest industry in California by employment, producing more jobs than the construction, finance, or real estate industries. Nearly 1 million people are employed by nonprofits in California, accounting for six percent of total state employment. California volunteers contribute more than $24.7 billion in unpaid labor each year, the equivalent of 450,000 full-time jobs.

On average, small nonprofits employ more people than for-profit small businesses. There is greater racial/ethnic workforce diversity in the nonprofit sector when compared to the adult civilian workforce as a whole.

1 out of 16 California jobs is at a nonprofit organization.

Public confidence and advocacy

Californians surveyed for this report believe that nonprofits exist to provide services to the needy and vulnerable (85%), improve quality of life (79%), as well as express community values and promote social change (70%).

California nonprofits are trusted institutions. Over 80 percent of the Californians surveyed for this study are confident that nonprofits act on the public’s behalf and deliver quality services.

California nonprofits are intricately involved with civic life: 79 percent of nonprofit leaders surveyed meet with public officials and their staff, 53 percent belong to an association or coalition that lobbies on their behalf, and 42 percent mobilize their clients and constituents in community affairs.

The majority of Californians surveyed agreed nonprofits exist to express community values.

Download the full study from calnonprofits.org/causes-count
Why does it matter whether nonprofits are a powerful economic force in California? Just as we need to understand the economic impact of tourism, of Silicon Valley, of the wine industry and construction, we need to understand the significant role that nonprofits play in our state’s economic landscape. This knowledge reveals a myriad of opportunities:

- Policymakers will know how to identify their most effective partners in developing and passing legislation and ask: “What will the nonprofit community think?”
- Nonprofit leaders – both staff and volunteer – can plot their organizational trajectories in the context of their industry trends
- Cities – knowing the rates at which nonprofits create and retain jobs – will court nonprofits the way they court other important industry
- Elected officials and candidates for public office will seek out nonprofits knowing that nonprofit work is crucial to civic success, and because voters care about which candidates support nonprofits
- Business leaders will see nonprofits as viable partners in local and regional economic development
- Grantmakers can address disparities among regions and populations in California

Californians know nonprofits as important and valued community institutions. But this report also shows the unexpectedly strong economic power of the nonprofit sector and its ability to use that power for the common good. As this study shows, California nonprofits are not only service and arts providers, they are community organizers and vote mobilizers.

For California to make full use of this nonprofit economic and people power, California's leaders should work with nonprofits to devise and implement community solutions and programs. Whenever the Chamber of Commerce, for instance, is asked to bring a business perspective to the discussion, the nonprofit sector must be asked as well.

And within the nonprofit sector, we encourage nonprofits to ask how our sector – with its diversity of efforts, unequally distributed resources, and tumultuously different viewpoints – can act more cohesively in its shared interests. Let the discussions begin. The future of California is at stake.