

# The *Montana* Nonprofit Industry

## 2015



## Montana's Nonprofits Are . . .

### ...a Partner

The public, private, and nonprofit sectors are a “three legged stool” supporting a vibrant Montana now and for the future. Nonprofits are mission-driven corporations governed by community leaders who often represent government and for-profit enterprise.

### ...a Civic Response

All 501(c)(3) nonprofit organizations are a response to needs identified by citizens. Montana's nonprofits reflect our people and our values—from promoting arts and sciences to preserving indigenous cultures and languages, protecting civil rights and animal habitat, providing hunter safety, caring for our children and elders, fulfilling our spiritual needs and so much more.

### ...a Benefit to the Community

All 501(c)(3) nonprofits start out as corporations that trade shareholder earnings for community betterment, private ownership for community stewardship, and personal gain for the greater good.

### ...an Economic Driver

46,794 Montanans are employed by a 501(c)(3) organization, making up 10.4% of Montana's workforce.

### ...in Every Corner of Montana

Montana is home to 6,973 501(c)(3) nonprofits. Present in 55 of 56 counties, nonprofits support civic interest and communities in the furthest reaches of our state.



**Montana Nonprofit Association**

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Every two years Montana Nonprofit Association (MNA) undertakes a study of the economic impact of Montana’s charitable nonprofit sector. In 2014, with generous support from the United Way of the Lewis & Clark County Area, MNA contracted with Solution Mountain, Inc., for an analysis of the economic footprint of Montana’s nonprofit industry, focusing on 501(c)(3)s, or charitable nonprofits. Solution Mountain, Inc.’s tools and services are based on IMPLAN data, which takes its figures directly from the U.S. Department of Commerce. IMPLAN is the "gold standard" of economic impact data. Using the tax returns that are required for every charitable nonprofit with gross receipts of more than \$25,000, Mountain Solutions analyzed data on 2,974 Montana 501(c)(3) nonprofit organizations.

**Highlights:**

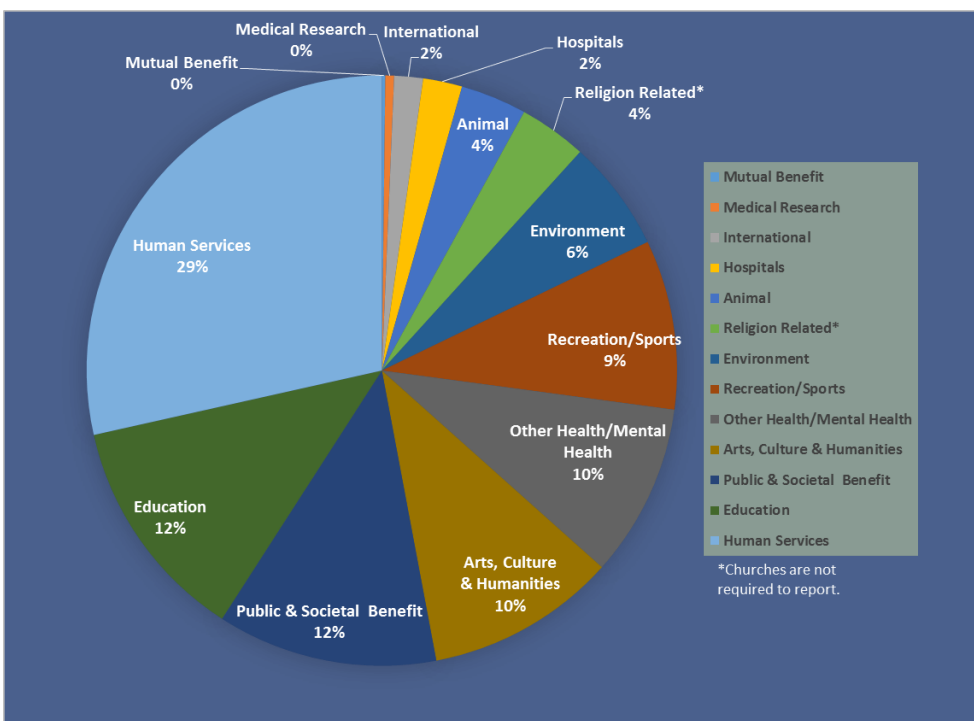
- In Montana, nonprofits generate more than \$4.8 billion of income each year. As the income is dispersed throughout the economy it adds more than \$2.0 Billion in multiplier benefits to produce a total of \$6.9 billion in gross economic output. Adding almost \$13 billion in assets creates a total economic impact of almost \$20 billion. County data is found on the back page.
- In 2013, of 6973 charitable nonprofits in the state, 2140 nonprofit businesses paid wages. A total of 46,794 employees were paid just over \$1.7 billion in wages, representing 10.4% of all workers in the state, and 10.7% of all wages.\*
- Two thirds of Montana’s charities are run by volunteers – including volunteer boards made up of committed and gifted community leaders. Volunteers clocked almost 33 million hours of service in 2013, the equivalent of almost 16,000 full-time jobs, and 16<sup>th</sup> highest in the nation. \*\*

Many of us understand the contribution of Montana’s charitable nonprofits to the unique quality of life we experience in Montana. This analysis goes further, allowing us to appreciate the role of Montana’s nonprofits as a powerful economic driver. Montana’s nonprofits are integral to our satisfaction with life, our well-being, our community fabric, and our economic vitality.

\*MT Department of Labor, 2013

\*\*Volunteering in America, 2013

**Liz Moore, Executive Director**  
**Montana Nonprofit Association**



## What types of nonprofits operate in Montana?

Similar to for-profit businesses whose activities are classified using the North American Industry Classification System (NAICS), nonprofit establishments are classified based on the National Taxonomy of Exempt Entities (NTEE).

**Figure 1 Reporting Charitable Nonprofits in Montana by Field, 2011**  
*National Center on Charitable Statistics, 2014*

Data used from various sources throughout will result in some inconsistencies depending on most recent available data from a given source.

# Budgets and jobs in Montana's nonprofit industry

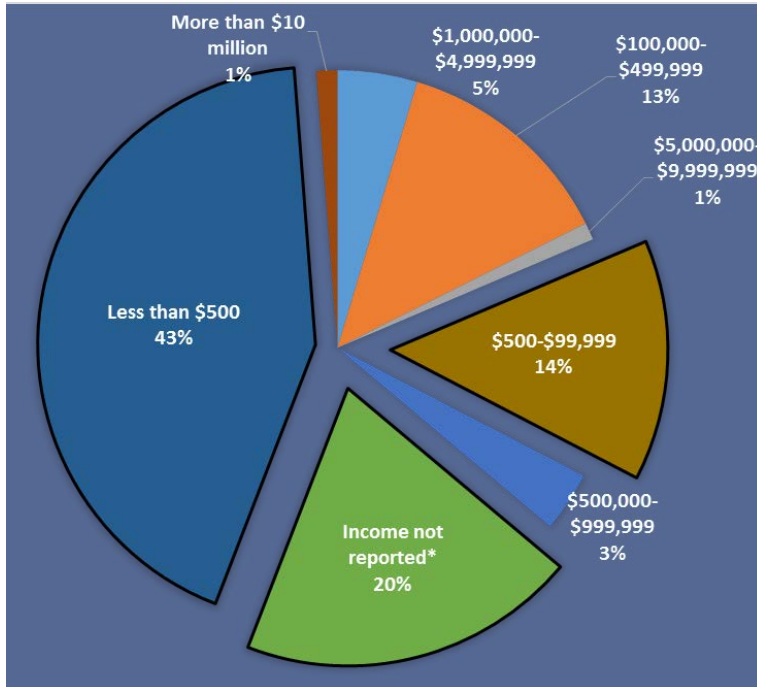


Figure 2 Budget Size of Nonprofits  
IRS Exempt Organization Master List 2014

**80% of Montana's nonprofits report annual revenue of less than \$100,000.** More than half of those have income of less than \$500. Of the 20% that do not offer an income report, many are churches – which are not required to report. Others are affiliates of umbrella organizations that report income.

**31% of Montana's nonprofit establishments pay wages.**

Montana's nonprofits account for 10.4% of wages paid in the state, putting them at the top of wage-paying industries. The high share of employment and wages is largely because many of Montana's hospitals and medical providers are nonprofit organizations, and health care is one of Montana's largest employing industries.

**In 2013, 46,794 Montanan's worked in the nonprofit industry. 48% of wage-paying nonprofits operate outside of the seven population centers.**

The average wage in a rural nonprofit business is almost 19% lower than nonprofit wages in the larger towns.

Employment			Wages	
Percent	Industry	Rank	Industry	Percent
12.69%	Retail Trade	1	Nonprofits	10.40%
11.14%	Accomm. and Food Services	2	Public Administration	10.05%
10.70%	Nonprofits	3	Retail Trade	8.75%
8.25%	Educational Services	4	Health Care and Social Assistance	8.45%
8.21%	Public Administration	5	Educational Services	8.06%

Figure 3 2013 Top 5 Industries by Share of Employment and Wages  
Montana Department of Labor 2014

City	Number of wage-paying nonprofits	Number of employees	Total Wages
Missoula	227	5258	\$155,045,055
Billings	210	7930	\$357,979,957
Helena	187	4309	\$163,203,885
Bozeman	176	3464	\$127,629,267
Great Falls	138	4719	\$186,441,602
Kalispell	89	3775	\$169,591,535
Butte	81	1594	\$36,749,266
Rural	1032	15745	\$510,143,968
<b>TOTAL</b>	<b>2140</b>	<b>46794</b>	<b>\$1,706,784,535</b>

Figure 4 Location of wage-paying nonprofits  
Montana Department of Labor 2014

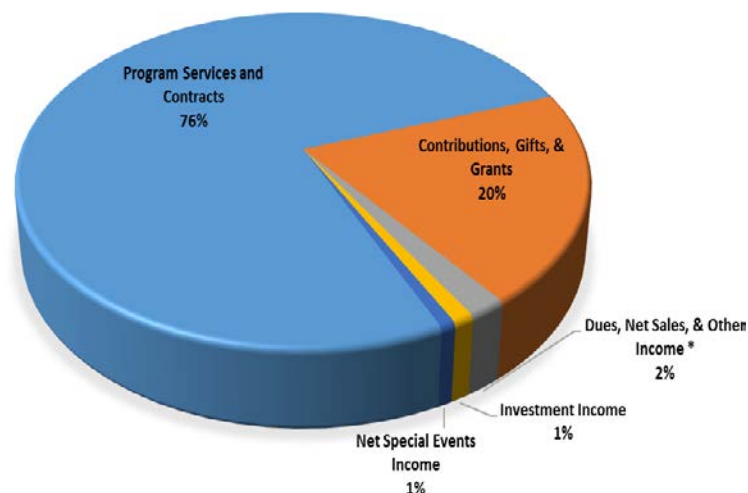


Figure 5 Revenue Sources for Montana's Nonprofits  
National Center on Charitable Statistics 2012



# Economic Impact

County	Direct Impact	Indirect and Induced Impact	Total Impact	County	Direct Impact	Indirect and Induced Impact	Total Impact
BEAVERHEAD	\$10,544,059	\$4,530,900	\$15,074,959	MCCONE	\$3,112,129	\$1,337,316	\$4,449,445
BIG HORN	\$16,702,893	\$7,177,419	\$23,880,312	MEAGHER	\$4,996,761	\$2,147,164	\$7,143,925
BLAINE	\$15,283,475	\$6,567,479	\$21,850,954	MINERAL	\$10,865,868	\$4,669,184	\$15,535,052
BROADWATER	\$3,967,909	\$1,705,055	\$5,672,964	MISSOULA	\$517,123,689	\$222,213,806	\$739,337,495
CARBON	\$17,072,256	\$7,336,138	\$24,408,394	MUSSELSHELL	\$13,072,421	\$5,617,365	\$18,689,786
CARTER	\$3,208,470	\$1,378,715	\$4,587,185	PARK	\$50,338,048	\$21,630,820	\$71,968,868
CASCADE	\$1,051,333,064	\$451,769,522	\$1,503,102,586	PETROLEUM	\$0	\$0	\$0
CHOUTEAU	\$6,627,129	\$2,847,751	\$9,474,880	PHILLIPS	\$11,434,584	\$4,913,568	\$16,348,152
CUSTER	\$59,997,040	\$25,781,328	\$85,778,368	PONDERA	\$17,674,143	\$7,594,776	\$25,268,919
DANIELS	\$8,000,384	\$3,437,854	\$11,438,238	POWDER RIVER	\$463,284	\$199,078	\$662,362
DAWSON	\$44,041,549	\$18,925,144	\$62,966,693	POWELL	\$12,216,062	\$5,249,378	\$17,465,440
DEER LODGE	\$71,156,343	\$30,576,673	\$101,733,016	PRAIRIE	\$279,346	\$120,038	\$399,384
FALLON	\$13,363,541	\$5,742,462	\$19,106,003	RAVALLI	\$72,717,774	\$31,247,637	\$103,965,411
FERGUS	\$37,215,667	\$15,991,986	\$53,207,653	RICHLAND	\$59,046,145	\$25,372,786	\$84,418,931
FLATHEAD	\$415,108,049	\$178,376,550	\$593,484,599	ROOSEVELT	\$44,906,515	\$19,296,829	\$64,203,344
GALLATIN	\$353,148,693	\$151,751,925	\$504,900,618	ROSEBUD	\$18,301,329	\$7,864,285	\$26,165,614
GARFIELD	\$34,125	\$14,664	\$48,789	SANDERS	\$21,729,635	\$9,337,466	\$31,067,101
GLACIER	\$27,482,294	\$11,809,448	\$39,291,742	SHERIDAN	\$14,359,819	\$6,170,574	\$20,530,393
GOLDEN VALLEY	\$0	\$0	\$0	SILVER BOW	\$88,499,392	\$38,029,174	\$126,528,566
GRANITE	\$1,665,539	\$715,701	\$2,381,240	STILLWATER	\$9,248,389	\$3,974,136	\$13,222,525
HILL	\$116,047,771	\$49,867,019	\$165,914,790	SWEET GRASS	\$910,029	\$391,050	\$1,301,079
JEFFERSON	\$2,293,151	\$985,393	\$3,278,544	TETON	\$2,123,772	\$912,608	\$3,036,380
JUDITH BASIN	\$22,137	\$9,513	\$31,650	TOOLE	\$4,125,528	\$1,772,785	\$5,898,313
LAKE	\$94,146,602	\$40,455,843	\$134,602,445	TREASURE	\$0	\$0	\$0
LEWIS & CLARK	\$476,929,728	\$204,942,014	\$681,871,742	VALLEY	\$36,373,354	\$15,630,035	\$52,003,389
LIBERTY	\$7,424,796	\$3,190,517	\$10,615,313	WHEATLAND	\$5,917,407	\$2,542,776	\$8,460,183
LINCOLN	\$46,494,602	\$19,979,248	\$66,473,850	WIBAUX	\$0	\$0	\$0
MADISON	\$11,560,252	\$4,967,569	\$16,527,821	YELLOWSTONE	\$883,788,643	\$379,773,819	\$1,263,562,462
				<b>TOTAL</b>	<b>\$4,814,495,584</b>	<b>\$2,068,842,283</b>	<b>\$6,883,337,867</b>

Montana nonprofits generate more than \$4.8 billion of income each year. As the income is dispersed throughout the economy it adds more than \$2.0 billion in multiplier benefits (indirect and induced impact) to produce a total of almost \$7 billion in gross economic output. Of those, more than \$3.7 billion is retained in Montana. Additionally, more than 58% of retained benefits are labor and wage-related. Each year, Montana nonprofits directly and indirectly support almost 47,000 Montana jobs. Volunteers effectively bring another 16,000 full-time positions to the sector.

In addition to their annual income, Montana nonprofits control more than \$9 billion in assets. The debt and other obligations against these assets is not known, but if the assets are analyzed using the same criteria as income then assets possess a potential impact of almost \$13 billion. The economic impacts of Montana nonprofit assets are in addition to annual income. When valuing one year of activity plus the potential impact of their assets holdings, the total economic impact of the Montana 501(c)(3) organizations is almost \$20 billion.

*Since its inception in 2001, Montana Nonprofit Association (MNA) has grown into a flourishing association serving 650 member nonprofits, 70 associate members and the broader nonprofit industry in the state. MNA recognizes the essential link between the nonprofit industry and the vitality and livability of Montana's communities. To that end, MNA's programs support a vibrant and celebrated nonprofit sector that has the resources and partnerships necessary to be effective on behalf of Montana's men, women and children. MNA regularly produces research that increases understanding and awareness of Montana's nonprofit sector.*

**Thank you to United Way of the Lewis & Clark Area for generously sponsoring the 2015 Montana Nonprofit Economic Report.**

