St. Louis Regional
Nonprofit Indicators

The St. Louis Regional Data Alliance is excited to release his St. Louis Regional Nonprofit Indicators Report with support from the Clark-Fox Family Foundation in partnership with The Delmar DivINe.

St. Louis Regional Data Alliance

Established in 2018, the St. Louis Regional Data Alliance (RDA) builds shared data infrastructure and supports strong data actors that use quality data to improve people's lives. The RDA is housed at the University of Missouri-St. Louis' Community Innovation and Action Center (CIAC). For more information visit: stldata.org.

Research Reviewers

The RDA convened a group of subject-matter experts in research methodology, nonprofit sector, and philanthropy to conduct a condensed peer review of this report. Thank you to the following reviewers:

- **Adriano Udani,** Associate Professor of Political Science, and Director of Public Policy Administration, University of Missouri-St. Louis (UMSL)
- **Ben Cooper,** Health and Community Data Scientist, St. Louis Regional Data Alliance
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- **John McClusky,** Ph.D. and Founder/Director Emeritus of UMSL's Nonprofit Management and Leadership Program
- **Kiley Bednar,** Co-Director, UMSL Community Innovation and Action Center
- **Sapna Varkey,** Assistant Professor of Nonprofit Management and Leadership, University of Missouri-St. Louis
- **Rachel Deffenbaugh,** Masters of Social Work Practicum Student, Washington University in St. Louis

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Clark-Fox Family Foundation

Founded in 2004, the Clark-Fox Family Foundation supports the growth and prosperity of the St. Louis metropolitan region through research, program development and investments in PK-12, higher education, public health, immigration, social justice and racial equity, community leadership, and entrepreneurship. The Foundation prioritizes programs and investments that empower the end user and leverage each other for broader access and greater impact for our children and community. Find out more at: clarkfoxstl.com.

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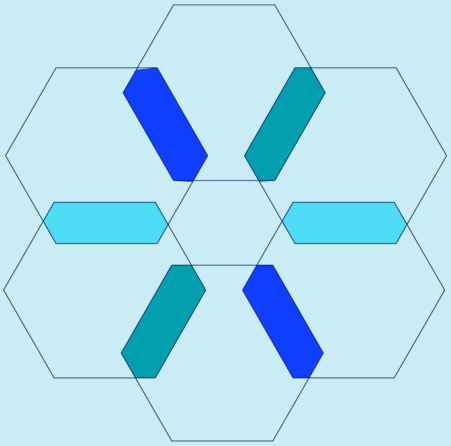

St. Louis Regional Nonprofit Indicators Report

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Regional Data Alliance

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What Do We Know About St. Louis' Nonprofit Sector?

***What do we know…* seems like a simple-enough starting point for this sort of report — one that shares a lot in common with similar sector overviews from across the country.** Nonprofit Connect recently stitched together data around Kansas City nonprofits, Nonprofit Missouri took a statewide economic view a few years back, and national centers at universities like Johns Hopkins Center for Civil Society Studies churn out such reports across the globe (BKDCPAs & Advisors, 2019; Nonprofit Missouri, 2018).

There's a reason why research centers like ours produce such documents — they touch on critical aspects of the nonprofit sector like economic impact, employment, and comparative growth that are important in establishing nonprofits as a central player in any region's economy. It's important to gather and analyze publicly available data about nonprofits for regional use, and we're excited to align some of the usual suspects like IRS 990 data with newly compiled local funding data (funding.stldata.org) to provide insight into our sector that rivals if not exceeds similar reports found throughout the country.

The most important thing we uncovered, however, is just how much we *can't* know based on existing public data sources. We are not the first ones to highlight critical gaps — the Deaconess Foundation's recent *Follow the Leader* report (2018) on black-led nonprofits is just one recent example — though the comprehensive nature of this document attempted to wring as much insight as possible out of existing public data. While what we found was important, arguably the most critical topics discussed in nonprofit circles today — racial equity, resource connectivity, and community impact — are notably missing given existing data limitations.

Where do we go from here? Instead of what we view as an over-representation of financial data in determining the value and future of the nonprofit sector, we've tried to offer an alternative path in this report's final section: A Stronger Foundation: Pursuing a Data Agenda for Nonprofit Equity and Impact. By investing in local capacity for deeper data collection and analysis — and asking critical questions about demographics, organizational reach, and financial health — St. Louis nonprofits would be able to learn, align, and grow together in pursuit of a more equitable region. We also provide suggestions to limit the data reporting burden for this new infrastructure as well as provide actionable insights for regional nonprofits and funders alike.

Simply put: We know that the nonprofit sector has more to offer beyond its role as a substantial employment and economic driver… but it's hard to quantify or qualify its impact using the data we have today. As a collection of mission-oriented organizations whose fundamental purpose goes beyond generating profit, nonprofits directly address the most important components of community life — our health, our children's education, and how we come together to help our neighborhoods thrive. Because of this unique role (and the unique tax benefits that the public provides to support the sector's work), it is deeply concerning that we often know less about the impact of our local nonprofits than we do about the gas station down the street.

We hope that readers of this report leave with a greater understanding of nonprofits in the St. Louis region and with some ideas about how to fill-in substantial local knowledge gaps. But we are most excited to use this report as an opportunity to start a conversation with a diverse group of nonprofits, funders, community advocates, and beneficiaries about where we go from here. The work of our sector has never been more important to the future of our communities — it's time we invested in the capacity to tell our own story and orient our collective efforts toward a healthy and equitable region.

— ***Paul Sorenson***
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A Very Brief Overview of This Report

This report aims to be the most comprehensive, rigorous report on the St. Louis region's nonprofit sector to date. It includes a total of 12 population-level indicators, and 29 sub indicators, that richly capture nonprofit characteristics, finances, economic impact, and funding. Every effort has been made to curate a suite of indicators that are more expansive and relevant than those commonly found in the field as well as to strengthen interpretation of them. As a result, the report provides new, detailed findings and raises important questions about the region's nonprofit sector.

Indicators Included:

- Number of Nonprofits
- Major Groups
- Size
- Age
- Growth
- Revenues
- Expenses
- Assets
- Employment
- Volunteerism
- Individual Donations
- Grant Awards

The report contains critical findings and questions meant to advance the work of nonprofit stakeholders and practitioners in the St. Louis region. The benchmark analysis of the region's sector against comparable metropolitan regions and the nation will be of special interest to systems-level actors (like funders, academics, professional associations, and advocates) whose work concerns the sector as a whole. It can also be a resource for nonprofit boards, leadership, and staff interested in gauging their performance against peers by size or subsector. Of course, nonprofit advocates will also discover findings that further casemaking to the public. However findings are employed, the RDA hopes they strengthen policy, practices, programs, and advocacy in the sector.

This report is an exercise in mapping out and leveraging public data to produce the most comprehensive study possible on the region's nonprofit sector. While public data can produce insightful findings — from nonprofit growth to type and number of active grantmakers — it also has critical limitations that preclude timely, accurate research on key issues. These data limitations create significant gaps in knowledge that are detrimental to the sector. The most important contribution of this report is a research agenda that includes a set of detailed, actionable recommendations to improve nonprofit knowledge in the region (see Section IX: A Stronger Foundation: Pursuing a Data Agenda for Nonprofit Equity and Impact). The research agenda represents an opportunity to build a more impactful, thriving, and equitable sector as well as become a national model.

As the nonprofit sector faces unprecedented challenges, it is a critical moment to reflect on and reimagine current knowledge, practices, and systems for the future. The RDA invites you to join us in rising to meet these challenges by planning for and supporting the nonprofit sector the region deserves.

Find more about the St. Louis Regional Nonprofit Indicators at stldata.org/nonprofits

II
EXECUTIVE SUMMARY

The St. Louis Regional Data Alliance's (RDA) St. Louis Regional Nonprofit Indicators provides in-depth information about the region's nonprofit sector across a full-length written report, executive summary, and interactive website (stldata.org/nonprofits). It contains **12 population-level indicators, and 29 sub indicators that richly capture nonprofit characteristics, finances, economic impact, and funding.** Nonprofit population-level indicators include:

- **Number**
- **Major Groups**
- **Size**
- **Age**
- **Growth**
- **Revenues**
- **Expenses**
- **Assets**
- **Employment**
- **Volunteers**
- **Individual Donations**
- **Grant Awards**

Ultimately, the report is an exercise in mapping out and leveraging public data sources to increase understanding of the region's nonprofit sector. A place-based approach is used to benchmark the region's sector against comparable metropolitan regions. **The St. Louis region is benchmarked against three similar metropolitan statistical areas: Kansas City, Indianapolis, and Baltimore.** When appropriate, and possible, the report also uses national and county level data to contextualize findings. The report seeks to provide baseline, descriptive information to these key questions:

- What can we learn about the nonprofit sector from public data? What questions do findings raise?
- What can't we learn from public data? How do limitations create gaps inknowledge?
- How can the region improve nonprofit data to advance research, advocacy, practice, and policy?

The last question above prompted the most important contribution of The St. Louis Regional Nonprofit Indicators — a data and research agenda for the region's nonprofit sector. The agenda provides a set of detailed, actionable recommendations to improve the region's nonprofit knowledge by building its data capacities (see Section IX: A Stronger Foundation: Pursuing a Data Agenda for Nonprofit Equity and Impact).

Major Findings

The St. Louis region has the largest number of registered nonprofits and the second largest number of reporting nonprofits, however, it lags behind in per capita nonprofits. More than half of the region's reporting and registered nonprofits were located in St. Louis City and St. Louis County. About three in five public charities (60.9%) in St. Louis are small with budgets of less than $250,000 making them the foundation on which the sector is built. Arts, culture, humanities; community improvement; environment; religious are more likely to be small whereas health, hospitals, and higher education public charities are more likely to be large in size.

The religious and hospital subsectors thrive in St. Louis. Out of four metropolitan areas, St. Louis had the largest per capita religious and hospital public charities. The region has a high proportion of religious residents and consistently leads in donations to religious public charities.

Religious, K-12 education, community improvement, and human services public charities made up at least 75.0% of public charities in St. Louis and peer regions.

Compared to peer regions, St. Louis has the largest public charities. The top ten largest public charities, mostly hospitals and higher education, in St. Louis reported the bulk (59.4%) of the region's total revenue and median budgets between 1.3 and 3.4 times larger than the top ten largest nonprofits in peer regions.

In the past 15 years, the number of registered public charities in St. Louis peaked in 2016 and since declined by roughly 10.0%. The sector is in its' longest period of year-over-year losses since 2005. The number of religious public charities grew significantly during this time; human services, environment, and community improvement public charities had smaller gains in total numbers.

It's not possible to research equity in the nonprofit sector with public available data at this time. While there is ample evidence that disparities exist in the sector, research is very difficult because of the limitations of public data. The result is fragmentation of critical information that could be used to advance equity which undermines the sector's transparency, accountability, and impact.

The St. Louis region has low contributed revenue and high individual donations compared to peer regions. These findings raise questions about the factors influencing the region's contributed revenue and how well individual donors, grantmakers, and others are able to support the region's sector.

The nonprofit sector, especially St. Louis City, employs a comparatively large proportion of the region's private workforce and pays comparable wages to the for-profit sector for jobs in similar fields. Pay disparities do exist in the nonprofit sector; for example, subsectors that typically employ specialized workforces (hospitals, higher education, and health public charities) spend more on employment compared to others.

In 2017, the federal government awarded two-thirds of total grant dollars in the region, but local philanthropic grantmakers awarded the most grants. Excluding federal government grants, local public charities were the largest institutional funder of the region's public charities. Place-based factors, from population to policy, seem to be likely determinants of the total number, total value, and type of grants awarded in each county.

Nonprofit Data and Research Agenda

This report is a testament to the fact that the state of nonprofit data directly determines what can, and cannot, be understood about the sector. At this time, knowledge of the sector is largely based on Internal Revenue Service (IRS) data which is known to have classification errors, underrepresent small and religious nonprofit organizations, and quickly become outdated. Moreover, IRS data primarily collects financial data, so there is a dearth of non-financial information available for research. These limitations create significant knowledge gaps that make it difficult to tell the full story of the region's nonprofit sector.

When nonprofit data is timely, robust, and high quality it's possible to better understand and strategically advance the region's sector. As such, the RDA proposes addressing the serious limitations of public data by annually collecting the following information:

- Demographic representation: Nonprofit board members, employees, volunteers, and beneficiaries demographics (race, ethnicity, gender, age, income, etc.)

- **Organizational reach:** Organization's street address, service geography, total beneficiaries, total volunteers, major group, etc.

- **Financial health:** Organization's consolidated functional revenues, expenses, assets, and liabilities. By no means is this list exhaustive, instead it is meant to suggest priorities and anchor a conversation about what nonprofit information is relevant and of interest to the region's sector. The goal would be to collect data at scale a cross the nonprofit sector that is oriented toward local action and decision making instead of IRS compliance.

Recognizing the power and results of this partnership, the RDA proposes a **collaborative model for collecting regional data through the creation of a new Regional Nonprofit Data Hub**. Data could be collected at scale across the nonprofit sector — **excluding hospital and higher education public charities** — via collaborative, high-quality, and high-impact data infrastructure that drives more equitable and sustainable outcomes. It will create collaborative, high-quality, and high-impact data infrastructure for the sector to become more equitable and sustainable. After the release of this report, the research agenda will be further developed through deep engagement with local funders, nonprofit representatives, and community beneficiaries who will play a central role in the ongoing governance and development of the Data Hub. Below are proposed steps to construct the Data Hub:

- Understand the existing landscape with regional funders and nonprofit stakeholders
- Define how data can be used for public and internal benefit
- Review and align existing data collection systems
- Collect and share regional data using shared infrastructure and standards
- Continue to improve the scope and quality of data with local stakeholders

This proposal provides an alternative model for data collection and knowledge production that-gives the region an opportunity to sustainably invest in itself. It's an ambitious vision, but one that could prove both incredibly fruitful creating substantial long-term returns to the region's nonprofit sector — and position St. Louis as a national model. **The St. Louis region deserves to set and implement its own nonprofit data and research agenda — a substantial opportunity to invest in how the nonprofit sector focuses on equity and impact.**

III
KEY TERMS & RESEARCH NOTES

Key Terms

- **Equity:** The effort to provide different levels of support based on an individual's or group's needs in order to achieve fairness in outcomes. Working to achieve equity acknowledges unequal starting places and the need to correct the imbalance (YWCA, 2016).

- **Major groups:** The National Taxonomy of Exempt Entities (NTEE) is a system used by the IRS to classify nonprofit organizations into subsectors or major groups. When nonprofits apply for tax-exempt status, the IRS assigns it an NTEE code based on descriptive data (Jones, 2019). There are 12 major group categories used in this report: arts, culture, humanities; community improvement; crime; environment; higher education; K-12 education; hospitals; human services; health; religion; research; and other.

- **Nonprofit:** A tax-exempt organization.

- **Nonprofit size:** As per the Urban Institute's National Center for Charitable Statistics, size is measured in this report by a nonprofit's total revenue (Part VIII, Line 12A). There are seven size categories: Less than $100,000; $100,000-$249,000; $250,000-$499,999; $500,000-$999,999; $1-4.9 million; $5-5.9 million; $10 million or more.

- **Public charity:** All tax-exempt nonprofits incorporated under Internal Revenue Code sub-section 501(c)(3). These are the most common type of nonprofit.

- **Registered nonprofits:** Active tax-exempt organizations registered with the Internal Revenue Service (file IRS Forms 1023 or 1024). Religious organizations and public charities with less than $5,000 in gross receipts are not required to register with the IRS, but may voluntarily choose to do so.

- **Reporting nonprofits:** Active tax-exempt organizations registered with the Internal Revenue Service required to annually file a Form 990 or 990-EZ. Tax-exempt organizations with less than $25,000 in gross receipts and religious organizations are typically only required to fill out an e-Postcard. (National Center for Charitable Statistics, n.d.).

- **Restricted:** Revenues and assets that must be used for a specific purpose, often as stipulated by the funding source, and may not be used for general operation (Nonprofit Finance Fund, n.d., Council on Foundations, n.d.).

- **Unrestricted:** Revenues and assets that can be used for any purpose because they have no donor-imposed stipulations (Nonprofit Finance Fund, n.d., Council on Foundations, n.d.).

Geographies

Like individuals, place shapes nonprofits in profound ways. A nonprofit's geographic location determines societal needs and available resources, especially institutional funding, individual donors, workforce, and volunteers (Margo, 1992; Wolpert, 1995). It is widely accepted that these, as well as other place-based factors, influence the number, growth, capitalization, and other characteristics of nonprofits (Salamon, 1987; Bielefeld & Murdoch, 2004). As such, this report employs a place-based approach to studying nonprofits at two different levels: metropolitan statistical areas and counties.

Metropolitan statistical areas — U.S. Census Bureau delineated regions defined by a core area and adjacent communities that have common economic and social characteristics — allow for inter-focused study of the St. Louis region's nonprofits (U.S. Census Bureau, 2016). Insights about the nonprofit sector are generated through outward facing investigations that frequently compares St. Louis to other,similar regions. Conversely, intra-focused study examines the St. Louis region's nonprofit sector at the county-level to generate insights about internal composition. This close-up viewpoint produces localized and detailed information about the region's nonprofit landscape. This report weaves together these two complementary approaches in an attempt to holistically study the region's nonprofits and produce new, meaningful knowledge that can help those within and adjacent to the nonprofit sector.

Metropolitan Statistical Areas

This report benchmarks St. Louis nonprofit sector findings against three comparable metropolitan statistical areas: Kansas City, Indianapolis, and Baltimore. The inclusion of these regions makes it possible to more deeply assess the St. Louis region's indicator performance. The comparison regions were selected based on their similarities to St. Louis in terms of total population, demographic composition, and Black-white segregation. See below and Appendix B for a table of regional characteristics.

Counties

The St. Louis metropolitan area, often referred to as the St. Louis region herein, is comprised of 15 counties with eight located in Illinois (Bond, Calhoun, Clinton, Jersey, Macoupin, Madison, Monroe, and St. Clair counties) and seven in Missouri (Franklin, Jefferson, Lincoln, St. Charles, St. Louis City, St. Louis,and Warren counties). Given the concentration of nonprofits in only a few counties in the metropolitan area, analysis is only available at the county level when it provides meaningful and substantial findings.

Regional Characteristics (2017)

Region	Population	Hispanic	Non Hispanic	White	Black	Asian	All Other Races	Black-white Segregation Index (2013)
St. Louis	2,804,998	2.9%	97.1%	76.1%	18.3%	2.4%	3.1%	71.7
Kansas City	2,088,830	8.8%	91.2%	78.6%	12.5%	2.7%	6.3%	59.5
Indianapolis	1,989,032	6.5%	93.5%	77.3%	14.9%	2.9%	4.9%	64.4
Baltimore	2,792,050	5.5%	94.5%	60.9%	29.1%	5.4%	4.7%	63.9

Sources: IPUMS NHGIS, University of Minnesota, 2017; Frey, 2018

Major Groups

The nonprofit sector is a constellation of wildly diverse organizations working in divergent areas or subsectors. The National Taxonomy of Exempt Entities (NTEE), a system used by the IRS to classify nonprofit organizations into subsectors, divides the nonprofit sector into 12 major group categories: arts, culture, humanities; community improvement; crime; environment; higher education; K-12 education; hospitals; human services; health; religion; research; and other. These major groups vary greatly in terms of mission, funding models, beneficiaries, donors, and more (Hager et al., 2004; DiMaggio & Anheier, 1990). This report recognizes major groups, like geographies, is a critical variable to consider when studying the nonprofit sector.

In this report, most indicators are examined by major group in recognition that each subsector is distinct from one another. In what ways and to what extent is made clear over the course of the report as each major group is examined by size, age, growth, revenues, expenses, assets, and employment. When these findings are considered together, it's possible to characterize each major group. In doing so, it becomes clear that all nonprofits are not the same: hospitals are different from community improvement nonprofits which are different from human services nonprofits, etc. The report also strives to investigate relationships between findings to understand why major groups have certain characteristics.

The distinction between major groups is not only important for research purposes, but for the proposed research agenda. As will be discussed further in Section IX, recommendations for collecting data at scale via new infrastructure excludes hospitals and higher education public charities. These major groups are fundamentally different from others due to their size and typically have more robust data infrastructure as well as reporting requirements in place. Focusing on other major groups, like human services nonprofits, could increase the feasibility of implementing the research agenda and create large, more impactful returns for the region.

IV

NONPROFIT CHARACTERISTICS

This section includes common indicators that are foundational to defining a nonprofit landscape. The four indicators below demarcate the nonprofit landscapes of interest, whether regions or counties, from one another and help give form to their unique compositions. In many ways, this section sets the stage for subsequent exploration of more complex and specialized research discussed later in the report.

Five nonprofit characteristic indicators are included in this section:

- **Number of Nonprofits:** The number of nonprofits approximates the size of the sector in a region. As previously discussed, geographic location is an important determinant of the number of nonprofits in a particular place. The more populous, wealthier, and demographically diverse a region, the more likely it will have a larger nonprofit sector (Grønbjerg & Paarlberg, 2001).

- **Major Groups:** Public charities are organized by decile codes into 12 major groups based on the National Taxonomy of Exempt Entities (NTEE) Code. These major groups, also referred to as subsectors, vary greatly in terms of mission, funding models, beneficiaries, donors, and more (Hager et al., 2004; DiMaggio & Anheier, 1990).

- **Size:** In this report, the size of public charities is measured by total revenue reported to the IRS in fiscal year 2017[1]. The smaller the public charity the more likely it is to be associated with volunteer staff, agile practices, and community representation whereas the larger it is the more likely it is to be associated with professional staff, formal practices and governance, and transparency (Suarez, 2010; Stone, 1996).

- **Age:** The agenda provides a set of detailed, actionable recommendations to improve the region's nonprofit knowledge by building its data capacities (see Section IX: A Stronger Foundation: Pursuing a Data Agenda for Nonprofit Equity and Impact).

- **Growth:** The total annual number of registered public charities over the past 15 years (2005-2020). This provides a long-term look at the size of the nonprofit sector with positive growth suggesting a region provides favorable conditions for public charities to survive (Grønbjerg & Paarlberg, 2001).

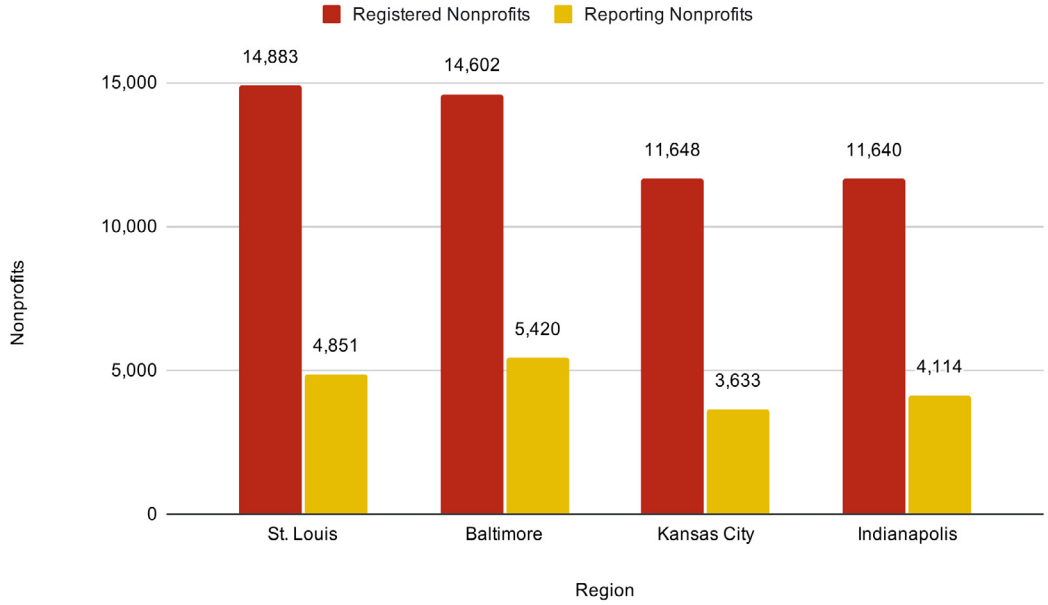
Number of Nonprofits

In 2017, **the St. Louis region had 14,883 registered nonprofits, more than any of the comparable metropolitan areas.** Public charities made up the largest proportion of registered nonprofits at 70.9% (10,545) followed by private foundations at 5.9% (875). The remaining 23.3% (3,463) of registered nonprofits were categorized as "other" which includes all IRS subsections other than 501(c)(3). **A little more than 60.0% of registered nonprofits in the region were located in St. Louis City (2,384) and St. Louis County (6,701).**

While the number of registered nonprofits is the best available measure of the nonprofit sector, it does not capture it in its entirety. There are two types of nonprofits that are not required to register with the IRS: religious organizations as well as public charities with less than $5,000 in gross receipts. As such, the total number of registered nonprofits is most likely greater than stated here.

1. There are no standards for categorizing public charities by size (Hallman, 2014). This report uses total revenue to measure size as per The Urban Institute's National Center for Charitable Statistics.

Figure 1: Total Registered and Reporting Nonprofits (2017)



Sources: Urban Institute, National Center for Charitable Statistics, Business Master File, 2017; Core Files (Public Charities, Other), 2017

There were 4,851 reporting nonprofits in the region meaning only 32.5% of registered nonprofits were required to or voluntarily filled out IRS Form 990 or 990-EZ in 2017. The nation had a slightly larger, but still comparable, percentage (35.0%) of reporting nonprofits (NCCS Project Team, 2020). The total number of reporting nonprofits was considerably lower because a large number of tax-exempt churches and nonprofits with under $25,000 in gross receipts are registered, but not required to file a Form 990 or 990-EZ annually with the IRS. In the St. Louis region, of the 6,944 registered non-profits with under $25,000 in gross receipts, only 811 (11.7%) were included in the number of reporting nonprofits. Similarly, there were only 40 (1.6%) reporting churches of the 2,486 registered. **As this report primarily uses IRS reporting data for indicator analysis, religious and very small public charities are underrepresented in its findings.**

Of reporting nonprofits, 70.3% (3,408) were public charities and 29.7% (1,443) were "other" — both proportions are very similar to registered nonprofits. St. Louis had the second highest total of reporting nonprofits after Baltimore (5,420) more than half of which were located in St. Louis City (968) and St. Louis County (1,994). See Appendix C for a detailed list of registered and reporting public charities by county.

It's important to measure both registered and reporting nonprofits across the comparable metropolitan areas by population. In doing so, it becomes clear that **while the total number of nonprofits in St. Louis was impressive, it lagged behind in both per capita registered and reporting public charities.** The St. Louis region tied for the lowest number of per capita registered public charities and had the lowest per capita reporting public charities of the four metropolitan regions. Importantly, the difference in per capita rates it's relatively small and differs by no more than 3 public charities per 10,000 residents from comparable regions and the country.

Table 1: Per Capita Public Charities (Per 10,000 Residents)		
Region	**Per Capita Registered Public Charities**	**Per Capita Reporting Public Charities**
United States	39.3	14.1
Indianapolis	37.9	13.7
Baltimore	37.5	14.6
St. Louis	35.6	12.1
Kansas City	35.5	12.5

Sources: Urban Institute, National Center for Charitable Statistics, Business Master File, 2017; Core Files (Public Charities), 2017; U.S. Census Bureau (2020). Annual Estimates of the Resident Population, 2010-2019.

All metropolitan areas were below the nation's per capita registered and reporting public charities except Baltimore, which had higher per capita reporting public charities. Baltimore's per capita lead fits with national research that time and again finds the northeast has the highest density of public charities thanks to a combination of factors like individual wealth as well as large, diverse populations (Grønbjerg & Paarlberg, 2001; Levy, 1992).

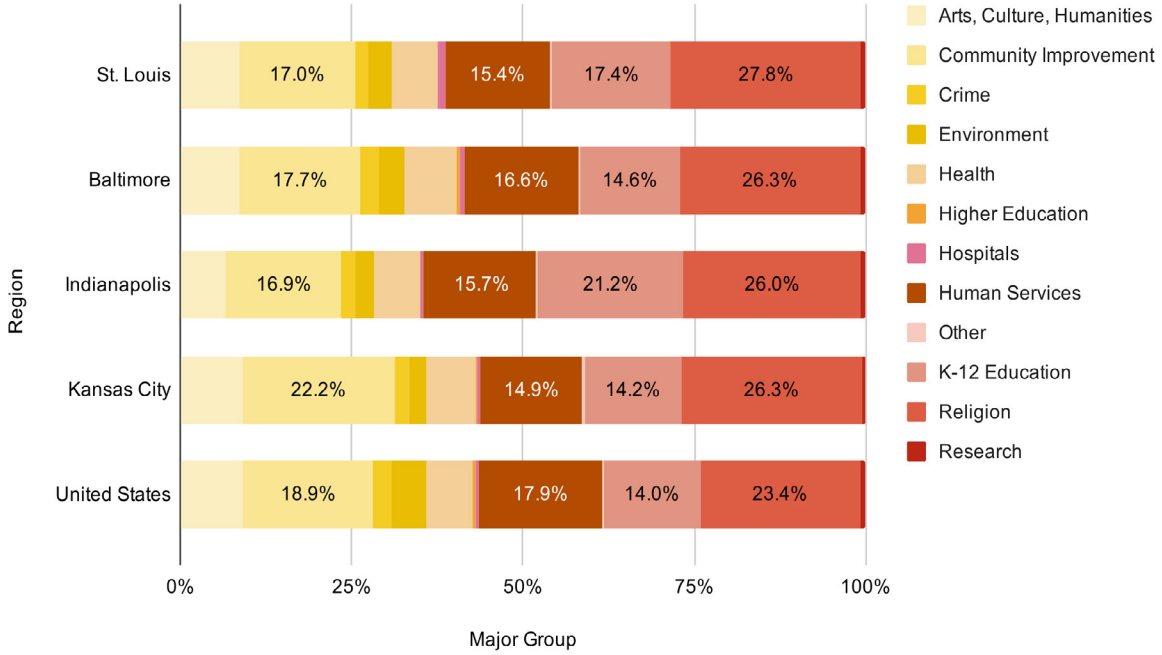
Major Groups

The National Taxonomy of Exempt Entities (NTEE) is a system used by the IRS and National Center for Charitable Statistics (NCCS) to classify nonprofit organizations into 26 major groups under 10 broad categories. When a nonprofit applies for tax-exempt status, IRS "Determination Specialists" assign it an NTEE code based on descriptive data in IRS Form 1023 or 1024 (Jones, 2019). Generally, NTEE codes are reliable and valid, however, as with any discrete categorization system, there are notable classification errors which will be illustrated in later sections (Fyall et al., 2018; Turner et al., 1993). Despite these issues, NTEE is the most widely used and best available means for categorizing nonprofits by type.

In each metropolitan area, religion was by far the largest major group and accounted for more than one-quarter of all public charities in 2019. The religious major group was 10.0% larger than the next three largest major groups: K-12 education, community improvement, and human services. Notably, while all regions share the same four largest major groups, they do differ in terms of rank. Major group categories in **St. Louis and Indianapolis share the same rank from largest to smallest (religion, K-12 education, community improvement, and human services)** while Baltimore and Kansas City share another (religion, community improvement, human services, and K-12 education). These four largest major groups accounted for at least 75.0% of all public charities in each region which is slightly higher, but comparable to the nation (74.2%).

St. Louis not only had the largest proportion of religious public charities, but also the largest per capita count (9.8 per 10,000 residents). As part of the "Bible Belt", the region has a high proportion of residents who believe in God and consider religion an important part of their lives (Pew Research Center, 2015; LeRoux & Feeney, 2014). Relatedly, the region consistently leads in individual donations to the major group; Indianapolis ranks in the top regions for religious giving, too (Fidelity Charitable, 2019).

Figure 2: St. Louis Registered Public Charities by Major Group (2019)



Source: Urban Institute, National Center for Charitable Statistics, Business Master File, 2019

Outside the top four largest major groups, no one major group made up more than 10.0% of registered public charities. The next largest major groups in all metropolitan areas in 2019 were arts, culture, humanities followed by health public charities. On average, arts, culture, humanities public charities accounted for 8.2% of regional populations making it the fifth largest major group. The sixth largest major group, health public charities, made up 7.0% of public charities in all regions. Each of the remaining major groups (crime, environment, other, research, hospitals, and higher education) accounted for less than 5.0% of each region's sector.

Overall, the composition of public charities by major group was fairly similar across metropolitan areas and the country, but with a few notable exceptions. Kansas City had a higher proportion of community improvement public charities (22.2%) while Indianapolis (and to some extent St. Louis) had a higher proportion of K-12 education public charities. All metropolitan regions had more religious public charities than the country.

Size

Of reporting public charities, 60.9% reported budgets under $250,000 in St. Louis. Findings were similar for peer regions meaning the sector is primarily composed of very small or grassroots public charities. At any geographic level, about three in five public charities reported budgets under $250,000.

Simply put, they are the foundation on which the sector is built. Nationally, the proportion of these smaller public charities was only slightly higher, by about three points, than any metropolitan region.

Size categories above $250,000 made up 39.1% (1,332) of the sector in St. Louis. Roughly 30.0% of public charities had budgets between $250,000 and $4.99 million in all metropolitan regions. There are no industry standards for nonprofit size, so public charities with budgets under $5 million dollars, and especially under $500,000, might still be considered small in some cases (Frailey, 2017; Hallman, 2004). Given the size and scope of the regional sectors researched here, the report generally refers to large public charities as those with budgets of $5 million dollars or more. These public charities accounted for no more than 10.0% of any region's public charity population; in St. Louis, 8.4% (287) public charities had budgets over $5 million dollars in 2017. By default, medium sized public charities had budgets between $250,000 to $4.9 million.

There are strong, observable relationships between major groups and budget size. In St. Louis, most major groups are more likely to fall into a specific size group.

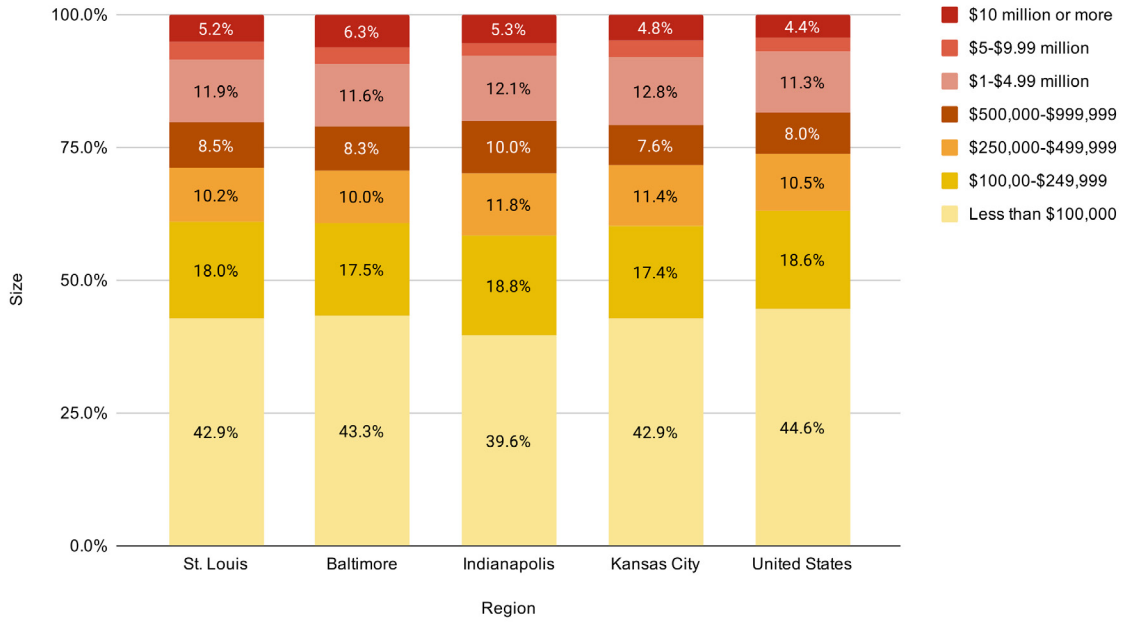
- Small (budgets under $250,000): The bulk of public charities in eight major groups reported small budgets: arts, culture, humanities; community improvement; crime, K-12 education; environment; other; religion; and research.

- Medium (budgets of $250,000 to $4.99 million): Public charities in health and human services major groups were roughly split between small and medium budget sizes.

- Large (budgets of $5.0 million and more): Hospitals and higher education public charities dominant this size group. The majority of hospitals (63.3%) and higher education institutions (72.2%) reported budgets of $10 million or more.

The proportion of size categories as well as their relationship to major groups is reflected at the national level. Across the country, the majority of public charities are small and major groups are highly correlated with size. Arts, culture, humanities as well as environment public charities are more likely to be small and hospitals and higher education public charities are more likely to be large (NCCS Project Team, 2020; Frailey, 2017; Boris and Steuerle, 2006). See Appendix D for major groups by size in the St. Louis region.

Figure 3: Reporting Public Charities by Size (2017)



Source: Urban Institute, National Center for Charitable Statistics, Core File (Public Charities), 2017

St. Louis has notably large public charities compared to peer regions and the country. St. Louis is St. Louis is home to several of the country's largest hospital systems (Ascension, Mercy, SSM Health), largest hospitals (Barnes-Jewish Hospital and Mercy Hospital), and a university with one of the largest endowments in the country (Washington University in St. Louis) (Dyrda, 2020; National Center for Education Statistics, 2019). The public charities dwarf hospitals and higher education public charities in comparable regions. **The top 10 largest public charities in St. Louis reported over half (59.4%) of total revenue in 2017,** fully 15 points more than Kansas City's largest public charities. Similarly, the median budget of these St. Louis public charities was between 1.3 and 3.4 times larger than comparable metropolitan regions.

Of the top 10 largest public charities in St. Louis, eight are hospitals and 2 are higher education public charities. Notably, the 11-20 largest nonprofits in St. Louis are all hospital public charities. See Appendix E for top 20 largest St. Louis public charities and Appendix F for the top 10 largest public charities by major group in St. Louis.

Table 2: St. Louis Top 10 Largest Public Charities (2017)[2]		
Rank	Public Charity Name	Total Revenue (2020 dollars)
1	BJC Health System	$5,075,179,078
2	Washington University	$3,530,458,983
3	Ascension Health Alliance	$1,979,898,893
4	SSM Health Care St. Louis	$1,597,955,756
5	Mercy Hospitals East Communities	$1,528,075,186
6	BJC Health System (DBA BJC Health Care)	$1,112,785,369
7	Ascension Health-Is, Inc.	$1,060,883,300
8	Saint Louis University	$1,021,126,942
9	SSM Health Care Corporation	$605,279,898
10	SSM Healthcare of Oklahoma, Inc.	$582,262,444

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2017.

Age

At both the national and regional level, median nonprofit age is fairly similar ranging between 16-18 years; **the median age of St. Louis nonprofits is 17 years.** While median age is generally static for most size categories, there is a positive and statistically significant relationship between age and size in the three largest budget categories. As you move up each of these categories, median age increases by about 10 points from 26 for public charities with budgets of $1-$4.9 million to 46 for public charities with budgets of $10 million or more.

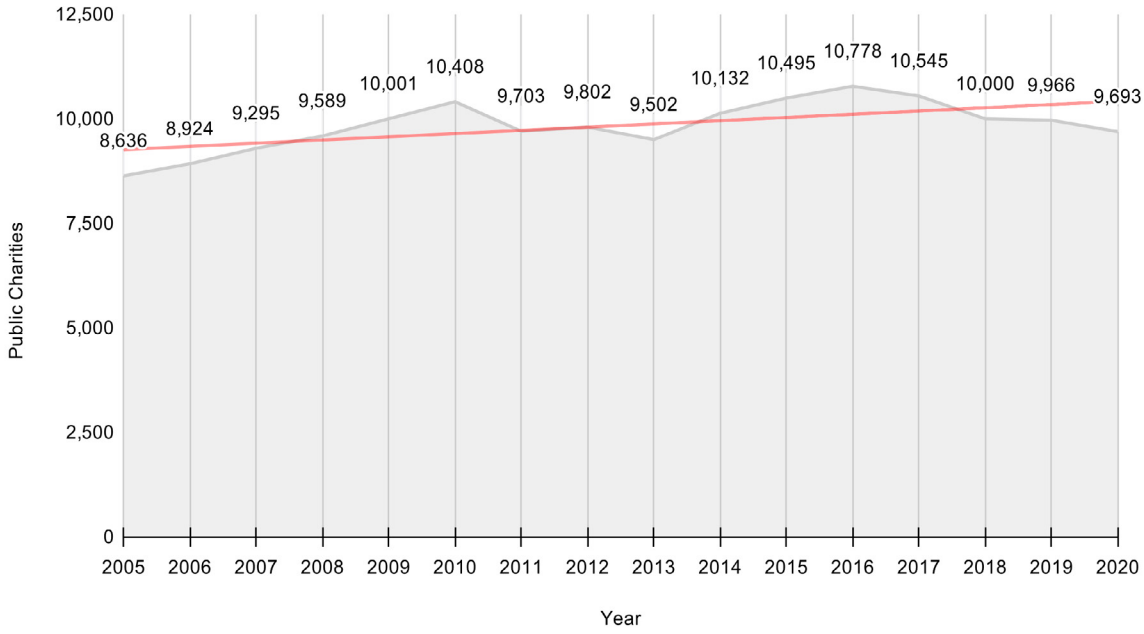
Often, age is credited as a driver of organizational size. Frequently, the older the nonprofit the more likely it is to have an established reputation, strong donor base and partners, developed governance structures, and financial capacity (Aldrich & Auster, 1986). **As such, it's no surprise that hospitals and higher education major groups, which tend to be larger in size, are the oldest in the St. Louis region.** It is surprising that the median age of these major groups is about 11 years older in the St. Louis region than the country. Crime, environment, religion, community improvement, and other major groups reported the lowest median ages, less than or equal to the region's median nonprofit age (17).

2. Ascension Health Alliance and SSM Healthcare of Oklahoma, Inc. reported their address to the IRS as being in St. Louis County, however, they do not serve the region. Disparities between the address public charities use for reporting purposes and their service area are common and discussed more in Section IX.

Growth

The number of total registered public charities has peaked and troughed in the St. Louis region since 2005. While the region has experienced periods of growth, they are punctuated by years of decline in the total number of public charities (2011, 2013, and 2017). **In the past 15 years, registered public charities peaked at 10,778 in 2016 and since declined by 10.1% (1,085).** In 2020, the total number of public charities is at a seven-year low and below the 15-year median (9,884). **The sector is in its longest period of year-over-year losses since 2005** and will most likely continue to contract due to the economic impact of Coronavirus on the nonprofit sector (CAF America, 2020). While the number of registered public charities is currently trending downward, over the past 15 years it has increased overall by 1,057 (12.2%) with median annual growth at 283 public charities (2.7%) signaling sustainable long-term gains.

Figure 4: St. Louis Total Registered Public Charities (2005-2020)



Source: Urban Institute, National Center for Charitable Statistics, Business Master File, 2005-2020

In St. Louis, the largest total gains in the number of public charities from 2005 to 2020 were made by: religion (846), human services (149), environment (91), and community improvement (55). These long-term positive growth trends are reflected across the country, especially for religion and human services (LeRoux & Feeney, 2014). By far, K-12 education had the largest total loss with 148 fewer public charities in 2020 than 2005. The incredible explosion of religious public charities during this time was reflected in this section's previous discussion of major groups as a point-in-time count. It underscores that the aforementioned place-based factors, religious attitudes and giving, can have important repercussions on the nonprofit population over time.

Growth indicators, especially median annual percent growth, show that some major groups are more likely to experience slow, stable growth than others. For example, **hospitals, higher education, and health major groups experienced low median annual change in growth.**

Major groups that are more likely to be smaller in size—arts, culture, humanities; research, and other—experienced more years of annual decline than growth. The more erratic growth patterns suggest their funding models are more susceptible to external factors, which is discussed at length in Section VIII: Nonprofit Finances. See Appendix H for details on the growth of major groups from 2005-2020.

Questions for consideration

Related findings across nonprofit characteristic indicators raise consequential questions about the unique composition of the St. Louis region's nonprofit sector. Below, each is paired together to better identify trends, synthesize findings, and underscore what characteristics differentiate the region's sector. Questions are especially important as they anchor the report and represent opportunities for future research.

Finding # 1: The St. Louis region had lower per capita registered and reporting public charities among comparable groups and total registered public charities has decreased by 10.1% since 2016.

- Should there be a target public charity population size or growth rate for the St. Louis region? How do these two indicators relate to impact or sustainability?

- What are the causes of the multi-year decline in total registered public charities? For example, could it be due to the presence of "high stress characteristics", such as "low income and service-dependent populations", or notably low per capita contributed income? Both are linked to smaller nonprofit sectors and are explored in more detail in Section VI: Nonprofit Finances (Grønbjerg & Paarlberg, 2001; Lecy & Slyke, 2012).

- What are the effects of the multi-year decline in total registered public charities? Are the effects negative (e.g. undersupply of nonprofit services) or positive (e.g. size of sector is more sustainable)?

Finding #2: Religious public charities thrive in the St. Louis region. There are comparatively more than any other peer region and have grown at a rate eight times that of other major groups.

- How important are place-based factors, like religious attitudes and giving, in driving the growth of religious public charities?

- The number of Americans who do not identify with any religious affiliation is growing as those who identify as Christians is declining (Pew Research Center, 2015). In the future, will these changes impact religious nonprofits in St. Louis? If so, how?

- If religious nonprofits are especially prevalent in the St. Louis region and there are data limitations to studying them, then is the existing knowledge gap magnified here? How can we learn more about their composition and impact in the region given data limitations?

Finding #3: One-third (60.9%) of public charities in the region have budgets under $250,000 and are likely to be the following major groups: religion, arts, culture, humanities; community improvement; crime; K-12 education; and environment.

- Why are major groups that are more likely to be small also more likely to experience erratic long-term growth? How are major group, size, and number of public charities related?

- Much like religious public charities, there are data limitations to studying small nonprofits, yet they account for the highest proportion of the region's sector. How can we learn more about their composition and impact in the region given data limitations?

V
NONPROFIT EQUITY

What does equity mean? Although many definitions exist, this report uses the following definition:

> The effort to provide different levels of support based on an individual's or group's needs in order to achieve fairness in outcomes. Working to achieve equity acknowledges unequal starting places and the need to correct the imbalance (YWCA 2016).

In practice, the term is often specialized defining equity as it relates to the identity of specific populations (race, sexuality, ability) or spheres of practice (health, housing, transportation). This is especially true in the nonprofit sector where actors might consider equity as it relates to the historical, social, political, and/or economic conditions of the communities they serve. As a result, the term is highly variable with no one shared standard definition among nonprofit stakeholders (Putnam-Walkerly & Russell, 2016). There are numerous practice and research implications, as well as many significant contributing factors, that stymies equity efforts and raises numerous questions. While there is so much uncertainty around equity in the sector, one thing is certain: there is substantial work to be done in defining, measuring, understanding, resourcing, and centering equity in the nonprofit sphere.

It's not possible to provide meaningful equity indicators with public data at this time. As such, this section will not discuss indicator findings, but holistically discuss equity in the nonprofit sector. We'll start by reviewing what is known about equity issues, identifying gaps in practice, and outlining actionable steps to advance equity in the region's nonprofit sector.

The State of Equity Research

There is ample evidence that significant disparities exist in the nonprofit sector; equitable policies, practices, and outcomes are not the status quo. National reports and other findings consistently evidence severe barriers to capital for Black-led nonprofits, especially those led by Black women; consequential leadership gaps and challenges; pay discrimination; and more (Dorsey et al., 2020; Thomas-Breitfeld & Kunreuther, 2019; Mills, 2016; Leete, 2006). In 2020, Covid-19 and the killing of unarmed Black people amplified these inequities and made them top of mind in the nonprofit sector. Nonprofit actors are looking inward, struggling with these issues, and making or contemplating systems and organizational changes as never before. Of course, the question is: Will intention translate to meaningfully reducing disparities? Could this be a critical moment in addressing inequity in the sector?

Regional reports also provide critical, localized insights into racial disparities in the region's nonprofit sector. The Deaconess Foundation's Follow the Leader report built a new Black-led nonprofit data set and called for addressing the racial leadership gap, improving organizational capacity building, and supporting professional and leadership development opportunities (MRW Consulting, 2018). **More recently, the St. Louis Community Foundation's The Endowment Landscape in St. Louis (2021) found "black-led nonprofits in St. Louis hold very few endowed funds, amounting to less than 1% ($36.3 million dollars) of the estimated overall endowment held by St. Louis nonprofits."**

These examples of racial disparities among public charities reflect the political, social, and economic realities of our region. Racial inequities persist in all aspects of life as documented through efforts like the *St. Louis City's Equity Indicators Baseline Report* (2018) and the Regional Equity Indicators Dashboard and organizations like Forward Through Ferguson.[3]

Issues in Equity Research

Despite the sector's increasing attention to equity, there is much we don't know. Simply put, equity is notoriously difficult to study in the nonprofit sector (and, again, why this report does not include nonprofit equity indicators) for the following reasons:

- **Limitations of public data**
  IRS annual reporting forms (Forms 990, 990-PF, 990-EZ, 990-N) are by far the best and most widely used source of nonprofit data. They provide longitudinal information about nonprofit mission, programs, and finances. A major focus is on finances — 6 of the 12 pages of IRS Form 990 collect financial information — for IRS oversight and compliance purposes. As a result, the contents of balance sheets and statements of revenue make up a substantial portion of nonprofit knowledge. While this is valuable information, it does not tell the full story of the sector. Moreover, there are a number of limitations associated with IRS annual reporting forms: there are classification errors, data is quickly outdated, it underrepresents nonprofit organizations, it does not collect demographic information, and more (Lampkin & Boris, 2002; Boris & Steuerle, 2006; National Center for Charitable Statistics, n.d.). **When mission, program, and finance information is uncoupled from demographic data, it creates major gaps in knowledge.**

- **Demographic data collection is piecemeal**
  There is no existing public data for nonprofit demographic information. Demographic data is primarily collected by grantmakers, professional associations, and research or consulting groups cvia the grant application process or surveys. Collecting demographic information during the grant application can be especially problematic if its use is not clearly and consistently defined — most grantmakers do not explain how they use demographic data and as a result it sends "a signal to grantseekers that this information is considered in the funding decision, when often it isn't a critical factor" (Buteau et al., 2018). This piecemeal approach means data is typically proprietary, collected on a one-time basis, and reflects the interests of particular organizations. Moreover, these irregular and duplicative efforts are expensive, often making the collection of critical data cost prohibitive. The dearth of demographic data contributes to the sector's inability to "to evaluate programs and accomplish goals", especially in regards to equity (MWR Consulting, 2018).

3. National reports also find large racial disparities in the St. Louis region. For example, St. Louis is consistently in the top ten metropolitan areas in the country with the highest Black-white neighborhood segregation (Frey, 2018). Additionally, out of the 50 largest metropolitan areas, St. Louis ranks 44th in community well-being of Black residents (Levine, 2020).

- **Weak data standards and shared infrastructure**
  Much like the definition of equity, there are no set standards for regional nonprofit data. The diverse group of organizations involved in nonprofit data collection each have their own standards, governance, and infrastructure so they effectively operate as knowledge silos. There is a significant duplication of effort as well as limitations on knowledge production that leave the region with an incomplete view of its own landscape. Improving data governance, especially how "organizations can and should govern digital resources for public benefit", is one of the major contemporary challenges of the sector (Reich & Bernholz, 2017).

The three issues discussed above—limitations of public data, piecemeal demographic data collection, and weak data standards and shared infrastructure—**leads to the fragmentation of critical information that could be used to advance equity. It undermines transparency, accountability, and impact in the sector.**

Prioritizing Equity

Like budgets, there are moral implications to data and research. What data is collected (or not collected) and how it is employed to some extent reflects the sector's values and priorities. **If equity is a priority for the region's nonprofits, it follows that standardizing and regularly collecting demographic data at scale is also a priority.** Fully leveraging demographic data will require moving away from operating in knowledge silos towards building collective knowledge based on stronger integrated data practices, policies, and systems. After all, equity is a large, complex problem that is best addressed by harnessing the knowledge, power, and skill of the sector as a whole — not by a single actor. To this end, the report provides recommendations for how the region's nonprofit sector can address equity in Section IX: A Stronger Foundation: Pursuing a Data Agenda for Nonprofit Equity and Impact.

VI
NONPROFIT FINANCES

This section includes indicators that provide insight into the financial health, resilience, and sustainability of public charities. It includes a detailed analysis of vital financial information (revenues, expenses, and assets) to characterize regional sectors, major groups, and outliers. Lastly, despite the majority of nonprofit data being financial, analysis was constrained by following best practices and the limitations of public data.

Three nonprofit finance indicators are included in this section:

Revenues: Revenues are payments for services and contracts, donations, income from fundraising activities and investments (Nonprofit Finance Fund, n.d.). They drive the growth of public charities and are a critical component of sound fundraising models. Examining revenue by type provides a high-level overview of revenue diversification, which is associated with reducing a public charity's financial risk, and funding models. As will be shown, diversification and funding models are related to major groups and size (Foster & Fine, 2007; Foster et al., 2009; Chang & Tuckman, 1994). Revenue will be examined in terms of total revenue as as well as the following categories:

- **Contributed revenue:** Sum of charitable contributions (gifts, grant awards, membership dues, Wcontributions), special event income, and gaming income.

- **Participation-based revenue:** Sum of earned income from program service revenue and sales of inventory. Program service revenue might include tuition, payment for health services, ticket sales, or any other revenues where public charities receive payment for their services.

- **Other revenue:** Sum of total earned income from investments, bonds, royalties, net rental income, and sales of assets other than inventory, and miscellaneous revenue.

- **Expenses:** Expenses are the "total cost of operating the organization" and include payments to employees, operating expenses, debt, and more (Nonprofit Finance Fund, n.d.). Here, expenses will be used to gain insight into the cost of doing business for public charities depending on their regions and major group categories. Only total expenses are examined in this section (employment expenses are detailed in Section IX: Economic Impact).

Assets: Total assets include items "of current or future economic benefit to an organization" like cash, buildings, investments, and equipment (Nonprofit Finance Fund, n.d.; Council on Foundations, n.d.). Net assets are the net worth of what a nonprofit owns or what a nonprofit owns taking into consideration what it owes. Net assets are positive when year-over-year revenues exceed expenses and negative when they are not. Positive net assets are especially helpful for understanding long-term viability and a public charity's ability to successfully manage cash-flow issues or unforeseen events (Keating & Frumkin, 2008; Kramer, 2018). Net assets will be examined in terms of total net assets as well as the following categories:

- **Unrestricted:** The portion of net assets that can be used for any purpose because they have no donor-imposed stipulations (Nonprofit Finance Fund, n.d., Council on Foundations, n.d.). Unrestricted net assets are particularly important as they can be spent for any purpose and used to address cash-flow issues (Antonelli, 2016).

- **Temporarily restricted:** The portion of net assets that have donor-imposed time or purpose restrictions that expire. Once these stipulations are satisfied, they are released (Nonprofit Finance Fund, n.d., Keating and Frumkin, 2008).
- **Permanently restricted:** The portion of net assets that have donor-imposed time or purpose restrictions that do not expire. An endowment is the best known example of permanently restricted funds (Nonprofit Finance Fund, n.d., Keating and Frumkin, 2008).

Absent from this section are common spending indicators, like fundraising efficiency, program efficiency, and administrative / overhead cost ratio. This is due to the availability of spending indicators through other outlets as well as their validity and reliability. In particular, **the focus on low administrative / cost overhead has been linked to "persistent underfunding of overhead" in the nonprofit sector.** It sets unrealistic expectations for overhead that can result in poor organizational performance and creates adverse conditions for financial capacity (Gregory & Howard, 2009; Chikoto & Neely, 2014). Simply put, low spending indicators do not signify nonprofits are "making best use of its contributions" (Rooney et al., 2003; Nonprofit Finance Fund, n.d.). Moreover, these ratios tend to disadvantage smaller or younger public charities that lack the public recognition or scale or economy of their larger peers (Hager et al., 2004). While these spending indicators can be informative if correctly interpreted, it is best done for an individual public charity, not in the aggregate as a population-level indicator. This section focuses on descriptive financial indicators to meaningfully tell the story of the region's nonprofit landscape.

There are also several notes on methodology to share. First, financial indicators are provided for fiscal years 2015-2017 to account for year-to-year variation, especially for revenues, and survey trends over time (Keating & Frumkin, 2008). Second, financial figures are in real dollars (2020 inflation-adjusted dollars). Third, outliers have not been removed from analysis (with a few exceptions as noted), however, they will be discussed for each indicator. There are several reasons for not removing outliers: at every geographic level, distribution of expenses and revenues are not normal, they are right-skewed; public charities that are financial outliers are key stakeholders in their regions; financial outliers, size, major group, are highly correlated; and removing outliers would distort comparisons across metropolitan regions and major groups.

Finally, while the financial indicators presented below are substantial based on available public data, **nonprofit finances alone can tell a clear and complete picture about the strength and impact of the nonprofit sector, particularly around equity.** Please find more detail about how to prioritize collecting additional indicators — as well as their alignment to existing data — in Section IX: A Stronger Foundation: Pursuing a Data Agenda for Nonprofit Equity and Impact.

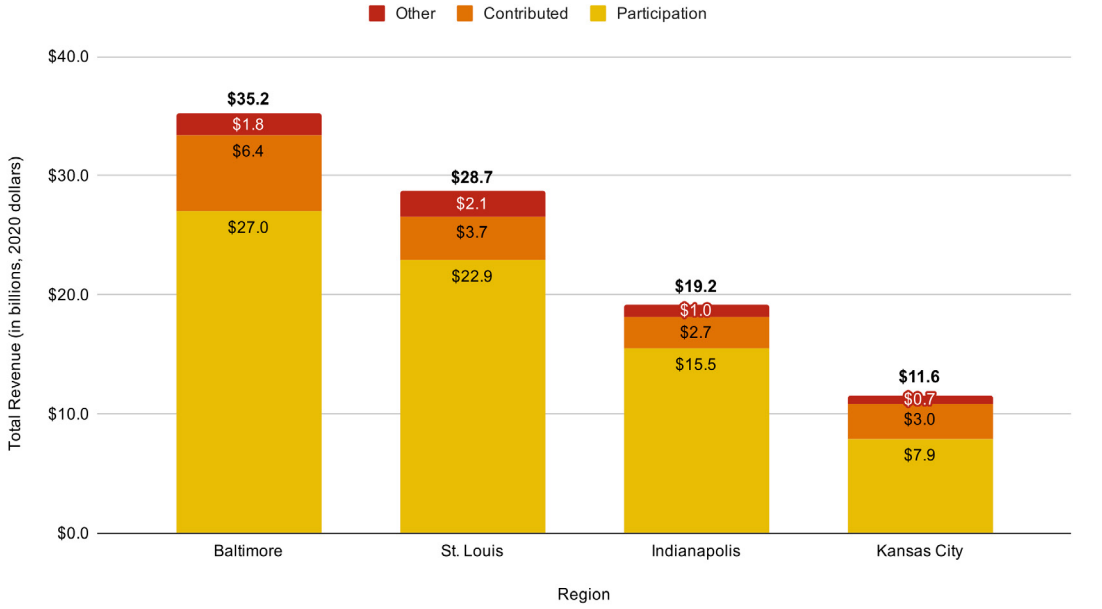
Revenues

Between 2015-2017, St. Louis had the second largest total revenue ($28.7 billion) behind Baltimore ($35.2 billion), more than twice the total revenue of Kansas City ($11.6). Three of the four regions — except for Kansas City which has a notably different funding composition — had greater total

revenue per capita than the nation. Baltimore's commanding lead of revenues is likely due to its comparatively large per capita reporting public charities as well as high price levels compared to peer regions (Bureau of Economic Analysis, 2020).

Looking at individual revenue types, **it's clear that participation-based revenue is the most important revenue type at any geographic level.** On average, it accounts for 76.4% of regional total revenue, 4.2 times greater than contributed revenue (17.8%). It is particularly important for **St. Louis, Baltimore, and Indianapolis which report higher rates of and per capita participation-based revenue than the nation.**

Figure 5: Average Annual Public Charity Total Revenue by Type (2015-2017)



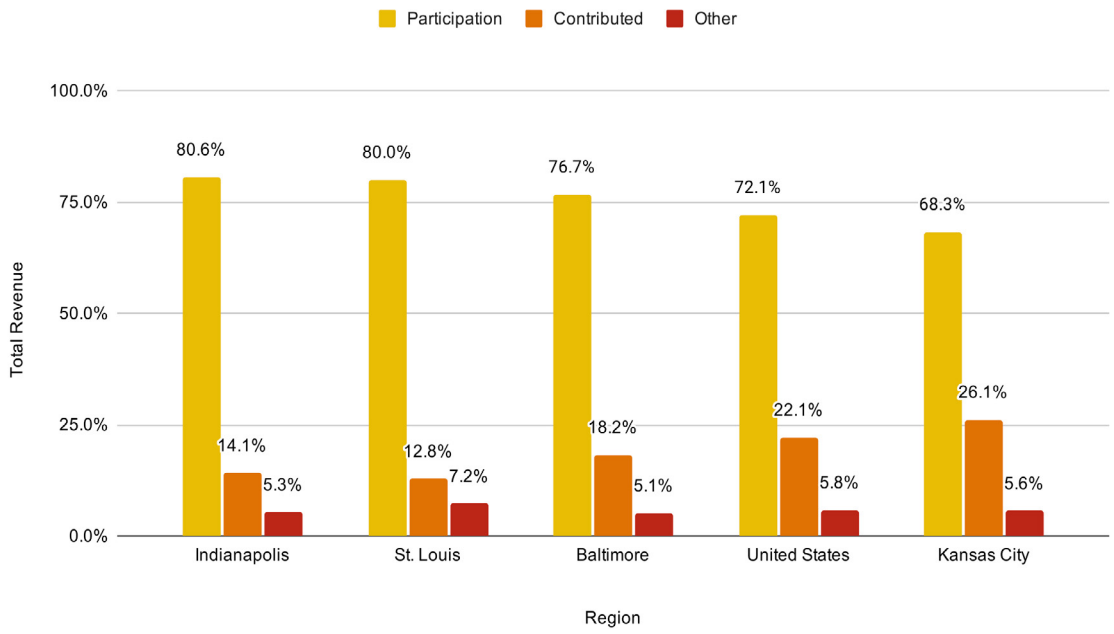
Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2015-2017

Hospital and higher education public charities appear to influence the proportion of revenue types at the regional level as they primarily provide services and, therefore, generate participation-based revenue. As previously discussed, these public charities have an especially large impact in St. Louis because of their enormous size — they are recognized as some of the largest public charities not just among peer regions, but the country. After removing these revenue outliers, average contributed revenue more than doubled to 27.2% and participation-based revenue dropped to 65.8% in St. Louis. These proportions are closer to national findings for the sector (LeRoux & Feeney, 2014). This underscores the importance of examining per capita revenues as they standardize measurement and make it easier to compare across regions. In doing so, it's clear that with, or without, outliers, St. Louis has relatively high proportions of participation-based revenue and low contributed revenue. In fact, **St. Louis had the second highest per capita participation-based revenue ($8,174) and the lowest per capita contributed revenue** ($1,310).

The composition of public charity revenue in Kansas City is markedly different from the other regions with more than double the proportion of contributed revenue of St. Louis. While per capita contributed revenue is below the nation's, it is the second highest of all regions after Baltimore. This could be due to rates of foundation and individual giving being greater in Kansas City than the nation.

In 2017, Kansas City had 1.8 times more in total foundation giving ($641.3 million) than St. Louis ($351.6 million) despite having a much smaller population of registered and reporting public charities (The Center on Philanthropy at Indiana University, 2009).

Figure 6: Public Charity Total Revenue by Type (2015-2017)



Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2015-2017

Table 3: Per Capita Revenue, 2020 dollars (2015-2017)				
Region	**Total Revenue**	**Participation**	**Contributed**	**Other**
Baltimore	$12,583	$9,649	$2,125	$647
St. Louis	$10,218	$8,174	$1,310	$734
Indianapolis	$9,595	$7,731	$1,351	$513
United States	$7,242	$5,221	$1,600	$422
Kansas City	$5,537	$3,784	$1,446	$307

Sources: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2015-2017; U.S. Census Bureau (2020). Annual Estimates of the Resident Population, 2010-2019.

Across regions and major groups, trends emerge regarding revenues:

- Other revenue generally does not exceed 10.0% of total revenue at the regional and major group level. The following St. Louis major groups are the only exceptions: community improvement (16.3%); arts, culture, humanities (12.6%); higher education, so it's 10.7%); and health (10.4%).

- There appears to be low revenue diversification in the sector. Participation-based revenue is dominant at the regional level and half of all major groups report a dominant revenue type that accounted for three-quarters or more of their average total revenue. Religious public charities were the only major group without a dominant funding source[4]. Despite the broad definitions

4. Contributed revenue is underreported for the religion due to IRS reporting requirements discussed earlier, which historically heavily relies on individual donors (Giving USA, 2018). The Marvin M. Schwan Charitable Foundation was removed from this major category as an influential observation.

of revenue types here, it does suggest that nonprofits specialize in and leverage one major revenue stream based on their mission and activities. National studies found that revenue concentration, especially among large nonprofits, is common in the sector. In fact, the largest nonprofits reported their dominant funding source accounted for "just over 90 percent of the org nization's total funding" (Foster & Fine, 2007; Chikoto & Neely, 2014).

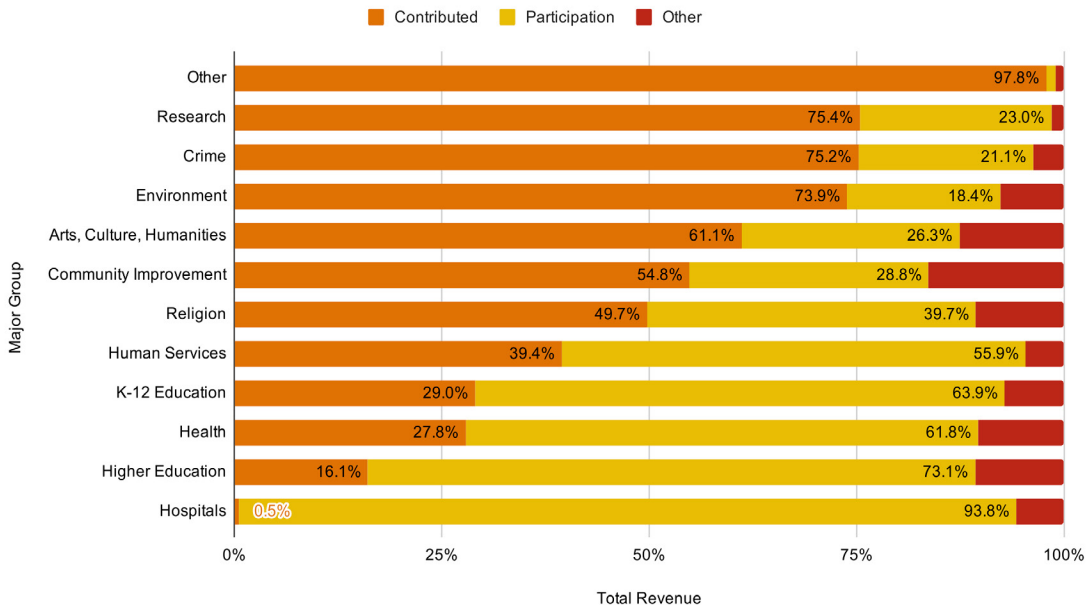
- Revenue types seem to be related to major groups and size. A major group's activity determines its revenue mix which impacts growth and size; in other words, it seems possible that a major group's dominant revenue type is a mediating variable providing some explanation about its likely size. The examination of revenue mix by major group makes it possible to approximate their funding models.

Of course, working at the population-level and with major groups, not individual public charities, means working in broad strokes. These are general, preliminary findings that require additional research given the immense diversity of public charities within major groups. Moving forward, the last point will shape the discussion of revenue types in the St. Louis region.

In St. Louis, contributed revenue is the dominant revenue type for half of all major groups including: community improvement; arts, culture, humanities; environment; crime; research; and other. Environment and arts, culture, humanities public charities are often also found to be more reliant on charitable contributions at the national level (Boris & Steuerle, 2006). **Their reliance on contributed revenue reflects the public nature of their activities.** For example, environmental public charities tend to produce benefits, like improved air quality and green spaces, that are enjoyed and shared by many (Fischer et al., 2011). Of the large group of the population that benefits from these public charities, some will value the contributions of the environmental public charity and feel compelled to provide financial support in the form of individual donations, grants, and gifts. In other words, **these public charities widely distribute benefits and costs.** Public charities in these major groups often build their funding models around soliciting contributions from like-minded beneficiaries by connecting them to causes they care about deeply or offering activities of interest (Foster et al., 2009).

While contributed revenue is an important indicator of public support, it is more volatile than participation-based revenue. As a result, public charities reliant on contributed revenue are more likely to struggle with strategic planning and long-term growth (Francis & Talansky, 2012; Foster & Fine, 2007). **It follows that the greater dependency on contributed revenues, the more likely it is that a nonprofit will be small.** Of course, there are exceptions, but they are few—only one in three of the country's largest nonprofits report charitable contributions as their dominant source of revenue (Foster & Fine, 2007).

Figure 7: St. Louis Public Charity Total Revenue by Major Group (2015-2017)



Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2015-2017

Five major groups in St. Louis — human services, K-12 education, health, higher education, and hospitals — primarily rely on participation-based revenue. It reflects the fact that **their activities tend to generate benefits meant for one person and not easily shared with others.** At a hospital, a patient pays to receive services that benefit their health and well-being. The same goes for higher education where a student pays tuition in order to receive a degree. **The benefits and costs of these major groups are more narrowly distributed** than those public charities reliant on contributed revenue (Fischer et al., 2011). These major groups, especially hospitals and higher education, are likely to build their funding models around maximizing program service fees and building long-term relationships with beneficiaries to solicit donations from them. The latter is important as they often provide revenues for "major projects such as building, research, and endowment funds" (Foster et al., 2009).

Importantly, participation-based revenue includes not just service fees, but government contracts, Medicaid, and Medicare payments. These are generally regarded as stable and the most important driver of high-growth nonprofits (Boris & Steuerle, 2006; LeRoux & Feeney, 2014; Foster & Fine, 2007). **It follows that the greater a public charity's participation-based revenues, especially those originating with the federal government, the more likely it is to be large.** At the national level, 66.6% of the largest nonprofits report government contracts and service fees as their dominant source of revenue (Foster & Fine, 2007).

Revenue Outliers

In the nonprofit sector, **it's typical for revenues to be concentrated among a few of the largest public charities, namely hospitals, health and higher education** (Boris & Steuerle, 2006; LeRoux & Feeney, 2014). In other words, these public charities are more likely to be statistical outliers because they report unusually large revenues compared to most of the region's public charities. As has been found

throughout this report, there are important relationships between size and major groups. Outliers underscore these relationships given the strong correlation between size and financial indicators. As such, outliers are consistent across 2015-2017, however, there was some variation due to one-time fundraising campaigns or other special circumstances. The following is a description of revenue outliers in St. Louis.

- **Total revenue:** There are approximately 14 total revenue outliers — all hospitals and higher education public charities, most of which are on the top 10 largest public charities list — **that accounted for 65.5% of average annual total revenue ($18.8 billion).**

- **Contributed revenue: This is the least concentrated revenue type with 12 outliers reporting 28.4% of all contributed revenue** ($1.0 billion dollars). Compared to other revenue types, this is the most diverse in terms of major groups representing human services, community improvement, hospitals, higher education, and environment major groups. They are all the top 10 largest public charities in their respective major groups.

- **Participation-based revenue:** Public charities that were total revenue outliers are also participation-based outliers. They are hospitals and higher education institutions whose funding models drive budget growth. These approximately **14 outliers made up 73.6% of average annual participation-based revenue** ($16.8 billion).

- **Other revenue:** Approximately **10 outliers — again, primarily hospitals and higher education institutions — represented 54.7% of other income** (1.1 billion).

Expenses

Total expenses can be used to measure nonprofit economic impact and the cost of doing business by region or major group (Nonprofit Finance Fund, n.d.). The former is discussed more in detail as employment expenses in Section IX: Nonprofit Economic Impact. This section will orient the discussion of total expenses towards the latter.

Baltimore is again the clear leader in total expenses with double the total expenses in Indianapolis ($17.3 billion) and more than triple the total expenses in Kansas City ($10.9 billion). **St. Louis reported the second highest total expenses ($27.2 billion)**. Overall, total expenses per metropolitan area share the same ranking as total revenues. Given the relationship between the two, it's not surprising that total expenses by region mirror the previous findings. In all regions, expenses are about 95.0% of their total revenue.

An examination of per capita total expenses shows Baltimore ($12,015) retains a strong lead, but the difference in expenses between St. Louis ($9,701) and Indianapolis ($8,637) narrows. Much like per capita total revenue, **these three regions all have greater per capita total expenses than the nation** ($6,808). Kansas City, again, was the only region to have lower per capita total expenses ($5,177) than any other region. It seems likely the cost of operating a public charity is greatest for Baltimore, which again, has a relatively larger nonprofit sector and higher price levels. Of the regions located in the

midwest, St. Louis has the largest costs followed by Indianapolis and Kansas City. It's likely total expenses in St. Louis are driven by the size and composition of its sector as price levels between it and other midwestern peer regions are comparable (Bureau of Economic Analysis, 2020).

Figure 8: Average Annual Public Charity Total Expenses (2015-2017)

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2015-2017

Given how nonprofit size is measured and its relationship to expenses, examining the latter by major group continues to build on previously discovered trends. **Clearly, hospitals and higher education are distinct from other major groups in terms of the magnitude of their expenses.** Their median total expenses are roughly 300 times larger than the region's median total expenses. While there is a clear drop-off in per capita and median total expenses after the top ranked major groups, human services ($304,063) and health ($247,578) also reported larger median total expenses than the region ($133,958). Again, these major groups are more likely to be mid-sized or large meaning they have larger, and often specialized, workforces (Suarez, 2010; Stone, 1996). This last point is especially noteworthy (and will be discussed at length in Section IX: Nonprofit Economic Impact) as employment expenses are especially high for these major groups — representing up to two-thirds (65.0%) of their total functional expenses — and drives up their cost of doing business (Boris & Steuerle, 2006).

Two-thirds of major groups do not exceed the region's median total expenses: K-12 education; community improvement; arts, culture, humanities; religion; environment; crime; research; and other. For these major groups, the cost of doing business is less by virtue of their size.

Table 4: St. Louis Total Expenses by Major Group, 2020 dollars (2015-2017)		
Major Group	**Per Capita Total Expenses**	**Median Total Expenses**
Hospitals	$5,600	$45,117,961
Higher Education	$1,801	$39,141,119
Human Services	$829	$304,063
Health	$514	$247,578
K-12 Education	$397	$90,681
Community Improvement	$313	$101,284
Arts, Culture, Humanities	$92	$84,697
Religion	$51	$93,870
Environment	$49	$124,237
Crime	$17	$92,491
Research	$8	$127,924
Other	$5	$18,383
All Major Groups	**$9,701**	**$133,958**

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2015-2017; U.S. Census Bureau (2020). Annual Estimates of the Resident Population, 2010-2019.

Expense outliers

Much like revenues, **it's typical for expenses to be concentrated among a few of the largest public charities**. Moreover, given the strong, positive relationship between revenues and expenses, expense outliers largely mirror revenue outliers.

In St. Louis, total expense outliers are almost identical to total revenue outliers. It's the same group of the largest hospitals and higher education public charities and they reported almost the same proportion of the region's total expenses. In all, **15 public charities accounted for 66.3% of total expenditures** ($18.0 billion).

Assets

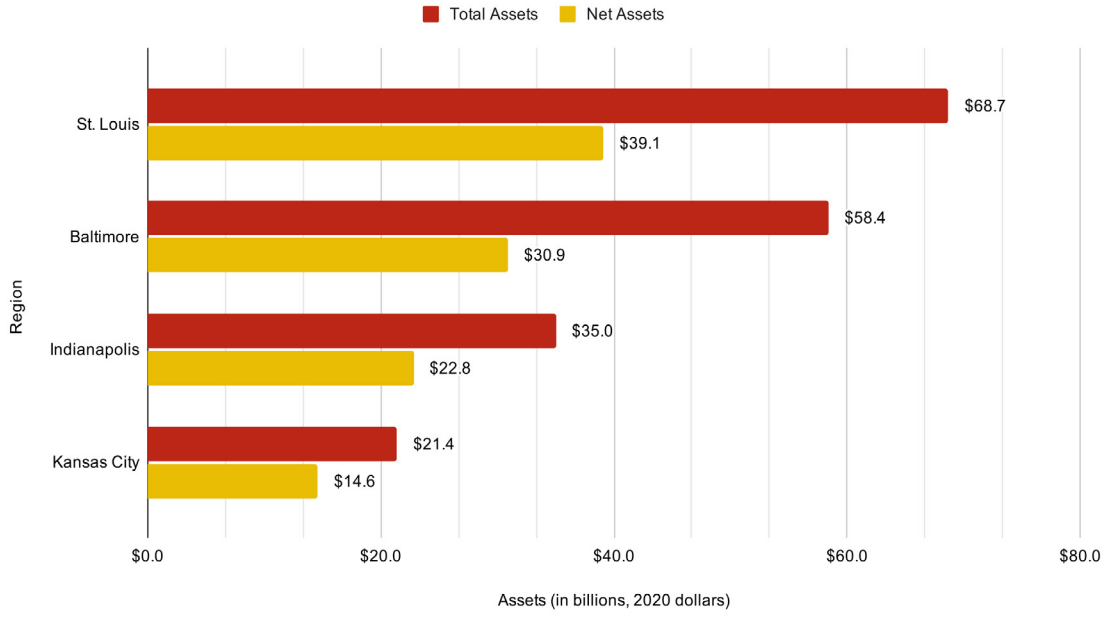
St. Louis has the largest average total assets of any region ($68.7 billion), more than three times that of Kansas City ($21.4 billion) and almost twice that of Indianapolis ($35.0 billion). The total value of items with economic benefit— like cash, buildings, investments, and equipment — is exceptionally large in St. Louis (Nonprofit Finance Fund, n.d.; Council on Foundations, n.d.). **St. Louis also leads in total and per capita net assets and unrestricted net assets**. It only ranks second to Baltimore in restricted net assets. St. Louis has the largest average total assets of any region ($68.7 billion), more than three times that of Kansas City ($21.4 billion) and almost twice that of Indianapolis ($35.0 billion). The total value of items with economic benefit — like cash, buildings, investments, and equipment — is exceptionally large in St. Louis (Nonprofit Finance Fund, n.d.; Council on Foundations, n.d.). St. Louis also leads in total and per capita net assets and unrestricted net assets. It only ranks second to Baltimore in restricted net assets. The St. Louis region's outstanding performance in assets is a result of it being home to several of the country's largest hospital systems (Ascension, Mercy, SSM Health), largest hospitals (Barnes-Jewish Hospital and Mercy Hospital), and a university with one of the largest endow-

ments in the country (Washington University in St. Louis) (Dyrda, 2020; National Center for Education Statistics, 2019). These public charities, and their peers, own tremendous assets in the forms of real estate, buildings, equipment, investments, and cash.

Looking at per capita assets, **St. Louis has at least twice the national per capita total, net assets, and unrestricted net assets.** Baltimore and Indianapolis also have high per capita total, net assets, and unrestricted net assets compared to the country. Kansas City came in below the nation's per capita total and net assets; both Kansas City and Indianapolis had low per capita restricted assets. Interestingly, Kansas City did have notably high per capita unrestricted net assets compared to the country. Between metropolitan areas, St. Louis continued to lead in all per capita assets except restricted.

Across all regions, about 30.0% of public charities did not report positive unrestricted net assets meaning they lack flexible funding that can be used for any purpose. Unrestricted net assets are especially helpful when public charities experience cash-flow issues, as many are in the wake of the Covid-19 pandemic (Keating & Frumkin, 2008; Kramer, 2018). Typically, those public charities without positive unrestricted net assets tend to be smaller and of certain major groups as will be discussed in the next section.

Figure 9: Average Annual Public Charity Total Assets and Net Assets (2015-2017)



Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities Full), 2015-2017

Table 5: Assets, 2020 dollars (2015-2017)

Region	Per Capita Total Assets	Per Capita Net Assets	Per Capita Unrestricted Net Assets	Per Capita Restricted Net Assets	Public Charities with Positive Unrestricted Net Assets
St. Louis	$24,486	$13,955	$9,889	$3,350	69.1%
Baltimore	$20,889	$11,070	$7,022	$3,378	71.3%
Indianapolis	$17,458	$11,385	$8,980	$1,967	72.2%
United States	$11,882	$7,125	$3,800	$2,339	70.0%
Kansas City	$10,178	$6,970	$5,452	$1,072	70.2%

Sources: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities Full), 2015-2017; U.S. Census Bureau (2020). Annual Estimates of the Resident Population, 2010-2019.

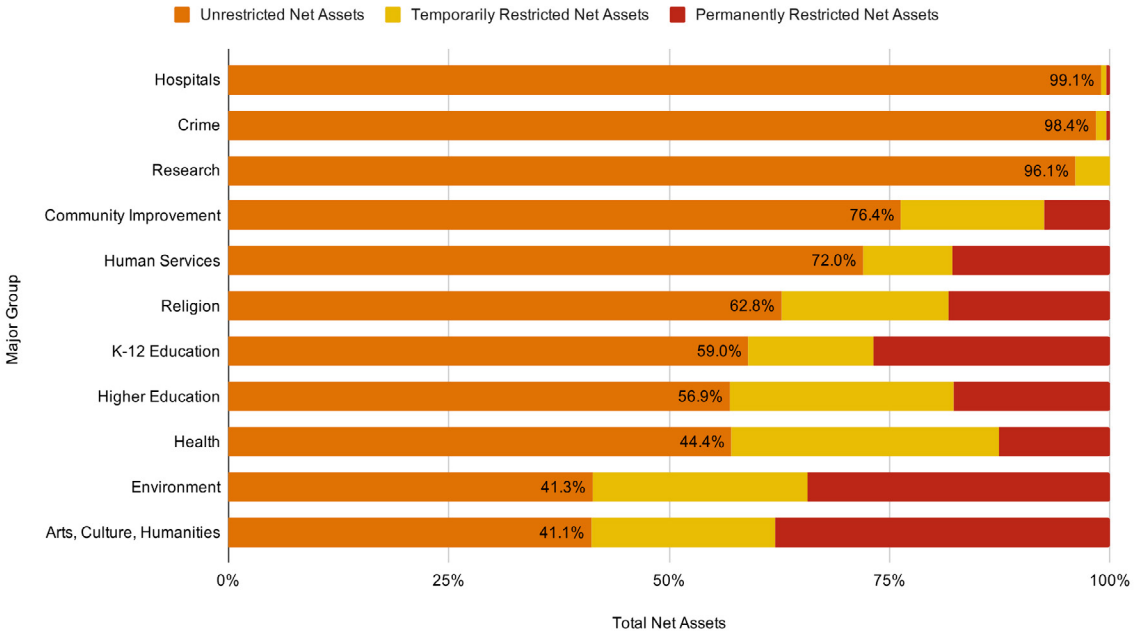
Assets by major group

Net assets provide a quick assessment of a public charity's net worth and typically discussed by their designation: unrestricted (no donor stipulations), temporarily restricted (donor time or purpose stipulations that expire), and permanently restricted (donor time or purpose stipulations that never expire). This report focuses on examining unrestricted net assets, especially positive unrestricted net assets, as they are an important measure of financial health and sustainability that can be tapped when emergency strikes. Public charities with positive unrestricted assets can more easily address funding gaps which has proved an important factor for weathering the current storm (Cantor, 2020;Haynes et al., 2020).

In the region, **hospitals, crime, and research public charities have remarkably high proportions of unrestricted net assets, more than 20 points higher than the region's proportion of unrestricted net assets (74.8%).** As such, the composition of net assets of these major groups means they are more likely to have access to important rainy day funds. There is a significant drop-off in the proportion of unrestricted net assets with community improvement and human services coming up next. These major groups mirror the region's composition with roughly three-fourths of their net assets being unrestricted.

All other major groups have lower proportions of unrestricted net assets than the region. Religion, K-12 education, and higher education public charities net assets are primarily unrestricted, but to a lesser extent than the aforementioned cluster. **Health; environment; and art, culture, humanities are the only major groups to have a higher percentage of restricted net assets (temporarily and permanently) than unrestricted funding.** Their limited access to flexible funding reveals that their contributed revenue is much more likely to come with stipulations.

Figure 10: St. Louis Net Assets by Major Group (2015-2017)



Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities Full), 2015-2017

Table 6: St. Louis Net Assets by Major Group, 2020 dollars (2015-2017)				
Major Group	**Median Unrestricted Net Assets**	**Median Temporarily Net Assets**	**Median Permanently Restricted Net Assets**	**Public Charities with Positive Unrestricted Net Assets**
Higher Education	$89,449,129	$7,458,198	$14,610,099	97.8%
Hospitals	$27,199,385	$37,146	$0	82.5%
Health	$635,265	$0	$0	77.9%
Research	$496,559	$0	$0	75.0%
Human Services	$366,910	$1,318	$0	69.9%
Environment	$292,810	$0	$0	77.3%
K-12 Education	$178,662	$0	$0	65.0%
Crime	$178,662	$12,832	$0	78.6%
Arts, Culture, Humanities	$168,122	$0	$0	63.0%
Religion	$137,882	$0	$0	74.6%
Community	$121,517	$0	$0	63.3%
All Major Groups	**$280,279**	**$0**	**$0**	**69.1%**

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities Full), 2015-2017.

Clearly, **higher education and hospitals hold the vast majority of each type of net assets in the region. For example, higher education had median unrestricted net assets 319 times the region's median and hospitals 97 times the region's median.** National research finds the same and credits these major group's funding models —leveraging participation-based revenues as well as generating large endowments—as critical building blocks of their enormous assets (Chikoto & Neely, 2014; Boris & Steuerle, 2006). The accumulation of these assets provides access to capital and an overall strong financial position which keeps them competitive with their for-profit peers. Importantly, these assets are often used to provide subsidized or no-cost services to current or future beneficiaries (Calabrese, 2011). Additionally, these major groups are much more likely to have positive, unrestricted net assets, especially compared to the region and other, traditionally smaller groups.

The majority of major groups all have median unrestricted assets below the region's median ($280,279) which is a byproduct of size. Of these major groups, three (community improvement; arts, culture, humanities; K-12 education) have a notably low percentage of public charities with positive net assets. It's possible these groups are more likely to struggle with creating important rainy day funds.

Asset outliers

Asset outliers are almost identical to total revenue and expense outliers—they are predominantly the same largest hospital and higher education public charities in the region. Between 2015-2017, asset outliers in St. Louis were as follows:

- **Total assets:** The proportion of the region's total assets reported by outliers is comparable to total revenues or net assets, however, the number of total asset outliers is about half that of the others. **About 8 hospital and higher education public charities owned 64.5% ($44.3 billion) of total assets.** Total assets appear to be highly concentrated among a very few hospital and higher education public charities. In fact, the two most statistically significant outliers account for 43.4% ($35.4 billion) of total assets.

- **Net Assets: About 9 public charities made up 61.3% ($24.0 billion) of the region's net assets.** While one K-12 education public charity was among the outliers, the rest were higher education and hospital public charities.

- **Unrestricted net assets:** The composition of unrestricted net assets is fairly similar to net assets both in terms of individual public charities and that they account for a relatively low proportion of the sub-indicator compared to others. **About 10 outliers — all hospitals and higher education public charities — accounted for 28.2% ($7.2 billion) of the region's unrestricted net assets.** These organizations have the greatest financial safety nets in the event of unforeseen circumstances.

- **Restricted net assets: Approximately 8 outliers had 68.3% ($9.4 billion) of total restricted net assets.** These outliers are slightly more diverse than others in that there three major groups other than higher education and hospitals are included: K-12 education, environment, and arts, culture, and humanities. Many of the outliers here were the same as contributed revenue outliers suggesting that the revenue type often comes with stipulations from donors and funders.

Questions for Consideration

Related findings across nonprofit financial indicators raise consequential questions about the financial capacity and sustainability of the region's nonprofit sector. Below, each is paired together to better identify trends, synthesize findings, and examine the region's distinguishable characteristics. Questions are especially important as they anchor the report and represent opportunities for future research.

Finding #1: St. Louis had the second largest total revenues and expenses, however, it also had lower rates of contributed revenue.

- Why does St. Louis have low contributed revenue? What are the impacts on the sector? How can this be reconciled with the widely accepted idea that the region is extremely charitable?

- St. Louis revenue and expense indicators are the largest in the midwest region falling between Baltimore and Indianapolis. Are these findings the joint effect of location and size of the region's sector?

Finding #2: Each major group in the region has a distinct financial profile. Hospitals and higher education institutions major groups tend to dominate all financial indicators and are more likely to be outliers.

- What is the role and impact of large hospitals and higher education public charities in the region?

- What are the factors that contribute to St. Louis, Baltimore, and Indianapolis reporting greater participation-based revenue than the nation? Is one factor the presence of large hospitals and higher education institutions in these regions?

- How do St. Louis outliers compare to other regions in terms of major group, number, and total dollar value of their revenues, expenses, and assets?

- What is the financial capacity of public charities in major groups that are less likely to have positive unrestricted net assets? What is the relationship between the composition of net assets (unrestricted, temporarily restricted, and permanently restricted) and major group funding models?

VII
NONPROFIT ECONOMIC IMPACT

The nonprofit sector is an important and sizable part of any region's economy. It generates direct and indirect jobs and payroll taxes, spurs economic activity and development, attracts employers, and more (LeRoux & Feeney, 2014). Of course, economic indicators are especially helpful for casemaking and advocacy purposes that highlight the total economic value of benefits nonprofits generate for society.

Two nonprofit economic impact indicators are included in this section:

Employment: The nonprofit sector generates one-third of the nation's jobs (Salamon & Newhouse, 2020). Contrary to popular belief, jobs in select nonprofit fields are often well-paid in comparison to their for-profit counterparts. Employment is examined by:

- Public charity share of jobs
- Public charity share of private annual wages
- Ratio of public charity wages to all establishments
- Total employee compensation (executive compensation, staff compensation, and payroll taxes)
- Total number of employees
- **Volunteerism:** In terms of measuring public support, volunteerism is largely overshadowed by individual giving. However, volunteers are the backbone of the nonprofit sector: they serve on boards, conduct programs, fundraise, and more (Leete, 2012). While they are not paid for their time, the IRS provides an economic valuation of their hourly contributions making it possible to measure the total annual value of their contributions. Volunteerism is examined by:
  - Volunteer service worth estimation
  - Percent of residents volunteering
  - Number of volunteers
  - Hours of service

Economic Impact

In 2016, the nonprofit sector contributed an estimated $1.04 trillion to the country's economy, 5.6% of the country's gross domestic product (GDP)[5] (NCCS Project Team, 2020). The country's nonprofit sector is regularly ranked in the top 20 largest economies every year by the World Bank beating out countries like Sweden, Ireland, and Thailand (World Bank, n.d.). This basic measure of economic impact is difficult, if not impossible, to accurately analyze at the metropolitan-level given the limitations of public data[6]. Also, while it is a good measure for the for-profit sector, it is less so for the nonprofit sector because nonprofits, "are fairly labor intensive… [and]make more of a contribution to the economy as employers of labor than to GDP (McKeever & Gaddy, 2016). A quick comparison of the sector's 2016 national share of GDP (5.6%) and employment (10.2%) bears this out (Bureau of Labor Statistics, 2018). **Given the importance of the nonprofit sector's role as an employer, the report focuses on measuring dimensions of workforce characteristics to the extent possible with public data.**

Volunteers may seem out of place in a discussion about economic impact as they are unpaid, however, they are a sizable portion of the sector's labor inputs.

5. Although this is the best available estimate of the nonprofit sector's contribution to the economy, it underestimates the total value of its economic contributions. The Bureau of Economic Analysis, only measures the contributions of nonprofit institutions serving households (NPISH). It does not include tax-exempt organizations that primarily serve businesses (McKeever and Gaddy, 2016).

6. The Bureau of Economic Analysis does not publish nonprofit GDP statistics separate from for-profit entities at the metropolitan or county level.

Many reports, including this one, include them in discussion about the nonprofit workforce for two reasons: 1) nonprofits spend money to recruit, train, coordinate, and insure volunteers; 2) volunteers contribute, albeit in unmeasured ways, to the sector's GDP (Leete, 2012; Blackmar & LeRoux, 2012). While volunteers and employees are distinct from one another, they share these important workforce characteristics.

Lastly, the economic impact of nonprofits in St. Louis deserves to be recognized. The following indicators make a powerful case for how the nonprofit sector makes significant contributions to the region's economy through direct and indirect spending. Direct spending is the "money a nonprofit — or visitors in the regional economy due to the activity of the nonprofit—spends directly" (Woods & Johnson, 2015). Examples of each type of direct spending are below:

- **Money nonprofits spend:** Employee compensation is the largest direct expense for nonprofits as much of the workforce is highly specialized. On average, employee spending is a little less than half (46.0%) of nonprofit functional expenses (Boris & Steuerle, 2006). Other direct spending includes payroll taxes and buying goods and equipment as well as services (National Council of Nonprofits, n.d.).

- **Money visitors spend:** For example, tourists who visit St. Louis to attend a concert at the St. Louis Symphony Orchestra or see a play at The Muny — they might book a hotel room, go out to dinner, pay for parking, buy souvenirs (National Council of Nonprofits, n.d.; Americans for the Arts, n.d.).

This report focuses on direct expenses as these dollars are largely spent in the region and stay in the region. In other words, they are the best indicator of the sector's direct economic impact. As a note, secondary spending (the subsequent spending generated by direct spending as it re-circulates through the economy) is not considered here as it is outside the scope of the report (Woods & Johnson, 2015). As such, the total economic impact of the sector is underestimated.

Employment

In 2017, the **nonprofit sector employed the third largest workforce in the country (12.4 million jobs or 10.2% of all private industry jobs), a larger share than construction, manufacturing, or finance sectors.** Nonprofit employment was substantially higher in major groups like education, healthcare, and arts, culture, humanities (Salamon & Newhouse, 2020). **Baltimore (15.2%) and St. Louis (13.3%) employ comparatively high proportions of public charity workforces** compared to other regions and the nation. **St. Louis City in particular is a powerhouse, recognized as having one of the country's largest nonprofit workforces** (Bureau of Labor Statistics, 2018). These findings are most likely driven by the size of these sectors and the presence of large hospitals and universities that employ large workforces in the region.

Table 7: Nonprofit Employment (2017)			
Regions	**Public Charity Share of Private Jobs**	**Public Charity Share of Private Annual Wages**	**Ratio of Public Charity Wages Relative to All Establishments**
Baltimore	15.2%	16.0%	1.06
St. Louis	13.3%	13.5%	1.02
Indianapolis	10.4%	12.0%	1.17
United States	10.2%	9.9%	0.97
Kansas City	6.9%	6.6%	0.96

Source: U.S. Bureau of Labor Statistics (2020). Business Employment Dynamics, Nonprofit Data Files, 2017 Annual Averages.

At the national level, the sector's workforce makes $0.97 for every one dollar earned by their peers in the for-profit workforce. **At the regional level, pay disparities all but disappear with three out of four regions paying higher non-profit wages than for-profits.** Major groups "in which nonprofits and for-profits are both heavily involved, nonprofit average weekly wages tend to be higher than those offered by for-profit firms" (Salamon & Newhouse, 2020). The findings suggest that the widespread belief that nonprofit wages pale in comparison to for-profit wages should be questioned. Indianapolis is the clear leader in nonprofit wages — nonprofit wages were 17.0% higher than for-profit wages — whereas St. Louis has slightly higher nonprofit than for-profit wages. Kansas City reports a roughly comparable wage disparity as the national sector.

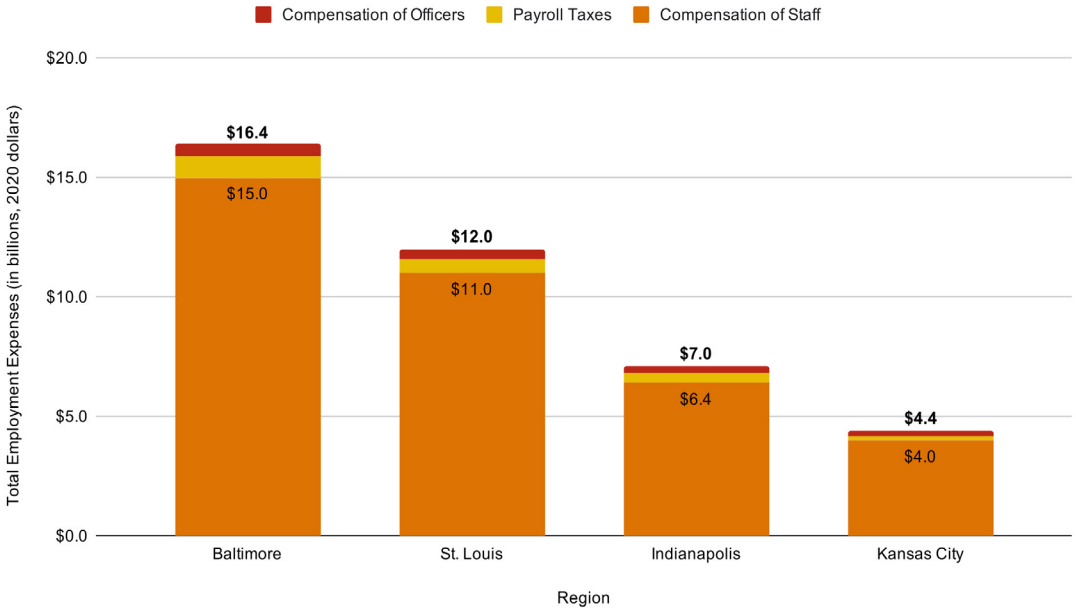
There is an important caveat to these findings: **pay disparities vary by role (executives versus staff) and major groups.** Major groups that hire employees with specialized knowledge tend to pay higher wages compared to their for-profit peers. In particular, nonprofits in higher education, hospitals, and health pay between 25.0% to 75.0% higher average wages than their for-profit counterparts (Salamon & Newhouse, 2020; McKeever & Gaddy, 2016). The differences in employment between major groups will be discussed further at the regional level below.

Turning to available IRS Form 990 data, it's possible to examine total employment expenses, types of employment expenses (executive compensation, staff compensation, and payroll taxes), and total number of employees by region and major group. IRS 990 employment expense data is only available from the National Center for Charitable Statistics (NCCS) for about half of a region's reporting public charities meaning total employment expenses are underreported. Despite this, and other limitations, it provides valuable findings that deepen understanding of the economic impact of the sector.

On average, **total employment expenses account for 40.4% of public charity expenditures across all regions** making it the single largest expense for the nonprofit sector. In all regions, staff compensation is the largest employment expense (90.8%) followed by executive compensation (5.3%) and payroll taxes (3.9%). The sectors in each region contribute significantly to their economies with these types of direct spending that impact the bottom line of employees as well as regional tax bases[7].

7. *In St. Louis City, public charities do not remit local payroll taxes (St. Louis, Missouri Code of Ordinances, Payroll Expense Tax §5.23.050 (1994).*

Figure 11: Total Employment Expenses by Type (2017)



Sources: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities Full), 2017; Core Files (Public Charities), 2017

Table 8: Total Employment Expenses, 2020 Dollars (2017)

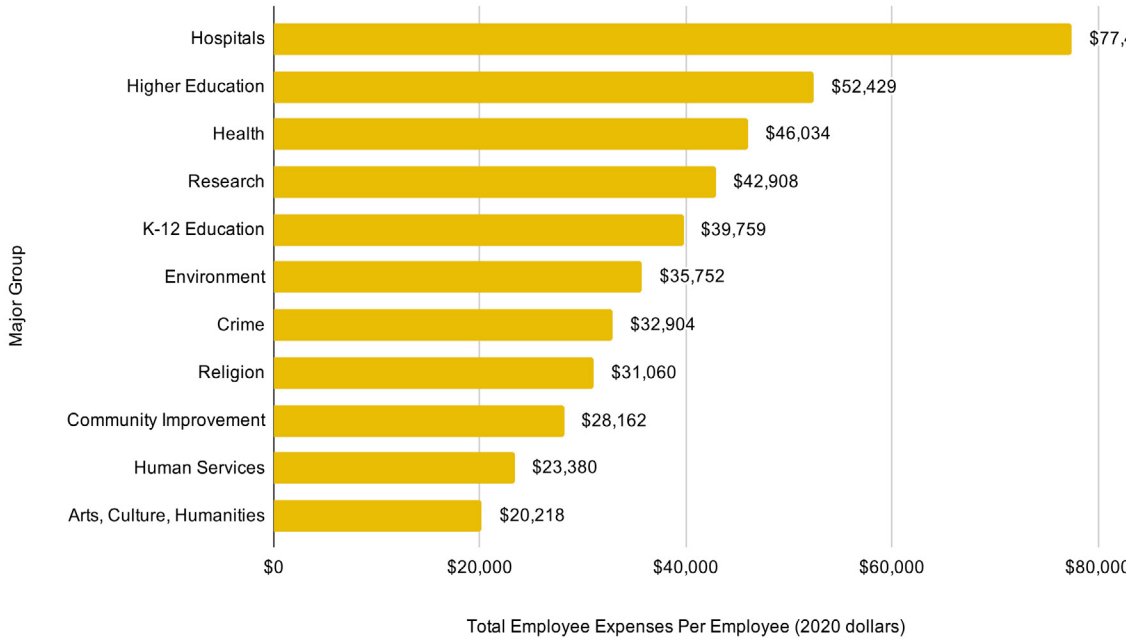
Region	Employment Expenses Share of Total Expenses	Per Capita Employment Expenses	Number of Employees	Total Employee Expenses Per Employee
Baltimore	46.3%	$5,861	266,410	$61,571
St. Louis	40.5%	$4,293	225,916	$53,314
United States	40.2%	$2,989	19,309,801	$50,300
Kansas City	38.8%	$2,109	97,767	$45,885
Indianapolis	36.2%	$3,493	133,845	$52,918

Sources: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities Full), 2017; Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2017; U.S. Census Bureau (2020). Annual Estimates of the Resident Population, 2010-2019.

The trends that emerged above in the examination of the nonprofit sector's share of private employment are mirrored in employment expenses. Baltimore has the largest employment expenses of any region and a larger share of total expenses, per capita employment expenses, and total expenses per employee than the country. Baltimore's per capita employment expenses were twice as large as the nation and expenses per employee was $11,000 more than the nation. It's likely that Baltimore's performance is influenced by it's above average annual cost of living, especially compared to the other regions that are located in states with some of the lowest costs of living in the country (Missouri Economic Research and Information Center, 2020).

St. Louis and Indianapolis have very similar costs of living and are roughly comparable in expenses per employee, but St. Louis does report larger per capita expenditures ($4,293) than Indianapolis ($3,493). Both St. Louis and Indianapolis exceed the country's employment expenses share of total expenses, per capita employment expenses, and total expenses per employee. Again, Kansas City fell notably below national findings in each sub indicator, however, it also has a lower cost of living which in-part explains its performance.

Figure 12: St. Louis Total Employment Expenses per Employee by Major Group (2017)



Sources: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities Full), 2017; Core Files (Public Charities), 2

Table 9: St. Louis Employment Expenses by Major Group, 2020 dollars (2017)[8]

Major Group	Total Employment Expenses	Employment Expenses Share of Total Expenses	Number of Employees	Total Employee Expenses Per Employee
Hospitals	$6,668,073,211 (55.4%)	38.3%	86,072 (38.1%)	$77,471
Higher Education	$2,725,959,972 (22.6%)	50.1%	51,993 (23.0%)	$52,429
Human Services	$1,104,944,952 (9.2%)	47.6%	47,261 (20.9%)	$23,380
Health	$727,749,386 (6.0%)	58.5%	15,809 (7.0%)	$46,034
K-12 Education	$458,658,628 (3.8%)	39.8%	11,536 (5.1%)	$39,759
Community Improvement	$111,072,194 (0.9%)	15.9%	3,944 (1.7%)	$28,162
Arts, Culture, Humanities	$98,684,715 (0.8%)	40.8%	4,881 (2.2%)	$20,218
Environment	$60,456,568 (0.5%)	35.7%	1,691 (0.7%)	$35,752
Religion	$53,484,673 (0.4%)	44.6%	1,722 (0.8%)	$31,060
Crime	$25,763,508 (0.2%)	55.9%	783 (0.3%)	$32,904
Research	$9,611,403 (0.1%)	48.1%	224 (0.1%)	$42,908
All Major Groups	**$12,044,459,215**	**40.50%**	**225,916**	**$53,314**

Sources: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities Full), 2017; Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2017.

8. Other is excluded from major group analysis as there were no observations in the major group reporting employment expenses.

In the St. Louis region, **hospitals and higher education, and human services are the largest employers providing 8 out of every 10 jobs in the sector (82.0%).** The size and primary activities of these major groups require large, highly specialized workforces to deliver their services

Hospitals account for the majority of the sector's employment expenses (55.4%) and are the largest employer with over one-third (38.1%) of the sector's jobs. With the highest total expenses per employee ($77,471), it is the only major group with disproportionately high expenses compared to the proportion of the sector's jobs it provides. Interestingly though, employment costs make up a smaller amount of expenses for hospitals in St. Louis (38.3%) then in the nation where employment costs have been found to be over 50.0% (Boris & Steuerle, 2006). Higher education's total employment expenses are almost 2.5 times less than hospitals and made up a larger percent of their total expenses (50.1%), which is similar to national findings (Boris & Steuerle, 2006).

While human services is a large employer, the major group pays notably low employment expenses per employee ($23,380). Other major groups which tend to be smaller in size (arts, culture, humanities; community improvement; and religion) also reported relatively low expenses per employee. **For these groups, it's possible both their budget size and workforce are constrained by their contributed revenue funding models.** Environment performed rather well compared to its similar sized peers due to large employment expenses at a handful of large public charities, especially Missouri Botanical Gardens.

Volunteerism

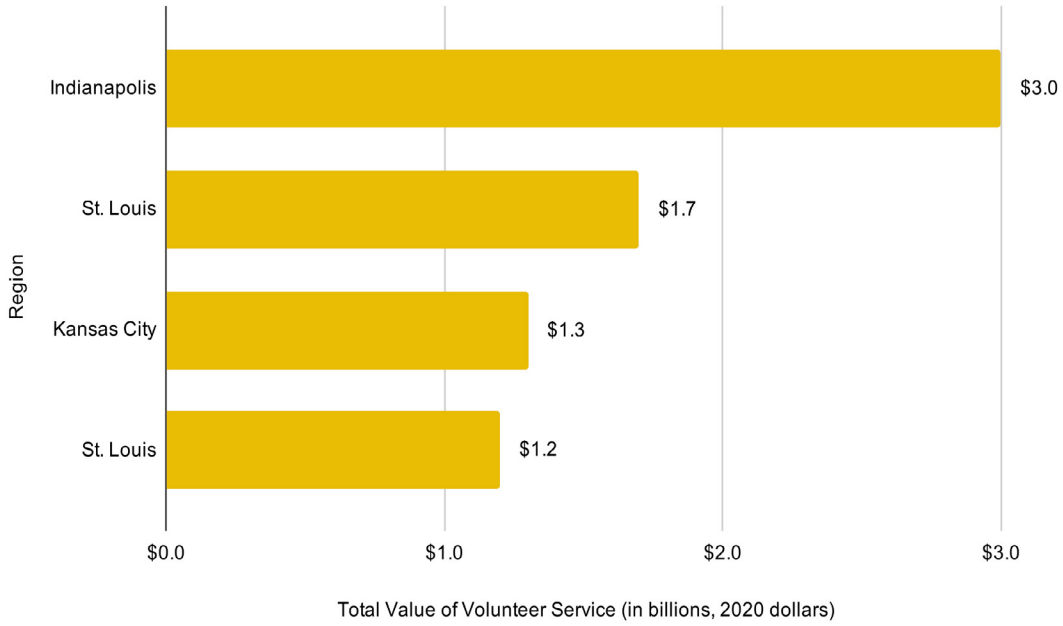
While volunteers are not paid for their service, the IRS does provide a monetary value for their contributions each year in the form of hourly time and mileage. The current IRS valuation for volunteer-related activities are:

- Hourly rate: $27.20[9] (Independent Sector, 2020)
- Mileage rate: $0.14 cents per mile (IRS Standard Mileage Rates, 2021)

Nonprofits can use these amounts to calculate the total monetary value of volunteer contributions to "demonstrate the support they receive from their communities" in annual reports and impact statements. It is possible to include these valuations in IRS reporting and other financial statements, however, it requires following generally accepted accounting principles (GAAP) which has strict standards for what volunteer contributions are eligible for valuation (Candid, n.d.).

9. This is the 2019 valuation; at the time of publication the IRS had not yet released the 2020 valuation (Independent Sector, 2020).

Figure 13: Volunteer Service Worth Estimation (2018)



Source: Corporation for National and Community Service (2020), Volunteering in America, 2018.

Table 10: Volunteerism (2018)

Region	Percent of Residents Volunteering	Number of Volunteers	Hours of Service
Indianapolis	43.3%	627,505	51.7 million
Baltimore	37.6%	866,072	126.3 million
Kansas City	37.4%	631,317	54.4 million
St. Louis	31.1%	767,385	72.3 million

Source: Corporation for National and Community Service (2020), Volunteering in America, 2018.

Volunteer service was valued at $1.7 billion dollars in St. Louis. It is half that of Baltimore ($3.0 billion) and most similar to valuations in Kansas City ($1.3 billion) and Indianapolis ($1.2 billion). These valuations represent millions of hours of volunteer work that are essential to the operation of nonprofits. Considering the total value of volunteer time alongside employment makes it possible to estimate the total economic value of benefits nonprofits generate for society by capturing unmeasured contributions to the nonprofit sector's GDP (Leete, 2012).

Indianapolis and Baltimore rank in the top ten regions for percentage of residents volunteering, with Kansas City just missing the cut at 11. **St. Louis ranked considerably lower than peer regions with just above one-third of residents (31.3%) volunteering — landing it a ranking of 25 out of the 50 largest metropolitan areas** (Corporation for National and Community Service, 2018). However, looking at total hours of service, St. Louis measures up better, beating out both Indianapolis and Kansas City.

Questions for consideration

This section frames economic impact largely in terms of workforce. Like many reports, the focus on the nonprofit workforce is due to the nature of the sector and limitations of public data. While there are gaps in information, it raises valuable questions about the St. Louis region's nonprofit sector that presents opportunities for future research.

Finding #1: There isn't published GDP data for the nonprofit sector at the metropolitan level. As such, the region lacks an important measure that could be used to make a case for how much the sector contributes to the region's economy.

- How would the nonprofit sector's GDP compare to other industries or for-profit businesses?

Finding #2: The nonprofit sector employs a notable portion of the region's workforce and pays comparable wages to for-profit peers in the same fields. However, employment varies greatly by major group in the region with higher education, hospitals, and health paying notably more per employee.

- How can the region's sector dispel the "myth" that nonprofit jobs pay less than for-profit peers?
- What is the public charity share of private jobs and ratio of public charity wages relative to all establishments by major group, size, and job type?
- What are the relationships between funding model, workforce characteristics, like educational attainment, and public charity spending on employment?
- Why are employment expenses among St. Louis hospitals low compared to the country?

Finding #3: St. Louis has mixed results in terms of volunteerism. Compared to other metropolitan areas, it has comparatively fewer residents volunteering (31.1%) at a higher rate (72.3 million).

- What factors impact volunteerism in St. Louis? More specifically, what is driving lower volunteer participation among the population?
- Are fewer volunteers volunteering more time? If so, who are these volunteers?
- How can the nonprofit sector highlight the value of volunteer time alongside more traditional measures, like employment, to tell the full story of the economic benefits it generates?

VIII
NONPROFIT FUNDING

Contributed revenue is an essential funding source for the region's nonprofits. This section looks at both individual giving as well as government and philanthropic grant awards to learn more about the St. Louis region's funding landscape. Of particular interest is examining the scope and composition of charitable contributions as well as the underlying place-based factors that influence both.

Three nonprofit funding indicators are included in this section:

- **Individual Giving:** Individual giving is the single most important revenue type in the nonprofit sector making up roughly 70.0% of contributed revenues (Giving USA, 2018). This indicator examines charitable contributions of taxpayers with itemized deductions.

- **Grant awards by geography:** This indicator examines total grantmaking for the St. Louis region and its counties. It tracks grant awards by recipient's primary mailing address which provides preliminary insights into where grantmaking is making an impact.

- **Grant awards by grantmakers:** This indicator breaks down grantmaking by type in two ways:

    - Funder Type: The original organization awarding and distributing grants. There are five categories: federal government, state government, local government, local philanthropic (within the St. Louis region), and national philanthropic (outside the St. Louis region).

    - Philanthropic Funder Type: Local and national philanthropic funders can be further described as either public (public charities, federated giving campaigns, and community trusts); private (private foundations associated with an individual or family); and corporate (private foundations associated with a for-profit company). Examining these different categorizations gives an in-depth look at the impact various grantmakers have in the region.

Thanks to a new, more robust grants database prepared for the region, it's now possible to get more accurate and deeper insights than ever before about grantmaking. The grantmaking data used in this section comes from the RDA's St. Louis Regional Funding Map available at funding.stldata.org. It originated with the United Way of Greater St. Louis' Community Needs Assessment and captures government (federal, state, local) as well as philanthropic grants over $50,000 awarded in fiscal year 2017 to entities in the United Way's 16-county service area. While it is considerably more robust than comparable industry standard data, it does have limitations. These limitations are discussed in full in the Methodology section, but a few key ones deserve to be raised here: 1) United Way of Greater St. Louis service area differs from the St. Louis metropolitan statistical area;[10] 2) it does not include grant awards less than $50,000; and 3) it's not possible to account for variation across years.

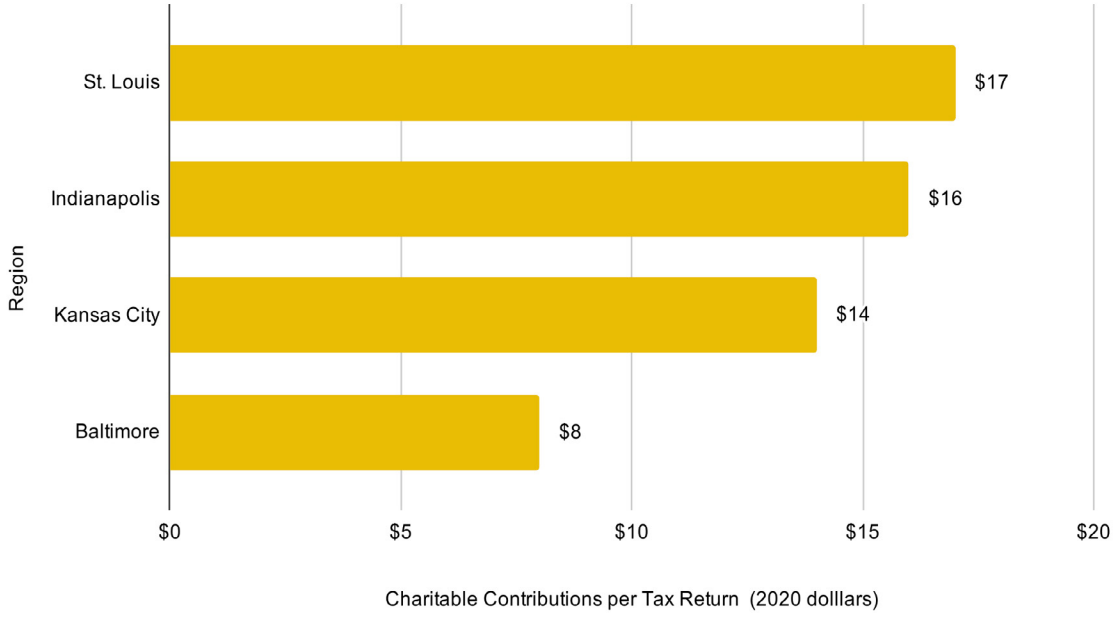
10. The United Way service area excludes Bond County, IL. The county accounted for less than 1.0% of reporting (99) and registered (25) nonprofits located in the St. Louis metropolitan area in 2017.

Individual Giving

The best public data on individual giving comes from Individual Income Tax Returns (IRS Form 1040), Schedule A, which captures charitable contributions of taxpayers who itemize their deductions[11]. Unfortunately, charitable contribution data for taxpayers who claim a standard deduction is not available at the metropolitan level[12]. It means that the total value of individual giving is understated in this report as it does not include charitable contributions from those claiming standard deductions, the majority of taxpayers (on average 86.2% in regions studied here), nor non-cash contributions.

In all regions, at least **85.0% of taxpayers filing returns with itemized deductions reported charitable donations.** This rather considerable proportion implies a widespread public support for the nonprofit sector in each region. Indicator findings are remarkably similar across all regions suggesting no one regional leader. While Boston by far had the largest number of tax returns with charitable deductions and total charitable deductions, it has the lowest charitable contributions per tax return with charitable contributions ($8). **St. Louis had the highest charitable contributions per tax return ($17)** just beating out Indianapolis ($16). It seems these regions have taxpayers with a charitable bent.

Figure 14: Charitable Contributions per Tax Returns with Charitable Contributions (2018)



Source: Internal Revenue Service (2021). SOI Tax Stats County Data, 2018.

11. IRS Form 990 does not include a line item for charitable donations made by individuals meaning it cannot be used here to research individual giving.

12. IRS Tax Stats Data by Metropolitan and Micropolitan areas only provides data on itemized deductions (IRS, 2018). While the Individual Income Tax Return (IRS Form 1040) in 2020 collects information on "charitable contributions if you take the standard deduction" (IRS Form 1040, Line 10b) this was not the case for 2018 Individual Income Tax Returns, the most recently available.

Table 11: Charitable Contributions from Tax Returns, 2020 dollars (2018)				
Region	Number of Tax Returns with Charitable Deductions (in thousands)	Total Charitable Contributions of Tax Returns (in thousands)	Percent of Tax Returns with Reporting Charitable Donations	Charitable Contributions per Tax Return Reporting Charitable Contributions
Baltimore	536,500	$4,230,826	85.9%	$8
St. Louis	230,900	$3,678,158	85.7%	$17
Kansas City	175,800	$2,354,090	85.3%	$14
Indianapolis	145,660	$2,200,988	86.7%	$16

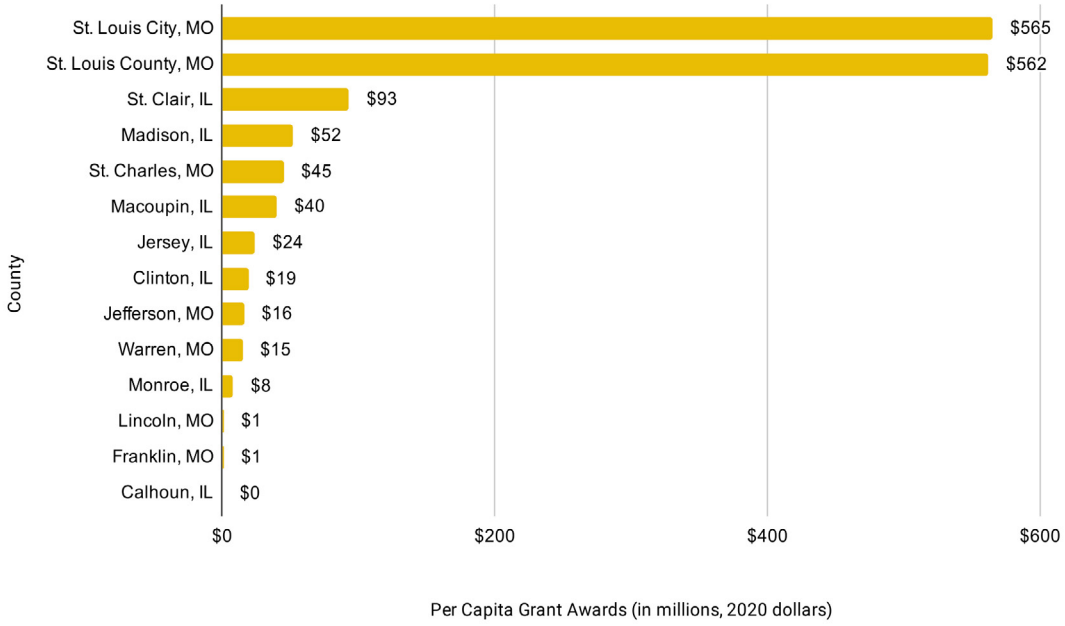
Source: Internal Revenue Service (2021). SOI Tax Stats County Data, 2018.

As discussed, St. Louis individual giving is strong, especially to religious nonprofits, compared to other regions (Fidelity Charitable, 2019; The Rome Group, 2018). It is particularly interesting considering St. Louis was found to have relatively low contributed revenue compared to other peer regions. If individual giving appears strong in St. Louis, **it suggests: other contributed revenue sources, like grant awards, might be low or the amount of total contributed revenues isn't keeping up with the number of nonprofits in the region.** The latter could be a result of fewer, wealthier households giving to charity both in the region and nationally, the decline of large corporate headquarters in St. Louis and subsequent drop in corporate grants, the impact of The Tax Cuts and Jobs Act on charitable giving, or a myriad of other factors (O'Dea, 2017; The Rome Group, 2018; Airi, 2020). Charitable funding clearly requires a much more in-depth analysis in order to arrive at solid conclusions about the dynamic factors that shape it.

By Geography

In 2017, there were **1,601 grant awards of $50,000 or more totaling $803.3 million dollars.** Together the majority of total grant awards, both in terms of total dollar value (92.0%) and count (85.8%), went to nonprofits located in St. Louis County and City. Importantly, **it's not possible to track grantmaking by service area, or where services are actually delivered, which could provide a more accurate understanding of the geographic impact of grantmaking.** Tracking grants by the primary address of nonprofit grant recipients does provide some insight into the geographic distribution of grant awards, but it does not account for where a nonprofit provides services. This is ultimately a better measure as nonprofits often serve multiple counties or may not provide any services in the county of their primary address. As such, service area more accurately represents how grant awards translate to the distribution of nonprofit benefits; in other words, it better captures which resident populations have access to and are more likely to benefit from programs. This is especially true for nonprofits or programs that have a geographic focus or eligibility requirements. While it appears as though grant awards are concentrated in St. Louis City and County — and some would assume a correspondingly high concentration of nonprofit benefits — in reality, this may not be the case. In fact, **it's safe to assume that the impact of grant awards is overstated in these counties.** This could also be true to a lesser extent for St. Clair, Madison, and St. Charles counties.

Figure 15: Per Capita Total Dollar Value of Grant Awards by County (2017)



Source: St. Louis Regional Data Alliance (2021). St. Louis Regional Funding Map, 2017

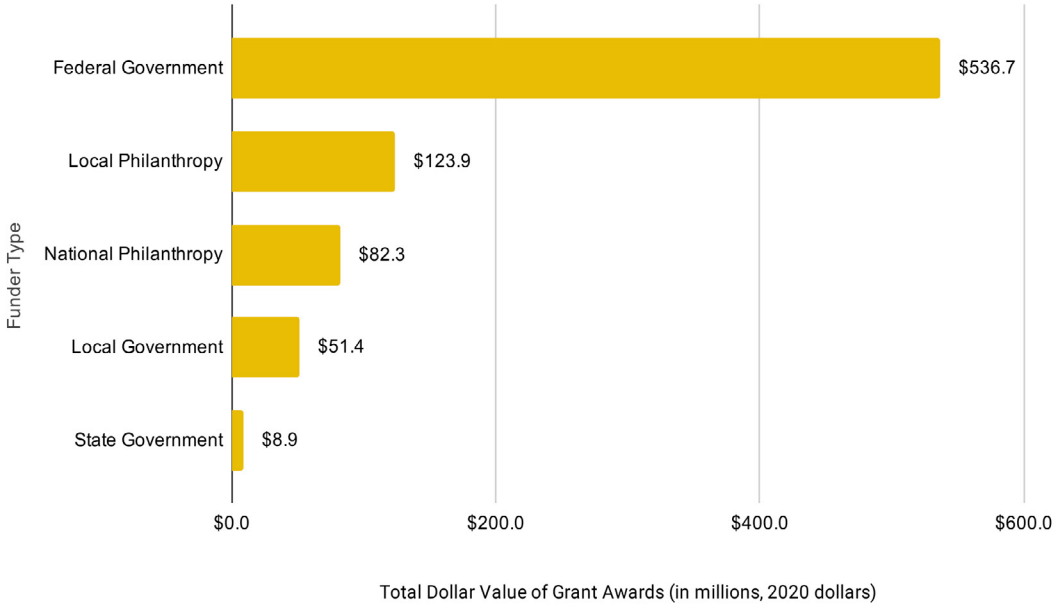
Grant awards going to **St. Louis County in particular were more likely to be federal government grants which have a larger median total dollar value ($410,603) than any other type. These grant awards were primarily made for health and science research purposes and made up 75.8% ($426.3 million)** of the total dollar value of the county's grant awards. Without these grant awards, St. Louis County would drop to the second ranked county with just $158 per capita total value of grant awards.

There appears to be a positive relationship between county population, number of nonprofits per county, and grant awards. As discussed at length in the first section, placed-based factors, especially population, greatly influence the number of registered and reporting nonprofits in an area. As population decreases, it's much less likely that there are registered, let alone reporting nonprofits, in the county. For example, Calhoun County, IL was the least populated county in 2017 (4,897) and had just 2 reporting public charities and 32 registered public charities which accounted for less than one-quarter of one percent of the region's totals. With very few nonprofits, Calhoun had much less of a chance to receive any awards. It's possible that nonprofits in the county received awards in other years, but lacked any over $50,000 in 2017. For a detailed look at grant awards by county see Appendix I.

By Grantmakers

The federal government is the largest funder of the St. Louis region and in 2017 provided the bulk of grant dollars (66.8%). It makes sense considering the value of grant awards are significantly higher than any other type. **Local philanthropic funders, however, awarded the largest number of grant awards (523)** followed by federal government (508), and national philanthropy (393).

Figure 16: Total Dollar Value Grant Awards by Funder Type (2017)



Source: St. Louis Regional Data Alliance (2021). St. Louis Regional Funding Map, 2017.

Table 12: St. Louis Grant Awards by Funder Type, 2020 dollars (2017)

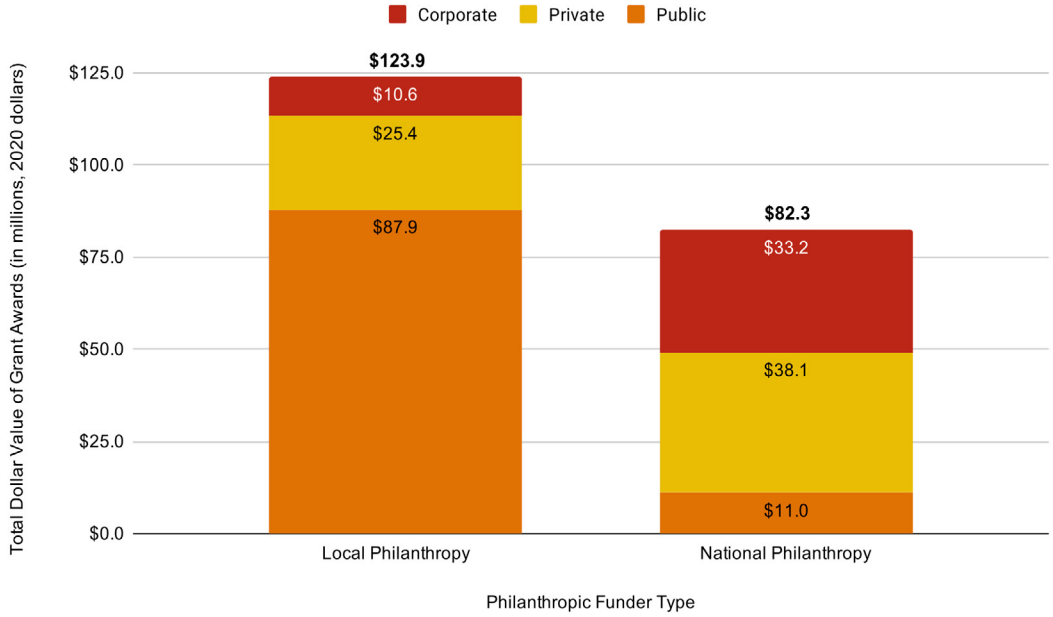
Funder Type	Per Capita Dollar Value of Grant Awards	Median Dollar Value of Grant Awards	Total Number of Grants
Federal Government	$193	$410,603	508 (31.7%)
Local Philanthropy	$44	$109,807	523 (32.7%)
National Philanthropy	$30	$210,149	393 (24.5%)
Local Government	$18	$105,496	153 (9.6%)
State Government	$3	$105,110	24 (1.5%)
All Funder Types	**$288**	**$145,038**	**1,601**

Source: St. Louis Regional Data Alliance (2021). St. Louis Regional Funding Map, 2017.

While the total dollar value of grant awards and total count seem to have a positive relationship to population, **the type of funding a county received is more variable.** The counties with majority federal government funding include: Macoupin (91.2%), St. Louis County (76.3%), Madison (58.2%), St. Clair County (51.2%). While these counties have larger populations, the group excludes two of the most populous counties, St. Louis City and St. Charles County. St. Louis City grant awards do mostly originate with the federal government (47.3%), but it also has one of the highest proportions of local philanthropy awards (31.5%). St. Charles on the other hand (along with Jefferson, Warren, and Lincoln) rely primarily on local government grant awards.

It seems likely that county-level factors—from the nonprofits located there to the presence of state-enabled trust funds and theirfunding sources — are important determinants of funding composition at the county level. Again, it underscores the effect of place-based factors in the nonprofit landscape. See Appendix J for the corresponding table of funder types by counties in the St. Louis region.

Figure 17: Total Dollar Value Grant Awards by Philanthropy Type (2017)



Source: St. Louis Regional Data Alliance (2021). St. Louis Regional Funding Map, 2017.

Of philanthropic grants, type (public private, corporate) was markedly different between local and national grantmakers. **Among those philanthropic funders located in the region, public funders by far awarded the largest total dollar value of grants** (70.8%). Public grantmakers typically have a county or regional giving focus, so it follows that they would be the drivers of local philanthropy. They also are more likely to pool and manage funding from like-minded individual donors, corporations, and others to amplify their impact. Private foundations gave away the second largest amount of grant dollars (20.5%) followed by corporations (8.5%) in 2017. By contrast, **almost $9 out of $10 grant dollars awarded by national philanthropic funders came from** private foundations (46.3%) and corporate foundations (40.3%). Of national philanthropic funders, public grantmakers only awarded (13.4%) of total grant dollars in 2017.

Questions for consideration

Funding indicators only begin to tell the story of the St. Louis nonprofit sector's annual charitable contributions. While it generates insightful findings, its greatest contribution is to raise questions about how these vital funds compare to other regions and across time, the determinants of total amount and composition, and more.

Finding #1: St. Louis has notably high charitable giving from taxpayers who filed itemized deductions in 2018. While this helps present preliminary findings, there is much more that needs to be studied to better understand individual giving in St. Louis.

- What is total charitable giving including taxpayers who claim standard deductions? What is individual giving by major group and size?

- What would longitudinal research of Individual Income Tax Returns show in regards to charitable contributions? What was the impact of the The Tax Cuts and Jobs Act on charitable giving?

- What factors impact the region's low contributed revenues? Is it the number of nonprofits, changes in individual giving, low grant awards, or something else? What is the relationship between these different types of contributed revenues?

Finding #2: While the impact of grant awards appears to be concentrated in a few counties, it's likely overstated due to data limitations.

- How are grant awards distributed by recipient service area? How can this analysis, opposed to tracking grant awards by the county a nonprofit provides to the IRS, provide a more accurate under standing of impact, especially how nonprofit benefit are distributed?

- Would longitudinal analysis, not point-in-time analysis, provide a different picture of the grantmaking landscape? How can public data be leveraged, like the St. Louis Regional Funding Map, to support this work while producing more robust findings than industry standard data?

Finding #3: Place-based factors likely influence the number and value of grant awards as well as composition of funder types at the county-level.

- Is there a relationship between a county's total population, nonprofit population, and grant awards? If so, how strong is it? Are there other place-based factors driving the total dollar value and count of grant awards in the region?

- What impact, if any, do county-level characteristics, like resident wealth or public policy, have on the composition of funder types in that area?

IX

A STRONGER FOUNDATION:

Pursuing a Data Agenda for Nonprofit Equity and Impact

A Stronger Foundation: Pursuing a Data Agenda for Nonprofit Equity and Impact

Over the course of this report, we have attempted to understand and leverage public data to study the region's nonprofit sector to the greatest extent possible. While the report illustrates how public data can generate new and important findings, from nonprofit density to employment expenses, it also illustrates its clear limitations. IRS reporting data — our most comprehensive existing data source — is known for classification errors, underrepresenting small and religious nonprofit organizations, and quickly becoming outdated (Lampkin and Boris, 2002; Boris and Steuerle, 2006).

Furthermore, the National Center for Charitable Statistics (NCCS), which compiles the IRS data largely referenced in this report, does not make all information in Form 990 available to the public. To top it all off, IRS reporting primarily collects financial data — a far cry from the full scope of information needed to understand the sector's purpose, impact, and health. Information that is out of scope for IRS reporting purposes, like demographic data, is simply not available for public use at any meaningful scale. **These limitations create significant knowledge gaps that make it impossible to tell the full story of the nonprofit sector.**

Outside of IRS reporting data, there are numerous efforts by nonprofit stakeholders to collect data, gain new insights into trends and topics, and produce new knowledge. Generally, these efforts can be organized along two different continuums: access (proprietary to public) and duration (one-off to ongoing).

Access *(Proprietary, Public)*

Duration *(One-off, Ongoing)*		
	Proprietary, One-Off • Grant applications and reports • Program evaluations • Strategic plans • Community or beneficiary surveys	Public, One-Off • State of the sector reports
	Proprietary, Ongoing • Grant applications and reports • Program evaluations • IRS reporting	Public, Ongoing • Research and data centers • IRS reporting

The following outlines a data and research agenda that can fill current gaps in nonprofit knowledge, one that strives for nonprofit data collection efforts to be public and ongoing whenever possible. It is rooted in the belief that the region needs innovative and sustainable data solutions that benefit all nonprofit stakeholders. The scale and complexity of the challenges that face the region's nonprofits — whether it's racial inequity, the impacts of Covid-19, or service fragmentation — requires building collective knowledge based on stronger integrated data practices, policies, and systems over time. St. Louis Regional Data Alliance with RDA at University of Missouri-St. Louis is well positioned to convene this effort alongside local funders, universities, and initiatives — many of which already sit on its steering committee.

There are several efforts around the country, mostly housed at research centers within universities, that prove it's possible to use this approach to improve nonprofit data and knowledge over time. Some examples include:

- Indiana University's Indiana Nonprofits Project
- George Mason University's Nonprofit Organization Research Panel
- Johns Hopkins Center for Civil Society Studies
- Urban Institute's National Center for Charitable Statistics
- Aspen Institute's Nonprofit Data Project

These centers not only produce expanded baseline data, but also have the ability to direct research to address pressing topics in the nonprofit sector. As such, they are well positioned to produce findings that inform policy and decision-making, identify nonprofit challenges and community needs, and uncover effective practices. These efforts regularly produce publicly available resources (reports, dashboards, workshops, etc.) that are widely distributed. The ongoing nature of their work also makes it possible for them to conduct longitudinal research, deeply engage with their audiences, and become national subject-matter experts.

This report is a testament to the fact that the state of nonprofit data directly determines what can, and cannot, be understood about the sector. When nonprofit data is timely, robust, and high quality it's possible to better understand and improve the sector's composition, scope, and impact. At this time, however, knowledge of the region's sector is largely determined by IRS reporting requirements — not by nonprofit stakeholders, including the people they serve. **The St. Louis region deserves to set and implement its own nonprofit data and research agenda — a substantial opportunity to invest in how the nonprofit sector focuses on equity and impact.**

What Data Are We Missing?

The serious limitations of public data leaves the St. Louis region with a choice: Are we comfortable not knowing critical information about our nonprofit sector or can we pursue the collection of more powerful data on our own? If we chose the latter path, St. Louis could use newly complete and timely data to:

- **Learn and Continuously Improve:** Better understanding the region's nonprofit sector makes it more likely actors could identify and remediate issues, meet goals, take collective action, and continuously improve outcomes across the organizations and geographies.

- **Advocate for Sustainability and Equity:** There is a clear need to show the value of the nonprofit sector for advocacy and fundraising purposes — particularly in pursuit of more equitable funding patterns and collective action. Providing evidence of the nonprofit sector's impact on the region to policymakers, business leaders, and residents will help raise awareness of their needs and gain valuable support across a diverse landscape.

- **Better Align Resources with Gaps and Needs:** It's currently difficult to understand how well (or how poorly) the region's nonprofit sector is aligned with the need for their services and offerings. Without more complete and standardized data, such an assessment is out of reach — but with dots connected, it will be easier for organizations, funders, and advocates alike to identify resource gaps and work to fill them together.

- **Take Timely Action:** Even the data that is available through the IRS is significantly delayed for use by local communities. Typically the most current aggregate IRS data is between four and five years out of date. In a rapidly changing landscape, it's incredibly difficult to use outdated nonprofit data to understand current challenges and trends in the sector. Covid-19 has more than proved this point.

- **Become More Representative:** The IRS does not require nonprofits with under $50,000 in gross receipts or centers of worship (like churches) to file a Form 990 or 990-EZ annually with the IRS. As a result, only very basic information is available for registered public charities that represent the majority of the nonprofit population — 67.6% (7,137) in 2017 — and provide critical services to their communities.

- **Increase Reliability and Validity:** There's an opportunity to address issues like standardization, misclassification, errors, and other technical issues present in existing data by collecting new local data. For example, a nonprofit self-selecting their major group and activities with support from local stakeholders, rather than a distant IRS specialist, would be a significant improvement upon existing data.

If we view the above to be worth pursuing, two questions arise: 1) Which nonprofits should participate in data collection? 2) What data should we collect? **First, it's recommended that data collection excludes hospitals and higher education public charities.** These major groups are fundamentally different from others due to their size and typically have more robust data infrastructure as well as reporting requirements in place. Focusing on other major groups, like human services nonprofits, could increase the feasibility of implementing the research agenda and create large, more impactful returns for the region. **Second, we recommend collecting data in three broad categories — demographic representation, organizational reach, and financial health — as they would create the most value for the sector.** These three categories and their specific data points can anchor new data collection work for the nonprofit sector without creating a substantial additional reporting burden for participants.

Before going any further, it's important to note that **these data would focus on organizational characteristics — not on the specific outputs or outcomes of a nonprofit's activities.** The reasons for this are multifold: The diversity of the sector as highlighted above — from large healthcare systems to small community organizing efforts — makes comparing the results of program activities difficult. Reporting such outcome data can also be burdensome and time consuming for nonprofits, who already likely do so for various funders and regulators that do not often align. Efforts to collect and compare outcome data across organizations are admirable, but should only be explored by funders and collaboratives who have deep ongoing relationships with participating nonprofits.

However, a focus on higher-level organizational characteristics can still be tremendously insightful if collected at scale across the nonprofit sector. If oriented toward local action and decision making — instead of government-mandated compliance — these data can also become newly important to how organizations understand themselves and their peers as they pursue their work in the community. Before discussing how such data collection may work in the real world, we first wanted to provide more clarity around the type of data the region should prioritize collecting:

Demographic Representation

Collecting demographic data (like race, ethnicity, gender, age, income, etc.) in aggregate about nonprofit board members, employees, volunteers, beneficiaries could vastly inform efforts to understand and advance equity in the sector. The current piecemeal approach to collecting demographic data means it is often collected on a one-time basis, proprietary, and not standardized. As a result, the sector struggles "to evaluate programs and accomplish goals" in regards to equity (Deaconess Foundation, 2018). Moreover, it's difficult to understand who benefits from nonprofit activity and services (Wolpert, 2002; Clotfelter, 1992). Given the magnitude and impact of racial disparities in the region, it is of particular importance to collect demographic data for the pursuit of racial equity across the sector.

Organizational Reach

This category represents six different variables: organization location, service geography, beneficiaries, volunteers, major groups, and activity categories. They represent basic information about nonprofit service provision and reach that either could be improved or are not regularly collected.

- **Organization Location:** While nonprofits have to provide a street address to the IRS, they do not always provide where they are actually located as nonprofits often use another entity as a registered agent for tax filings. This is especially true of small nonprofits that might provide their mailing address at a P.O. Box or the address of a board member. Moreover, there are instances of IRS address data being incorrectly coded by metropolitan statistical area or state. As such, collecting an organization's primary business address could improve the quality of data and make it possible to more accurately map the location of nonprofits that are active in the region.

- **Service Geography:** Nonprofit service geographies are incredibly important and closely tied to mission, programs, funding models, and other characteristics. They can be used to understand what geographies have (or do not have) access to services, the geographic distribution of funding, and more. Service geographies should also be standardized, likely at the zipcode level, for mapping and comparison purposes.

- **Beneficiaries:** Understanding the number of beneficiaries would make it possible to better understand demand for nonprofit activities and the size of the sector's impact. Moreover, this highly sought after information is frequently requested by policymakers as well as nonprofit leaders vital for making the case for additional funding and support. These numbers should be collected in a way that is simple and clear for participating nonprofits while also tied to meaningful service categories (see below) for cross-comparison purposes.

- **Volunteers:** While IRS Form 990 does ask about the total of annual volunteers at a nonprofit organization, this information is only publicly available for 16.3% (1,718) of the largest registered public charities. Moreover, there is no way to understand the roles these volunteers have at these nonprofits. It's important to make sure that smaller public charities are included in this count and to understand how volunteers engage with nonprofits as a measure of both financial and community impact.

- **Major Group and Service Categories:** The National Taxonomy of Exempt Entities (NTEE) classification system, where major nonprofit groups categories come from, contains notable errors (Fyall et al.2018; Turner et al., 1993). Regional data is ripe with examples of misclassification (see top ten largest nonprofit by major group). Additionally, the National Center for Charitable Statistics does not provide Nonprofit Program Classification System (NPC) codes, a means for capturing and classifying nonprofit program activities (National Center for Charitable Statistics, n.d.). Collecting both, and being able to confirm appropriate selection with localized knowledge, could greatly improve quality of data and accuracy of findings. Whenever possible, NTEE/NPC codes should also be aligned with other Service Categories like those used by the 2-1-1 Taxonomy for deeper comparisons of service gaps and organizational resources.

Financial Health

While the IRS collects detailed financial information, it only does so for reporting nonprofits — and data is only available for analysis purposes after four to five years. Because of this, it's impossible to get a timely and accurate picture of the sector's financial health and sustainability. Timely financial data is especially important in the next several years in order to track the state of the sector as it recovers from the economic impacts of Covid-19. As such, we propose: 1) the local collection of consolidated statements of revenue and expenses as well as balance sheet data from regional nonprofits; and 2) partnering with nonprofit finance experts to continue to develop a mix of financial indicators that are relevant, easy-to-understand, and appropriate for population-level use. Collection of these data should be designed to minimize additional reporting burden by utilizing existing nonprofit financial documents that can be cleaned and analyzed for timely local use.

How Should Data Be Collected?

As The Urban Institute's National Center for Charitable Statistics (NCCS) proves, it can be highly effective to partner with existing systems and stakeholders to leverage data that is already collected for reporting purposes. For decades, the IRS and NCCS worked together to produce several types of annual datasets, classification systems, and annual research reports. Their partnership is a close one that leverages both of their strengths. The IRS collects comprehensive and standardized nonprofit data which is then shared with the Urban Institute for data management and cleaning purposes. After the Urban Institute finishes these indispensable tasks, they publish data to the public for research purposes and also produce supplemental annual and research reports (National Center for Charitable Statistics, n.d.). This partnership is responsible for producing essential nonprofit data that generates the bulk of new nonprofit knowledge in the sector. The results of their partnership cannot be overstated — it is the source of thousands of nonprofit reports bridging together the research and practitioner worlds.

Recognizing the power and results of this partnership, the RDA proposes a collaborative model for **collecting regional data through the creation of a new Regional Nonprofit Data Hub.** Regional funders — which regularly gather nonprofit data for grant application and reporting purposes — are in a prime position for collaborative data collection that both gives them access to higher quality data about their grantees as well as provide a new foundation for data and knowledge about the local nonprofit sector.

After the release of this St. Louis Regional Nonprofit Indicators Report, these concepts will be further developed through deeper engagement with local funders, nonprofit representatives, and community beneficiaries. Those stakeholders should all play a central role in the ongoing governance and development of the Data Hub — which can also utilize data support from the RDA including data design, data collection, secure data storage, data cleaning, and baseline analysis.

If successful, the Regional Nonprofit Data Hub will create collaborative, high-quality, and high-impact infrastructure for the sector to become more equitable and sustainable.
The following outlines initial thoughts about how such a Data Hub could be constructed.

1. Understand the existing landscape with regional funders and nonprofit stakeholders:
   The construction of sustainable data infrastructure begins with a collaborative development process that seeks to deeply understand current data needs, data gaps, and barriers to additional data collection. The RDA will seek to actively engage a group of regional funders and stakeholders to collaboratively inform and implement the proposal. The main responsibilities of this group will be to work towards creating an online centralized reporting tool and shared data standards that underpin the proposal. There will be an early emphasis on building trust, centering equity in shared work, and creating reciprocal benefits. This focus is particularly important in crafting incentives and processes that can bridge the varying capacities and service models of the region's nonprofits. From the beginning, it can also build in mechanisms to ensure that beneficiaries and community impact remains the central focus of data infrastructure.

2. Define how data can be used for public and internal benefit: Particularly in the early stages, there will be a tension between nonprofit transparency and concerns about how newly public data about the sector will be utilized — particularly given sustainability concerns exacerbated by Covid. In collaboration with the stakeholders outlined above, the Data Hub will seek to define what information should be made public for a greater collective understanding of the sector's needs — and what can remain private or oriented for internal use, even in a time-limited fashion. Trust across nonprofit organizations — and between nonprofits and their funders, particularly governments — is often tentative at best, and creating a culture of collaboration and continuous improvement in the sector will take more than data to establish.

   In the meantime, however, public data releases that fill most of the gaps highlighted in this report (even without specific organization names attached) can be balanced with internal

benchmarking tools that allow an organization to compare their work with their peers on their own journey toward equity and sustainability. Nonprofits themselves will likely be able to determine what information is made public and what is not without diminishing public knowledge. While the RDA recommends transitioning as much of this data as possible to the public domain over time, it also seeks to avoid creating a new high-stakes reporting regime that puts additional pressure on an already fragile sector — and is committed to working alongside other sector anchors to build necessary trust across organizations over time.

3. Review and align existing data collection systems: The RDA would also complete an in-depth review of local grantmakers application and reporting systems to map out current data standards, practices, and infrastructure. This information will be foundational for assessing the current state of nonprofit data collection as well as informing how best to structure and stand-up new data infrastructure. It could also present an opportunity for the RDA to assist grantmakers with improving their data systems and practices. Whenever possible, data alignment will seek to avoid disruption to existing grant and reporting cycles and elevate data that is already being collected across systems that could be easily consolidated to avoid duplicate data reporting for nonprofits and funders alike.

4. Collect and share regional data using shared infrastructure and standards: The RDA proposes creating an online reporting tool that centralizes nonprofit data collection for funders. This is by far the most critical component of the proposal as it allows for centralized collection of standardized data. It would serve a similar function as the IRS annual required reporting with the exceptions that 1) it would be far more simplified and collect only relevant data for regional sector improvement and 2) it would collect information beyond financial fundamentals. This data collection would aim to be annual, though its exact timing and orientation will be determined by the process outlined above in #3.

   Ideally, a collaborative of major funders in the St. Louis region (government service funds, federated giving, etc.) would adopt this regional reporting tool as a replacement for similar information funders otherwise collect as part of grant applications. This would have several advantages: Funders would get higher-quality, comparable data across the funding landscape and nonprofits would only have to complete and submit this information once. Though major funders do not nearly cover all nonprofit organizations in the region, this mechanism would provide a substantial new baseline of information from which data collection efforts can grow. The RDA would also make it easy for nonprofits to opt-in to the reporting system, especially as incentive structures are developed, as well as look to survey nonprofits to create a meaningful sample of organizations not currently represented in the Data Hub.

   These efforts will enable cleaned and de-identified nonprofit data to be published for public use; any interested party could access these data for learning, research, or advocacy purposes. Information can also be presented as an interactive dashboard to ensure that it's easy to use by the general public, not just researchers. The RDA would partner with other nonprofit supports (including Delmar Divine, Washington University in St. Louis, and others) to analyze nonprofit data to produce regular reports as well as supplemental deep dives. These reports

would deliver previously unavailable insights and timely findings on the state of the sector that support a thriving, sustainable nonprofit sector for the region. As mentioned above, more data (including limited identifiers) can also be published in the future to provide a more complete picture of St. Louis nonprofits — and participating nonprofits may also receive access to internal benchmarks that compares their organization to those in similar geographies or service categories to inform their pursuit of racial equity, collaboration, and sustainability.

5. Continue to improve the scope and quality of data with local stakeholders: While the engagement process outlined above will create a high-quality foundation for nonprofit data collective efforts, it will not be exhaustive. Additional community priorities — and the questions they may generate — may require important additions to the Data Hub's data collection and analysis process. Deeper research into nonprofit sector trends, gaps, and opportunities will become more possible as data collection expands in longevity and inclusivity — allowing a variety of stakeholders to focus on larger sector challenges around equity and resource allocation. The St. Louis Nonprofit Data Hub will be built for such expansion from the outset, allowing it to adapt to sector interests, investments, and data needs over time.

Next Steps

The process above outlines an ambitious but achievable vision for the creation of a St. Louis Nonprofit Data Hub that can power deep analysis and continuous improvement toward an equitable and sustainable sector. Enacting such a process will require an investment of time and resources to convene funders, nonprofits, and beneficiaries as well as develop underlying data infrastructure. However, the RDA believes that this investment would be more cost-effective over time than common practices like purchasing the IRS Form 990 data from intermediaries like Candid or commissioning periodic reports into critical topics like equity and resource mapping.

This proposal provides an alternative model for data and knowledge production that gives the region an opportunity to sustainably invest in itself. St. Louis stands to gain greater ownership over these questions, resulting in more relevant and practical data for researchers and practitioners alike. It's an ambitious vision, but one that could prove both incredibly fruitful creating substantial long-term returns to the region's nonprofit sector — and position St. Louis as a national model. The RDA is excited to explore these possibilities in partnership with the readers of this report.

X
DATA SOURCES & METHODOLOGY

Data Sources

Corporation for National and Community Service, Volunteering in America (2018)

Provided all volunteerism indicators. No analysis was conducted on this dataset.
Data is available here: https://www.nationalservice.gov/serve/via/cities.

Internal Revenue Service, SOI Tax Stats Data (2018)

Provided IRS Form 1040 tax information to calculate all individual giving indicators.
Data is available here: https://www.irs.gov/statistics/soi-tax-stats-county-data-2018

National Historical Geographic Information System (2015-2017, 2020)

Provided U.S. Census demographic and total population data for both country and metropolitan areas. It was primarily used to conduct per capita analysis throughout the report. Data is available here: https://www.nhgis.org/

St. Louis Regional Funding Map (2017)

This dataset combines references direct funding source information, including those published by the IRS and usaspending.gov. Additional data was collected and/or confirmed using the Illinois Catalog of State Financial Assistance, Missouri Accountability Portal, United Way Greater St. Louis 2-1-1, Candid, Missouri Department of Elementary and Secondary Education, Illinois State Board of Education, ProPublica Nonprofit Explorer, National Taxonomy of Exempt Entities, annual reports, financial statements, and data requests. While every effort was made to provide as accurate and complete data as possible, this Regional Funding Map should be used as a guide, not a definitive source — especially as awards below $50,000 or awards funders are not required to report to the public are not included.

The St. Louis Regional Funding Map can be accessed at funding.stldata.org.

Urban Institute, National Center for Charitable Statistics (NCCS)

- **Business Master Files (2010-2020):** Every effort was made to use this dataset as it provides information on registered nonprofits making it the most comprehensive. This dataset was used to analyze thefollowing indicators: number of nonprofits (registered nonprofits), major group, age, and growth.

- **NCCS Core Files (2015-2017):** This was by far the most utilized dataset in the report as it provides robust financial information for the most reporting nonprofits. This dataset was used to analyze the following indicators: size, revenues (total, revenue, participation-based revenue, contributed revenue, and other revenue), and expenses (total expenses and compensation to officers), and total assets.

- **NCCS Core Full Files (2015-2017):** While this dataset provides the most comprehensive financial data of any NCCS dataset, it only does so for the largest reporting public charities. This dataset was used to analyze the following indicators: net assets (total net assets, unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets).

All NCCS files are available for download through the Data Archive here: https://nccs-data.urban.org/.

U.S. Bureau of Labor Statistics, Nonprofit Employment and Wage Estimates (2017)
Provided all employment indicators (public charity share of jobs, public charity share of private annual wages, public charity annual wages per employee, and ratio of public charity wages to all establishments). No analysis was conducted on this dataset. Data is available here: https://www.bls.gov/bdm/nonprofits/nonprofits.htm

Methodology

All quantitative analysis conducted in this report was descriptive — its purpose is to provide a description of available data for summation purposes, like finding trends. There are several important notes on how analysis was conducted below.

- **Age:** Age is calculated using a nonprofit's rule date, the year and month of IRS ruling or determination letter recognizing orgs exempt status (NCCS Data Dictionary, Core Files). Importantly, this is not the date that an organization applied for tax-exemption, which is retroactive, but the date the IRS granted the organization tax-exempt status. There were 13 nonprofits in the NCCS Core File 2017 that had rule dates after 2017 (the base for calculating age). To account for their retroactive tax-exempt status and filing in 2017 these observations were manipulated to be 0 years old so to be consistent with how all others are calculated. Also, any nonprofit without a ruledate (NA) was removed.

- **Employment:** According to the National Center for Charitable Statistics' Full PC Core Files data dictionary, files provide all line items necessary to calculate total employment expenses (Part IX, Lines 5-10a) (National Center for Charitable Statistics, 2013). Upon opening the 2015-2017 files, however, three line items are missing: compensation of current officers, directors, trustees, and key employees (Part IX, Line 5a), other salaries and wages (Part IX, Line 7a), and payroll taxes (Part IX Line 10a). Total revenue (Part VIII Line 12a) is also omitted. The most current data dictionary is from 2013, so it's possible this discrepancy is simply because it's out-of-date. Core Files, the next most robust data file, does include the line items missingfrom the Full PC Core Files, so Full PC Core Files were left joined to PC Core Files by each entity's EIN to calculate total employment expenses (the sum of Part IX, Lines 5-10a).

  Employee expenses are broken out into the three categories based on information provided in the 2020 Instructions for Form 990 Return of Organization Exempt From Income Tax. Each categories corresponding line items from IRS Form 990 are below:

Nonprofit Employment	
Category	**IRS Form 990, Part IX: Functional Expenses**
Executive Compensation	Lines 5a and 6a
Staff Compensation	Lines 7a, 8a, 9a
Payroll Taxes	Line 10a

- **Inflation-adjusted dollars:** Dollar figures in the report are all presented in 2020 dollars. Westegg (https://westegg.com/inflation/) was used for all inflation calculations.

- **Major group codes** are organized as follows:

Major Group Classification	
Major Group Name	**National Taxonomy of Exempt Entities (NTEE) Major Group Code**
Arts, Culture, Humanities	A
Community Improvement	N, R, S, T, W, Y
Crime	I, M
K-12 Education	B
Higher Education	BH
Environment	C, D
Health	E, F, G, H
Hospitals	EH
Human Services	P, O, J, K, Q, N, L, M
Religion	X
Research	V, U
Other	Z

- **Outliers:** Outliers were defined as those observations with z-scores ($z = (x-\mu)/o$) equal to or more than 3 or equal to and less than -3 were included in the outliers analysis of each financial indicator.

- **Registered and reporting nonprofits:** This includes nonprofits with physical addresses located in their metropolitan area. NCCS files were filtered based on county-level FIPS codes.

- **Revenues:** Revenue measurements come from Koo and Kurtis' How Boston and Other American Cities Support and Sustain the Arts (2016). Each was calculated as follows:

  - **Contributed revenue:** The sum of contributed revenue (Form 990, Part VIIII, Line 1h), special event income (Form 990, Part VIIII, 8c), and gaming revenue (Form 990, Part VIIII, 9c).

  - **Participation-based revenue:** The sum of program service revenue (Form 990, Part VIIII, 2g) and service inventory (Form 990, Part VIIII, 10c).

  - **Other revenue:** Total revenue less the sum of contributed and participation-based revenue. It primarily captures all revenues included in Form 990, Part VIIII, Other Revenue with the exception of gaming revenue.

- **Size:** There are no standards for categorizing public charities by size (Hallman, 2014). This report uses total revenue to measure size as per The Urban Institute's National Center for Charitable Statistics.

XI
APPENDICES

Appendixes for this report are organized in the tables below, which provide more detail for the indicators summarized above and provide breakdowns by categories and geographies when available.

Appendix A: Nonprofit Indicators List		
Section	**Indicator**	**SubIndicators**
Nonprofit Characteristics	Number of Nonprofits	
Nonprofit Characteristics	Major Groups	
Nonprofit Characteristics	Size	Top 10 Largest Public Charities, Top 20 Largest Public Charities, Top 10 Largest Public Charities by Major Group
Nonprofit Characteristics	Median Age	
Nonprofit Characteristics	Growth	
Nonprofit Equity	NA	
Nonprofit Finances	Revenues	Total Revenue, Contributed Revenue, Participation-based Revenue, Other Revenue, Revenue Outliers
Nonprofit Finances	Total Expenses	Expense Outliers
Nonprofit Finances	Assets	Total Assets, Net Assets, Unrestricted Net Assets, Permanently Restricted Net Assets, Asset Outliers
Nonprofit Economic Impact	Employment	Public Charity Share of Private Jobs, Public Charity Share of Private Annual Wages, Ratio of Public Charity Wages Relative to All Establishments, Employment Expenses
Nonprofit Economic Impact	Volunteerism	Total Value of Volunteer Service, Percent of Residents Volunteering, Number of Volunteers, Hours of Service
Nonprofit Grantmaking	Individual Contributions	
Nonprofit Grantmaking	Grant Awards by Geography	
Nonprofit Grantmaking	Grant Awards by Funder Type and Philanthropic Funder Type	Funder type, Philanthropic grantmaker type

Appendix B: Regional Characteristics (2017)								
Region	**Population**	**Hispanic**	**Non Hispanic**	**White**	**Black**	**Asian**	**All Other Races**	**Black-white Segregation Index (2013)**
St. Louis	2,804,998	2.9%	97.1%	76.1%	18.3%	2.4%	3.1%	71.7
Kansas City	2,088,830	8.8%	91.2%	78.6%	12.5%	2.7%	6.3%	59.5
Indianapolis	1,989,032	6.5%	93.5%	77.3%	14.9%	2.9%	4.9%	64.4
Baltimore	2,792,050	5.5%	94.5%	60.9%	29.1%	5.4%	4.7%	63.9

Sources: IPUMS NHGIS, University of Minnesota, 2017; Frey, 2018

Appendix C: St. Louis Registered and Reporting Public Charities by County (2017)		
County	**Registered Public Charities**	**Reporting Public Charities**
Bond, IL	74 (0.7%)	25 (0.7%)
Calhoun, IL	13 (0.1%)	2 (0.1%)
Clinton, IL	67 (0.6%)	15 (0.4%)
Jersey, IL	58 (0.6%)	17 (0.5%)
Macoupin, IL	178 (1.7%)	51 (1.5%)
Madison, IL	787 (7.5%)	266 (7.8%)
Monroe, IL	110 (1.0%)	40 (1.2%)
St. Clair, IL	764 (7.2%)	233 (6.8%)
Franklin, MO	289 (2.7%)	82 (2.4%)
Jefferson, MO	411 (3.9%)	98 (2.9%)
Lincoln, MO	104 (1.0%)	26 (0.8%)
St. Charles, MO	843 (8.0%)	279 (8.2%)
St. Louis County, MO	4,918 (46.6%)	1,496 (43.9%)
Warren, MO	74 (0.7%)	34 (1.0%)
St. Louis City, MO	1,855 (17.6%)	744 (21.8%)
All Counties	**10,545**	**3,408**

Sources: Urban Institute, National Center for Charitable Statistics, Business Master File, 2017; Core Files (Public Charities), 2017.

Appendix D: St. Louis Major Groups by Size (2017)								
Major group	Size							Total
	Less than $100,000	$100,000-$249,999	$250,000-$499,999	$500,000-$999,999	$1-$4.9 million	$5-$9.9 million	$10 million	
Arts, Culture, Humanities	175 (52.2%)	75 (22.4%)	29 (8.7%)	17 (5.1%)	25 (7.5%)	6 (1.8%)	8 (2.4%)	335
Community Improvement	365 (50.6%)	129 (17.9%)	77 (10.7%)	58 (8.0%)	68 (9.4%)	13 (1.8%)	12 (1.7%)	722
Crime	36 (46.8%)	18 (23.4%)	7 (9.1%)	6 (7.8%)	7 (9.1%)	3 (3.9%)	0 (0.0%)	77
Higher Education	1 (5.6%)	1 (5.6%)	0 (0.0%)	0 (0.0%)	2 (11.1%)	1 (5.6%)	13 (72.2%)	18
K-12 Education	282 (52.6%)	80 (14.9%)	36 (6.7%)	49 (9.1%)	57 (10.6%)	18 (3.4%)	14 (2.6%)	536
Environment	66 (43.1%)	39 (25.5%)	18 (11.8%)	13 (8.5%)	11 (7.2%)	2 (1.3%)	4 (2.6%)	153
Hospitals	8 (16.3%)	1 (2.0%)	3 (6.1%)	1 (2.0%)	5 (10.2%)	0 (0.0%)	31 (63.3%)	49
Human Services	254 (29.8%)	151 (17.7%)	103 (12.1%)	93 (10.9%)	153 (18.0%)	43 (5.1%)	54 (6.3%)	851
Other	3 (60.0%)	1 (20.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	1 (20.0%)	5
Health	134 (34.0%)	60 (15.2%)	48 (12.2%)	33 (8.4%)	63 (16.0%)	21 (5.3%)	35 (8.9%)	394
Religion	126 (51.9%)	52 (21.4%)	25 (10.3%)	20 (8.2%)	13 (5.3%)	3 (1.2%)	4 (1.6%)	243
Research	13 (52.0%)	6 (24.0%)	2 (8.0%)	1 (4.0%)	2 (8.0%)	0 (0.0%)	1 (4.0%)	25

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2017.

Appendix E: St. Louis Top 20 Largest Public Charities by Major Group (2017)		
Rank	Public Charity Name	Total Revenue (2020 dollars)
1	BJC Health System	$5,075,179,078
2	Washington University	$3,530,458,983
3	Ascension Health Alliance	$1,979,898,893
4	SSM Health Care St. Louis	$1,597,955,756
5	Mercy Hospitals East Communities	$1,528,075,186
6	BJC Health System	$1,112,785,369
7	Ascension Health-Is, Inc.	$1,060,883,300
8	Saint Louis University	$1,021,126,942
9	SSM Health Care Corporation	$605,279,898
10	SSM Healthcare of Oklahoma, Inc.	$582,262,444
11	SSM-SLUH, Inc.	$582,262,444
12	St. Luke's Episcopal-Presbyterian Hospital	$539,762,787
13	Mercy Hospital South	$518,768,766
14	SSM Cardinal Glennon Children's Hospital	$503,022,964
15	Mercy Clinic East Communities	$370,784,294
16	Ascension Health	$363,168,769
17	Protestant Memorial Medical Center	$318,989,131
18	Mercy Health East Communities	$301,222,835
19	SSM Health Businesses	$286,549,559
20	SSM Regional Health Services	$253,339,769

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2017.

Appendix F: Top 10 Largest Arts, Culture, Humanities Public Charities by Total Revenue		
Rank	**Public Charity Name**	**Total Revenue (2020 dollars)**
1	Missouri Historical Society	$40,646,783
2	St. Louis Symphony Orchestra	$35,315,657
3	Municipal Theatre Association of St. Louis	$21,313,222
4	St. Louis Science Center Foundation	$15,151,005
5	Opera Theatre of St. Louis	$14,755,805
6	St. Louis Art Museum Foundation	$13,941,505
7	St. Louis Regional Public Media, Inc.	$11,793,244
8	Center for Creative Arts	$11,446,941
9	Magic House	$10,187,258
10	Better Family Life	$9,951,459

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2017.

Appendix F: Top 10 Largest Community Improvement Public Charities by Total Revenue (2017)		
Rank	**Public Charity Name**	**Total Revenue (2020 dollars)**
1	St. Louis Community Foundation	$193,345,867
2	Ascension Health Professional and General Liability Self-Insurance	$177,578,238
3	St. Louis Municipal Finance Corporation	$174,391,976
4	United Way of Greater St. Louis	$87,209,009
5	World Wide Inventory Network	$41,898,952
6	SSMHC Liability Trust	$40,805,120
7	Jewish Federation of St. Louis	$31,549,150
8	Cortex	$24,389,196
9	Heroes Care, Inc	$18,252,094
10	Jefferson Franklin Community Action Corporation	$14,564,271

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2017.

Appendix F: Top 10 Largest Crime Public Charities by Total Revenue (2017)		
Rank	**Public Charity Name**	**Total Revenue (2020 dollars)**
1	Land of Lincoln Legal Assistance Foundation	$8,708,290
2	Legal Services of Eastern Missouri	$6,738,604
3	The Backstoppers	$5,410,578
4	St. Louis Crisis Nursery	$5,068,322
5	Concordance Academy of Leadership	$4,176,981
6	St. Louis Police Foundation	$2,566,124
7	Arch City Defenders	$2,191,539
8	Family Resource Center	$1,997,311
9	Center for Women in Transition	$1,682,529
10	Southwestern Illinois Law Enforcement Commission	$1,155,512

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2017.

Appendix F: Top 10 Largest Environment Public Charities by Total Revenue (2017)		
Rank	**Public Charity Name**	**Total Revenue (2020 dollars)**
1	Missouri Botanical Gardens	$58,186,041
2	The Saint Louis Zoo Foundation	$28,761,204
3	Humane Society of Missouri	$21,432,459
4	Forest Park Forever	$14,235,023
5	24:1 Community Land Trust	$7,465,885
6	Animal Protective Association of Missouri	$5,422,126
7	Stray Rescue of St. Louis	$4,732,678
8	Great Rivers Land Preservation Association, Inc.	$3,163,518
9	Botanical Society of America	$2,937,582
10	Great Rivers Greenway Foundation	$2,182,541

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2017.

Appendix F: Top 10 Largest Health Public Charities by Total Revenue (2017)		
Rank	**Public Charity Name**	**Total Revenue (2020 dollars)**
1	The Foundation for Barnes-Jewish Hospital	$84,148,929
2	St. Louis Children's Hospital Foundation	$84,148,929
3	Southern Illinois Healthcare Foundation, Inc.	$72,830,334
4	St. Luke's Medical Group	$59,625,331
5	Mercy ACO Clinical Services, Inc.	$57,632,269
6	Mid-America Transplant Services	$54,524,669
7	Mercy Health	$54,164,968
8	Mercy Clinic Fort Smith Communities	$52,577,201
9	Bethesda Long Term Care, Inc.	$47,642,577
10	Fairview Heights Medical Group	$44,795,999

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2017.

Appendix F: Top 10 Largest Higher Education Public Charities by Total Revenue (2017)		
Rank	**Public Charity Name**	**Total Revenue (2020 dollars)**
1	Washington University	$3,530,458,983
2	Saint Louis University	$1,021,126,942
3	Lindenwood University	$207,670,823
4	Webster University	$197,056,944
5	Maryville University	$131,240,661
6	McKendree University	$80,773,361
7	St. Louis College of Pharmacy	$61,646,539
8	Missouri Baptist University	$53,049,926
9	Greenville College	$37,483,519
10	Fontbonne University	$39,439,592

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2017.

Appendix F: Top 10 Largest Hospital Public Charities by Total Revenue (2017)		
Rank	**Public Charity Name**	**Total Revenue (2020 dollars)**
1	BJC Health System	$5,075,179,078
2	Ascension Health Alliance	$1,979,898,893
3	SSM Health Care St. Louis	$1,597,955,756
4	Mercy Hospitals East Communities	$1,528,075,186
5	BJC Health System (DBA BJC Health Care)	$1,112,785,369
6	Ascension Health-Is, Inc.	$1,060,883,300
7	SSM Health Care Corporation	$605,279,898
8	SSM Healthcare of Oklahoma, Inc.	$52,577,201
9	St. Luke's Episcopal-Presbyterian Hospital	$518,768,766
10	Mercy Hospital South	$476,815,024

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2017.

Appendix F: Top 10 Largest Human Services Public Charities by Total Revenue (2017)		
Rank	**Public Charity Name**	**Total Revenue (2020 dollars)**
1	Lutheran Senior Services	$180,228,543
2	Missouri Goodwill Industries	$176,570,553
3	St. Louis Area Food Bank, Inc.	$86,626,822
4	Gateway Region YMCA	$77,249,924
5	Donald Danforth Plant Science Center	$66,259,073
6	Easter Seals Midwest	$65,051,383
7	Operation Food Search, Inc.	$36,905,626
8	Lighthouse for the Blind	$36,905,626
9	Jewish Community Center	$33,963,598
10	Emmaus Homes, Inc.	$32,060,475

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2017.

Appendix F: Top 10 Largest K-12 Education Public Charities by Total Revenue (2017)		
Rank	**Public Charity Name**	**Total Revenue (2020 dollars)**
1	SSM-SLUH INC (DBA SSM Health St. Louis University Hospital)	$539,762,787
2	Principia Corporation	$88,614,166
3	Voluntary Interdistrict Choice Corporation	$50,681,365
4	Confluence Academy	$47,766,514
5	Mary Institute and St. Louis Country Day School (MICDS)	$44,736,303
6	Consortium for Graduate Study in Management	$39,020,027
7	John Burroughs School	$32,766,574
8	Westminster Christian Academy Association	$22,055,023
9	Hope Educational and Research Center	$18,304,266
10	Whitfield School	$14,005,267

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2017.

Appendix F: Top 10 Largest Religious Public Charities by Total Revenue (2017)		
Rank	**Public Charity Name**	**Total Revenue (2020 dollars)**
1	Christian Social Service of Illinois	$14,753,580
2	Midwest Christian Villages, Inc.	$3,981,204
3	Roman Catholic Foundation of Eastern Missouri	$1,165,362
4	National Council of the United States Society of St. Vincent DePaul	$612,186
5	Gateway Creative Broadcasting, Inc.	$398,702
6	Marvin M Schwan Charitable	$324,412
7	The Snow Foundation	$226,303
8	Engineering Foundation of St. Louis	$181,960
9	Torah Center	$166,019
10	Ronald Coase Institute	$142,259

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2017.

Appendix F: Top 10 Largest Research Public Charities by Total Revenue (2017)		
Rank	**Public Charity Name**	**Total Revenue (2020 dollars)**
1	Gateway Science Academy of St. Louis	$14,753,580
2	Center for Emerging Technologies	$3,981,204
3	Plantrician Project	$1,165,362
4	National Corn Growers Association Foundation	$612,186
5	GlobalHack, Inc.	$398,702
6	Society for the Experimental Analysis of Behavior, Inc.	$324,412
7	The Snow Foundation	$226,303
8	Engineering Foundation of St. Louis	$181,960
9	CyperUp	$166,019
10	Ronald Coase Institute	$142,259

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2017.

Appendix G: St. Louis Median Age of Reporting Public Charities by Major Group (2017)	
Major Group	**Median Age**
Hospitals	61
Higher Education	47.5
Arts, Culture, Humanities	20
Human Services	19
K-12 Education	17
Health	17
Community Improvement	15
Environment	13
Crime	13
Religion	13
Research	13
Other	5

Source: Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities), 2017.

Appendix H: St. Louis Growth of Registered Public Charities by Major Group (2005-2020)				
Major Group	**Total Change**	**Total Percent Change**	**Median Annual Change**	**Median Annual Percent Change**
Religion	846	45.5%	50	2.7%
Human Services	149	11.3%	59	3.5%
Environment	91	41.9%	9	3.2%
Community Improvement	55	3.5%	50	3.4%
Arts, Culture, Humanities	43	5.5%	-2	-0.2%
Crime	26	16.1%	6	3.3%
Hospitals	13	19.7%	1	1.2%
Research	7	12.7%	-1	-1.8%
Higher Education	-4	-10.0%	0	0.0%
Other	-6	-18.8%	-1	-3.4%
Health	-15	-2.3%	0	0.0%
K-12 Education	-148	-8.0%	11	0.5%
All Major Groups	**1,057**	**12.2%**	**283**	**2.7%**

Source: Urban Institute, National Center for Charitable Statistics, Business Master File, 2005-2020.

Appendix I: St. Louis Grant Awards by County, 2020 dollars (2017)			
County	**Total Dollar Value of Grants**	**Median Dollar Value of Grants**	**Total Number of Grants**
St. Louis County, MO	$561,782,654 (69.9%)	$210,993	802 (50.1%)
St. Louis City, MO	$177,781,347 (22.1%)	$105,496	572 (35.7%)
St. Clair, IL	$24,553,851 (3.1%)	$147,832	66 (4.1%)
St. Charles, MO	$17,437,784 (2.2%)	$133,414	65 (4.1%)
Madison, IL	$13,954,042 (1.7%)	$108,011	54 (3.4%)
Jefferson, MO	$3,576,169 (0.4%)	$134,650	16 (1.0%)
Macoupin, IL	$1,840,544 (0.2%)	$177,081	8 (0.5%)
Clinton, IL	$708,382 (0.1%)	$135,035	5 (0.3%)
Jersey, IL	$522,774 (0.1%)	NA	2 (0.1%)
Warren, MO	$487,282 (0.1%)	$72,135	6 (0.4%)
Lincoln, MO	$347,843 (0.0%)	NA	2 (0.1%)
Monroe, IL	$282,379 (0.0%)	NA	2 (0.1%)
Franklin, MO	$103,727 (0.0%)	NA	1 (0.1%)
Calhoun, IL	$0 (0.0%)	NA	0 (0.0%)
All Counties	**$803,378,777**	**$145,038**	**1,601**

Source: St. Louis Regional Data Alliance (2021). St. Louis Regional Funding Map, 2017.

Appendix J: St. Louis Grant Awards by Funder Type (2017)						
County	**Grantmaker type**					**Total**
	Federal Government	**State Government**	**Local Government**	**National Philanthropy**	**Local Philanthropy**	
St. Louis County, MO	$406,279,642 (76.3%)	$154,126 (0.0%)	$21,084,342 (4.0%)	$49,756,186 (9.3%)	$55,238,985 (10.4%)	$532,513,282 (100.0%)
St. Louis City, MO	$79,783,262 (47.3%)	$471,384 (0.3%)	$11,578,496 (6.9%)	$23,666,515 (14.%)	$53,019,125 (31.5%)	$168,518,782 (100.0%)
St. Clair, IL	$11,927,799 (51.2%)	$6,380,467 (27.4%)	$1,629,465 (7.0%)	$974,073 (4.2%)	$2,362,770 (10.2%)	$23,274,574 (100.0%)
Madison, IL	$7,691,571 (58.2%)	$1,263,933 (9.6%)	$0 (0.0%)	$1,631,085 (12.3%)	$2,640,435 (20.0%)	$13,227,024 (100.0%)
St. Charles, MO	$1,498,644 (9.1%)	$120,000 (0.7%)	$11,938,996 (72.2%)	$791,687 (4.8%)	$2,179,933 (13.2%)	$16,529,260 (100.0)%
Macoupin, IL	$1,603,395 (91.9%)	$91,255 (5.2%)	$0 (0.0%)	$50,000 (2.9%)	$0 (0.0%)	$1,744,650 (100.0%)
Jefferson, MO	$0 (0.0%)	$0 (0.0%)	$2,083,121 (61.5%)	$0 (0.0%)	$1,306,726 (38.5%)	$3,389,847 (100.0%)
Clinton, IL	$0 (0.0%)	$0 (0.0%)	$232,997 (34.7%)	$232,040 (34.6%)	$206,438 (30.7%)	$671,475 (100.0%)
Jersey, IL	$0 (0.0%)	$0 (0.0%)	$0 (0.0%)	$495,537 (100.0%)	$0 (0.0%)	$495,537 (100.0%)
Warren, MO	$0 (0.0%)	$0 (0.0%)	$329,597 (71.4%)	$0 (0.0%)	$132,297 (28.6%)	$461,894 (100.0%)
Lincoln, MO	$0 (0.0%)	$0 (0.0%)	$179,899 (54.6%)	$0 (0.0%)	$149,821 (45.4%)	$329,720 (100.0%)
Monroe, IL	$0 (0.0%)	$0 (0.0%)	$0 (0.0%)	$0 (0.0%)	$267,667 (100.0%)	$267,667 (100.0%)
Franklin, MO	$0 (0.0%)	$0 (0.0%)	$0 (0.0%)	$98,323 (100.0%)	$0 (0.0%)	$98,323 (100.0%)
Calhoun, IL	$0 (0.0%)	$0 (0.0%)	$0 (0.0%)	$0 (0.0%)	$0 (0.0%)	0.00%

Source: St. Louis Regional Data Alliance (2021). St. Louis Regional Funding Map, 2017.

XII
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