

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:

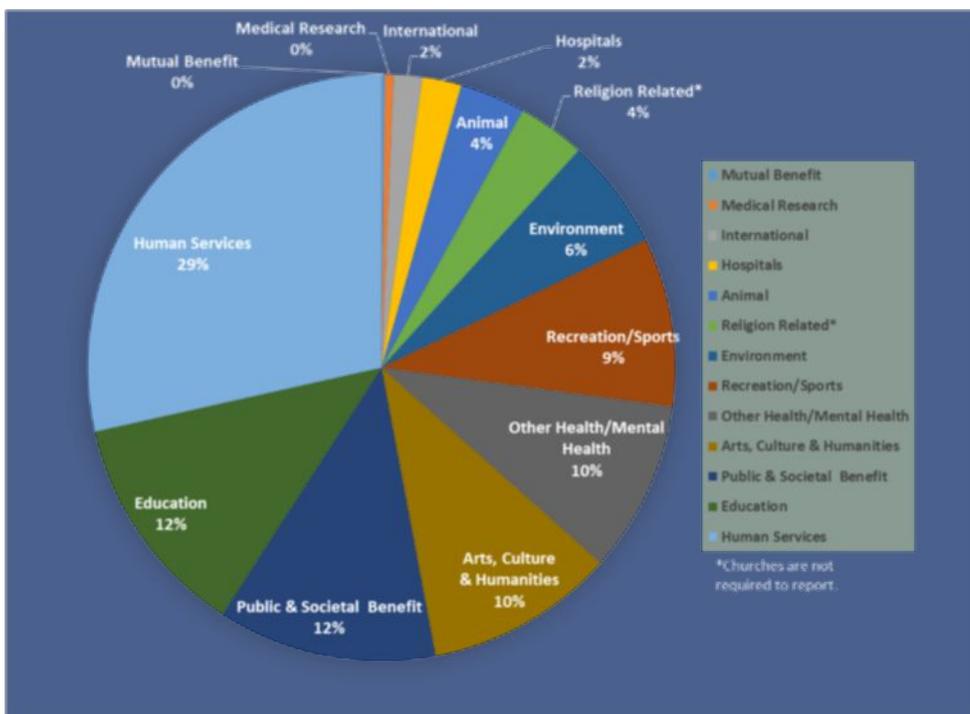
- In Montana, nonprofits generate more than \$4.8 billion of income each year. As the income is dispersed throughout the economy it adds more than \$2.0 Billion in multiplier benefits to produce a total of \$6.9 billion in gross economic output. Adding almost \$13 billion in assets creates a total economic 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 16th 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

Budgets and jobs in Montana's nonprofit industry

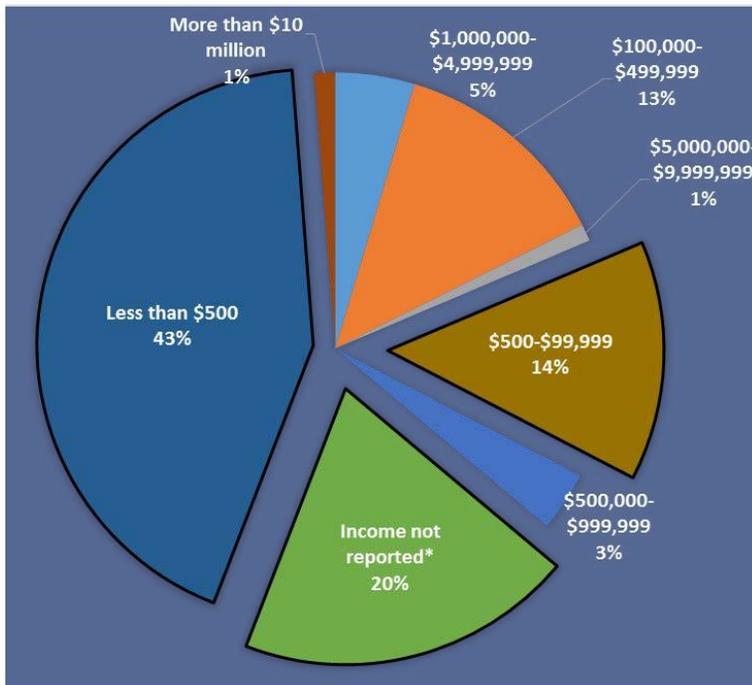


Figure 2 Budget Size of Nonprofits
IRS Exempt Organization Master List 2014

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 Montanans 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 |
| TOTAL | 2140 | 46794 | \$1,706,784,535 |

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

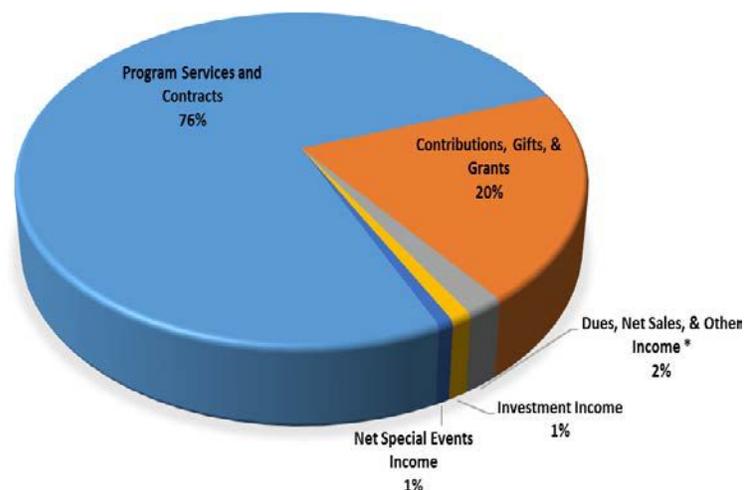


Figure 5 Revenue Sources for Montana's Nonprofits
National Center on Charitable Statistics 2012

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 |
| | | | | TOTAL | \$4,814,495,584 | \$2,068,842,283 | \$6,883,337,867 |

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.

