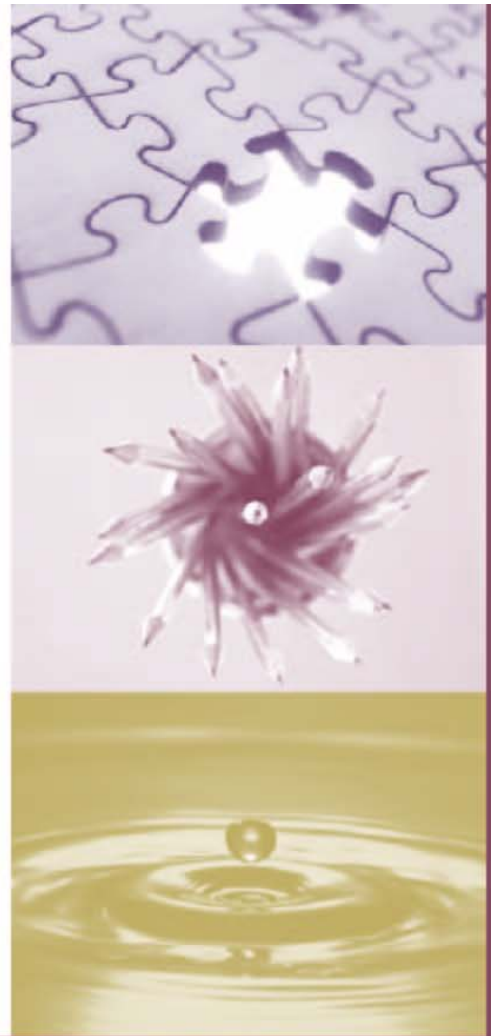




GEORGIA CENTER
for NONPROFITS



The Economic Impact of
GEORGIA'S NONPROFIT SECTOR

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The Economic Impact of Georgia's Nonprofit Sector

Prepared for
Georgia Center for Nonprofits

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GEORGIA CENTER
for **NONPROFITS**

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Introduction

State economies are driven by three sectors: public, private, and nonprofit. The nonprofit sector in Georgia is large, diverse, and growing. In every county across the state you will find nonprofits working to better their communities by directly addressing issues of concern through service or civic engagement. The nonprofit sector spans the political spectrum of ideas and encompasses every aspect of human endeavor, from symphonies and little leagues, to homeless shelters and day care centers. While every nonprofit is unique, all are based on the core value of people coming together around issues of mutual concern and common interest in pursuit of the common good. All of our lives are touched and in some cases transformed by nonprofits.

The purpose of this report is to summarize data on Georgia's nonprofit sector and illustrate how nonprofits directly and significantly impact the economy. This analysis provides an estimate of the nonprofit sector's impact by comparing it to traditional areas of commerce and industry and demonstrating the sector's influence beyond its primary role as a provider of needed services.

Contributing to the overall health of our economy, nonprofits bring in money from outside sources, provide jobs and wages to residents, and circulate money in the economy through their purchases of goods and services — as well as being a taxpaying workforce, and a network of community leaders, policy makers, and businesses.

Nonprofits also benefit us in ways that can't easily be quantified: as tools for community building, fostering civil society, and strengthening our social fabric — the sector is essential to improving the quality of life, making Georgia an ideal place to live and work. Georgia residents place their trust in the responsiveness, performance, and quality of services provided by the state's nonprofit sector.

The Georgia Center for Nonprofits is pleased to present this report, in collaboration with the University of Georgia's Carl Vinson Institute of Government, to promote a better understanding and appreciation of our state's nonprofit community. Through this report we aim to build awareness about the vital role nonprofits play and to educate policy makers, the media, and the public about Georgia's nonprofit sector.

Methodology

The Vinson Institute's Policy Insight Model

Researchers at the Vinson Institute used a policy insight model, the nation's leading regional economic forecasting and policy analysis model. For this study, a multiple region model of the state of Georgia was employed. An advanced model-building system was used, which consists of hundreds of programs developed over the past two decades. The system assembled the Georgia model using data from the Bureau of Economic Analysis, the Bureau of Labor Statistics, the Department of Energy, the Bureau of Census, and other public sources.

The policy insight model is structural in nature, meaning that it clearly includes cause-and-effect relationships. The model is based on two key underlying assumptions from mainstream economic theory: (1) households maximize utility and (2) producers maximize profits.

In the model, businesses produce goods to sell to other firms, consumers, investors, governments, and purchasers outside the region. Output is produced using labor, capital, fuel, and intermediate inputs. Demand for labor, capital, and fuel per unit of output depends on relative costs because an increase in the price of any one of these inputs leads to substitution away from that input to other inputs.

Labor supply depends on the number of people in the population and the proportion of those people who participate in the labor force. Economic migration affects population size; people will move into an area if the real after-tax wage rates or the likelihood of being employed increases in a region.

In the model, supply and demand for labor determine wage rates. These wage rates, along with other prices and productivity, determine the cost of doing business for every industry in the model. An increase in the cost of doing business causes either an increase in prices or a decrease in profits, depending on the market for the product. In either case, an increase in costs would decrease the share of the local and U.S. market supplied by local firms. This market share, combined with the demand previously described, determines the amount of local output. The model has many other feedbacks. For example, changes in wages and employment affect income and consumption, while economic expansion changes investment and population growth influences government spending.

Within the model, nonprofit organizations and other firms produce goods and services that are purchased either by final consumers or by other firms as inputs to their own production processes. Nonprofits and other firms also purchase labor, capital, and other inputs. Labor and capital requirements depend on both output and relative costs. Population and labor supply contribute to demand and to wage determination. Economic migration (migration of people between regions in the United States resulting from changing economic conditions), in turn, responds to wages and other labor market conditions. Supply and demand interact in the wages, prices, and profits block. Prices and profits determine market shares. Output depends on market shares and the components of demand.

The model brings together all of the elements to determine the value of each variable for each year in the baseline forecasts. Interindustry interactions that are included in input-output models are used to estimate the values of other regional economic variables. In order to broaden the model in this way, it was necessary to estimate key relationships. Extensive data sets covering all areas in the country and two decades worth of research were used to ensure that the model was theoretically sound and based on all of the relevant data available.

The model has strong dynamic properties; that is, it forecasts not only what will happen but also when it will happen. It enables long-term predictions that have general equilibrium properties, meaning that the long-term properties of general equilibrium models are preserved, accurate year-by-year predictions are maintained, and key equations can be estimated by using primary data sources.

The effects of nonprofits on the state economy are determined by comparing a baseline forecast with an alternative forecast that incorporates the assumptions used for this study. The baseline forecast uses recent data and thousands of equations to generate projected economic activity for a particular region for a specified time period of up to 30 years. The policy variables in the model are set equal to their baseline values when solving for the baseline forecasts. To estimate the effects of the nonprofit sector, baseline values are adjusted to remove the economic contributions of the nonprofit sector. The impact estimates presented in this report reflect the difference between the baseline and the alternative forecasts.

Data and Underlying Assumptions

Analysis began by gathering information regarding gross receipts and wage expenditures for Georgia nonprofits. The main sources of data were datasets obtained from the National Center for Statistics (NCCS). The NCCS compiles data from the annual returns that organizations file with the Internal Revenue Service (IRS). These data were supplemented where necessary with information obtained from the Foundation Center, which makes available copies of actual returns filed by nonprofit organizations.

The NCCS dataset identifies the county in which each nonprofit was located and provides information which allows us to assign a North American Industry Classification System (NAICS) code to each nonprofit. The NAICS codes are used by the economic model to estimate the types of goods and services purchased and produced by each nonprofit organization.

The gross receipts of nonprofits come from three primary sources: government fee for services, donations from foundations and individuals, and earned revenue. Unfortunately, the NCCS data do not allow us to identify the portion of each nonprofit's funding that comes from each source.

In estimating the economic and fiscal impact of the nonprofit sector, we conducted several impact simulations using alternative assumptions. The first scenario assumed that if the Georgia nonprofit organizations did not exist, comparable nonprofits outside the state would receive the grants, donations, and service charges that would have been received by Georgia nonprofits; this scenario gives the most optimistic picture of the impact of Georgia nonprofits, and so can be thought of as defining the largest possible economic impact of Georgia nonprofits.

The second simulation took the profoundly pessimistic view that nonprofits only contribute to the Georgia economy to the extent that they bring in money from the federal government (which would otherwise not come into the state), or to the extent that they receive in-kind donations (which generally are not received by anything but nonprofits). This scenario defines the minimum possible economic impact that can be attributed to Georgia nonprofits. Finally, two alternative scenarios were run, looking at the fiscal implications if the government were forced to step in and take over the activities of Georgia nonprofits. These scenarios look at the alternative of financing such a "takeover" through deficit spending, or through an increase in property taxes.

Impacts Not Included in the Analysis

According to the NCCS, approximately two-thirds of registered charities are not required to file an annual return with the IRS.¹ These charities are excluded from the analysis. The NCCS notes that most of these charities are exempt from filing because their annual gross receipts are less than \$25,000. Because of their small size, the economic impact of any individual exempt charity is most likely quite small. However, because of the large number of such charities, their cumulative impact may in fact be significant.

The nonprofit sector also clearly contributes to the vitality of the local economy through the services it provides to the population, including health care, counseling, educational opportunities, cultural activities, and youth development. These services contribute to the local economy by such means as increasing workforce productivity and enhancing the attraction of outside industries. While these are important components of the role nonprofits play in the economy, these impacts are beyond the scope of this analysis.

¹ National Center for Statistics. Undated. *Overview of NCCS Data Files*. Retrieved July 18, 2005 from <http://nccsdataweb.urban.org/FAQ/index.php?category=90>.

Key Findings

- In 2003, there were over 22,249 nonprofit organizations in Georgia, in increase of over 57% since 1997 (14,155).
- The value of assets held reached \$42.7 billion, which is almost three times the assets — \$15.2 billion — over the last 10 years.
- The 6,362 IRS-reporting nonprofits had \$22.1 billion in expenditures—almost 7% of Georgia’s gross state product — the total market value of goods and services produced by a state’s economy over a given period of time.
- About 63% of total revenues for reporting nonprofits in Georgia were from fees for services, while only 22% of total revenues of these nonprofits were from contributions made by individuals, corporations, and foundations.
- There were 1,276 foundations in Georgia, with total assets of almost \$9 billion, and a total giving of \$648 million.
- The percent of income contributed by Georgia itemizers contributed 4.7% of total giving – well above the national average of 3.7%.
- With a \$6-billion payroll, nonprofits have a greater total payroll than the real estate, food and accommodations, or telecommunications sectors.
- Depending upon the precise assumptions used, over the study period of 2000 to 2035, an average of 500,000 jobs in the state of Georgia are projected to exist because of the presence of the Georgia nonprofit sector.
- The existence of the nonprofit sector is forecasted to contribute between \$91.1 and 25.4 billion in personal income in Georgia. That is a total of between \$686 billion and \$913 billion over the period.
- Between \$17.6 and \$26.8 billion in revenue will be generated each year for Georgia businesses because of the presence of the Georgia nonprofit sector. That is a total of between \$635 and \$964 billion over the 35-year period.
- If state and local governments in Georgia assumed the responsibilities of Georgia nonprofits, it would create a budget deficit for state government of between \$13 and \$22 billion dollars per year, depending on the financing approach, and a budget deficit for local governments of between \$1 and \$3 billion dollars per year, depending on the financing approach, both over the study period of 2000 to 2035.

The Size & Scope of the Nonprofit Sector in Georgia

According to the National Center For Charitable Statistics in 2003:

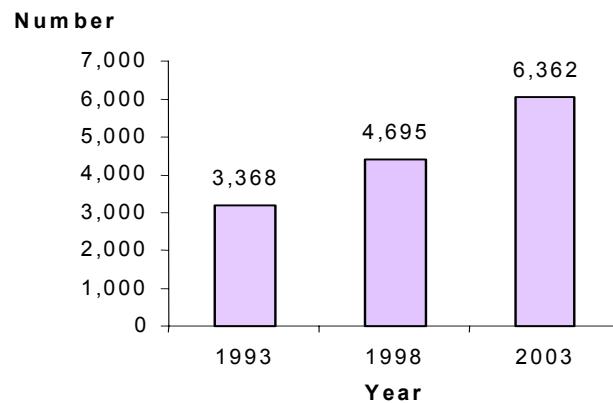
- There were 22,249 total public charities, 501(c)(3)s, located in Georgia. This figure represents an increase of 57 percent over the 1997 total of 14,155. However, many of those nonprofits have annual gross receipts under \$25,000 and are not required to file a return with the Internal Revenue Service (IRS). In 1997, there were 4,414 IRS-reporting charities in Georgia. By 2003 this number had increased by approximately 73 percent to 7,638. The creation of very small nonprofits account for much of the growth in the total number of organizations over the past several years (Fig. 1).
- There were 6,362 IRS-reporting nonprofits that were tax-exempt under Section 501(c)(3) of the IRS code* (Fig. 2).

Figure 1. Total Number of Public Charities in Georgia, 1997 – 2003

IRS Reporting		
Year	Public Charities*	Total Public Charities
1997	4,414	14,155
1998	4,695	16,165
1999	5,182	16,933
2000	6,250	18,453
2001	6,971	20,974
2002	7,329	21,571
2003	6,362	22,249

* Private foundations are not included but are discussed elsewhere in this report. Religious congregations are not required to report and are also not included.

Figure 2. IRS Reporting Public Charities in Georgia, 1993 – 2003



Source: National Center for Charitable Statistics, Urban Institute

Figure 3. Total Number of Nonprofits in Georgia, 2003

Tax-Exempt Organizations	Registered with IRS (over \$5,000 in gross receipts)	Filing Annual IRS Report (over \$25,000 in gross receipts)
Under 501(c)(3)*	22,249	7,638
Private foundations	1,276	1,276
Nonprofits 501(c)(3)	20,973	6,362
501(c)(4) social welfare	2,169	380
501(c)(5) labor/agricultural	983	406
501(c)(6) business leagues	1,636	8682
501(c)(other)	4,267	878
Other 501(c) Subsections	9,055	2,346

*Does not include religious congregations

Source: National Center for Charitable Statistics, Urban Institute

Figure 4. Nonprofits by County in Georgia, 2003

- Four counties—Cobb, Fulton, Gwinnett, and DeKalb—together have 46% of the organizations accounting for 56% of total expenditures and almost 65% of total assets (Fig. 4).

County	#	Assets	Expenses
Appling	9	\$671,590	\$1,120,528
Bacon	2	\$13,268,563	\$16,126,600
Baker	27	\$160,963,918	\$84,179,744
Baldwin	1	\$1,429	\$33,240
Banks	16	\$4,024,686	\$2,501,587
Barrow	39	\$61,526,740	\$23,216,793
Bartow	5	\$1,527,098	\$573,511
Ben Hill	2	\$23,751	\$108,598
Bibb	177	\$1,754,775,226	\$962,399,311
Bleckley	4	\$1,154,922	\$182,643
Brooks	10	\$55,697,235	\$27,252,755
Bryan	6	\$639,288	\$651,357
Bulloch	36	\$52,657,392	\$15,988,224
Burke	5	\$4,106,763	\$1,821,517
Butts	10	\$3,302,371	\$6,013,962
Camden	15	\$63,004,018	\$28,120,420
Candler	2	\$2,185,513	\$791,043
Carroll	41	\$146,027,845	\$157,086,234
Catoosa	19	\$99,588,784	\$103,048,717
Charlton	3	\$45,652	\$119,201
Chatham	200	\$1,347,169,311	\$1,017,572,667
Chattooga	2	\$83,742	\$130,239
Cherokee	91	\$120,576,445	\$88,492,406
Clarke	139	\$1,468,072,848	\$651,193,992
Clayton	66	\$252,493,664	\$247,139,669
Clinch	3	\$1,161,390	\$837,790
Cobb	432	\$1,677,228,840	\$1,321,854,984
Coffee	12	\$95,368,477	\$59,334,474
Colquitt	27	\$21,227,576	\$26,520,546
Columbia	47	\$87,451,135	\$38,181,366
Cook	4	\$136,090	\$405,583

County	#	Assets	Expenses
Johnson	3	\$775,280	\$3,591,016
Jones	5	\$256,767	\$225,373
Lamar	10	\$6,975,721	\$1,444,149
Lanier	3	\$5,846,783	\$9,049,056
Laurens	37	\$21,472,298	\$15,851,909
Lee	2	\$987,070	\$240,095
Liberty	25	\$12,069,046	\$2,411,113
Long	1	\$48,979	\$177,846
Lowndes	67	\$94,503,140	\$53,718,656
Lumpkin	12	\$50,538,979	\$15,250,702
McDuffie	10	\$3,784,049	\$7,457,088
McIntosh	1	\$1,474,518	\$21,413
Macon	12	\$24,343,122	\$19,912,892
Madison	8	\$1,276,944	\$787,601
Marion	5	\$2,155,034	\$1,759,111
Meriwether	6	\$8,719,201	\$17,876,881
Miller	3	\$3,854,342	\$1,510,150
Mitchell	10	\$2,844,641	\$5,854,505
Monroe	15	\$5,091,358	\$5,161,514
Montgomery	1	\$20,810,521	\$16,762,940
Morgan	10	\$7,608,879	\$5,797,632
Murray	3	\$862,610	\$614,462
Muscogee	185	\$1,005,999,932	\$604,553,786
Newton	27	\$78,139,153	\$64,500,020
Oconee	25	\$15,086,056	\$10,247,639
Oglethorpe	5	\$426,728	\$826,794
Paulding	21	\$1,752,558	\$2,034,867
Peach	12	\$12,368,029	\$4,169,986
Pickens	21	\$8,352,229	\$11,833,872
Pierce	2	\$29,193	\$288,635
Pike	4	\$487,464	\$701,398

Coweta	45	\$121,259,569	\$107,008,638
Crawford	2	\$62,814	\$325,864
Crisp	11	\$60,243,956	\$55,200,323
Dade	6	\$3,904,499	\$7,115,648
Dawson	14	\$4,255,872	\$3,249,855
Decatur	21	\$10,428,764	\$4,598,926
DeKalb	690	\$12,984,777,737	\$4,930,260,605
Dodge	7	\$19,568,925	\$25,829,678
Dooly	6	\$2,323,096	\$2,755,964
Dougherty	100	\$661,449,343	\$460,101,896
Douglas	47	\$21,158,118	\$36,671,012
Early	4	\$2,207,989	\$2,738,031
Effingham	12	\$2,526,115	\$2,077,761
Elbert	8	\$1,105,746	\$745,213
Emanuel	17	\$6,015,847	\$5,151,254
Evans	4	\$19,814,414	\$25,002,499
Fannin	26	\$4,116,759	\$6,139,471
Fayette	80	\$91,994,612	\$92,150,393
Floyd	68	\$1,070,853,212	\$509,949,794
Forsyth	57	\$19,229,550	\$36,468,090
Franklin	10	\$72,073,013	\$65,933,795
Fulton	1,442	\$12,389,565,964	\$5,487,744,205
Gilmer	16	\$1,595,946	\$2,346,473
Glynn	91	\$371,067,291	\$370,607,398
Gordon	18	\$70,217,796	\$49,888,806
Grady	7	\$536,901	\$574,041
Greene	12	\$2,295,364	\$3,611,775
Gwinnett	394	\$835,231,144	\$611,470,511
Habersham	27	\$86,315,180	\$22,718,366
Hall	114	\$981,809,761	\$531,438,768
Hancock	2	\$115,306	\$291,245
Haralson	7	\$8,677,435	\$3,465,264
Harris	7	\$66,473,920	\$14,533,755
Hart	8	\$18,570,788	\$21,524,984
Henry	51	\$174,130,005	\$184,499,211

Polk	9	\$563,684	\$1,042,825
Pulaski	7	\$50,156,133	\$54,959,933
Putnam	11	\$3,552,889	\$3,841,085
Rabun	25	\$170,344,933	\$25,248,858
Randolph	2	\$34,884,479	\$9,755,062
Richmond	185	\$1,020,564,114	\$940,172,090
Rockdale	53	\$149,105,990	\$96,336,738
Schley	1	\$41,135	\$31,767
Screven	5	\$251,906	\$248,710
Seminole	1	\$29,674,564	\$19,804,195
Spalding	47	\$27,954,072	\$17,181,556
Stephens	23	\$64,756,902	\$56,478,440
Stewart	3	\$8,313,363	\$3,180,816
Sumter	33	\$176,676,072	\$122,474,957
Talbot	1	\$56,093	\$283,613
Tattnall	2	\$622,432	\$76,310
Taylor	3	\$1,350,468	\$488,082
Telfair	3	\$4,278,591	\$6,686,031
Terrell	5	\$1,445,532	\$1,183,705
Thomas	57	\$325,731,651	\$233,060,754
Tift	28	\$25,458,139	\$8,628,102
Toombs	17	\$63,277,384	\$65,461,412
Towns	10	\$138,798,457	\$30,946,834
Treutlen	3	\$1,199,893	\$339,702
Troup	58	\$327,394,811	\$166,401,027
Turner	1	\$8,238	\$39,133
Twiggs	1	\$2,249,276	\$662,770
Union	15	\$39,390,475	\$25,175,666
Upson	12	\$74,311,731	\$61,405,538
Walker	13	\$52,373,567	\$23,559,071
Walton	34	\$20,352,818	\$40,004,976
Ware	39	\$149,035,074	\$131,207,260
Warren	3	\$3,707,554	\$4,259,293
Washington	11	\$5,632,020	\$7,775,120
Wayne	6	\$1,188,756	\$1,292,244

Houston	61	\$156,440,302	\$262,010,314
Irwin	4	\$1,009,218	\$3,198,263
Jackson	21	\$17,218,027	\$14,829,099
Jasper	3	\$1,174,991	\$1,468,745
Jeff Davis	2	\$527,002	\$685,099
Jefferson	4	\$1,046,735	\$1,841,821
Jenkins	3	\$199,418	\$392,827

White	14	\$24,779,181	\$14,350,308
Whitefield	73	\$452,872,502	\$206,848,918
Wilcox	1	\$76,121	\$12,112
Wilkes	4	\$1,237,524	\$2,446,902
Wilkinson	2	\$304,594	\$532,926
Worth	3	\$6,949,809	\$6,568,650
Other	7	\$667,298	\$1,023,066
Total	6,362	\$42,729,285,716	\$22,128,240,709

Source: National Center for Charitable Statistics, Urban Institute

Assets and Expenditures for Nonprofits in Georgia, 2003

- The value of assets held reached \$42.7 billion, which is almost three times the assets — \$15.2 billion — over the last 10 years (Fig. 5).
- Reporting nonprofits had \$22.1 billion in expenditures—almost 7% of the gross state product in Georgia (Fig. 6).

Figure 5. Assets

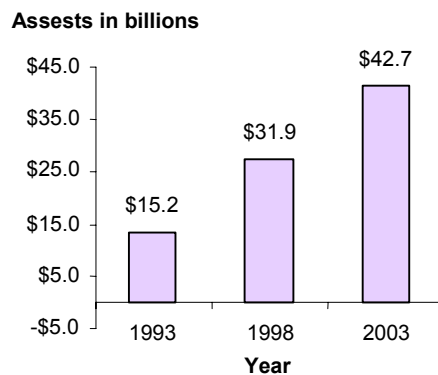
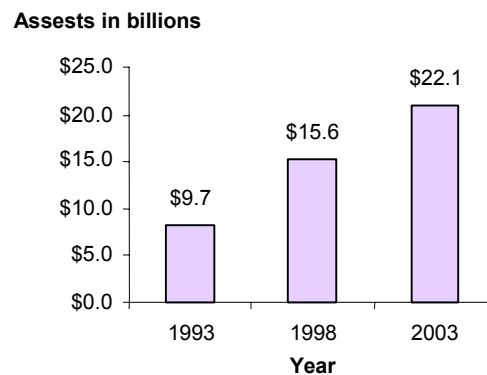


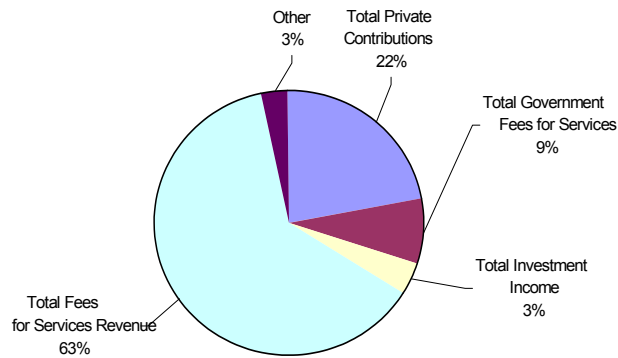
Figure 6. Expenditures



Source: National Center for Charitable Statistics, Urban Institute

- About 63% of total revenues for reporting charities nonprofits in Georgia were from fees for services (Fig. 7).
- Twenty-two percent of total revenues for reporting nonprofits in Georgia were from contributions made by individuals, corporations, and foundations (Fig. 7).
- The major source of revenue is fees and charges. Other sources include government fees for services and investment income (Fig. 7).

Figure 7. Sources of Revenue for Nonprofits in Georgia, 2003

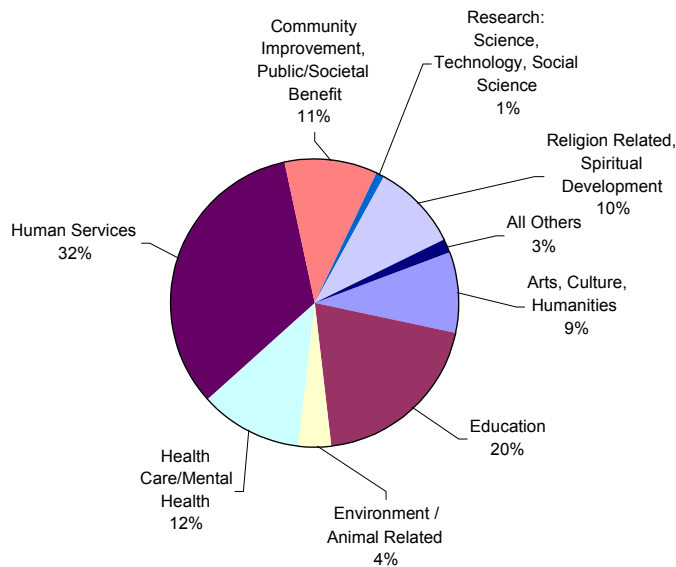


Source: National Center for Charitable Statistics, Urban Institute

Nonprofits by Type in Georgia, 2003

- Human services organizations make up the largest portion of Georgia's reporting charities nonprofits (32%). These organizations provide a broad spectrum of services including youth development, disaster relief, housing services and family support (Fig. 8).
- Education is the second largest field, with 20% of the total (Fig. 8).
- Religiously affiliated nonprofits that provide specific programs, such as mental health services or day care, are grouped with organizations providing similar services, not under "religion-related" (Fig. 8).

Figure 8. Nonprofits by Type in Georgia, 2003

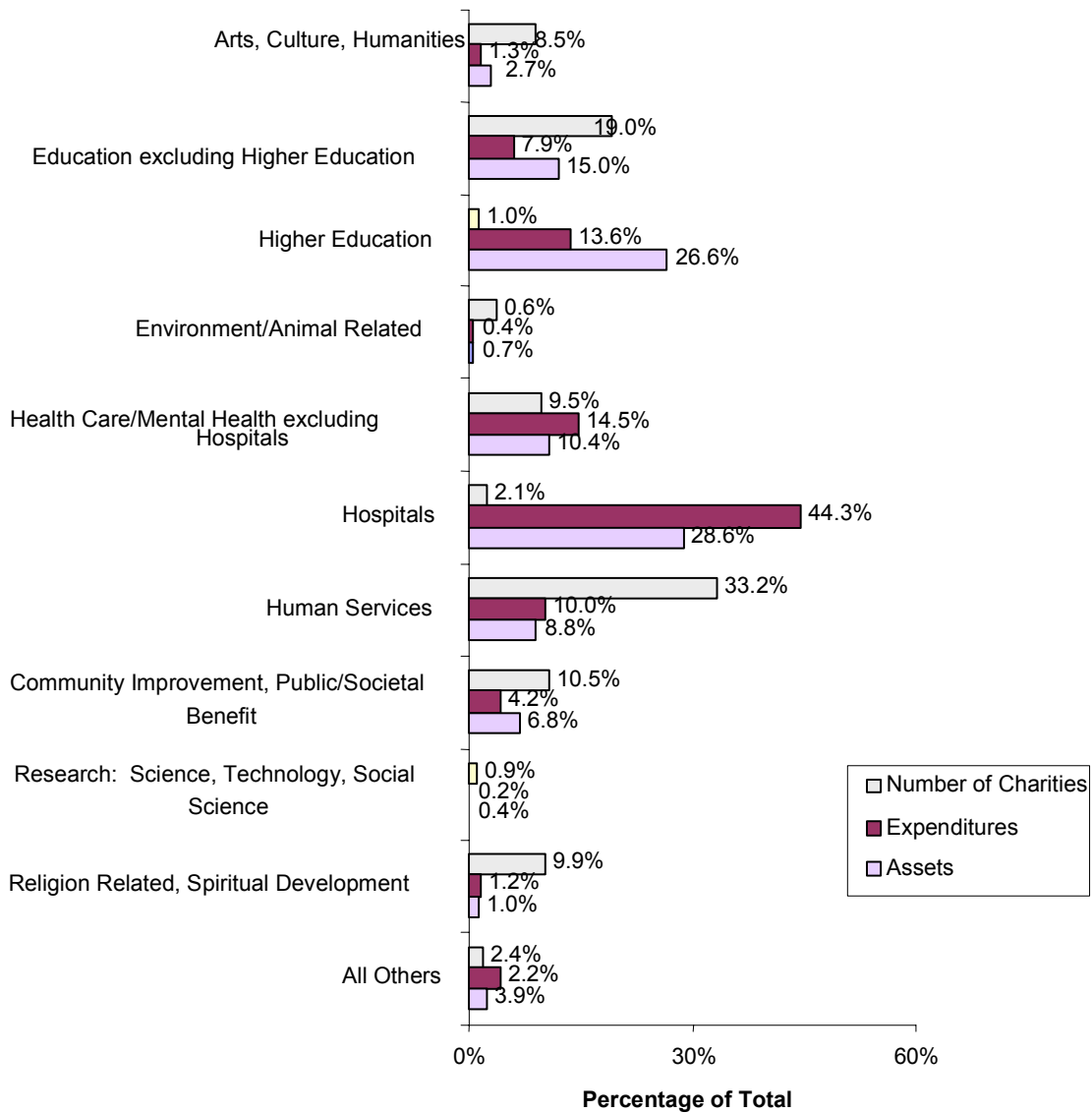


Source: National Center for Charitable Statistics, Urban Institute

Number, Expenditures, and Assets of Nonprofits by Field in Georgia, 2003

- Georgia hospitals represented less than 2% of total reporting charities nonprofits, but they had almost half (44%) of total expenditures (Fig. 9).
- Higher education institutions—1% of total reporting organizations—had expenditures of almost 12% (Fig. 9).
- Human services organizations, representing more than 32% of the total number, had about 9% of total expenditures (Fig. 9).

Figure 9. Number, Expenditures, and Assets of Nonprofits by Field in Georgia, 2003



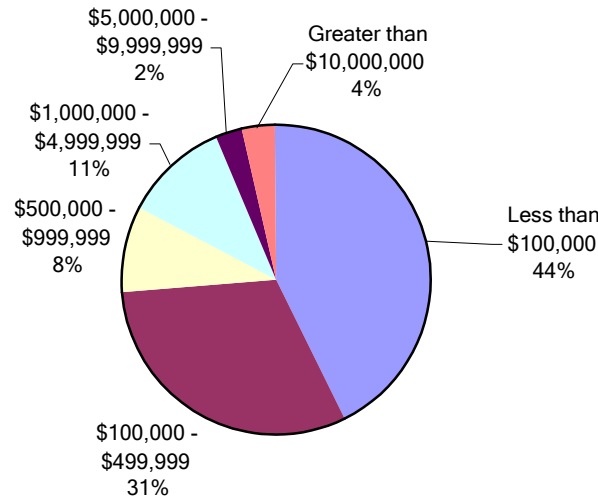
Note: Grady Health System (Fulton-DeKalb Hospital Authority) is not included, as it is a public entity.

Source: National Center for Charitable Statistics, Urban Institute

Nonprofits by Expenditure Level in Georgia, 2003

- Only 4% of Georgia's reporting nonprofits (242 organizations) had annual expenditures greater than \$10 million. Nevertheless, these organizations accounted for over 90% of total assets and 84% of total expenditures (Fig. 10).
- In contrast, 83% (5,251 organizations) had annual expenditures under \$1 million (Fig. 10).
- Not reflected in the chart are the more-than-15,000 small nonprofits registered with the IRS that are not required to file. This group includes organizations such as youth sports leagues and band boosters (Fig. 10).

Figure 10. Nonprofits by Expenditure Level in Georgia, 2003



Source: National Center for Charitable Statistics, Urban Institute

Overview of Foundations in Georgia, 2003

- There were 1,276 foundations in Georgia (Fig. 11).
- The total assets of Georgia foundations were almost \$9 billion, and their giving totaled \$648 million (Fig. 11).
- The 1,276 foundations in Georgia represented 2% of all foundations in the United States (Fig. 11).

Top 10 Foundations by Assets in Georgia, 2003

The top 10 foundations had almost \$5 billion in assets, which was 55% of the state total reported for Georgia Foundations. (Fig.11).

Figure 11. Top 10 Foundations by Assets in Georgia, 2003

Foundation Name	Assets	Foundation Type
Robert W. Woodruff Foundation Inc.	\$2,464,362,750	Independent
J. Bulow Campbell Foundation	\$643,669,441	Independent
The Goizueta Foundation	\$499,312,462	Independent

The University Financing Foundation Inc.	\$308,892,434	Operating
Community Foundation for Greater Atlanta Inc.	\$288,598,568	Community
Callaway Foundation Inc.	\$187,791,860	Independent
Bradley-Turner Foundation	\$163,893,057	Independent
Anverse Inc.	\$155,296,559	Operating
Healthcare Georgia Foundation Inc.	\$116,891,913	Independent
Courts Foundation Inc.	\$108,777,519	Independent
Total	\$4,937,576,563	

Source: Foundation Center

Top 10 Foundations by Total Giving in Georgia, 2003

The top 10 foundations gave \$348 million, or 54% of total giving by Georgia foundations (Fig. 12).

Figure 12. Top 10 Foundations by Total Giving in Georgia, 2003

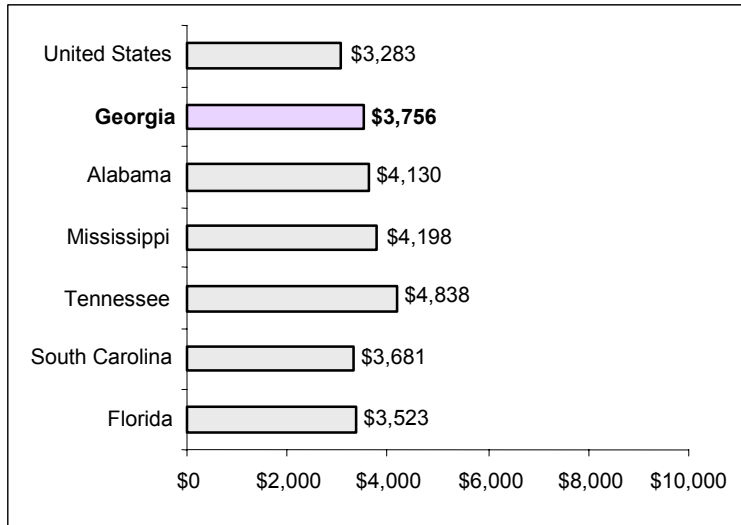
Foundation Name	Total Giving	Foundation Type
Robert W. Woodruff Foundation Inc.	\$102,637,180	Independent
The UPS Foundation	\$42,769,595	Corporate
Community Foundation for Greater Atlanta Inc.	\$35,757,059	Community
The Arthur M. Blank Family Foundation	\$30,284,194	Independent
J. Bulow Campbell Foundation	\$30,074,098	Independent
Bradley-Turner Foundation	\$28,591,144	Independent
The Goizueta Foundation	\$27,860,874	Independent
The Marcus Foundation Inc.	\$20,038,621	Independent
The Coca-Cola Foundation Inc.	\$15,873,978	Corporate
Turner Foundation Inc.	\$14,167,380	Independent
Total	\$348,054,123	

Source: Foundation Center

Average Charitable Contribution of Itemizers in Georgia, 2003

The average charitable contribution of those who itemized deductions was \$3,756 in Georgia (Fig. 13).

Figure 13. Average Charitable Contribution of Itemizers in Georgia, 2003

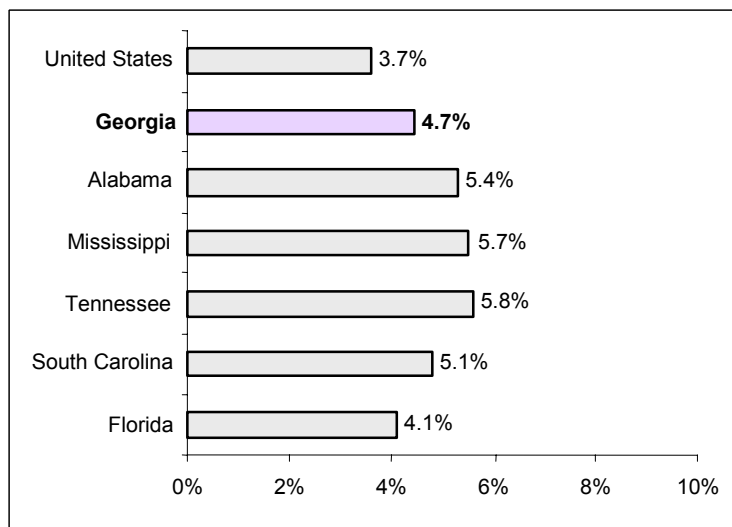


Source: National Center for Charitable Statistics, Urban Institute

Percent of Income Contributed by Itemizers in Georgia, 2003

The percent of income contributed by Georgia itemizers was 4.7%, well above the national average of 3.7%, but below some neighboring states. (Fig. 14).

Figure 14. Percent of Income Contributed by Itemizers in Georgia, 2003



Source: National Center for Charitable Statistics, Urban Institute

Volunteering in Georgia, 2003

- The national average of people aged 16-years and older who volunteered in the U.S. was 28.8 percent — 63.8 million people.
- This figure represents the equivalent of over 9-million full-time employees at a value of \$239 billion.

State volunteer rates are as follows:

UT	49.90%	ID	36.30%	IL	29.70%	MA	25.90%
NE	43.20%	ME	34.40%	KY	29.10%	TN	25.70%
IA	40.30%	CO	34.00%	DC	28.50%	DE	25.50%
MN	40.20%	OR	33.10%	TX	28.50%	FL	25.40%
ND	40.00%	CT	32.10%	AR	28.10%	CA	25.00%
SD	39.70%	IN	31.70%	MS	28.00%	HI	24.90%
WY	39.50%	MI	31.70%	NJ	27.80%	AZ	24.60%
AK	39.40%	NH	31.70%	OK	27.70%	WV	23.80%
VT	38.50%	PA	31.50%	AL	27.70%	NY	23.30%
MT	38.30%	MD	31.10%	SC	27.30%	RI	23.20%
WA	37.70%	OH	31.10%	GA	26.80%	LA	23.10%
KS	37.70%	VA	30.40%	NM	26.80%	NV	21.30%
WI	37.20%	MO	30.30%	NC	26.20%		

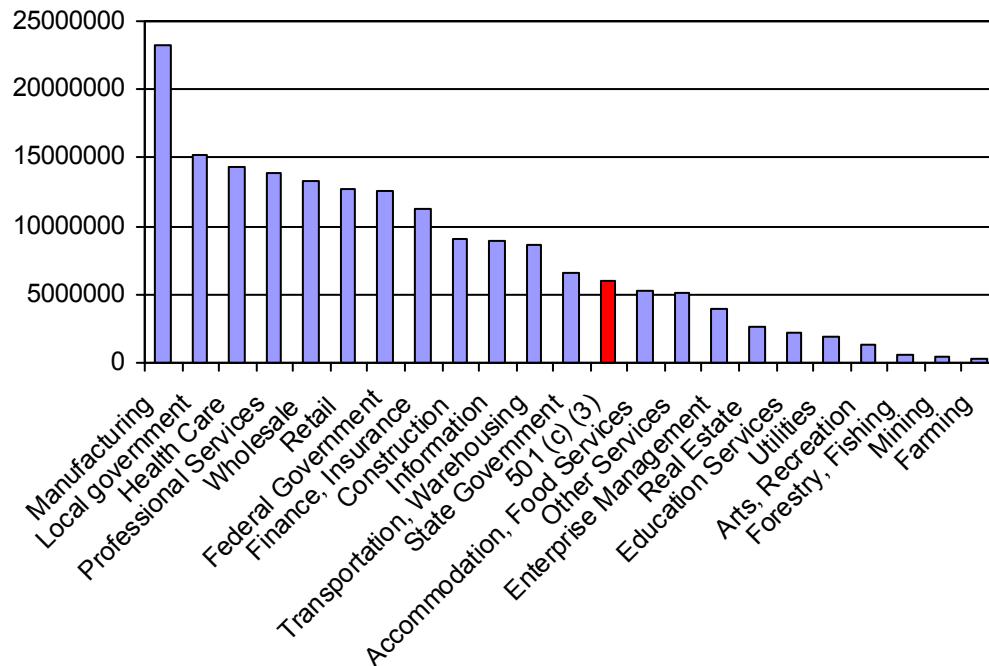
*Volunteer rates ordered highest to lowest by state for 2003

Sources: The Points of Light Foundation and Independent Sector

Employment Comparison to Other Industries

With a total payroll exceeding \$6 billion and total employment exceeding 178,000 persons², the nonprofit sector constitutes a relatively large industrial sector. As illustrated in Figure 2, the nonprofit sector has total compensation greater than that of the real estate, accommodations and food service, or telecommunications sectors. The nonprofit sector has total compensation approximately half that of the local government or retail trade sectors and approximately a quarter of that of the manufacturing sector (Fig. 15).

Figure 15. Total Compensation Nonprofit Sector Compared to Other Industries in Georgia, 2003



Sources: Bureau of Economic Analysis, Regional Economic Information System, Figure # CA06N, <http://www.bea.doc.gov/bea/regional/reis/default.cfm>; NCCS dataset

² Salamon, Lester M. and Stephanie Lessans Geller. 2004. *Georgia Nonprofit Employment*. Baltimore: Johns Hopkins Center for Civil Society Studies. Employment total is for calendar year 2002.

The Economic Impact of the Nonprofit Sector in Georgia

Determining the total contribution of the nonprofit sector to the Georgia economy is very much a matter of how one defines the size of the nonprofit sector. Through total effects – the sum of direct, indirect, and induced effects nonprofit contributions are critical to the vitality of our communities and the economic vitality of our state. Direct effects are the changes in economic activity during the first round of spending. Secondary effects are the changes in economic activity from subsequent rounds of respending of nonprofit dollars. There are two types of secondary effects: Indirect effects are the changes in sales, income, or employment within the region in other industries supplying goods and services to nonprofit businesses. Induced effects are the increased sales within the region from household spending of the income earned in the nonprofit sector. Employees in the nonprofit sector and supporting industries spend the income they earn on housing, utilities, groceries, and other consumer goods and services. This generates sales, income, and employment throughout the region's economy.

What might the economy look like if nonprofits somehow disappeared from the state economy? If all nonprofits disappeared from the state, one extreme possibility is that all money currently contributed to or earned by Georgia nonprofits would be contributed to or earned by other nonprofits located elsewhere. If we were to take this to its logical extreme, this would mean that if we removed all nonprofits from the state of Georgia, all of the income earned or contributions received by those charities would disappear from the state as well. If all of this money disappeared from the state, so would the purchases made by the nonprofits, and the wages earned by their employees, which would in turn mean an end to the responding of that income, and so on, leading to potentially huge spillover impacts caused by this “multiplier effect.” We will refer to the impact of the disappearance of all Georgia nonprofits, and the resulting loss of ALL of the economic activity associated with these nonprofits, as the gross economic impact of the Georgia nonprofit sector.

At the opposite extreme, we might assume that, if Georgia nonprofits were to one day disappear, then Georgia would simply redirect their money toward other Georgia economic activity. They might choose to make their purchases from a Georgia for-profit business instead of from a nonprofit, or they might pay taxes to state or local government, which would in turn direct those funds toward providing services once provided by the nonprofit sector. Under this scenario, money routed to Georgia nonprofits by Georgians would simply be rerouted to other Georgia businesses or government.

Under this thought exercise, it might seem at first glance that the impact of nonprofits would be nil. However, there are still two resource streams that nonprofits tap into that would disappear if the nonprofits were not in the picture. First, contributions, grants, and revenue generated by Georgia nonprofits from outside the state. It is reasonable to presume that, if Georgia nonprofits were not there to receive revenue from sources outside the state, these out-of-state revenue sources would simply direct their resources elsewhere. Second, nonprofits are unique in that they receive significant resources in the form of in-kind contributions of goods and services. While Georgians might redirect their contributions to other economic activity within the state, they are certainly unlikely to direct their in-kind contributions to anything but a nonprofit organization. Thus, even if we take the extremely pessimistic view that nonprofits only generate economic activity to the extent that they attract revenue from outside the state and attract in-kind contributions of economic activity, they still must clearly have some economic impact on the state. Therefore, we have run another scenario, referred to as the minimum net impact of Georgia nonprofits, which was constructed in such a way that only the in-kind contributions and out-of-state revenue of the nonprofit sector contribute to the Georgia economy.

Gross Economic Impact of the Nonprofit Sector in Georgia

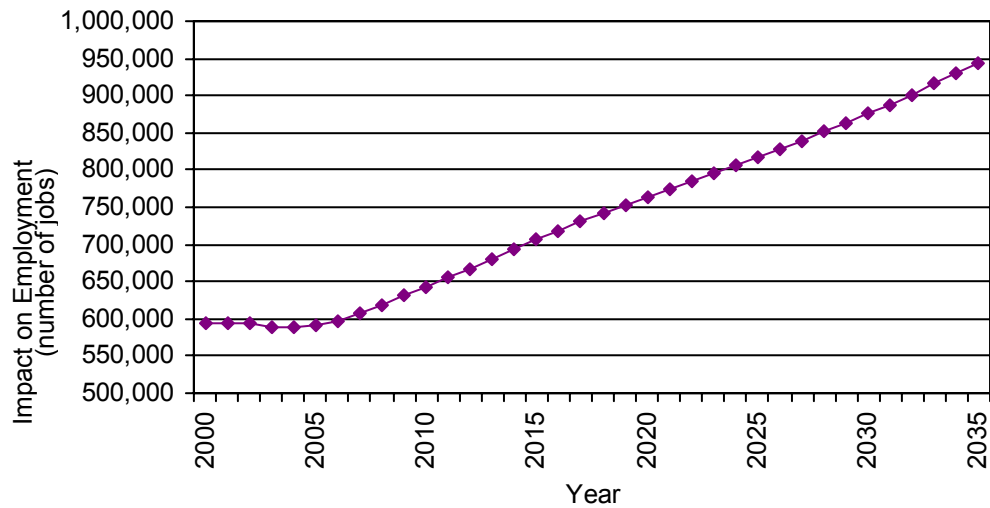
This section of the report presents the estimated gross economic impact of the nonprofit sector on Georgia's economy for the 2000 – 2035 study period. The estimates were produced by comparing baseline and alternative forecasts, as described earlier. The estimates represent the effects of the nonprofit sector on five key measures of the Georgia economy: employment, gross regional product, real personal income, state government fiscal impact, and local government fiscal impact.

Employment

The nonprofit sector is forecasted to have a large and increasing impact on statewide employment throughout the 2000 – 2035 period. In the early years of the forecast period, the sector is responsible for slightly less than 600,000 jobs. By 2035, the nonprofit sector will account for almost 950,000 jobs (approximately 16 percent of total Georgia employment). Over the period the average effect on employment is approximately 738,000 jobs. These employment figures include not

only those people employed within the nonprofit sector, but also indirect employment that results from the increase in economic activity associated with the nonprofit sector (Fig. 16).

Figure 16. Impact of Nonprofit Sector on Total Employment in Georgia, 2000 – 2035

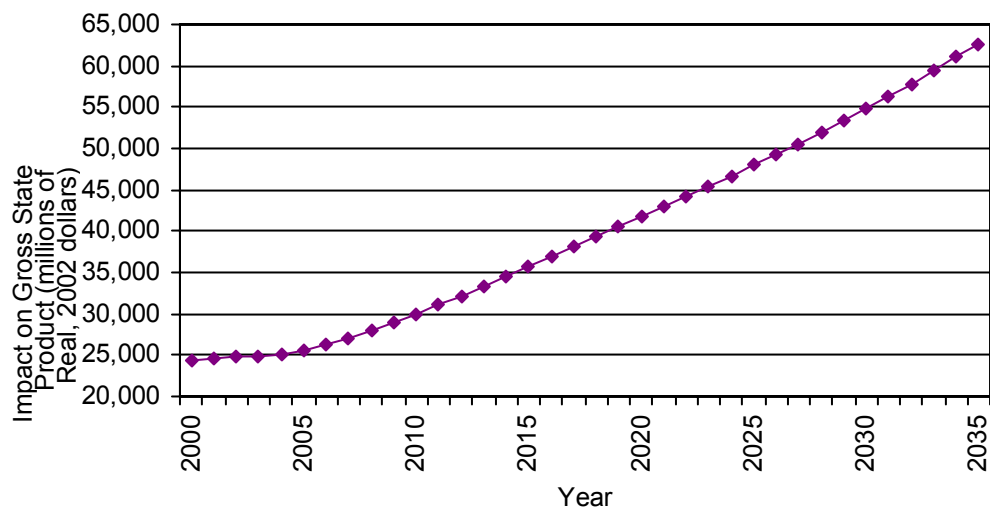


Gross Regional Product

Gross state product (GSP) — the total market value of goods and services produced by a state’s economy over a given period of time.

In the early years, the presence of the nonprofit sector accounts for approximately \$24 billion dollars of GRP. By 2035 the impact is forecast to exceed \$62 billion. The impact over the entire 36 year period totals almost 1.44 trillion – an average of \$39.9 billion per year (Fig. 17).

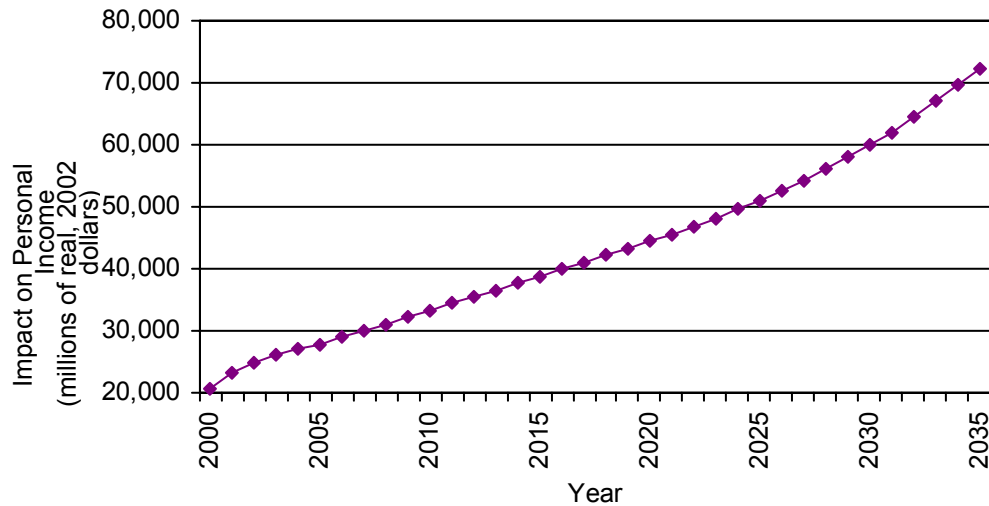
Figure 17. Impact of Nonprofit Sector on Georgia Gross Regional Product, 2000 – 2035



Real Personal Income

The impact of the nonprofit sector on personal income is similar to that on employment and gross regional product. That is, it is forecast to have an increasing impact over the study period. The nonprofit sector accounted for approximately \$20.8 billion of personal income statewide in 2000. The estimated impact is forecast to exceed \$72 billion in 2035. The impact over the entire period totals \$1.43 trillion — an average of almost \$39.9 billion per year (Fig. 18).

Figure 18. Impact of Nonprofit Sector on Georgia Real Personal Income, 2000 – 2035



Estimated annual impacts of the nonprofit sector on employment, gross regional product, and personal income

(Fig. 19).

Figure 19. Impact of Nonprofit Sector on the Economy in Georgia, 2000 – 2035

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Employment ³ (thousands of jobs)	594.3	594.2	593.8	589.1	588.4	590.8	597.2	607.1	619.2
GSP ⁴ (millions of dollars)	\$24,376	\$24,491	\$24,848	\$24,937	\$25,166	\$25,561	\$26,198	\$27,051	\$28,044
Personal Income ⁵ (millions of dollars)	\$20,788	\$23,138	\$24,960	\$26,072	\$27,018	\$27,902	\$28,886	\$29,958	\$31,111

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Employment ³ (thousands of jobs)	631.0	642.4	655.0	667.5	680.0	693.6	706.7	718.3	730.8
GSP ⁴ (millions of dollars)	\$28,923	\$29,916	\$31,024	\$32,145	\$33,304	\$34,540	\$35,775	\$36,947	\$38,195
Personal Income ⁵ (millions of dollars)	\$32,191	\$33,276	\$34,401	\$35,479	\$36,568	\$37,726	\$38,865	\$39,945	\$41,107

	2018	2019	2020	2021	2022	2023	2024	2025	2026
Employment ³ (thousands of jobs)	742.2	753.1	763.9	774.1	785.4	796.2	806.9	817.5	827.5
GSP ⁴ (millions of dollars)	\$39,392	\$40,589	\$41,773	\$42,945	\$44,219	\$45,454	\$46,715	\$47,976	\$49,211
Personal Income ⁵ (millions of dollars)	\$42,205	\$43,314	\$44,435	\$45,575	\$46,889	\$48,218	\$49,624	\$51,062	\$52,549

	2027	2028	2029	2030	2031	2032	2033	2034	2035
Employment ³ (thousands of jobs)	839.6	851.2	863.4	875.1	887.7	901.6	915.5	929.4	942.5
GSP ⁴ (millions of dollars)	\$50,599	\$51,962	\$53,376	\$54,764	\$56,241	\$57,833	\$59,425	\$61,055	\$62,622
Personal Income ⁵ (millions of dollars)	\$54,322	\$56,117	\$58,001	\$59,966	\$62,086	\$64,448	\$66,983	\$69,528	\$72,132

State Government Fiscal Impact in Georgia

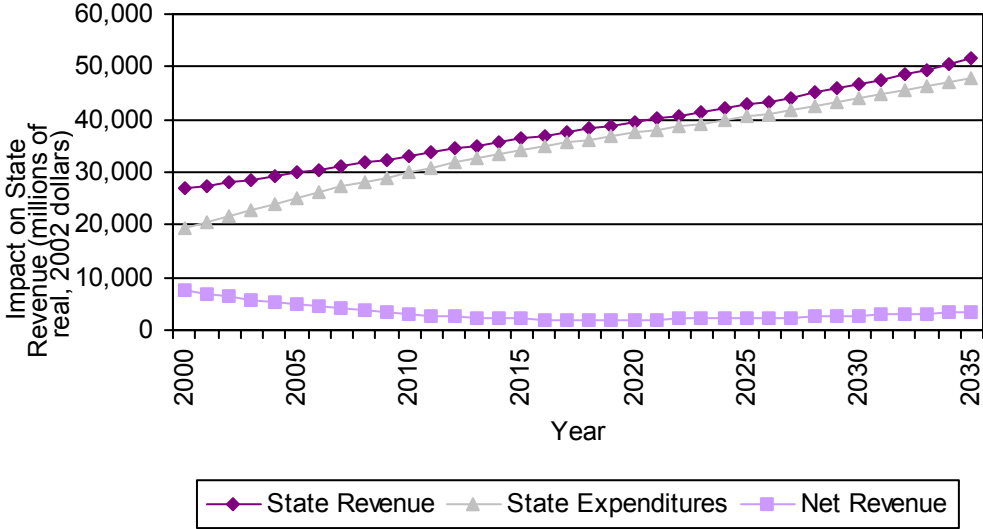
Although the nonprofit sector itself does not generate tax revenue, the numerous spillover business activity (wages paid to employees, income earned by businesses providing goods and services to nonprofits, etc.) does generate tax revenue. The improvements to the state's economy generated by the nonprofit sector also attract new residents to the state, which increases expected government expenditures as services must be expanded. Thus, the nonprofit sector is expected to generate both additional state government revenue and additional expenditures throughout the forecast period. Throughout the forecast period, contributions to government revenues are expected to exceed contributions to government expenditures, so the net fiscal impact of nonprofits is consistently positive. The total net fiscal impact of nonprofits on state government is forecast to average \$3.25 billion per year throughout the period 2000-2035. This represents total net government revenue over the 36 year period of \$113.8 billion (Fig. 20).

³ Employment reported is the total number of jobs that are expected to exist in the region in the relevant year, that would not exist if the nonprofit sector did not exist. Note that the values are reported in thousands of jobs.

⁴ GSP reported is the total dollar value of Gross State Product (the total dollar value of all goods and services produced in the state) for the relevant year, which would not exist if the nonprofit sector was not present in the region, adjusted for inflation. Note that the values are reported in millions of 2002 dollars.

⁵ Personal income reported is the total dollar value of all personal income in the region in the relevant year, which would not be received if the nonprofits sector was not present in the region. Note that the values are reported in millions of 2002 dollars.

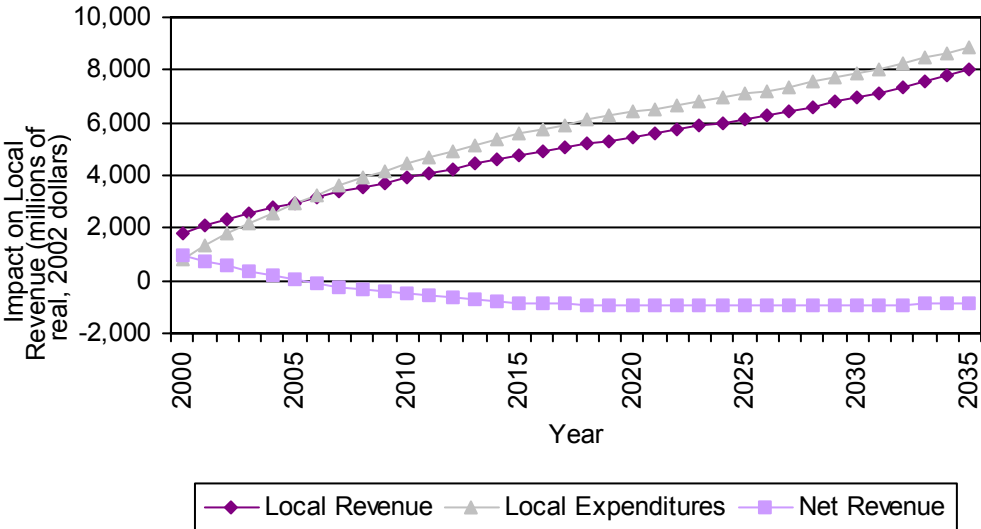
Figure 20. Fiscal Impact of Nonprofit Sector on State Government in Georgia, 2000 – 2035



Local Government Fiscal Impact in Georgia

The nonprofit sector is forecasted to increase both local government revenues and expenditures. However, the impact on expenditures is forecasted to exceed the impact on revenues from the seventh year forward. Consequently, the nonprofit sector is projected to have a negative impact on net local government revenues. In 2000, the net impact is approximately \$1 billion in increased revenues for local governments. However, the impact is forecasted to decline over the next 15 years, leveling off at a decrease in local government revenues of approximately \$800 million for the remainder of the study period. According to this forecast, the nonprofit sector results in a decrease in net local government revenues totaling \$19.8 billion over the 36-year study period — an average of \$564 million annually (Fig. 21).

Figure 21. Fiscal Impact of Nonprofit Sector on Local Government in Georgia, 2000 – 2035



The difference in state and local government fiscal impacts can be attributed to the differences in state and local government revenue sources. The state government relies largely on personal and corporate income tax revenues. Although nonprofit organizations are themselves exempt from paying state income taxes, the effect that they have on personal income and other economic activity generates taxable income that increases state revenues.

Georgia local governments, on the other hand, don't levy income taxes. They rely instead primarily on property taxes and sales taxes. The increase in income and other economic activity stimulated by the nonprofit sector generates new revenue for local governments only after it is invested in taxable property or used to make taxable purchases. Because local government relies heavily upon revenue generated by property taxes, there are actually very few industries that have a net positive impact on local government finances; these industries tend to be utilities and manufacturing facilities, which have a huge capital requirement (and hence contribute significantly to property tax revenue), but a comparatively modest impact on population (and hence do not generate a great deal of additional local government expense). As a result, every community is marked by a small number of industries that are fiscal positives, while virtually all service and retail businesses have a net negative impact on local government finances.

We should point out, however, that this forecast does not in any way account for the fact that, in the absence of the nonprofit sector, local governments might incur additional expenditures in providing services, such as social or educational services, that are currently provided by the nonprofit sector. This forecast essentially assumes that nonprofits do not contribute anything beyond hiring employees, paying wages, and making purchases of goods and services.

Minimum Net Economic Impact of the Nonprofit Sector in Georgia

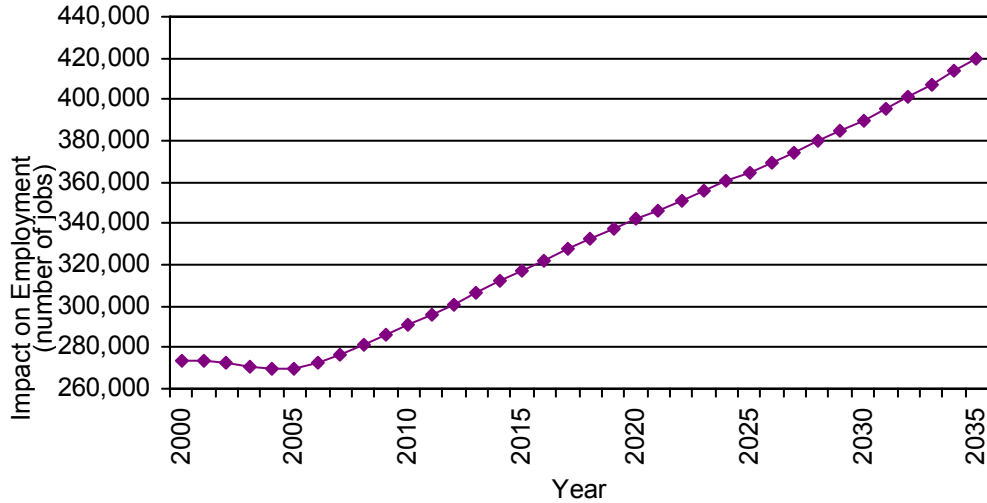
This section of the report presents the estimated minimum net economic impact of the nonprofit sector on Georgia's economy for the 2000 – 2035 study period. This analysis was predicated on survey data that showed approximately 16.83 percent of revenue received by Georgia nonprofits was received from the federal government (clearly an out-of-state source), and that approximately 29.57 percent of nonprofit resources were received in the form of in-kind contributions. At a minimum, we can assert that nonprofit resources received from out-of-state sources or in-kind contributions are resources that would not be attracted to the state were it not for the state's nonprofit sector, and hence represent the minimum amount of economic activity that can be attributed to the nonprofit sector. Keep in mind that the only source that is explicitly out-of-state is the federal government, and we make the profoundly pessimistic assumption that all other revenue, from all other sources, is originating from within the state of Georgia, and would be spent within the state were the nonprofits there or not. Thus, our estimates derived from these assumptions can safely be identified as the minimum net impact of Georgia nonprofits.

As with the gross impact forecast, these estimates were produced by comparing baseline and alternative forecasts as described earlier. Once again, we present the effects of the nonprofit sector on five key measures of the Georgia economy: employment, gross regional product, real personal income, state government fiscal impact, and local government fiscal impact.

Employment

The nonprofit sector is forecasted to have a large and increasing impact on statewide employment throughout the 2000 – 2035 period. In the early years of the forecast period, the sector is responsible for approximately 275,000 jobs. By 2035, the nonprofit sector will account for almost 420,000 jobs (approximately 16 percent of total Georgia employment). Over the period the average effect on employment is approximately 330,000 jobs. Once again, these employment figures include not only those people employed within the nonprofit sector, but also indirect employment that results from the increase in economic activity associated with the nonprofit sector.

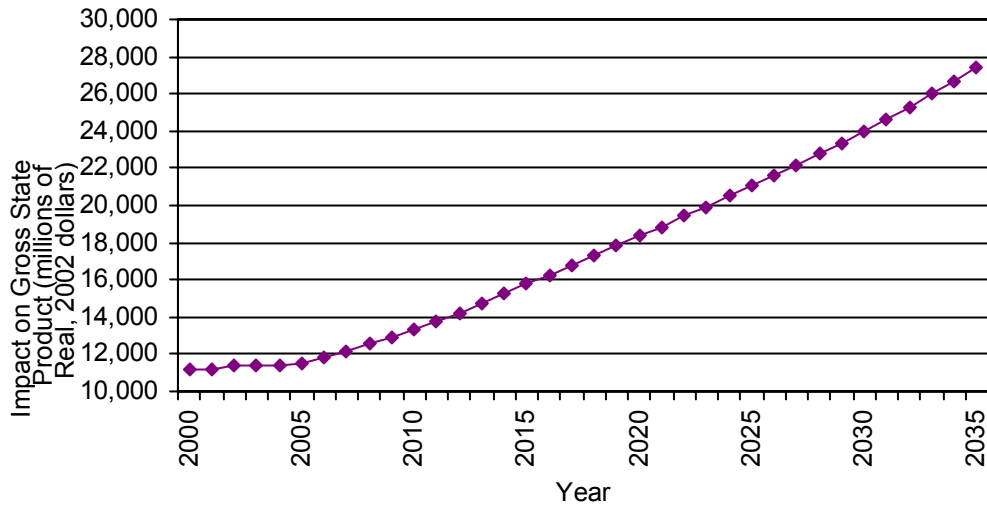
Figure 22. Impact of Nonprofit Sector on Total Employment in Georgia, 2000 – 2035



Gross Regional Product

The impact of the nonprofit sector on gross regional product (GRP) for the entire state. In the early years, the presence of the nonprofit sector accounts for over \$11 billion dollars of GRP. By 2035 the impact is forecasted to be over \$27 billion. The impact over the entire period totals \$607 billion – an average of \$17.4 billion per year (Fig. 23).

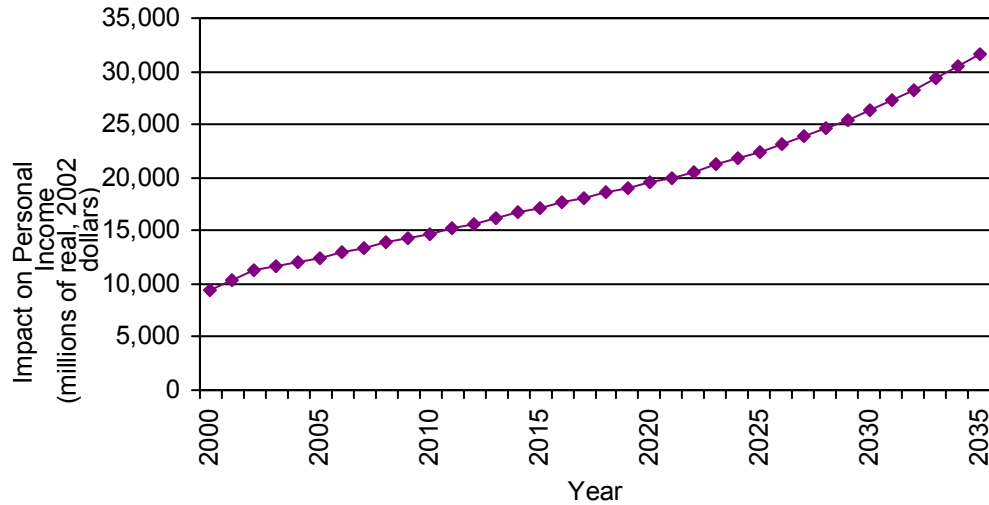
Figure 23. Impact of Nonprofit Sector on Gross Regional Product in Georgia, 2000 – 2035



Real Personal Income

The impact of the nonprofit sector on personal income is similar to that on employment and gross regional product. That is, it is forecasted to have an increasing impact over the study period. As illustrated in Figure 10, the nonprofit sector accounted for over \$9 billion of personal income statewide in the year 2000. The estimated impact is forecast to exceed \$31 billion in 2035. The impact over the entire period totals \$655 billion – an average of approximately \$18.7 billion per year (Fig. 24).

Figure 24. Impact of Nonprofit Sector on Real Personal Income in Georgia, 2000 – 2035



Estimated annual impacts of the nonprofit sector on employment, gross regional product, and personal (Fig. 25)

Figure 25. Impact of Nonprofit Sector on the Economy in Georgia, 2000 - 2035

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Employment ⁶ (thousands of jobs)	273.5	273.3	272.9	270.4	269.6	270.1	272.4	276.3	281.1
GSP ⁷ (millions of dollars)	\$11,186	\$11,213	\$11,348	\$11,351	\$11,419	\$11,553	\$11,797	\$12,136	\$12,542
Personal Income ⁸ (millions of dollars)	\$9,393	\$10,411	\$11,220	\$11,701	\$12,108	\$12,486	\$12,899	\$13,361	\$13,840

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Employment ⁶ (thousands of jobs)	285.9	290.5	295.8	301	306.2	312	317.5	322.4	327.8
GSP ⁷ (millions of dollars)	\$12,889	\$13,309	\$13,767	\$14,239	\$14,735	\$15,258	\$15,780	\$16,289	\$16,824
Personal Income ⁸ (millions of dollars)	\$14,295	\$14,759	\$15,229	\$15,697	\$16,154	\$16,655	\$17,142	\$17,604	\$18,105

	2018	2019	2020	2021	2022	2023	2024	2025	2026
Employment ⁶ (thousands of jobs)	332.7	337.3	342	346.3	351.2	355.9	360.5	365	369.4
GSP ⁷ (millions of dollars)	\$17,333	\$17,843	\$18,352	\$18,862	\$19,409	\$19,944	\$20,492	\$21,040	\$21,574
Personal Income ⁸ (millions of dollars)	\$18,577	\$19,049	\$19,532	\$20,026	\$20,598	\$21,179	\$21,786	\$22,411	\$23,064

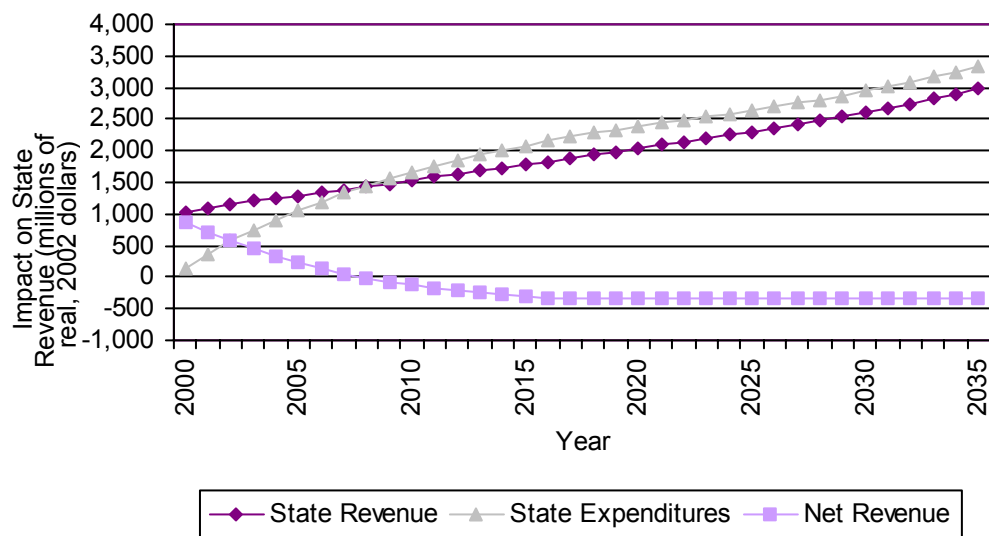
	2027	2028	2029	2030	2031	2032	2033	2034	2035
Employment ⁶ (thousands of jobs)	374.6	379.6	384.9	389.9	395.4	401.5	407.5	413.6	419.3
GSP ⁷ (millions of dollars)	\$22,173	\$22,759	\$23,370	\$23,969	\$24,606	\$25,293	\$25,994	\$26,694	\$27,369
Personal Income ⁸ (millions of dollars)	\$23,833	\$24,614	\$25,449	\$26,295	\$27,211	\$28,255	\$29,338	\$30,461	\$31,587

State Government Fiscal Impact in Georgia

The impact of the nonprofit sector on state government revenues and expenditures under the pessimistic, minimum net impact scenario.

The existence of the nonprofit sector is forecasted to increase both revenues and expenditures. In the early years, the increase in revenue exceeds the increase in expenditures, increasing net state revenues by approximately \$1 billion in 2000. However, over time the increase in expenditures offsets the revenue increase; by 2035 the net revenue is forecasted to be -\$349 million. According to this forecast, the nonprofit sector results in a decrease in net state government revenues totaling \$4.5 billion over the 36-year study period — an average of -\$130 million annually. (Fig. 26).

Figure 26. Fiscal Impact of Nonprofit Sector on State Government in Georgia, 2000 – 2035



Local Government Fiscal Impact in Georgia

The nonprofit sector is forecasted to increase both local government revenues and expenditures. However, the impact on expenditures is forecasted to exceed the impact on revenues from the fourth year forward. Consequently, the nonprofit sector is projected to have a negative impact on net local government revenues. In 2000, the net impact is approximately \$270 million in increased revenues for local governments. However, the impact is forecasted to decline over the next 15 years leveling off at a decrease in local government revenues of approximately \$1 billion for the

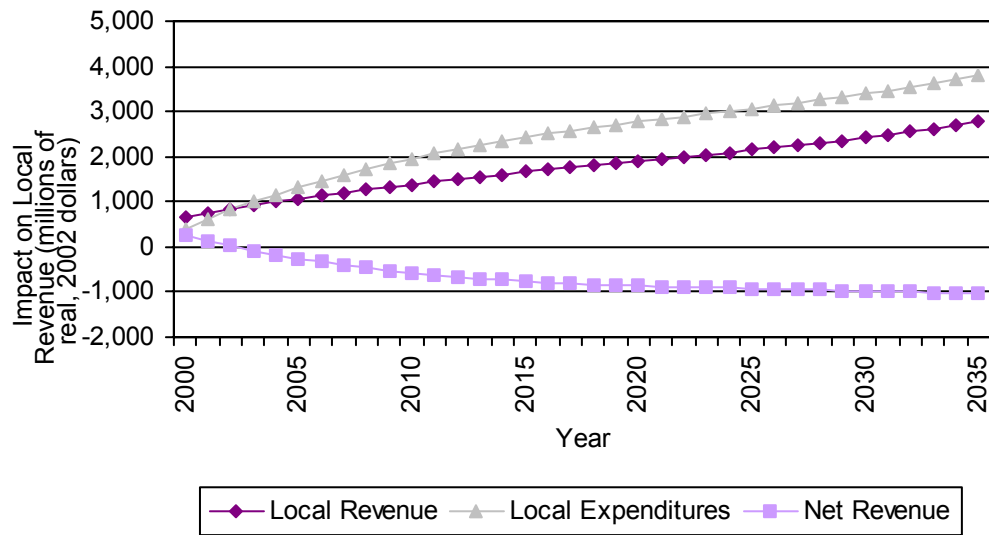
⁶ Employment reported is the total number of jobs that are expected to exist in the region in the relevant year, which would not exist if the nonprofit sector did not exist. Note that the values are reported in thousands of jobs.

⁷ GSP reported is the total dollar value of Gross State Product (the total dollar value of all goods and services produced in the state) for the relevant year, which would not exist if the nonprofit sector was not present in the region, adjusted for inflation. Note that the values are reported in millions of 2002 dollars.

⁸ Personal income reported is the total dollar value of all personal income in the region in the relevant year, which would not be received if the nonprofits sector was not present in the region. Note that the values are reported in millions of 2002 dollars.

remainder of the study period. According to this forecast, the nonprofit sector results in a decrease in net local government revenues totaling \$23.3 billion over the 36-year study period — an average of \$665 million annually (Fig. 27).

Figure 27. Fiscal Impact of Nonprofit Sector on Local Government in Georgia, 2000 - 2035



Again, recall that this forecast doesn't account for the fact that, in the absence of the nonprofit sector, local governments might incur additional expenditures in providing services, such as social or educational services, which are currently provided by the nonprofit sector.

What if the Government Takes Over?

To this point, the impact analysis has been predicated on the assumption that the government chooses not to step in and "take over" the activities currently covered by the nonprofit sector. As a final exercise, we choose to look at the fiscal implications if the nonprofit sector activities are "assumed" by state and local governments in Georgia. Under these scenarios, the government essentially steps in and absorbs all nonprofit activity in the state, which would imply no change in the economic spillover effects, though it may (indeed, it does) profoundly affect the fiscal side of the picture.

With Deficit Spending

In our first scenario, the state and local governments engage in deficit spending in order to fully finance the current level of nonprofit activity in the state. Under this scenario, the state and local governments no longer need contribute to the nonprofit sector (a reduction in government expenditures), and we further assume that the state and local governments are also able to magically, costlessly absorb all of the financial donations to nonprofits that are currently collected from Georgia residents. However, additional expense accrues to state and local governments to the extent that they must cover the costs of in-kind donations (since governments do not collect in-kind donations), and they also must spend sufficiently to overcome the federal government transfers to Georgia nonprofits since, presumably, these funds are earmarked for nonprofits rather than government. The allocation of these additional revenues and expenses are shared out to state and local governments according to the extent each was affected by the disappearance of nonprofits in the "gross impacts" portion of our analysis.

Under this scenario, where government takes over the role of the nonprofits, the net fiscal impacts are significant and (for the most part) negative. Taking over the role of nonprofits through deficit spending would decrease net state government revenue by an average of \$12.4 billion per year (a total of \$433 billion through the 36-year forecast period). The impact on local governments is similar; it would cost local governments a net of \$3.0 billion per year, or a total of \$105 billion through the 36-year forecast period (Fig. 28 & 29).

Figure 28. State Government Fiscal Impact of Government Assumption of Nonprofit Sector Activities in Georgia, Financed Through Spending Cuts, 2000 – 2035

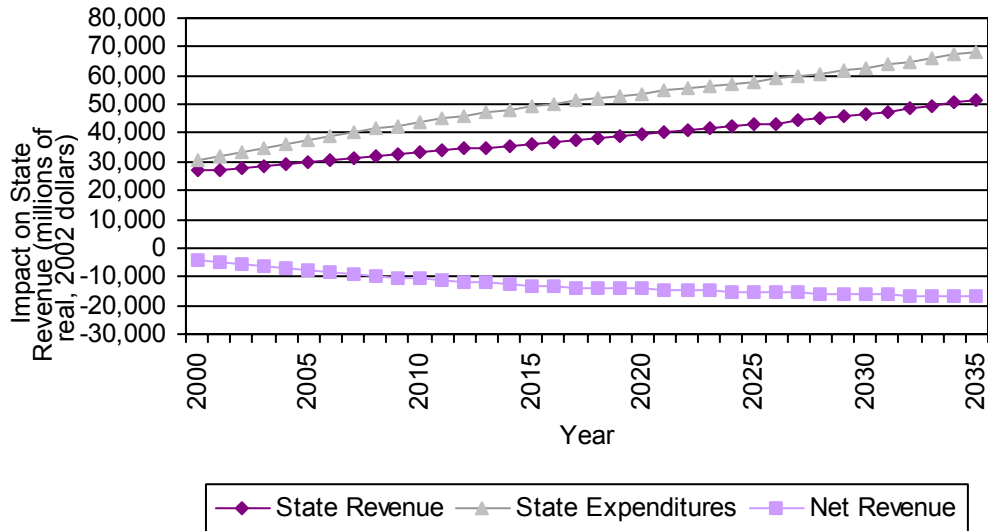
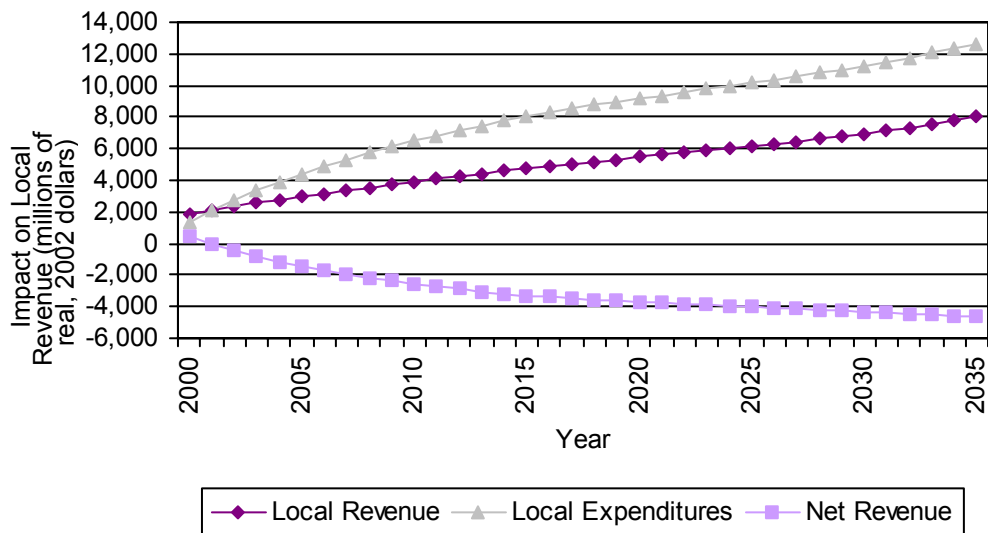


Figure 29. Local Government Fiscal Impact of Government Assumption of Nonprofit Sector Activities in Georgia, Financed Through Spending Cuts, 2000 – 2035



With Property Tax Increase

Of course the scenario of financing the government “takeover” of nonprofit activities is very abstract, as it is difficult to imagine how the government might sustain such high levels of debt. In the interest of exploring one final possibility, we ran a scenario under which state and local governments financed all nonprofits activity through increased property taxes. In this scenario, property taxes were increased by an amount sufficient to fully fund all nonprofit activity, but such an increase in property taxes have still other spillover effects. The resulting increase in the cost of living and doing business in the state would tend to scare away potential residents and businesses, which would have inadvertent effects on subsequent revenue and expenditures. Our final simulation looks at the downstream fiscal implications of such a step.

Under this scenario, where government takes over the role of the nonprofits, the net fiscal impacts are much less dramatic than in the previous scenario, but are still generally negative. Taking over the role of nonprofits through deficit spending would decrease net state government revenue by an average of \$2.2 billion per year (a total of \$77.9 billion through the 36-year forecast period). The impact on local governments is similar; it would cost local governments a net of \$1.1 billion per year, or a total of \$39.7 billion through the 36-year forecast period (Fig. 30).

Figure 30. State Government Fiscal Impact of Government Assumption of Nonprofit Sector Activities in Georgia, Financed Through Property Taxes, 2000 – 2035

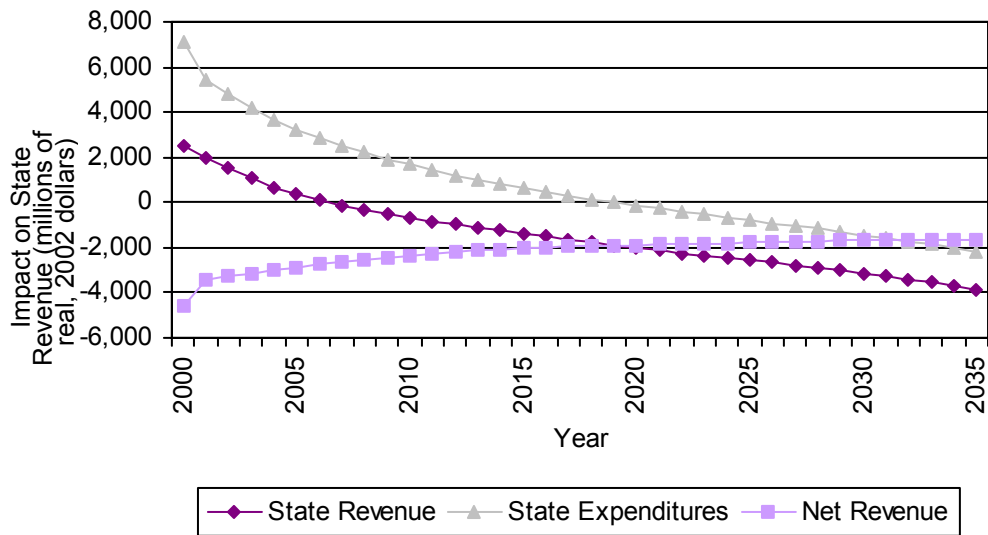
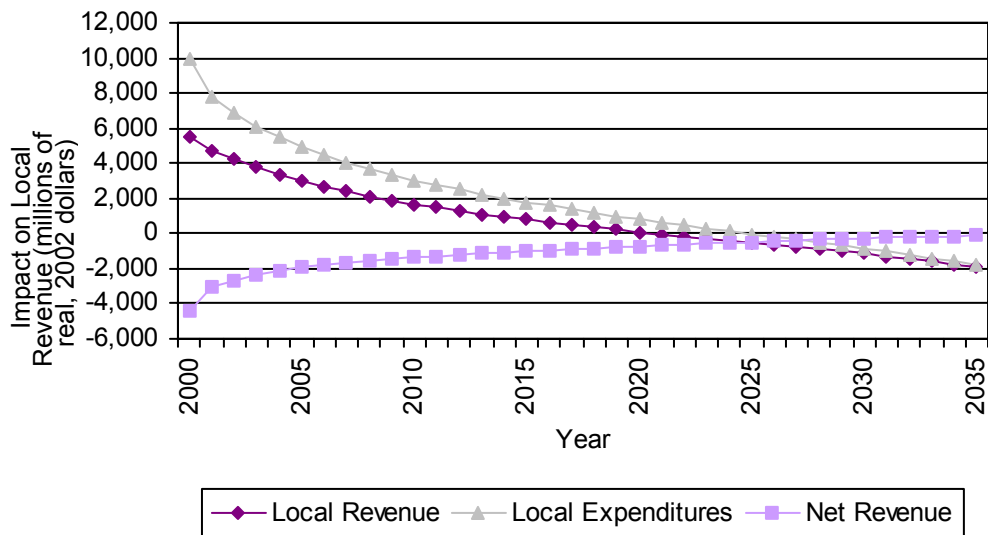


Figure 31. Local Government Fiscal Impact of Government Assumption of Nonprofit Sector Activities in Georgia, Financed Through Property Taxes, 2000 – 2035



Conclusion

This report offers the first in-depth examination of the size and scope of Georgia's nonprofit community in terms of its overall economic magnitude. To date, very little economic data has been collected about nonprofit organizations, placing the sector at a disadvantage when discussing the state's economic activity, output, and impact. In particular, this disadvantage is discerning in times of government appropriations. The general failure to recognize the economic benefits of nonprofits results in critical decisions regarding the support and growth of this sector taking place, and discussions being made, without complete information.

Our findings demonstrate that nonprofits are a significant economic force in Georgia, directly generating over \$22 billion in revenue each year; employing more than 179,000 people in addition to indirectly creating 3 jobs in other industries for every one job in the nonprofit sector; supporting a payroll of over \$6 billion; and providing valuable services that impact virtually every Georgia resident. Georgia's nonprofit sector clearly contributes to the vitality of the economy beyond the services it provides to the population. In the course of their work, nonprofit organizations across the state demonstrate a collective and direct economic strength that will continue to sustain this momentum in the future.

Nonprofit organizations across Georgia should use this report to:

- Insert themselves in local and state policy discussions about economic development.
- Seek inclusion in budget discussions as an industry.
- Mitigate local property tax challenges.
- Seek industry-wide exemption from sales tax and other nonprofit business-friendly policy.
- Seek leadership inclusion on boards, committees, and other governmental decision bodies that shape state, local, or departmental strategy.
- Promote partnerships with local industry.
- Enhance communications to position themselves beyond "quality of life benefit" toward a blended statement of quality and economic benefit.