

Regional Variations in the North Carolina Nonprofit Sector

**Nonprofit and Voluntary Action Center
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Regional Variations in the North Carolina Nonprofit Sector

Purpose

Representing 6% of the state's economy,¹ the nonprofit sector in North Carolina encompasses thousands of organizations diverse in size, financial capacity, and mission. The purpose of this report is to describe how nonprofits differ both within and across regions of the state.

To provide concise information about the large number of organizations found throughout all 100 counties, this report com-

pares information in seven distinct North Carolina regions. The geographical delineation is adapted from regions mapped by the NC Department of Environment and Natural Resources, Division of Air Quality.² Additional information about mapping and other methodologies can be found in the section entitled "Data Sources and Methodologies" at the conclusion of this report.

Overview of North Carolina Nonprofit Sector by Region

As revealed in Table One, the population ranges widely among the seven regions. The most populous region (Charlotte) has three times more people than the least populous (Wilmington). The Raleigh region has the second-largest population, with more than 2.1 million residents.

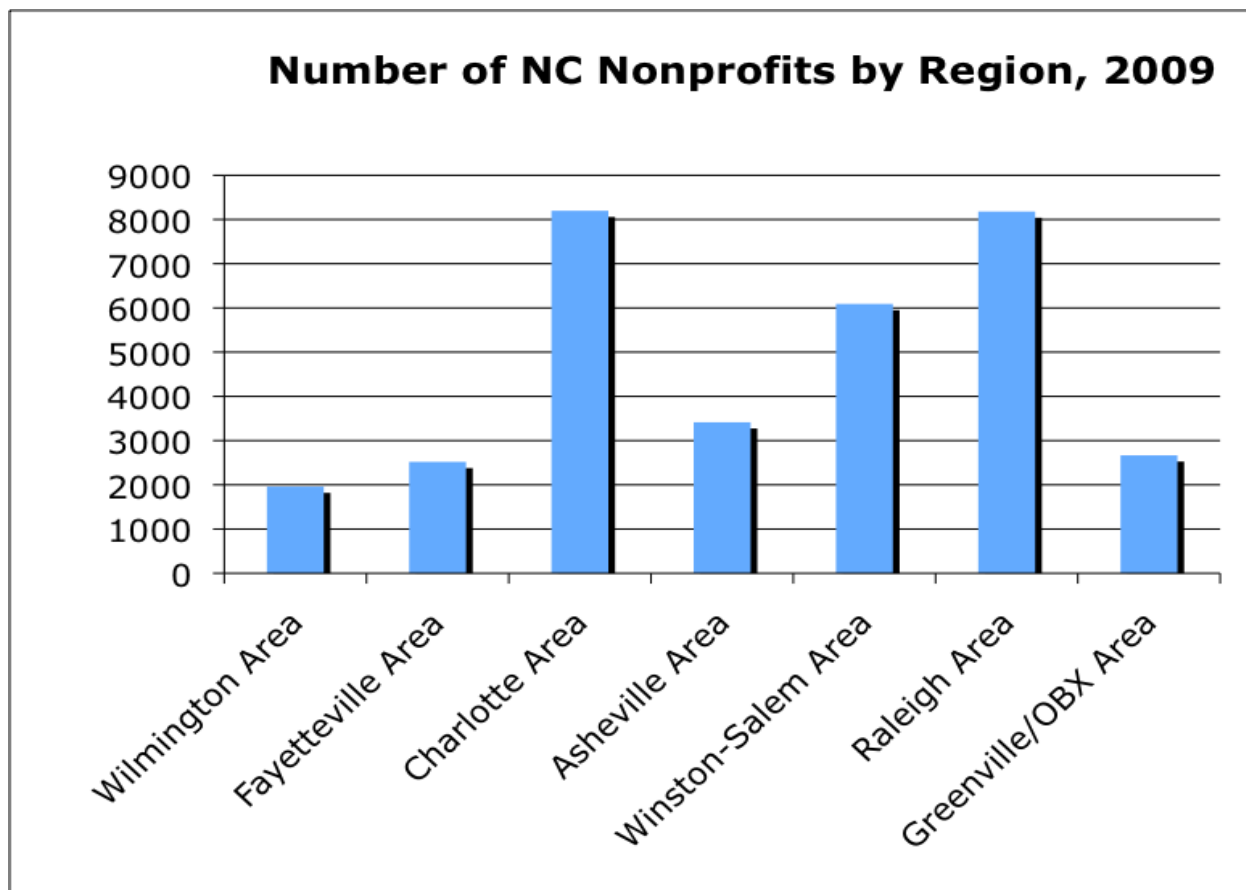
Similarly, there is a wide range in the number of nonprofits, from 1,958 in the Wilmington area to 8,198 in the Char-

lotte area, as reflected in the chart on the next page.

Although Charlotte ranks first in the number of nonprofits overall, it is tied for second in the number of nonprofits per capita in North Carolina. The Raleigh region is home to the most nonprofit organizations per capita in the state, with 39 nonprofits per 10,000 people. Asheville and Charlotte

Table 1: North Carolina Nonprofit Sector By Region, 2009

	Popula- tion of Region ³	Number of Non- profits	Number of Non- profits Filing 990s (income ¹ o)	Percent of Nonprofits Filing 990s (income ¹ o)	Nonprofits per Capita (per 10,000 people)	Total Nonprofit Gross Receipts (for Filing Non- profits)	Average Non- profit Gross Receipts (for Filing NPs)	Median Non- profit Gross Receipts (for Filing NPs)
Wilmington Area	708,483	1,958	760	39%	28	\$760,171,327	\$1,000,225	\$101,726
Fayetteville Area	932,625	2,519	798	32%	27	\$2,676,967,279	\$3,354,596	\$131,267
Charlotte Area	2,198,726	8,198	3,929	48%	37	\$9,039,542,792	\$2,300,724	\$177,572
Asheville Area	928,076	3,415	1,554	46%	37	\$3,577,203,297	\$2,301,933	\$140,858
Winston-Salem Area	1,748,948	6,091	2,384	39%	35	\$12,657,270,975	\$5,309,258	\$136,865
Raleigh Area	2,102,240	8,180	3,385	41%	39	\$42,174,022,215	\$12,459,091	\$127,468
Greenville/ Outer Banks Area	763,512	2,667	900	34%	35	\$3,060,365,885	\$3,400,407	\$116,274
TOTALS	9,382,610	33,028	13,710	42%	35	\$73,945,543,770	-	-



follow, with 37 nonprofits per 10,000 people. Both the Winston-Salem and the Greenville/Outer Banks regions host 35 organizations per 10,000 people, with the Wilmington (28) and Fayetteville (27) areas trailing.

NC NONPROFITS FILING FORM 990s

Although the number of nonprofit organizations filing annual tax returns (IRS Form 990) has increased since 2007 – when the IRS began requiring all nonprofits, regardless of

income, to do so – the number of NC nonprofits that did not file a Form 990 for their most recent fiscal year is noteworthy. Across the state, only 42% of all NC nonprofits filed a Form 990. The greatest proportion of nonprofits filing Form 990s is in the Charlotte area (48%), and the lowest proportion of filers is in the Fayetteville Region, with just 32% filing.

Because the data for this report were collected for 2009 and the IRS will not institute revocations of tax-exempt status until after October 15, 2010, some smaller nonprofit organizations may have postponed filing. Re-

many organizations in NC and across the country will lose their tax-exempt status if they do not comply with the new IRS filing requirements. A follow-up study next year will be necessary to show how the new IRS requirements will change the number of organizations and profile of the nonprofit sector.

NONPROFIT GROSS RECEIPTS

Gross receipts for all NC nonprofit organizations filing Form 990s total nearly \$74 billion, with average gross receipts totaling \$5,393,548. Average gross receipts range from \$1,000,225 in the Wilmington area to \$12,459,091 in the Raleigh area. Interestingly, the Charlotte region ranks sixth among the seven regions in the average reported gross

receipts for nonprofit organizations. Both in terms of the average gross receipts and the number of nonprofits per capita, the region that appears most similar to the Charlotte area is Asheville.

The total gross receipts and average gross receipts for NC nonprofits is significantly higher in the Raleigh area than elsewhere. A single organization – Duke University – is responsible for skewing these figures for the Raleigh region. Gross receipts for Duke University alone significantly inflate both the gross receipts of the Raleigh region and the entire NC nonprofit sector.

Major Nonprofit Categories

Table 2 shows the distribution of nonprofits by region. The most common category of nonprofit organization in NC is Human Services, constituting 24% of all nonprofit organizations. Religious organizations comprise 22% of all nonprofits, followed by public and societal benefit, with 17%.

Not surprisingly, the Raleigh and Charlotte areas (home to the most nonprofits in the state) rank #1 and #2 among each of the

individual types of nonprofit organizations. The Raleigh region boasts the greatest number in each category, with two exceptions: Religion and Public/Societal Benefit. The Charlotte area has the greatest number of these types of nonprofits, with Raleigh second. Furthermore, Winston-Salem ranks third overall in every major nonprofit category. The only category in which the percentages vary substantially from this ranking is Environmental.

Table 2: North Carolina Nonprofits by Major Nonprofit Category, 2009

	Arts, Cul- ture and Humanities		Education		Environ- ment		Health		Human Ser- vices		Public and Societal Benefit		Religion		Other		Total	
	#	% withi n re- gion	#	% withi n re- gion	#	% withi n re- gion	#	% withi n re- gion	#	% withi n re- gion	#	% withi n re- gion	#	% withi n re- gion	#	% withi n re- gion	#	% within region
Wil- mington Area	206 (8%)	11%	263 (5%)	13%	110 (10%)	6%	137 (6%)	7%	508 (6%)	26%	285 (5%)	15%	403 (6%)	21%	46 (6%)	2%	1958 (6%)	100%
Fayette- ville Area	174 (7%)	7%	392 (8%)	16%	58 (5%)	2%	184 (7%)	7%	628 (8%)	25%	306 (6%)	12%	741 (10%)	29%	36 (5%)	1%	2519 (8%)	100%
Char- lotte Area	553 (20%)	7%	1318 (25%)	16%	167 (16%)	2%	538 (21%)	7%	1767 (22%)	22%	1859 (34%)	23%	1804 (25%)	22%	192 (26%)	2%	8198 (25%)	100%
Asheville Area	387 (14%)	11%	439 (8%)	13%	206 (19%)	6%	305 (12%)	9%	844 (11%)	25%	466 (9%)	14%	679 (9%)	20%	89 (12%)	3%	3415 (10%)	100%
Winston -Salem Area	473 (17%)	8%	940 (18%)	15%	184 (17%)	3%	506 (20%)	8%	1660 (21%)	27%	882 (16%)	14%	1326 (18%)	22%	120 (16%)	2%	6091 (18%)	100%
Raleigh Area	713 (26%)	9%	1480 (28%)	18%	263 (25%)	3%	662 (26%)	8%	1959 (24%)	24%	1273 (23%)	16%	1614 (22%)	20%	216 (30%)	3%	8180 (25%)	100%
Greenville/ OBX Area	222 (8%)	8%	394 (8%)	15%	89 (8%)	3%	198 (8%)	7%	677 (8%)	25%	367 (7%)	14%	684 (10%)	26%	36 (5%)	1%	2667 (8%)	100%
TOTAL	2,728 (100 %)	-	5,226 (100 %)	-	1,077 (100 %)	-	2,530 (100 %)	-	8,043 (100 %)	-	5,438 (100 %)	-	7,251 (100 %)	-	75 (100 %)	-	33,028 (100 %)	-

Table 3: Number of Public Charities v. Private Foundations, 2009						
	Public Charities		Private Foundations		Total	
	#	% within region	#	% within region	#	% within region
Wilmington Area	1886 (6%)	96%	72 (3%)	4%	1958 (6%)	100%
Fayetteville Area	2450 (8%)	97%	69 (3%)	3%	2519 (8%)	100%
Charlotte Area	7166 (23%)	87%	1032 (50%)	13%	8198 (25%)	100%
Asheville Area	3295 (11%)	97%	120 (6%)	3%	3415 (10%)	100%
Winston-Salem Area	5766 (19%)	95%	325 (16%)	5%	6091 (18%)	100%
Raleigh Area	7800 (25%)	95%	380 (18%)	5%	8180 (25%)	100%
Greenville/ Outer Banks Area	2587 (8%)	97%	80 (4%)	3%	2667 (8%)	100%
Total	30,950 (100%)	--	2,078 (100%)	--	33,028 (100%)	100%

The Charlotte region is home to more than a third of the state's public and societal benefit nonprofits, with 1,850 such organizations. Twenty-three percent (23%) of all of the Charlotte region's nonprofits fall into this category. What are these agencies, and why does the Charlotte region have so many more

than other regions? Table 3 may offer a possible explanation: Charlotte has many foundations, which are often categorized as public and societal benefit organizations. Private foundations represent just 6% of all nonprofit organizations in NC, yet in Charlotte, they constitute 13%.

Public charities comprise between 95 and 97% of all nonprofits in each of the seven regions except the Charlotte region, where only 87% are classified as public charities. The Charlotte area is home to 50% of all private foundations in NC. The Raleigh area is home to the greatest number of public charities, 25%, followed by the Charlotte area, with 23%.

Also of interest within each region is the high number of religious organizations in some regions. In the Fayetteville region, 29% of all nonprofits are religious organizations, and in the Greenville/Outer Banks area, 26%. At least one-fifth of all nonprofit organizations in all seven regions are categorized as religious.

The least common type of nonprofit organizations is environmental and “other,” together comprising only 5% of all types of nonprofit organizations in NC. “Other” organizations include mutual benefit corporations, nonprofits whose purpose is international, and those whose purpose is unknown. Overall, there is relatively little variation from region to region among most of the categories of nonprofit organizations. For example, health-related nonprofits constitute between 7% and 9% of all organizations within a region, and arts, culture and humanities comprise between 7% and 11%.

Table 4: Nonprofits per Capita by Major Nonprofit Category, 2009

	Arts, Culture and Humanities	Education	Environment	Health	Human Services	Public and Societal Benefit	Religion	Other	Total
Wilmington Area	2.9	3.7	1.6	1.9	7.2	4.0	5.7	0.6	27.7
Fayetteville Area	1.9	4.2	0.6	2.0	6.7	3.3	7.9	0.4	27.0
Charlotte Area	2.5	6.0	0.8	2.4	8.0	8.5	8.2	0.9	37.3
Asheville Area	4.2	4.7	2.2	3.3	9.1	5.0	7.3	1.0	36.8
Winston-Salem Area	2.7	5.4	1.1	2.9	9.5	5.0	7.6	0.7	34.8
Raleigh Area	3.4	7.0	1.3	3.1	9.3	6.1	7.7	1.0	38.9
Greenville/Outer Banks Area	2.9	5.2	1.2	2.6	8.9	4.8	9.0	0.5	34.9

North Carolina Nonprofits Per Capita

The number of nonprofits per capita varies significantly according to the type of nonprofit organization. For example, Charlotte is home to 8.5 public and societal benefit organizations per 10,000 people, making it the leading region housing these types of organizations. Charlotte is also strong in the area of education, with 6.0 educational nonprofits per 10,000 people, more than any other region except the Raleigh area.

Charlotte also looks very favorable for the number of religious organizations per capita. In other areas, however, Charlotte is outranked by several of the other North Carolina regions. For example, Charlotte lags behind almost every other North Carolina region (except Fayetteville) in the number of arts and cultural organizations per capita. In the human services area, Charlotte is ranked fifth with 8.0 human service organizations per 10,000 people.

Charlotte has 3.4 health nonprofits per 10,000 people, outranking only Wilmington and Fayetteville. The ratio of environmental nonprofits to people in Charlotte is less than 1:10,000, making Charlotte the second lowest in environmental nonprofits. It is striking that

despite the fact that the Raleigh region and Charlotte region are similar to each other in terms of population size that Charlotte falls behind the Raleigh region in nonprofits per capita in almost every category (except public benefit).

Winston-Salem boasts the greatest number of nonprofits per capita in any given category, with 9.5 human services organizations per 10,000 people. The Raleigh area (9.3), Asheville area (9.1) and Greenville/Outer Banks area (8.9) also have high per capita numbers of human services organizations.

The Raleigh region also has the greatest per capita number of educational nonprofits (7.0 per 10,000 people), while Asheville has the greatest number of arts, culture and humanities organizations (4.2 per 10,000 people). In addition, Asheville has the highest per capita number of environmental and health nonprofits in the state.

Fayetteville, by contrast, has the lowest per capita number of nonprofits among five different categories of nonprofits (arts, environment, human services, public/societal benefit, and other).

There is some evidence that different regions of the state “specialize” in one particular type of nonprofit organization, such as public and societal benefit organizations in the Charlotte region, arts and environmental nonprofits in the Asheville region, human services in the Winston-Salem region and educational nonprofits in the Raleigh region. This

regional variation raises interesting questions about the distribution of nonprofits across the state. To ascertain whether such specialization is desirable, a closer look at demographic information and the level of need within each region is warranted.

Nonprofit Gross Receipts by Major Category

AVERAGE GROSS RECEIPTS

A total of 11 filing organizations – most of which are foundations - reported negative gross receipts.

Average gross receipts range widely, from \$152,404 among religious nonprofits in the Greenville/Outer Banks area to \$41,043,824 among educational nonprofits in the Raleigh area. Duke University and the Gothic Corporation, its fundraising arm, represent 36% of all nonprofit gross receipts in the state of NC reported in the most recent filing year.

Healthcare organizations in Winston-Salem take second place for average gross receipts, with more than \$30 million reported. Heavy-hitters in this category include NC Baptist Hospital, Moses Cone Memorial Hos-

pital, Wake Forest University Health Services, Forsyth Memorial Hospital, and Novant Health.

The Winston-Salem and Raleigh regions claim the highest average nonprofit gross receipts among each of the NTEE major groups. The Wilmington, Fayetteville, and Greenville/Outer Banks areas claim the lowest average gross receipts among all categories. In several areas, Charlotte ranks second in terms of average gross receipts, such as the arts and cultural organizations, human services, public and societal benefit and religious organizations. There are a couple areas, however, where Charlotte is ranked considerably lower, such as being fourth in educational organizations’ average gross receipts, fifth for environmental organizations and sixth in health organizations.

Table 5: Nonprofit Gross Receipts by Major Category, 2009

	Arts, Culture and Humanities		Education		Environment		Health		Human Services		Public and Societal Benefit		Religion		Other	
	% Filers	Avg. Gross Receipts	% Filers	Avg. Gross Receipts	% Filers	Avg. Gross Receipts	% Filers	Avg. Gross Receipts	% Filers	Avg. Gross Receipts	% Filers	Avg. Gross Receipts	% Filers	Avg. Gross Receipts	% Filers	Avg. Gross Receipts
Wilmington Area	43%	\$245,620	43%	\$1,142,937	39%	\$731,518	58%	\$3,323,487	45%	\$582,837	52%	\$1,121,095	11%	\$164,897	28%	\$416,085
Fayetteville Area	40%	\$175,516	34%	\$3,287,779	40%	\$310,962	52%	\$20,469,171	42%	\$735,287	46%	\$502,150	9%	\$179,614	25%	\$221,890
Charlotte Area	43%	\$755,274	56%	\$2,173,534	47%	\$439,742	53%	\$6,336,963	46%	\$1,474,283	76%	\$2,577,744	17%	\$1,621,899	28%	\$1,100,096
Asheville Area	47%	\$460,747	54%	\$1,693,071	60%	\$536,241	60%	\$11,632,894	55%	\$1,249,476	50%	\$1,069,526	16%	\$501,243	26%	\$216,218
Winston-Salem Area	40%	\$830,766	45%	\$4,112,581	41%	\$618,603	55%	\$30,112,760	43%	\$1,632,810	58%	\$1,597,058	13%	\$269,311	22%	\$13,699,577
Raleigh Area	41%	\$508,813	52%	\$41,043,824	45%	\$1,069,007	52%	\$12,026,158	46%	\$1,473,960	55%	\$5,281,774	12%	\$2,542,671	33%	\$9,871,400
Greenville/Outer Banks Area	41%	\$215,600	38%	\$1,300,821	39%	\$207,733	54%	\$23,630,088	42%	\$631,312	48%	\$678,520	7%	\$152,404	22%	\$263,730

FILERS

Historically, nonprofit organizations with more than \$25,000 in revenues were required to file a Form 990 annually with the IRS. This means that nonprofit filers tend to be organizations with larger revenues and that are generally larger, more professionalized organizations overall. [Noter: The IRS changed these rules in 2007 to require all nonprofits to file even if they have little or no revenues to report (see methodological section for a discussion of this), so by the end of 2010, this should no longer be the case. However, for the data used in this paper, filers are expected to be the larger, more established organizations.]

The categories of nonprofits with the greatest percentage of filers are the health and public and social benefit organizations. This may be due to the higher level of sophistication and more specialized professional staff found in healthcare institutions and among grantmaking organizations.

Overall, the Charlotte region has the greatest proportion of filers. This is primarily being driven by all of the public and societal benefit organizations in Charlotte, who have a 76% filing rate with the IRS. Among those, it is likely that foundations and grantmaking organizations form the bulk of the filers. So the fact that Charlotte has the highest overall percentage of filers is not surprising given the many foundations in the Charlotte region. It could also be an indication that the nonprofit sector in the Charlotte region has more large organizations with professional paid staff members than are found in some of these other regions.

Compared to other regions overall, the Fayetteville region has the lowest proportion of filers (32%). The group with the lowest percentage of filers is the religious nonprofits in the Greenville/Outer Banks area. Only 7% of these organizations filed their annual tax returns.

Data and Methodology

Data used in this report have been obtained from the Business Master File compiled by the National Center for Charitable Statistics. The Business Master File provides basic

organizational information reported by nonprofit organizations to the IRS. This information comes from two sources: (1) information shared by the nonprofit at the time of

incorporation, such as organization's name and address, and (2) information from the organization's most recent Form 990, which includes some basic financial information. We used data from the 2009 Business Master File for NC nonprofits for this report.

¹Economic data pertaining to the NC nonprofit sector were obtained from a 2008 report published by the N.C. Center for Nonprofits. This report can be accessed online at http://www.ncnonprofits.org/faq/sector_jobs.pdf.

²This report divides the state of NC into seven different regions in order to provide insight into the nonprofit sectors within different areas of the state. The regions used in this report have been adapted from a map of regional services provided by the NC Department of Environment and Natural Resources, Division of Air Quality. This map can be accessed at <http://daq.state.nc.us/about/regional/>.

A breakdown of the regions and the counties contained in each region is shown on the next page.

³The source of the population data presented in Table One is the State of North Carolina, Office of State Budget and Management. The report providing population data, entitled, "County/State Population Projections: Annual County Population Totals, 2000-2009," can be retrieved from http://www.osbm.state.nc.us/ncosbm/facts_and_figures/socioeconomic_data/population_estimates/county_projections.shtm. This report uses population data from July 2009.

Changes in Filing Requirements

Up until 2007, only charitable organizations with more than \$25,000 in revenue were required to file an annual Form 990 with the IRS. Those organizations with annual revenues less than \$25,000 were not required to file annually. In 2007, the IRS changed these requirements so that nonprofit organizations with revenues less than \$25,000 would be required to file a Form 990, or at least a Form 990 postcard, by 2010 or they would lose their exempt organization status. Thus from 2008-2010, we have seen an increase nationwide in organizations filing a Form 990. Churches and organizations that file with a group are not required to file.

Therefore in this report, we make the distinction between filers—those that annually file a Form 990—and non-filers—those that for whatever reason have not filed or were previously exempt from filing. For non-filers, we do not have any up-to-date financial information for the obvious reason that they have not provided that information to the IRS. Therefore, these organizations are excluded from any analysis of financial data.

Gross Receipts

In this paper we also use the variable gross receipts to report on the financial condition of nonprofit organizations. We could have also used the revenue variable. For most nonprofit organizations, gross receipts and revenues are the same. The only exception is the largest, most established organizations that might have some kind of endowment or other major investments. For these organizations, their gross receipts will be greater than their revenues because gross receipts includes additional information about their investments.

REGION ONE: WILMINGTON AREA	REGION TWO: FAYETTEVILLE AREA	REGION THREE: CHARLOTTE AREA	REGION FOUR: ASHEVILLE AREA
Brunswick	Anson	Alexander	Avery
Carteret	Bladen	Cabarrus	Buncombe
Columbus	Cumberland	Catawba	Burke
Duplin	Harnett	Cleveland	Caldwell
New Hanover	Hoke	Gaston	Cherokee
Onslow	Montgomery	Iredell	Clay
Pender	Moore	Lincoln	Graham
	Richmond	Mecklenburg	Haywood
	Robeson	Rowan	Henderson
	Sampson	Stanly	Jackson
	Scotland	Union	Macon
			Madison
			McDowell
			Mitchell
			Polk
			Rutherford
			Swain
			Transylvania
			Yancey
REGION FIVE: WINSTON-SALEM AREA	REGION SIX: RALEIGH AREA	REGION SEVEN: GREENVILLE/OUTER BANKS AREA	
Alamance	Chatham	Beaufort	
Alleghany	Durham	Bertie	
Ashe	Edgecombe	Camden	
Caswell	Franklin	Chowan	
Davidson	Granville	Craven	
Davie	Halifax	Currituck	
Forsythe	Johnston	Dare	
Guilford	Lee	Gates	
Randolph	Nash	Greene	
Rockingham	Northampton	Hertford	
Stokes	Orange	Hyde	
Surry	Person	Jones	
Watauga	Vance	Lenoir	
Wilkes	Wake	Martin	
Yadkin	Warren	Pamlico	
	Wilson	Pasquotank	
		Perquimans	
		Pitt	
		Tyrrell	
		Washington	
		Wayne	

Publication Information

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NVAC Working Paper #3

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). To subscribe to the listserv or if you have any other questions about NVAC, you can email us at nvac-info@uncc.edu.