

**The Nonprofit Youth-
Serving
Organizations of
Mecklenburg County
2009-2010**

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Purpose

This report seeks to investigate the impact of the current economic recession on youth organizations in Mecklenburg County between the calendar years of 2009 and 2010. To accomplish this goal, the report will examine the current status of nonprofit youth organizations in Mecklenburg County, North Carolina and will also determine if the characteristics of the sector has changed be-

tween April 2009 and April 2010. The report focuses on understanding the various types of nonprofits that are affiliated with youth in this County. In addition, the report compares April 2009 to April 2010 in terms of the number of organizations operating in this County and the revenue those organizations reported each year.

Data Source

The data for this report were obtained from the National Center for Charitable Statistics' Business Master File. The Business Master File aggregates basic organizational information that nonprofits report to the IRS. This information comes from two sources: (1) information from the organization's most recent Form 990 which includes some basic financial information as reported

to the IRS and (2) information shared by the nonprofit at the time of incorporation, such as the organization's name and address. In this report, we used data from the April 2009 and April 2010 Business Master File for Mecklenburg County.

Table 1: Number of Youth Serving Organizations in Mecklenburg County

Category	Total in 2009	Total in 2010	Percent Change	Total Reporting in 2009 & 2010
Education	79	95	+20%	75
Violence Prevention	11	14	+27%	10
Youth and Family Services	75	88	+17%	68
Youth Clubs	17	20	+18%	15
Youth Programs	41	53	+29%	34
Total	223	270	+21%	202

Key Findings

- The number of youth organizations grew from 223 in 2009 to 270 in 2010, indicating a 21% increase.
- The largest category is Education which makes up 35% of the sector in both 2009 and 2010.
- The category of Youth and Family Services organizations is a close second comprising 34% of the total organizations in 2009 and 33% in 2010.
- The two smallest categories are Violence Prevention and Youth Clubs.
- Violence Prevention comprised 5% of the total sector in both 2009 and 2010.
- Each category of youth organizations increased by at least 15%.
- The most growth has been in the area of Youth Programs, which had a 29% increase from 2009-2010.
- Violence Prevention also realized an increase of 27% in organizations, but this is misleading as it is only an addition of 3 new organizations.
- Only 202 youth organizations reported to the IRS in both years.
- The greatest amount of stability (meaning that organizations that filed in 2009 also filed in 2010) is in Education.

Changes in Nonprofit Youth Sector 2009-2010

Changes in Revenue

Mecklenburg County youth organizations can be aggregated into five broad categories: 1) Education, 2) Violence Prevention, 3) Youth and Family Services, 4) Youth Clubs and 5) Youth Programs. In total, almost 300 organizations - approximately 5% of all nonprofit organizations in the county - dedicate their services to youth. Over one-third of the youth organizations focus on Education and include day care centers and after school programs. Youth and Family Services organizations, such as nonprofits dedicated to helping youth in school, comprise another one-third of those organizations.

Stable Revenue Streams

Economic conditions in 2009 and 2008 have adversely affected the nonprofit sector as a whole and youth organizations were not immune from financial difficulties (see Table 2). In spite of financial concerns the number of youth organizations in Mecklenburg County increased overall during the past year. The number

of youth organizations in Charlotte has increased from 2009 to 2010 by a total of 23%, with 223 organizations in 2009 compared to 270 in 2010. The most significant area of increase is in the number of Youth Programs, which rose by 29% in one year, increasing from 41 programs in 2009 to 53 programs in 2010.

Where is the Growth? Loss?

Upon closer examination of the NTEE codes, three main areas showed significant increases from 2009 to 2010. The first noteworthy area of increase is classified under Education in Table 1. Sixteen new schools were created in the Education category from 2009-2010. Seven of these new schools were Christian schools and an additional six schools were a mixture of private and preparatory schools. At least two of the preparatory schools were geared towards low-income youth. The second area of increase was in Children and Family Services, which falls un-

der “Youth and Family Services.” In 2009, 23 organizations reported under Children and Family Services compared to 31 organizations in 2010. The net increase was eight nonprofits as four nonprofits who filed in 2009 did not have tax information in 2010 and 12 new organizations were filed in 2010.

The majority of the new organizations focus on disenfranchised youth including homeless and troubled teens. The third area of increase was in Youth Development Programs, included in the “Youth Programs” category in Table 1. Seven of the organizations that reported in 2009 did not report in 2010, which could be an indication of a late form 990 or organizational closure. Without these seven and with 17 new (or newly reporting) organizations, there is a net increase of 10 organizations. Again, many of these new organizations provide assistance to at-risk youth or those in need.

No Major Decreases

There were no decreases in the five major categories within non-profit organizations focused on youth. Even when examined closely, data demonstrated that no NTEE sub-category showed a net decrease of more than 2 organizations filing between 2009 and 2010. Considering the current economic recession, it was noteworthy that all categories showed no or minimal decline in the number of organizations. One possible explanation for the stability of this sector is due to the fact that many of these organizations serve youth populations who are the most in need of services during this time of increased hardship in Mecklenburg County.

Table 2: Revenue for Youth Organizations by Category

	2009			2010			Percent change in Average
	Reporting	Total Revenue	Average Revenue	Reporting	Total Revenue	Average Revenue	
Education	48	\$211,088,484	\$4,397,677	52	\$213,926,291	\$4,113,967	-6%
Violence Prevention	4	\$7,448,517	\$1,862,129	4	\$4,270,283	\$1,067,571	-43%
Youth and Family Services	33	\$37,657,722	\$1,141,143	38	\$42,014,358	\$1,105,641	-3%
Youth Clubs	4	\$706,444	\$176,111	4	\$898,340	\$224,585	28%
Youth Programs	5	\$3,445,146	\$689,029	8	\$3,086,467	\$385,808	-44%
Total	94	\$260,346,313	\$8,266,089	106	\$264,195,739	\$6,897,572	-17%

Key Findings

- As a whole, the youth organizations in Mecklenburg County experienced a 17% decrease in their average total revenue between 2009 and 2010.
- Only one subsector experienced an increase in total revenue: Youth clubs at 28%.
- Four of the five subsectors had a decrease in revenue from 2009 to 2010.
- The largest subsectors that experienced declines in total revenue were Violence Prevention and Youth Programs, both with decreases larger than 40%.
- According to the IRS data, less than half of the youth organizations reported in 2009 and 2010.
- In 2009, 94 out of 223 youth organizations reported non-zero revenue and in 2010, 106 out of 270 organizations reported non-zero revenue.
- The number of organizations that filed 990 forms increased from 34% in 2009 to 39% in 2010.

Changes in Revenue 2009-2010

Was the Revenue Decrease Significant?

Like all nonprofit organizations in Mecklenburg County, Youth Organizations have not been impervious to the current economic recession. Considering that there was an increase in the total number of youth organizations on record in Mecklenburg County between 2009 and 2010, it is significant that the average amount of revenue for these organizations decreased by 17% in 2010.

The largest decrease in total revenue occurred in the Violence Prevention subsector, which experienced a decrease in total revenue of 43%. However, it should be noted that this subsector only has 4 organizations reporting in both 2009 and 2010. Upon further examination of these organizations, the significant decline in revenue is a result of one organization. This organization reported total revenue of \$3.2 million dollars in 2009. The absence

of this revenue in 2010 helps explain the *New IRS Requirements*

dramatic decrease in total revenue reported for this subsector. This organization might have experienced a dramatic decrease in revenues, might have closed, or might have been late in filing Form 990 with the IRS and is thus not represented in the April 2010 data.

Significant Increase

The only increase in total revenue reported occurred in the Youth Clubs category. This category reported a 28% increase in revenue in 2010. This increase is significant considering the current economic recession. Upon closer examination, several of the organizations in this category that reported revenue are new Boys and Girls Clubs that did not report in 2009.

Given the current economic recession, it is not surprising that four of the five subsectors experienced declines in revenue. However, given that all of the subsectors experienced at least a 15% increase in the number of organizations filing 990 forms, it is significant that there was a decline in revenue in conjunction with an increase in the number of organizations filing.

The total number of organizations that filed 990 forms increased from 34% in 2009 to 39% in 2010. This increase is likely a reflection of the recent change in IRS laws, requiring that nonprofit organizations with annual incomes under \$25,000 file 990 forms (see methodological notes).

Examples of Youth-Serving Organizations

Education: This category is comprised of various types of schools including private schools, preparatory schools, religious schools, day cares and schools focused on the education of low-income youth. Examples of these organizations include Providence Day School, Present Day Cares, and Berean Junior Academy.

Violence Prevention: These organizations focus on protecting children from violent crimes and also on protecting the rights of youth. Some notable violence prevention organizations in relation to youth are Council for Children's Rights, Inc and Kidzprotector, Inc.

Youth and Family Services: This category primarily deals with assisting youth in a myriad of human service capacities. These organizations focus mostly on at-risk, low-income, or disabled youth and the services are extensive and varied. A few of these organizations are Positive Choices, Time Out Youth, and Nutrition Source.

Youth Clubs: This category can include organizations that provide extracurricular activities for youth and can be membership organizations. Examples are Boys and Girls Clubs, the Mustang Club and Charlotte Royals Youth Sports, Inc.

Youth Programs: These organizations are similar to youth clubs and vary greatly with the types of activities and services provided for youth. A few of these organizations are Heroes Program, Talent & Development Kids, and Planting Seeds of Hope.

Methodological Notes

NTEE Codes

This report focused only on organizations as classified by the IRS in the National Taxonomy of Exempt Entities (NTEE). [For a list of NTEE codes, visit <http://nccs.urban.org/classification/NTEE>]. Organizations were grouped based on their primary functions and then narrowed to five categories. The Education Organizations represent the classifications from B20-21, B24-25, B28-29, B92, A52 and P33. This encompasses all Education organizations in addition to children's museums and child day care.

The Violence Prevention category is comprised of I21, I70, I72-73, and P43. P43 constitutes Family Violence Shelters which and is included with the other crime-related organizations. Human Services is the broadest category, including organizations from nutrition and human services. The corresponding NTEE codes are K30, K40, P30, P32, P40, P73 and G98. Youth Development (O) is broken into two categories: Youth Clubs and Youth Programs. Youth Clubs are O21-23 and O40. Youth Programs are O50-O55. This segregation was created

to account for the large number of youth development programs.

Changes in Filing Requirements

Until 2007, only charitable organizations with more than \$25,000 in revenue were required to file an annual Form 990 with the IRS. Organizations with annual revenues less than \$25,000 were not required to file annually. In 2007, the IRS required non-profit organizations with revenues less than \$25,000 to file at minimum a Form 990 postcard by 2010 or consequently lose tax-exempt status. Therefore, from 2008-2010, the number of organizations filing the IRS Form 990 increased dramatically nationwide. Churches and organizations that file with a group are not required to file a Form 990 with the IRS.

This report distinguishes between filers—those that annually file a Form 990—and non-filers—those that have not filed or were previously exempt from filing. This report does not provide up-to-date financial information for non-filers as they have not provided information to the IRS. Therefore, these organizations are excluded from the analysis in Table 2.

Education	
<u>Code</u>	<u>Category</u>
B20	Elementary & Secondary Schools
B21	Preschools
B24	Primary & Elementary Schools
B25	Secondary & High Schools
B28	Special Education
B29	Charter Schools
B92	Remedial Reading & Encouragement
A52	Children's Museums
P33	Child Day Care

Violence Prevention	
<u>Code</u>	<u>Category</u>
I21	Youth Violence Prevention
I70	Protection Against Abuse
I72	Child Abuse Prevention
I73	Sexual Abuse Prevention
P43	Family Violence Shelters

Youth and Family Services	
<u>Code</u>	<u>Category</u>
K30	Food Programs
K40	Nutrition
P30	Children & Youth Services
P32	Foster Care
P40	Family Services
P73	Group Homes
G98	Pediatrics

Youth Programs	
<u>Code</u>	<u>Category</u>
O50	Youth Development Programs
O51	Youth Community Service Clubs
O52	Youth Development-Agricultural
O53	Youth Development Business
O54	Youth Development-Citizenship
O55	Youth Development-Religious Leadership

Youth Clubs	
<u>Code</u>	<u>Category</u>
O20	Youth Centers & Clubs
O21	Boys Clubs
O22	Girls Clubs
O23	Boys & Girls Clubs
O40	Scouting Organizations

Publication Information

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Published: November 2010
NVAC Working Paper #7

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.