



Montana Nonprofit Association

January 2007

The Montana Nonprofit Sector

MORE THAN CHARITY

Nonprofit organizations:

- Define, shape, and improve the quality of life in local communities.
- Attract businesses to communities by providing services and cultural richness.
- Provide opportunities for citizens to engage in their communities through volunteerism.
- Improve the work force through direct job training programs.
- Bring foundation and federal grants into the region.
- Serve as important contributors to the overall economic vitality of the Treasure State.

The 501(c)(3) nonprofit sector in Montana is large, diverse and growing. In every county, you will find nonprofits serving citizens and communities, and addressing missions of all kinds. Montana nonprofits range from hospitals and health clinics to local theatres, dance studios, and cultural museums; from colleges and PTAs to groups protecting our natural environment and preserving access to open space; from emergency shelters to organizations working with the elderly, veterans, and the disabled; from churches and houses of worship to youth sports, recreational programs and more. Nonprofits create a caring community ne that strengthens and enhances the quality of life in our state.

This report summarizes data on Montana 501(c)(3) nonprofits, and illustrates the significant role this sector plays. Much attention is given to the condition of business and government in our state, but we must not forget that nonprofits play a critical role as a third and independent sector. The primary source for this data is annual reports filed with the IRS by charitable nonprofits with over \$25,000 in gross annual receipts.

Through this report, the Montana Nonprofit Association (MNA) aims to build awareness about the vital role nonprofits play and to educate policymakers, the media, and the public about charitable giving in Montana. Some highlights of this report include:

- In 2004, Montana 1,668 reporting charitable nonprofits held \$4.9 billion in assets and had \$2.8 billion in expenditures.
- Between July 2005 and June 2006, Montana 36,716 nonprofit employees were paid nearly \$1.1 billion in wages.
- In 2004, the 183 foundations in Montana held over \$400 million in assets and gave over \$20 million in grants.

Yet these numbers don't tell the whole story. In addition to the reporting organizations, there are more than 3,800 other 501(c)(3)s, including interest clubs, local PTAs, youth soccer, Little League, and numerous other small organizations that are active in our communities, but whose limited finances exempt them from the IRS reporting requirement.

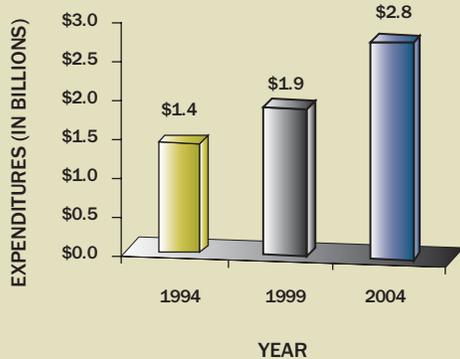
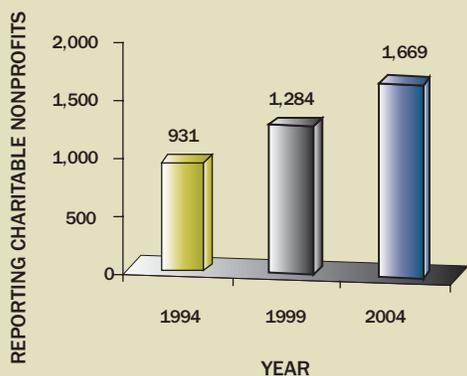
Charitable nonprofits benefit us in ways that can't easily be quantified. They are tools for community building, fostering civil society, and strengthening our social fabric. They are essential to improving the quality of life in our state. Montanans have and will continue to place their trust in the responsiveness, performance, and quality of services provided by these organizations. MNA is pleased to present this report, in collaboration with the National Council of Nonprofit Associations, the Urban Institute's National Center for Charitable Statistics, and the Northwest Area Foundation, to promote better understanding and appreciation of our state's nonprofit community.

Brian Magee
Executive Director
Montana Nonprofit Association



The Montana Nonprofit Association is a proud member of NCNA, the network of state and regional associations of nonprofits serving over 22,000 members.

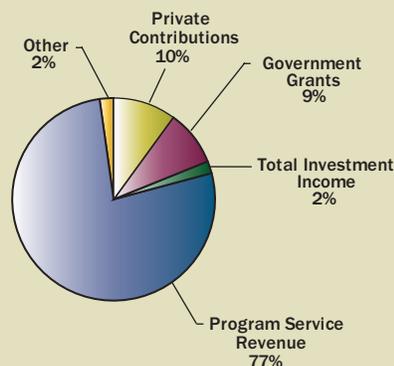
FIGURE 1 Reporting Charitable Nonprofits in Montana, 1994-2004



Source: National Center for Charitable Statistics, Urban Institute

- In 2004, there were 1,668 reporting charitable nonprofits that were tax-exempt under Section 501(c)(3) of the IRS code. Private foundations are not included but are discussed on page 7. Religious congregations are not required to report and are also not included (Fig. 1).
- Reporting charitable nonprofits in Montana had \$2.8 billion in expenditures in 2004 (Fig. 1).
- The value of assets held reached \$4.9 billion in 2004, which is a 123% increase from \$2.2 billion reported in 1994 (Fig. 1).

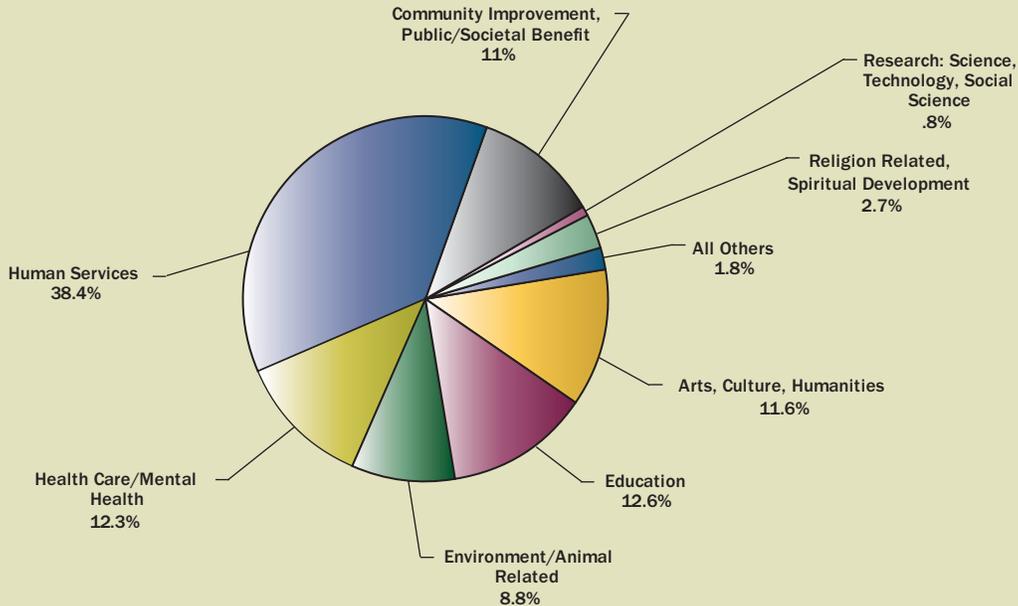
FIGURE 2 Sources of Revenue for Reporting Charitable Nonprofits in Montana, 2004



Source: National Center for Charitable Statistics, Urban Institute

- The major source of revenues for reporting charitable nonprofits in Montana was program service revenue, representing 77% of revenue (Fig. 2). This is above the national average of 72%.
- About 10% of total revenues were from contributions made by individuals, corporations, and foundations (Fig. 2). This is lower than the national average of 13%.

FIGURE 3 Reporting Charitable Nonprofits in Montana by Field, 2004



Source: National Center for Charitable Statistics, Urban Institute

FIGURE 4 The Montana Nonprofit Sector, 2004

Tax-Exempt Organizations	Registered with IRS (over \$5,000 in gross receipts)	Filing Annual IRS Report (over \$25,000 in gross receipts)
Charitable Nonprofits	5,439	1,668
Private Foundations*	327	183
Total under 501(c)(3)**	5,766	1,851
501(c)(4) Social Welfare	771	172
501(c)(5) Labor/Agricultural	507	114
501(c)(6) Business Leagues	600	211
501(c)(Other)	1,317	329
Total Under Other 501(c) Subsections	3,195	826

Source: National Center for Charitable Statistics, Urban Institute.
 *Source for foundation data: The Foundation Center
 **Does not include religious congregations.

- Human service organizations make up the largest proportion of Montana reporting charitable nonprofits (38.4%). They provide a broad spectrum of services including youth development, disaster relief, housing services, and family support (Fig. 3).
- Organizations in the Religion Related/Spiritual Development field make up 2.7% of reporting nonprofits. However, religiously-affiliated charitable nonprofits that provide specific programs, such as mental health services or day care, are placed with organizations providing similar services, not under the Religion Related heading.
- Data reveals that 5,439 charitable nonprofits (not including foundations) are registered as tax exempt under 501(c)(3), but only 1,668 (31%) are required to file an annual report with the IRS. The filing requirement applies to those organizations with over \$25,000 in gross receipts (Fig. 4). There might also be charitable nonprofits that are registered but no longer operate.

- In 2004, Montana nonprofit hospitals represented only 2.8% of total reporting charitable nonprofits, but they had 60.7% of expenditures and 40.9% of the total assets (Fig. 5).
- Human service organizations, representing more than one third (38.4%) of the total number, had only 13.7% of the total expenditures and 9.9% of the total assets (Fig. 5).

FIGURE 5 Number, Expenditures, Assets, and Revenues of Reporting Charitable Nonprofits in Montana by Field, 2004

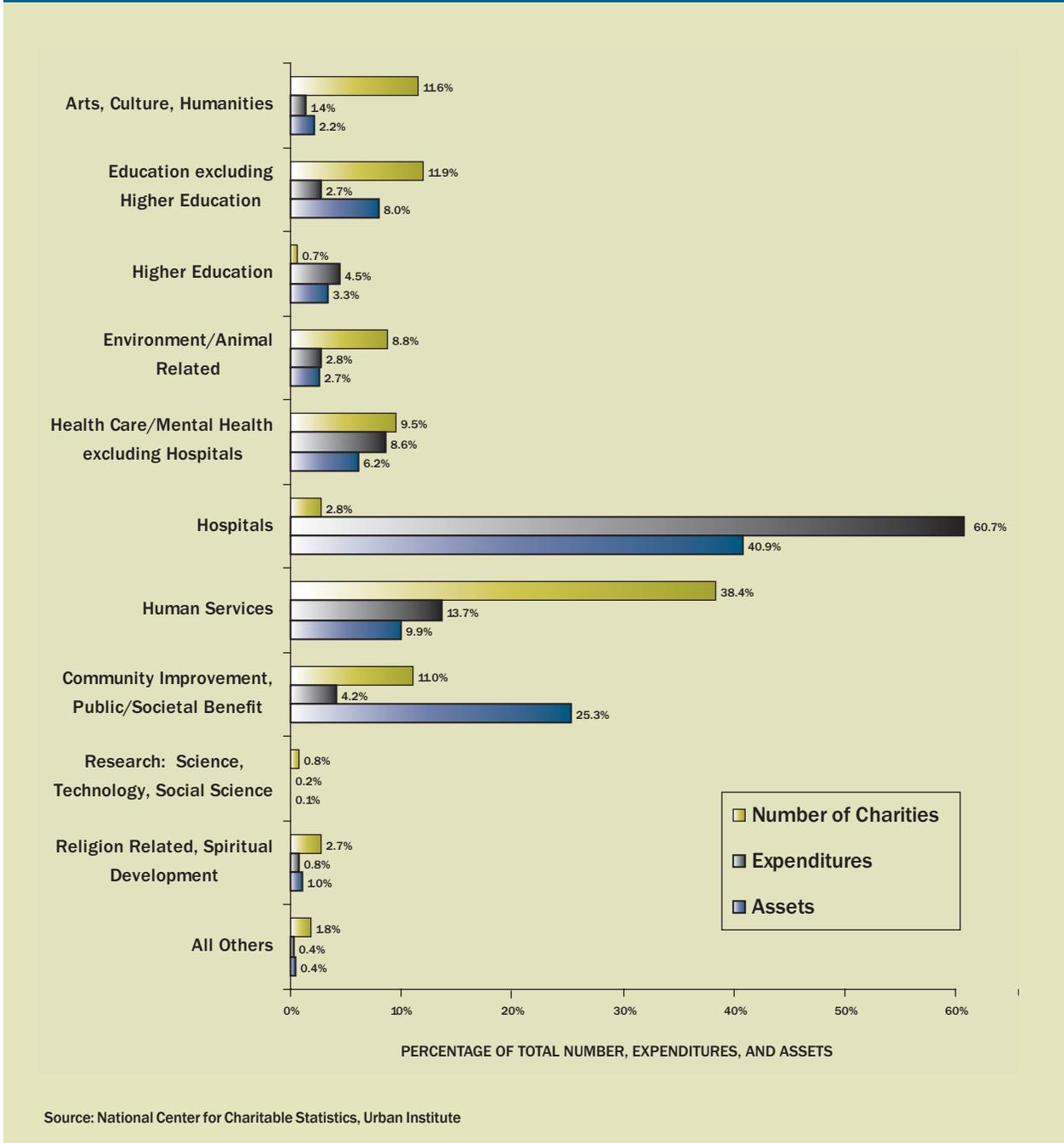


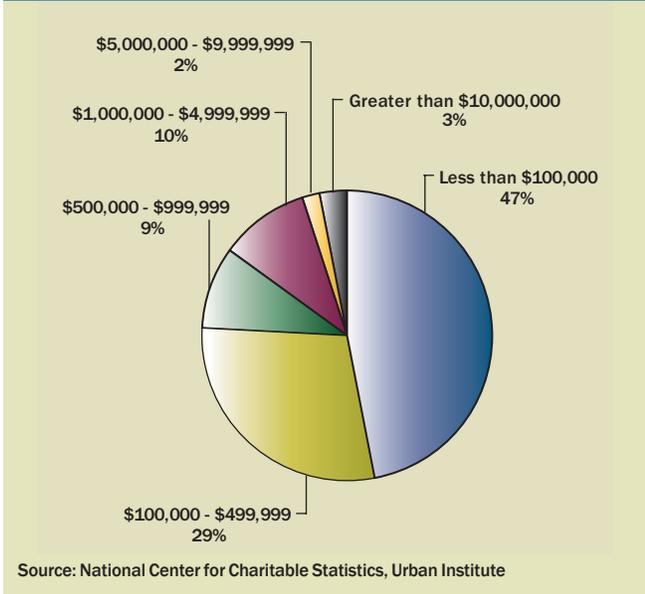
FIGURE 6 Reporting Charitable Nonprofits in Montana by County, 2004

County	Number of Organizations	Expenditures	Assets	County	Number of Organizations	Expenditures	Assets
Beaverhead	15	\$1,954,997	\$9,128,930	McCone	2	\$2,292,497	\$2,482,795
Big Horn	14	\$11,332,729	\$20,692,544	Madison	18	\$5,969,445	\$4,379,184
Blaine	11	\$8,897,667	\$8,630,198	Meagher	6	\$3,962,522	\$7,959,934
Broadwater	1	\$2,883,680	\$754,693	Mineral	4	\$5,265,695	\$3,618,570
Carbon	14	\$7,552,582	\$8,095,715	Missoula	231	\$439,614,378	\$619,640,063
Carter	2	\$1,825,340	\$1,660,213	Musselshell	15	\$8,654,928	\$4,001,009
Cascade	110	\$349,981,541	\$353,939,720	Park	29	\$27,874,106	\$18,791,963
Chouteau	11	\$4,480,316	\$8,132,062	Phillips	7	\$4,230,372	\$8,903,433
Custer	24	\$35,597,970	\$40,961,032	Pondera	13	\$17,391,163	\$12,979,077
Daniels	4	\$4,387,451	\$5,529,280	Powder River	1	\$177,309	\$43,104
Dawson	19	\$26,344,208	\$33,582,756	Powell	13	\$5,764,436	\$7,185,846
Deer Lodge	19	\$42,357,238	\$23,506,064	Ravalli	58	\$39,691,280	\$54,703,319
Fallon	6	\$6,035,070	\$4,649,169	Richland	16	\$29,320,606	\$48,738,771
Fergus	15	\$24,045,131	\$30,113,727	Roosevelt	13	\$24,898,126	\$22,751,737
Flathead	147	\$167,075,684	\$265,610,874	Rosebud	10	\$11,700,311	\$7,079,935
Gallatin	178	\$139,241,099	\$392,867,511	Sanders	22	\$13,106,097	\$12,181,984
Garfield	1	\$1,320,868	\$1,415,562	Sheridan	6	\$7,737,217	\$10,101,044
Glacier	16	\$21,389,279	\$14,554,482	Silver Bow	60	\$107,233,378	\$161,027,090
Granite	4	\$1,461,852	\$3,974,635	Stillwater	11	\$4,794,435	\$4,706,408
Hill	25	\$73,730,879	\$104,754,946	Sweet Grass	7	\$275,700	\$1,913,028
Jefferson	9	\$1,089,942	\$1,327,058	Teton	8	\$1,260,928	\$2,105,207
Lake	36	\$69,447,463	\$73,882,218	Toole	7	\$4,125,430	\$5,225,192
Lewis and Clark	160	\$256,909,103	\$1,446,502,110	Valley	18	\$25,990,604	\$39,235,524
Liberty	6	\$6,064,359	\$6,854,949	Wheatland	3	\$3,576,940	\$2,655,087
Lincoln	37	\$22,561,721	\$23,704,593	Yellowstone	206	\$685,061,216	\$989,888,944
				Total	1,668	\$2,767,937,288	\$4,937,123,289

Source: National Center for Charitable Statistics, Urban Institute.

- Four counties (Gallatin, Lewis and Clark, Missoula, and Yellowstone) together have 46% of the organizations, 55% of total expenditures, and 70% of total assets (Fig. 6).
- In 2004, only 5% of reporting charitable nonprofits (83 organizations) had annual expenditures greater than \$5 million. In contrast, 85% (1,419 organizations) had annual expenditures under \$1 million (Fig. 7).
- Not reflected in Figure 7 are the small charitable nonprofits (estimated to be more than two thirds of Montana nonprofits) registered with the IRS but not required to file IRS Form 990. This includes organizations such as youth sports leagues, rescue squads, and other small groups. (See Fig. 4).

FIGURE 7 Reporting Charitable Nonprofits in Montana by Expenditure Level, 2004



Source: National Center for Charitable Statistics, Urban Institute

FIGURE 8 Nonprofit Wages by County, July 2005 - June 2006

County	# of Employees	Total Wages	Average Wage
Yellowstone	6,375	\$239,082,125	\$37,506
Missoula	6,188	\$188,074,278	\$30,394
Cascade	4,179	\$120,429,530	\$28,820
Lewis and Clark	3,283	\$95,911,676	\$29,215
Flathead	2,710	\$85,044,009	\$31,379
Gallatin	2,504	\$63,534,784	\$25,375
Silver Bow	1,529	\$43,151,318	\$28,217
Hill	843	\$24,723,290	\$29,342
Lake	735	\$20,486,035	\$27,885
Ravalli	649	\$17,946,242	\$27,659
Park	523	\$16,525,021	\$31,576
Valley	445	\$12,384,262	\$27,856
Lincoln	366	\$10,186,155	\$27,818
Custer	313	\$5,807,210	\$18,553
Balance of State	6075	\$145,691,069	\$23,981
Total	36,716	\$1,088,977,004	\$29,660

Source: Montana Department of Labor and Industry, Research and Analysis Division - July 2005-June 2006

- Between July 2005 and June 2006, Montana 36,716 nonprofit employees were paid nearly \$1.1 billion in wages (Fig. 8 and Fig. 9).

- 73% of charitable nonprofit employees and 77% of wages paid were located in the seven most populous Montana counties (Fig. 8).

- The Montana charitable nonprofit sector's wage contribution was the third highest among the state's economic industries, behind only retail trade and local government (Fig. 9).

- Montana charitable nonprofit wages were more than the combined total for agriculture, real estate, utilities, and mining (Fig. 9).

- The average charitable contribution of those who itemized deductions was \$2,602 in Montana in 2004 (Fig. 10).

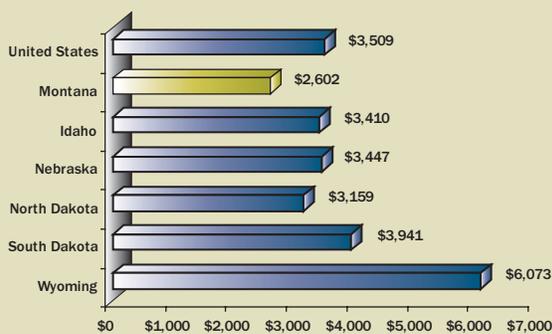
- The percent of income contributed by these Montana itemizers was 3.7%, just below the national average of 3.9% (Fig. 11).

FIGURE 9 Total Wages by Industry, July 2005 - June 2006



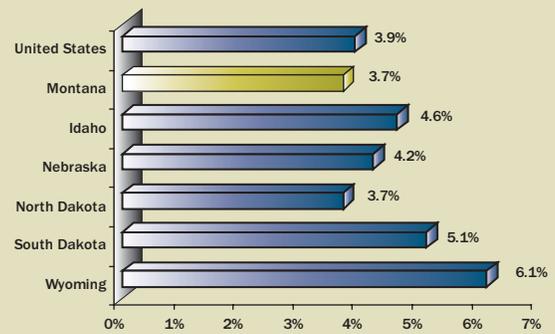
Source: Montana Department of Labor and Industry, Research and Analysis Division - July 2005-June 2006

FIGURE 10 Average Charitable Contribution of Itemizers, 2004



Source: National Center for Charitable Statistics, Urban Institute

FIGURE 11 Percent of Income Contributed by Itemizers, 2004



Source: National Center for Charitable Statistics, Urban Institute

FIGURE 12 Overview of Montana Foundations, 2004

Foundation Type	Number of Foundations	Assets	Total Giving
Independent Foundations	156	\$328,368,256	\$16,996,043
Corporate Foundations	8	\$16,589,576	\$1,622,851
Community Foundations	2	\$52,664,853	\$1,512,294
Operating Foundations	17	\$6,664,060	\$769,136
Total in Montana	183	\$404,286,745	\$20,900,324
Total in United States	67,736	\$510,480,908,000	\$31,843,907,000
Montana as % of U.S.	0.27%	0.08%	0.07%

Source: The Foundation Center

- There were a total of 183 foundations in Montana in 2004 (Fig. 12).
- The total assets of Montana foundations were over \$400 million and their giving totaled over \$20 million (Fig. 12).
- The 183 foundations in Montana represented less than 1% (.27%) of all foundations in the United States in 2004 (Fig. 12).
- The ten largest foundations in Montana had a little over \$270 million in assets (Fig. 13).
- The ten most generous foundations in Montana gave nearly \$12 million in 2004 (Fig. 14).

FIGURE 13 Top 10 Montana Foundations by Assets, 2004

Foundation Name	Assets	Foundation Type
The Bair Ranch Foundation	\$86,460,638	Independent
Montana Community Foundation	\$50,794,906	Community
Charles M. Bair Memorial Trust	\$49,139,824	Independent
Haynes Foundation	\$16,918,702	Independent
Browning-Kimball Foundation	\$15,916,732	Independent
Dennis & Phyllis Washington Foundation, Inc.	\$15,436,662	Corporate
O.P. and W.E. Edwards Foundation, Inc.	\$13,101,298	Independent
The Cinnabar Foundation	\$9,758,824	Independent
The Sample Foundation, Inc.	\$6,555,751	Independent
Lippard-Clawiter Foundation	\$6,190,412	Independent
Total - Top Ten	\$270,273,749	

Source: The Foundation Center

FIGURE 14 Top 10 Montana Foundations by Total Giving, 2004

Foundation Name	Total Giving	Foundation Type
The Bair Ranch Foundation	\$2,516,992	Independent
O.P. and W.E. Edwards Foundation, Inc.	\$2,486,825	Independent
Montana Community Foundation	\$1,434,654	Community
Charles M. Bair Memorial Trust	\$1,205,498	Independent
First Interstate BancSystem Foundation, Inc.	\$820,567	Corporate
Haynes Foundation	\$780,000	Independent
Gilhousen Family Foundation	\$751,213	Independent
The Chutney Foundation, Inc.	\$687,547	Independent
Dennis & Phyllis Washington Foundation, Inc.	\$669,195	Corporate
L.P. and Teresa Anderson Foundation	\$592,493	Independent
Total - Top Ten	\$11,944,984	

Source: The Foundation Center

Foundation Type: The Foundation Center describes foundations as follows:

- Independent foundations are grantmaking organizations.
- Corporate foundations are independent grantmakers with ties to corporation benefactors.
- Operating foundations conduct research, provide a direct service, and make few grants.
- Community foundations pool donations and make grants, usually in a specific community.

For more information, see:

Montana Nonprofit Association (www.mtnonprofit.org) | National Council of Nonprofit Associations (www.ncna.org)
 National Center for Charitable Statistics at the Urban Institute (www.nccs.urban.org) | Foundation Center (www.fdncenter.org)

NOTE: Unless otherwise noted, the data in this report was released in June 2006 by the National Center for Charitable Statistics. Data is based on information from 2005 IRS Form 990 filings, detailing 2004 activities.

About Montana Nonprofit Association

Founded in 2001, the Montana Nonprofit Association (MNA) is a membership organization that promotes a stronger nonprofit sector, a supportive public climate, and the ability of nonprofits to accomplish their missions. Representing the richness and diversity of Montana's charitable sector, MNA's members address a broad array of missions, come from all four corners of the state, and range in size from the largest organizations to the smallest unstaffed nonprofits. MNA achieves its mission through research, education, training, public policy and advocacy, access to affordable goods and services, and special projects.

Report Highlights

- Out of a total 5,439 charitable nonprofits in Montana (not including foundations or religious congregations) 1,668 filed IRS Form 990.
- Expenditures by reporting charitable nonprofits totaled \$2.8 billion and they held \$4.9 billion in assets.
- Between July 2005 and June 2006, Montana's 36,716 nonprofit employees were paid nearly \$1.1 billion in wages.
- The 183 foundations in Montana held over \$400 million in assets and gave over \$20 million in grants.
- The average charitable contribution for itemizing taxpayers in Montana was \$2,602 — about 3.7% of their incomes.

This report was produced through a grant from the Northwest Area Foundation.

To learn more about the Montana Nonprofit Association, visit

www.mtnonprofit.org



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