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THE NONPROFIT SECTOR: A VITAL ECONOMIC FORCE IN THE MID-HUDSON VALLEY GREENE COUNTY REPORT

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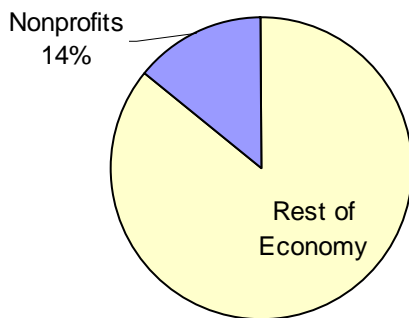
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GREENE COUNTY REPORT

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SUMMARY

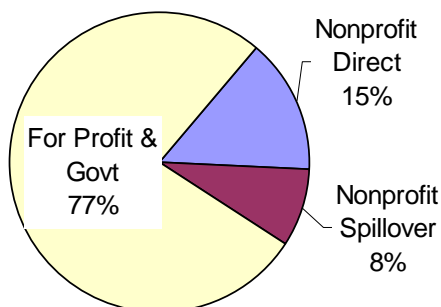
Share of Regional Output



The Mid-Hudson Valley's nonprofits are most often recognized in their role as stewards of the community's health and well being. Yet the economic role played by these disparate organizations—from the large institutions like colleges and hospitals to small social assistance agencies—is quite substantial.

CGR estimates that the aggregate economic impact of nonprofits in the Mid-Hudson Valley economy is about **\$6.5 billion, 14% of the total output** of the region, analogous to “gross domestic product” or GDP at the national level.

Employment Shares Mid-Hudson Valley 2003



Total employment attributable to the nonprofit sector (both direct and spillover impact) is also sizeable at about **89,000 jobs**, about **23%** of the approximately 384,000 wage and salary positions in the region. In **Greene County** the nonprofit sector employment of nearly **1,500** comprises just **10%** of the total employment¹

Wage and salary income for the Mid-Hudson Valley totals about **\$13 billion**. The nonprofit sector, both directly and indirectly, contributes about **\$2.7 billion**, about **21%** of the wage and salary total in the region. This compares to about **10%** in **Greene County**.

¹ This total includes some “sole proprietor” positions not included in the count of wage and salary workers. Similarly, the estimated labor income impact of nonprofits includes income to sole proprietors.

The impact of MHV nonprofits on revenue to the state and local government spans a range of taxes and fees. Estimating only two of these taxes, CGR calculates that the nonprofit sector contributes about **\$109 million annually to NYS personal income tax** receipts with an additional **\$39 million each in state and local sales tax**.

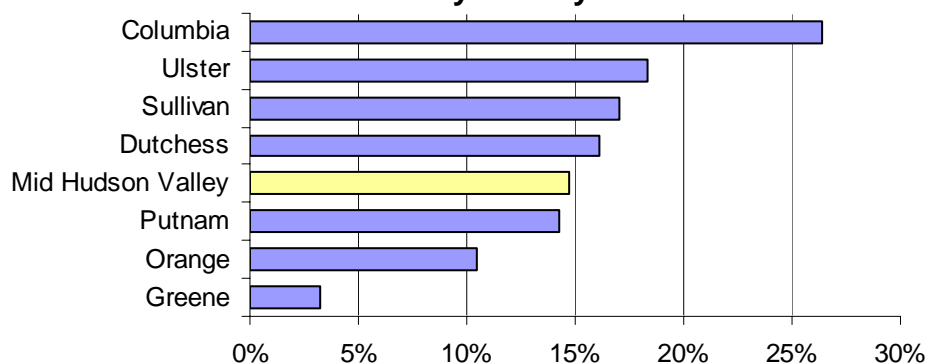
Significance of Nonprofits in Particular Sectors

As noted in the table on the next page, nonprofit institutions are particularly important in specific sectors. Combining the direct employment and payroll and the “spillover” impacts that result from the purchases of the institutions and employees, CGR estimates that nonprofits constitute 80% of total employment and payroll in the education and healthcare sectors, but just 25% of such employment and payroll in Greene County (combined here in conformity with the North American Industry Classification System’s (NAICS) “supersector” categories).²

Impact of Nonprofits on Individual Counties

Within the counties in the Mid-Hudson Valley, the range of dependence on the nonprofit sector is significant. At one extreme, nonprofit employment and payroll, both direct and spillover, constitutes only three percent of the total for Greene County, while more than one quarter of the Columbia County economy

Nonprofit Employment & Payroll as a Share of the Total by County



² NOTE: While some data (presented in the body of the report below) indicates that wages and salaries in the nonprofit sector are lower than salaries for similar positions in the government and for profit sectors, there was not enough information to make this distinction in the detailed table of employment and payroll included here. The payroll totals assume that pay in the nonprofit sector is

depends on the nonprofit sector.

Mid Hudson Valley	Employment				Proportional Wage & Salary (\$m)				
	Nonprofit Direct	Nonprofit Spillover	For Profit & Govt	Total	Nonprofit Direct	Nonprofit Spillover	For Profit & Govt	Total	Nonprofit Share
Natural Resources and Mining	290	200	3,450	3,940	\$8	\$5	\$90	\$103	13%
Construction	0	560	16,880	17,440	\$0	\$22	\$650	\$672	3%
Manufacturing	0	990	34,240	35,230	\$0	\$56	\$1,904	\$1,959	3%
Wholesale Trade	0	1,230	11,630	12,860	\$0	\$51	\$481	\$532	10%
Retail Trade	0	1,640	51,750	53,390	\$0	\$38	\$1,207	\$1,245	3%
Transportation and Utilities	0	4,040	8,330	12,370	\$0	\$162	\$334	\$496	33%
Information	0	980	7,330	8,310	\$0	\$34	\$256	\$290	12%
Financial Activities	0	4,260	11,930	16,190	\$0	\$161	\$451	\$612	26%
Professional and Business Services	1,720	7,690	18,870	28,280	\$59	\$278	\$685	\$1,023	33%
Educational and Health Services	44,940	5,190	12,590	62,720	\$1,386	\$163	\$394	\$1,943	80%
Leisure and Hospitality	2,180	1,140	31,610	34,930	\$31	\$16	\$451	\$498	10%
Other Services	7,210	3,630	2,950	13,790	\$152	\$77	\$61	\$290	79%
Government	0	370	82,380	82,750	\$0	\$15	\$3,251	\$3,265	0%
Unclassified	0	650	930	1,580	\$0	\$14	\$20	\$34	41%
Total	56,340	32,570	294,870	383,780	\$1,636	\$1,092	\$10,234	\$12,963	21%

Additional Greene County Results

Greene County is the smallest county in the region, with 62 nonprofits in this analysis, directly providing less than 500 jobs. Total revenue for these Greene County nonprofits is estimated at nearly \$18 million in 2003, with assets valued at nearly \$35 million. Among all nonprofits in Greene County 58% ended the year with a surplus or were break-even in 2003, while 42% showed a deficit.

As is the case nationally, statewide, and in the region, two-thirds of Dutchess County nonprofit workers are female. Nearly three-quarters of nonprofit workers in Columbia & Greene counties worked 41 weeks or more in 1999. This is a similar proportion to that of nonprofit workers in the region and state. Columbia and Greene County nonprofit workers have a nearly identical mean

the same as payroll in the nonprofit and government sectors, thus the nonprofit share of employment and the nonprofit share of payroll are identical.

income compared to the whole MHV region and the state of New York.

Study Approach

On behalf of the Dyson Foundation, CGR compiled information on about 2,500 nonprofits in the seven county Mid-Hudson Valley region. Of these, 1,703 are large enough to have paid staff. The study conclusions are based on a number of different sources of information including Internal Revenue Service filings (forms 990 and 990EZ), organizational information provided by United Ways and foundations in each county, Dun & Bradstreet listings and a survey conducted by CGR. The study excludes places of worship and those organizations with revenue below \$25,000, thus not subject to the Internal Revenue Service filing requirement.



For more information on the methodology used, and for glossaries of terms used in the report, please see the full regional report, available at www.cgr.org.

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This study has been commissioned by the Dyson Foundation, a private family foundation located in Millbrook (Dutchess County).

Staff Team

Sarah Boyce, Associate Director, coordinated all aspects of the project.

Christopher Annala, Professor of Economics at the State University College at Geneseo, plus interns Tina Marsh and Mark Hernberg contributed to the data analysis. Katherine McCloskey provided assistance with database management.

NONPROFITS' IMPACT ON GREENE COUNTY



Greene County is the smallest county in the region with 4% of employment and 3% of payroll. With only about 1,450 total jobs attributable to the nonprofit sector, these organizations play a relatively small role in the Greene County economy.

Economic Impact Nonprofits contribute about 10% to the county's economy, an estimated payroll of \$41 million out of a total of \$430 million.

Greene County	Employment			Proportional Wage & Salary (\$m)					
	Nonprofit	Nonprofit Spillover	For Profit & Govt	Total	Nonprofit Direct	Nonprofit Spillover	For Profit & Govt	Total	Nonprofit Share
Natural Resources and Mining	0	10	100	110	\$0	\$0	\$2	\$2	9%
Construction	0	20	630	650	\$0	\$1	\$24	\$24	3%
Manufacturing	0	20	810	830	\$0	\$1	\$34	\$34	2%
Wholesale Trade	0	50	440	490	\$0	\$2	\$15	\$16	10%
Retail Trade	0	60	1,780	1,840	\$0	\$1	\$40	\$41	3%
Transportation and Utilities	0	140	280	420	\$0	\$4	\$8	\$12	33%
Information	0	30	200	230	\$0	\$1	\$8	\$9	13%
Financial Activities	0	90	260	350	\$0	\$3	\$7	\$10	26%
Professional and Business Services	30	270	690	990	\$1	\$12	\$32	\$46	30%
Educational and Health Services	180	90	830	1,100	\$5	\$2	\$21	\$28	25%
Leisure and Hospitality	160	80	2,110	2,350	\$2	\$1	\$27	\$31	10%
Other Services	80	100	200	380	\$2	\$2	\$4	\$7	47%
Government	0	20	4,140	4,160	\$0	\$1	\$167	\$168	0%
Unclassified	0	20	30	50	\$0	\$0	\$0	\$1	40%
Total	450	1,000	12,500	13,950	\$10	\$31	\$389	\$430	10%

Employment

Greene County is the smallest county in the region, with 62 nonprofits in this analysis, or about 4% of the region's total. Greene County nonprofits provide nearly 500 jobs. The largest organizations, those with \$1 million or more in revenue, comprise about 8% of the total organizations, but provide over 55% of nonprofit sector employment in the county.

Total MHV and Greene County Nonprofit Employment, by Revenue Category				
		Total Employment (FTEs)	Full-Time	Part-Time
Mid-Hudson Valley				
Total	1,703	56,341	51,733	9,216
Revenue Category				
<\$100,000	813	1,884	1,726	316
\$100,000 to <\$1 million	622	5,231	4,749	963
\$1 million to < \$50 million	249	28,601	26,816	3,571
\$50 million +	19	20,625	18,442	4,366
Greene County				
Total	62	453	447	12
Revenue Category				
<\$100,000	29	44	38	12
\$100,000 to <\$1 million	28	153	153	0
\$1 million to < \$50 million	5	256	256	0
\$50 million +	0	0	0	0

Source: CGR analysis of GuideStar, D&B, and survey data.

Use of Interns and Volunteers

All of the Greene County nonprofits responding to the survey indicated that they use volunteers or interns.

Use of Volunteers or Interns, Greene County		
Do you use volunteers or interns?		
Total	5	100%
Yes	5	100%
No	0	0%
If yes, how many hours in 2005?		
Total	5	100%
Up to 500	4	80%
501 to 5,000	1	20%
5,001 +	-	-

Source: Survey of MHV Nonprofits.

Revenue

Total revenue for Greene County nonprofits is estimated at nearly \$18 million in 2003. Nearly half these revenues are recognized by the five largest nonprofit organizations in the county.

	Nonprofit Sector Revenue Sources, Greene County, 2003				
	<\$100k	\$100k to <\$1 million	\$1 million to <\$50 million	\$50 million +	All organizations
Number of Organizations	29	28	5	0	62
Program Services	7%	38%	56%	na	45%
Total Contributions	45%	52%	38%	na	47%
Government Contributions	na	20%	18%	na	na
Public Contributions	na	32%	20%	na	na
Membership Dues	11%	2%	2%	na	2%
Other Revenue	36%	8%	5%	na	6%
Interest, Dividends, Other					
Investment Income	na	2%	1%	na	na
Miscellaneous*	na	6%	3%	na	na
Total Revenue	\$800,000	\$8,800,000	\$8,200,000	na	\$17,800,000

*Includes rents, sales of inventory, sales of assets, special events, other revenue.

As was the case in the MHV region, nonprofit organizations' reliance on program service revenue increases with organization size while reliance on membership dues decreases.

Expense

Wages and salaries as a proportion of total expense are a substantial cost, ranging from 14% to 46% depending on total revenue size³. Employee benefits plus pension costs compose as much as 8% of total expenses for the larger nonprofit organizations in Greene County.

Nonprofit Organization Expenses by Selected Type, Greene County, 2003

Revenue Category	Total Expenses	Wages & Salaries	Pension	Employee Benefits	Compensation		Salaries, Employee Benefits, Other Compensation
					of Officers, Directors	Grants	
<\$100,000	100%	NA	NA	NA	NA	11%	14%
\$100,000 to <\$1 million	100%	23%	1%	1%	4%	9%	NA
\$1 million to <\$50 million	100%	46%	1%	7%	3%	0%	NA
\$50 million +	100%	na	na	na	na	na	NA

Source: CGR analysis of IRS data.

For nonprofit organizations with \$100,000 in revenues or more, a more detailed analysis of expenses is possible. The table below shows that the majority of expenses across nonprofits of all sizes go toward program services functions, while 14% are for management and general expenses, and 1% of expenses are allocated to fundraising activities.

Expenses by Functional Type, Nonprofits With \$100,000+ in Revenues, Greene County

	Total	Type of Functional Expense		
		Program Services	Management and General	Fundraising
All Nonprofits \$100,000+	100%	84%	14%	1%
Revenue Category				
\$100,000 to <\$1 million	100%	82%	15%	2%
\$1 million to <\$50 million	100%	87%	13%	<1%
\$50 million +	na	na	na	na

Source: CGR analysis of IRS data.

³ Wages and salaries are combined with employee benefits costs and other compensation costs for organizations under \$100,000 in total revenues.

Assets

Of the 62 nonprofits in Columbia County included in this analysis, 52 reported positive assets in 2003. Total assets were nearly \$35 million, with median assets of over \$175,000. Among the very largest organizations, median assets were nearly \$2 million.

Assets Among Nonprofits, Greene County, 2003			
	<u>Total Nonprofits</u>		
	<u>With Assets</u>	<u>Total Assets</u>	<u>Median Assets</u>
Nonprofits with Assets > \$0	52	\$34,000,000	\$177,000
Revenue Category			
<\$100,000	19	\$2,000,000	\$43,000
\$100,000 to < \$1 million	28	\$22,000,000	\$292,000
\$1 million to < \$50 million	5	\$10,000,000	\$1,817,000
\$50 million +	-	-	-

Source: CGR analysis of IRS data.

Services Outside MHV

None of the five Greene County nonprofits responding to the survey indicated they provide services outside the MHV.

Provision of Services Outside the MHV, Greene County		
Do you provide services outside the MHV?		
Total	5	100%
Yes	0	0%
No	5	100%

Source: Survey of MHV Nonprofits.

Year-End Operational Deficits

Among all nonprofits in Greene County 58% ended the year with a surplus or were break-even in 2003, while 42% showed a deficit. For more than six in ten nonprofits posting a deficit, the deficit was relatively small, at 10% or less of total revenues.

Proportion of Nonprofits with Year End Operational Deficit/Surplus, by Revenue Category, Greene County			
	<u>Surplus</u>	<u>Break-Even</u>	<u>Deficit</u>
All Organizations	48%	10%	42%
Revenue Category			
<\$100,000	45%	21%	34%
\$100,000 to <\$1 million	54%	0%	46%
\$1 million to <\$50 million	40%	0%	60%
\$50 million +	-	-	-

Source: CGR analysis of IRS data.

Proportion of Nonprofits with Deficits Where Deficit is Equal to 10% or Less of Total Revenues, Greene County

	<u>Deficit < 10%</u>
All Nonprofits With Deficit	62%
Revenue Category	
<\$100,000	50%
\$100,000 to <\$1 million	62%
\$1 million to <\$50 million	100%
\$50 million +	na

Source: CGR analysis of IRS data.

Audits and Taxes Paid

None of the Greene County nonprofits responding to the survey indicated they have an annual audit conducted. One of the five respondents responded that they pay taxes, which were \$50 in 2005. None of the respondents make payments in lieu of taxes (PILOT).

Rental Space

None of the Greene County survey respondents indicated they rent space.

Workforce Profile

Of all Columbia and Greene County residents in the workforce, 5,692 were employed in nonprofit organizations according to the 2000 Census. Census data accessed through a special micro-data sample that allow this detailed analysis of nonprofit workers does not allow for county-specific analysis in all cases, particularly smaller counties. Columbia and Greene counties are therefore grouped in this section of the analysis.

Demographics

As is the case nationally, statewide, and in the region, two-thirds of Dutchess County nonprofit workers are female. A lower proportion of Columbia and Greene County nonprofit workers are young, ages 24 or less (7%) compared to the region or state (13%) or the nation (10%).

The nonprofit workforce in Columbia and Greene counties is somewhat less racially diverse than the region, with 91% of workers reporting their race as white non-Hispanic, compared to

Demographics of Non-Profit Sector Employees in the US, NYS, MHV, and Columbia & Greene Counties, 2000

	<u>US</u>		<u>NYS</u>		<u>MHV</u>		<u>Columbia & Greene</u>	
TOTAL	9,278,304	100%	1,023,750	100%	60,808	100%	5,692	100%
Gender								
Male	3,018,863	33%	355,114	35%	21,188	35%	1,878	33%
Female	6,259,441	67%	668,636	65%	39,620	65%	3,814	67%
Age								
16 to 17	82,926	1%	16,493	2%	1,031	2%	30	1%
18 to 24	860,169	9%	111,720	11%	6,402	11%	365	6%
25 to 34	1,873,777	20%	205,287	20%	10,792	18%	1,080	19%
35 to 44	2,488,625	27%	247,156	24%	14,623	24%	1,513	27%
45 to 54	2,379,916	26%	232,373	23%	15,854	26%	1,499	26%
55 to 59	731,362	8%	80,101	8%	5,010	8%	546	10%
60 to 64	436,229	5%	55,021	5%	3,057	5%	353	6%
65+	441,453	5%	75,599	7%	4,039	7%	306	5%
Race / Ethnicity								
White (non Hispanic)	7,310,459	79%	703,383	69%	52,229	86%	5,191	91%
Black (non Hispanic)	900,940	10%	148,687	15%	4,005	7%	252	4%
Asian (non Hispanic)	300,758	3%	46,501	5%	669	1%	52	1%
Other (non Hispanic)	73,757	1%	5,945	1%	1,463	2%	84	1%
Two or more (non Hispanic)	121,626	1%	16,442	2%	911	1%	26	0%
Hispanic	570,764	6%	102,792	10%	1,531	3%	87	2%

Source: Census 2000

86% in the region.

Hours, Weeks Worked Nearly three-quarters of nonprofit workers in Columbia & Greene counties worked 41 weeks or more in 1999. This is a similar proportion to that of nonprofit workers in the region and state.

Columbia and Greene County nonprofit workers were slightly more likely than those in the region and state to work more than 40 hours per week (23%, 20%, and 21%, respectively).

**Hours, Weeks Worked by Nonprofit Sector Employees
in NYS, MHV, and Columbia & Greene Counties, 2000**

	<u>NYS</u>	<u>MHV</u>	<u>Columbia & Greene</u>
Total	100%	100%	100%
Weeks Worked in 2000			
1 to 10	5%	4%	5%
11 to 20	5%	5%	3%
21 to 30	6%	6%	5%
31 to 40	9%	12%	14%
41 or More	75%	72%	73%
Hours Worked Per Week			
1 to 10	5%	5%	4%
11 to 20	10%	9%	9%
21 to 30	10%	11%	12%
31 to 40	56%	55%	52%
41 to 50	13%	13%	14%
51 +	8%	7%	9%

Source: Census 2000

Income

Columbia and Greene County nonprofit workers have a nearly identical mean income compared to the whole MHV region and the state of New York.

**Income For Nonprofit Sector Employees in the US, NYS, MHV, and
Columbia & Greene Counties, 1999**

	US	NYS	MHV	Columbia & Greene
Total Income	100%	100%	100%	100%
\$1 to \$10,000	18%	21%	22%	18%
\$10,000 to \$24,999	30%	27%	30%	36%
\$25,000 to \$34,999	19%	18%	17%	14%
\$35,000 to \$49,999	17%	16%	14%	16%
\$50,000 to \$74,999	11%	11%	11%	9%
\$75,000 to \$99,999	3%	4%	4%	4%
\$100,000 to \$149,999	2%	2%	2%	1%
\$150,000 to \$199,999	0%	0%	0%	0%
\$200,000 and Above	1%	1%	0%	0%
Mean	\$32,729	\$29,885	\$29,807	\$29,838
Median	\$25,294	\$23,000	\$24,000	\$22,000

Source: Census 2000

Occupation

As in the region, teachers are the dominant profession in the nonprofit sector in Dutchess County, composing 21% of the total nonprofit workforce, a slightly higher proportion to the region as a whole.

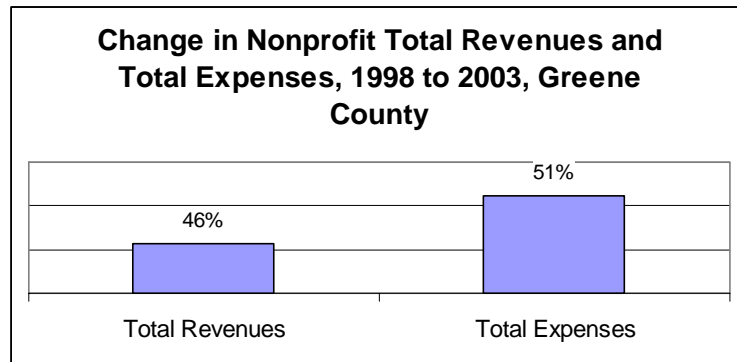
Occupation of Nonprofit Sector Employees in the US, NYS, MHV, and Columbia & Greene Counties, 2000				
	US	NYS	MHV	Columbia & Greene
Total	100%	100%	100%	100%
Occupation				
Teachers	14%	18%	20%	21%
Medicine, Therapy, and Other Health Care Workers	19%	18%	17%	15%
Business Operation	18%	15%	13%	13%
Managers and Executives	9%	6%	7%	7%
Social Workers / Counselors	5%	7%	6%	5%
Metal Workers, Construction, Mechanics & Other Skilled Labor	5%	4%	5%	5%
Cleaning & Maintenance	4%	4%	4%	5%
Food Service	2%	3%	4%	4%
Accountants and Other Financial Roles	3%	4%	4%	3%
Retail Sales	2%	4%	3%	2%
Religion	5%	3%	3%	3%
Legal	0%	2%	2%	2%
Engineers and Scientists	2%	2%	2%	2%
Protective Service Workers	1%	1%	1%	1%
Media	1%	1%	1%	1%
Computer Technicians/Specialists	2%	1%	1%	1%
Arts and Entertainment	2%	1%	1%	1%
Other	5%	6%	6%	9%

Source: Census 2000

Change in Nonprofit Sector Over Time

The 25 nonprofits in Greene County who filed with the IRS in both 1998 and 2003 grew their revenues by 46% over the five year period, and expenses increased by 51%.

The same nonprofits increased their payment of payroll tax by 188%, increased their wages and compensation payments by 42%, and increased their assets 74%.



Change in Selected Financials, 1998 to 2003, Greene County

Payroll Tax	188%
Wages and Compensation to Officers	42%
Assets	74%

CGR analysis of IRS data.