

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

**Nonprofit and Voluntary Action Center
Department of Political Science
UNC Charlotte**

Purpose

The purpose of this report is to examine the state of the nonprofit senior-serving sector in Mecklenburg County, North Carolina. We are interested in understanding the number and types of nonprofit senior-serving organizations, and how they changed from 2009 to 2010. This report will examine the current situation and important changes in the senior population and senior-serving nonprofits.

The Brookings Institute (2009) reports that the US population of seniors will grow 36% from 2010-2020. This growth will be greatest in suburban areas, specifically in Southeastern cities such as Raleigh and Atlanta. Mecklenburg County, North

Carolina will likely experience this growth in the senior population.

Currently, 8.6% of Mecklenburg County residents are seniors over the age of 65 (2009 Census). Senior-serving nonprofits in Mecklenburg County received 7% of nonprofit revenue in 2010, even though fewer than 2% of the county's 5,200 registered nonprofit organizations serve seniors. To meet the expected increase in demand for seniors over the next ten years, senior-serving nonprofits in Mecklenburg County will still need to see increases in funding and services.

Table 1: Number of Senior-Serving Organizations in Mecklenburg County 2009-2010

	2009	2010	Percent Change	Reported to IRS in 2009
Nursing & Medical	9	14	56%	9
Assistance	7	8	14 ⁰ %	7
Housing	24	29	21 ⁰ %	24
Senior Centers	8	10	25 ⁰ %	8
TOTAL	48	61	29%	48

Key Findings

- Senior-serving nonprofits are stable; all organizations reporting in 2009 also reported in 2010.
- There was an overall growth in organizations from 48 to 61 from 2009 to 2010. This represents a 29% increase.
- Nursing & Medical organizations represent the largest increase at 56% while Assistance had the smallest increase at 14%.
- Housing had the greatest number of organizations for the senior-serving sector in Mecklenburg County.

Growth in Senior-Serving Nonprofits

There was an overall growth in senior-serving organizations from 2009 to 2010. Not only did the number of senior-serving nonprofits grow, but the senior sector in Mecklenburg County has a great deal of stability. All of the organizations who filed in 2009 also filed in 2010. This growth in numbers and stability could mean that senior-serving nonprofits have not been affected by the economic recession.

However, without extensive research into other factors, the impact of the recession cannot be known for sure. It is also important to note that growth in the senior-serving sector will need to increase to meet the projected increase in the senior population over the next ten years.

Impact of Changes in Filing Requirements

It is important to note that changes in IRS reporting requirements for nonprofit organizations might be inflating this growth. Starting in 2010, nonprofit organizations with revenue less than \$25,000 are required to file an annual tax form for the first time. Previously, organizations were only required to file if their revenues were greater than \$25,000.

These changes have caused an increase in the number of small nonprofit organizations reporting for Mecklenburg County. Looking closely at senior-serving nonprofits who filed with the IRS in 2010 but not in 2009, we learn that 77% of

new organizations reported \$0 revenue in 2010. These *new* organizations could in fact be existing nonprofits who appear new because the changes in IRS law now require them to file a tax return. Additional

research would be needed to know for sure, but most of the increase in the number of nonprofits could be explained by the changes in IRS filing requirements.

Changes in Revenues 2009 to 2010

An examination of their revenues shows that senior-serving nonprofits are split. Half reported an average revenue of 2.7 million, and the other half reported no revenues. This implies that half of senior-serving organizations are very small and operate on minimal budgets. It could also be a result of 990 forms that were filed late. Because the number of nonprofits reporting zero revenue is so large, the average revenue figures shown on Table 2 represent only organizations reporting non-zero revenue.

Table 2 suggests that overall average revenue has remained stable. However, within the individual subgroups, average revenue increased in 2010 for all groups except Nursing & Medical. Most of the 19% decrease in revenue for Nursing & Medical can be explained by the addition

of an outlier that had significantly smaller revenue than the average organization. Without this new nonprofit, Nursing & Medical only had an 8% decrease in average revenue.

Senior Centers had uniquely high percent change in average revenue from 2009 to 2010, a 99% increase. This increase can be attributed to the group's largest organization, which had a 106% increase in revenue. Without this organization, the percent change in Senior Centers is only 28%.

This report expected to find an increase in revenue to match the increase in the number of senior-serving nonprofits. However, since 77% of the new organizations who filed in 2010 reported zero revenue, this growth in revenue must be coming from existing organizations with reve-

Table 2: Changes in Revenue for Mecklenburg County Senior Organizations, 2009-2010								
	2009					2010		
	Number Report-Zero Revenue	Number Reporting Non-Zero Revenue	Total Reported Revenue	Average Reported Revenue	Number Report-Zero Revenue	Number Reporting Non-Zero Revenue	Total Reported Revenue	Average Reported Revenue
Nursing & Medical	4	5	\$25,449,657	\$5,089,931	6	8	\$32,866,737	\$4,108,342
Assistance	4	3	\$1,352,476	\$450,825	6	2	\$1,095,063	\$547,532
Housing	7	17	\$78,605,384	\$4,623,846	11	18	\$85,914,380	\$4,773,021
Senior Centers	1	7	\$5,339,429	\$762,776	4	6	\$9,111,472	\$1,518,579
TOTAL	16	32	\$110,746,946	\$2,731,845	27	34	\$128,987,652	\$2,736,868
								Percent Change in Average Revenue
								-19%
								21%
								3%
								99%
								0%

Key Findings

- The overall average revenue remained stable, however total revenue increased 14% from 2009 to 2010.
- Over half of the senior-serving nonprofits reported zero revenue in both 2009 and 2010. This suggests that a large portion of small organizations serve seniors.
- The number of organizations reporting zero revenue increased from 16 to 27, a 69% increase. This could be due to the fact that small organizations are now required to file to the IRS, effective as of 2010.
- Assistance and Senior Centers reported the smallest total and average revenues, but also had the largest growth.
- Nursing & Medical was the only group to have a decrease in the average revenue. This is largely attributed to an outlier with a significantly lower revenue than all others. Without the outlier, Nursing and Medical would show a 8% decrease.

nues above \$25,000. The expansion of these existing organizations is increasing the average revenues for the subsectors, but is not large enough to affect the overall average from 2009 to 2010. While there was a 14% increase in total revenue, average

revenue was stable from 2009 to 2010 with almost no change.

Summary

The growth and stability in organizations for Mecklenburg County may be due to overall growth in the senior population and the implications this has for federal funding. As highlighted by the 2009 Brookings Institute Report, when the baby-boomer population reaches age 65, most qualify for government entitlement programs such as Medicare and Medicaid. These programs provide some guaranteed financial support for qualified individuals

over the age of 65.

While other organizations may be reducing or closing their doors due to the economic recession, senior-serving organizations could be fairly stable because of federal funding. Without the recession, senior-serving nonprofits may have seen a much larger growth, which will be needed for the upcoming growth in the senior population

Data and Methodological Notes

The data used in this report are from the Business Master File obtained from the National Center for Charitable Statistics. The Business Master File reports 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 Tax Form 990, which includes ba-

sic financial information as reported to the IRS. We used data from the April 2009 and April 2010 Business Master File for Mecklenburg County for this report.

This report has categorized senior-serving organizations into four subgroups:

- **Nursing and Medical** includes Home Health, Nursing Facilities, and Medical Research
- **Assistance** includes Congregate Meals, In Home and Transportation Assistance.
- **Housing** includes Adult Day Care, Hospice, Subsidized Housing, and Retirement Communities.
- **Senior Centers** includes Senior Scholars, Shepherd's Center, and other senior center non-profits.

Changes in Filing Requirements

Until 2007, only charitable organizations with more than \$25,000 in revenue were required to file an annual IRS Form 990. In 2007, the IRS changed this requirement so that non-profit organizations with revenues less than \$25,000 would be required to file. This requirement went into effect in 2010. Thus from 2008-2010,

we have seen a increase nationwide in organizations filing a Form 990. However, churches and organizations that file with a group are still not required to file.

This report does not include information on non-filers, organizations 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 the analysis in Tables 1 and 2.

NTEE Codes

For this analysis we pulled organizations from the Business Master File based on the National Taxonomy of Exempt Entities code assigned by the IRS. [For a complete listing of NTEE codes, go to <http://nccs.urban.org/classification/NTEE.cfm>] Specific NTEE codes used in this report are listed on the next page.

NTEE Codes Assigned Per Group

This report pulled nonprofit organizations from across the NTEE spectrum to capture all nonprofits that apply to seniors:

Nursing & Medical	
Code	Category
E90	Nursing
E91	Nursing Facilities
E92	Home Health Care
G94	Medical - Geriatrics
V36	Research - Gerontology
P74	Hospice

Assistance	
Code	Category
K34	Congregate Meals
K36	Meals on Wheels
P44	In Home Assistance
P52	Transportation Assistance
P71	Adult Day Care

Housing	
Code	Category
L21	Low Income & Subsidized Housing
L22	Senior Citizens Housing & Retirement Communities
L82	Housing Expense & Reduction Support
P75	Supportive Housing for Older Adults

Senior Centers	
Code	Category
P81	Senior Centers

Works Cited

Frey, W. H., Berube, A., Singer, A., & Wilson, J.H., (2009) Getting current: recent demographic trends in metropolitan America. *The Brookings Institution*. Washington DC: Brookings. Retrieved on September 21, 2010, from www.brookings.edu/rapid-reports/2009/03_metro_demographic_trends.aspx

National Center for Charitable Statistics at The Urban Institute. *Business Master File* [Data file]. Retrieved from <http://nccsdataweb.urban.org/>

US Census Bureau (2009). *State and County Quick Facts, Searchable Database*. Available from <http://quickfacts.census.gov/qfd/states/37/37119.html>

Publication Information

Lauren Cely and Pam Emmons
MPA Students, Department of Political Science
University of North Carolina at Charlotte

Published: November 2010
NVAC Working Paper #8

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.