



**The Nonprofit Crime and  
Public Safety Sector of  
Mecklenburg County  
2009-2010**

**Nonprofit and Voluntary Action Center  
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## Purpose

The purpose of this report is to provide readers with specific information pertaining to crime and public safety (CPS) nonprofit organizations in Mecklenburg County. Particularly, this report serves as a tool for examining the number of organizations in 2009 and 2010, and allows an inference to be made about growth in each category of CPS.

CPS in this analysis includes nonprofits registered in Mecklenburg County under the National Taxonomy of Exempt Entities (NTEE) codes “I” and “M.” These codes indicate that the IRS has categorized them as serving *Crime & Legal-Related* and *Public Safety, Disaster Preparedness & Relief* purposes, respectively.

CPS organizations, as grouped by the IRS, include many agencies encompassing a large span of missions, programming and services. This report will present the data from CPS in six categories. These categories are only slightly altered from the official NTEE categories that the IRS uses for 501(c)3 charitable crime and public safety sector organizations and are intended to assist the readers in their interpretation of the data. See Methodological Notes for more information on the NTEE codes.

## Data

The data source for this report are from Business Master File obtained from the National Center for Charitable Statistics (NCCS). The data are collected from information shared by nonprofit organizations such as name and address, as well as information collected from publicly available IRS Form 990’s. The data used throughout the report are from April 2009 and April 2010.

**Table 1: Number of Crime and Public Safety Organizations in Mecklenburg County for 2009 & 2010**

	April 2009	April 2010	Percent Change	Filed in Both 2009 & 2010
Advocacy & Support	8	13	63%	7
Crime Prevention	15	20	33%	14
Correctional Facilities & Rehab Services	14	16	14%	13
Law Enforcement	5	6	20%	5
Disaster Preparedness & Relief Services	18	21	17%	17
Education, Administration, Legal Services, & All Other	14	15	7%	11
<b>Total</b>	<b>74</b>	<b>91</b>	<b>23%</b>	<b>67</b>

## Key Findings

- Between 2009 and 2010, the number of crime and public safety organizations in Mecklenburg County increased by 23%, rising from 74 to 91 reporting organizations.
- Advocacy and Support organizations experienced the most growth increasing by 63%.
- Education, Administration, Legal Services & All Other organizations experienced the least growth adding only one organization from one year to the next.
- Not one of the six crime and public safety areas experienced a decrease in the number of organizations.
- Law Enforcement maintained the most stability, based on organizations reporting in 2009 that also filed in 2010.

# Changes in Nonprofit Crime and Public Safety Organizations 2009-2010

## Growth in the Sector

The data presented in Table 1 shows the change in number of CPS organizations in Mecklenburg County between 2009 and 2010. The table shows there was a modest increase in the number of CPS organizations (that filed with the IRS) during this time period; however, closer analysis of the data may offer an alternative explanation.

Of the CPS organizations in the dataset, many reported revenues less than \$25,000 in 2009 and 2010. Changes made by the IRS, effective in 2007, regarding 501(c)3 filing requirements for organizations with revenues less than \$25,000 mean that prior to the 2010 deadline these organizations may have been in existence, yet would not be visible in the data because they were not required to file with the IRS [See Methodological Section for further details on the IRS change]. Therefore, it is possible that some of the growth between 2009 and 2010 may reflect previously existing nonprofits becoming first-time filers in 2010, rather than an actual increase in new organizations.

In an effort to see the plausibility of this conclusion, a closer look at the specific

revenue data for each organization reveals more about who is causing some of the perceived growth.

Out of all the CPS organizations, twenty-four filed in 2010 that did NOT file in 2009. And from these twenty-four, nineteen organizations, or 79%, reported income of less than \$25,000 in 2010. This means that 20% of the organizations reporting in 2010 may, in fact, be existing organizations that simply became first-time filers.

## Stability of Sector

The CPS sector as a whole remained relatively stable in terms of organizations filing in both 2009 and 2010. Out of the 74 total organizations that filed in 2009, only 8 failed to file consecutively in April 2010. However, this difference may be caused by organizations failing to meet the April 2010 deadline for filing, as opposed to dissolving as a nonprofit altogether.

Table 2: Changes in Revenue for Mecklenburg County Crime and Public Safety Organizations for 2009-2010

	2009			2010			Percent Change in Average Revenue
	Organiza- tions Re- porting Non -Zero Re- venue <sup>1</sup>	Total Re- ported Revenue	Average Re- ported Reve- nue	Organiza- tions Re- porting Non -Zero Re- venue <sup>1</sup>	Total Re- ported Reve- nue	Average Reported Revenue	
Crime Prevention	5	\$4,733,579	\$946,716	6	\$4,843,983	\$807,331	-15%
Correctional Facilities & Rehab Services	4	\$1,039,730	\$259,933	4	\$1,524,410	\$381,103	47%
Law Enforcement	-	-	-	3	\$70,487	\$23,496	N/A
Disaster Prepared- ness & Relief Ser- vices	9	\$2,418,707	\$268,745	10	\$2,694,786	\$269,479	<1%
Education, Admini- stration, Legal Ser- vices, & All Other	5	\$1,573,918	\$314,784	5	\$1,761,451	\$352,290	12%
Overall	23	\$9,765,934	\$1,790,178	28	\$10,895,117	\$1,833,699	5%

Source: Business Master File

\*Table only includes the 67 organizations that reported in both 2009 and 2010

\*Advocacy & Support was omitted due to only 1 organization reporting non-zero revenue

\*Law Enforcement revenue for 2009 was omitted because only 1 organization reported non-zero revenue in that year

## Key Findings

- The Crime and Public Safety sector experienced a slight 2% increase in average revenue.
- In every category within CPS, a majority of individual organizations reported revenue of \$0.
- Correctional Facilities & Rehab Services saw a 47% increase in average revenue, representing the most significant change in average revenue among CPS organizations.
- Crime Prevention is the only category that experienced a revenue decrease at -15%.
- The number of organizations reporting non-zero revenue minimally increased by 5 organizations from 2009 to 2010

## Changes in Revenue 2009-2010

The Correctional Facilities & Rehab Services category experienced a 47% jump in average revenue from 2009 to 2010. This jump is at least 34 percentage points higher than all other crime and public safety organization categories.

It is not clear why Correctional Facilities & Rehab Services experienced such a large increase in revenue. A deeper look into the category doesn't reveal anything specific about the organizations that would explain the large increase. Though the category consists primarily of smaller ministry-type organizations that offer assistance programs, there is very little consistency across these organiza-

tions in terms of the type of assistance they offer (making it difficult to infer possible causes of the 47% increase).

One interesting observation is the fact that out of the 67 organizations that reported in both 2009 and 2010, less than half, 23 and 28 respectively, actually reported income greater than \$0. Thirty-eight organizations, or 57%, even reported \$0 revenue for both years. This indicates that many of these organizations are very small organizations, probably volunteer-run and operating on minimal budgets.

Only one of the six CPS categories experienced a decrease in revenue between the two years. Again, research on the individual organizations failed to reveal concrete explanations for this. The Crime Prevention organizations mainly comprise of advocacy groups for domestic violence. They may be experiencing a decrease in funding because donors are opting to give to organizations that have missions focused on helping the numerous families that are struggling financially in this recession.

Overall, revenues of CPS nonprofits in Mecklenburg County grew slightly at 2% be-

tween 2009 and 2010. This is noteworthy considering the fact that other nonprofit sectors, such as arts and culture, declined in their financial health during this same period of economic recession. This CPS stability in average revenue is calculated when we exclude all organizations that reported zero revenue. By considering non-zero revenue organizations alone, a possible explanation for their stable financial health could be that they rely more heavily on their own program and service fees to generate revenue, unlike nonprofits that are more fundraising-based.

## Methodological Notes

### NTEE Codes

In order to maintain focused analysis on the Crime and Public Safety sector in Mecklenburg County, we analyzed those organizations that fall into the “T”: *Crime & Legal-Related* and “M”: *Public Safety, Disaster Preparedness & Relief* categories from the National Taxonomy of Exempt Entities (NTEE). Each code sub group was then combined with other like categories to generate a more manageable number of variables for assessment. For instance, the advocacy and support groups from each NTEE code were combined together to form the larger Advocacy and Support category in

this report and included I01-I19, as well as M11 and M12. The other categories include Crime Prevention (I20-I23 and I70-I73), Correctional Facilities & Rehab Services (I30-I44), Law Enforcement (I60), Disaster Preparedness & Relief Services (M20-M24), and finally Education, Administration, Legal Services & All Other (M40-M42, I50- I99, & M99). This last grouping includes a number of categories, each of which possessed a small number of organizations. Combining these groups together was necessary in order to prevent data that looked extreme, yet represented a very small portion of the overall dataset.

## **IRS Filing Changes**

Until 2007, 501(c)3 charitable organizations with annual revenue of \$25,000 or less were not required to file a Form 990 with the IRS. The changes in 2007 now require all charitable organizations to file at least a Form 990-N, no matter the amount of annual revenue, by 2010 otherwise their tax exempt status would be revoked.

The reader is advised of one issue when interpreting the data in this report. Depending on how many non-profits simply failed to meet the April filing deadline, the Table 1 data for April 2009 and 2010 may under-represent the true number of organizations within each group. Those organizations that reported in 2010 may simply indicate increased organizational effectiveness in the ability to file on time. This scenario would cause the percent changes to appear bigger than the change that actually occurred.

## **Publication Information**

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## **About NVAC**

The Nonprofit and Voluntary Action Center (NVAC) in the Political Science Department of UNC Charlotte was formed in 2008 to connect faculty members and graduate students on UNCC's campus who share research and teaching interests in nonprofit organizations, philanthropy and voluntary action. NVAC is intended to be a hub to facilitate communication across many different disciplines. NVAC is an opportunity for faculty and graduate students to network with each other, learn more about nonprofit organizations, engage in interdisciplinary research, and provide outreach to the local nonprofit community.

## **Mission**

NVAC's mission is to promote relationships among UNC Charlotte faculty and graduate students with research and teaching interests in nonprofit organizations, philanthropy and voluntary action with the aim of increasing our knowledge of the nonprofit sector, fostering interdisciplinary research and engaging in community outreach in the Charlotte Metropolitan area.

## **NVAC Working Papers**

As part of our mission, NVAC is sponsoring a set of working papers discussing the state of the nonprofit sector in Mecklenburg County. These papers are specifically written for community leaders and those employed in the local nonprofit sector.

For more information about NVAC and to view our working papers series, please visit our website at <http://politicalscience.uncc.edu/nvac/>

NVAC also maintains a listserv to communicate with community affiliates about upcoming events, research projects and community reports produced by NVAC ([nvacnews-l@uncc.edu](mailto:nvacnews-l@uncc.edu)). To subscribe to the listserv or if you have any other questions about NVAC, you can email us at [nvac-info@uncc.edu](mailto:nvac-info@uncc.edu).