

Key Findings from Part I

Part I of this report is an in-depth look at the size, scope, and growth of the Colorado nonprofit sector. We evaluate the sector in terms of revenue, expenditures, assets, employment, wages, and the number of organizations. In many cases, we also offer a further breakdown by type of organization.

Key findings from Part I include:

- The combination of the paid and full-time volunteer workforce makes Colorado's nonprofit sector the third largest industry in the state in terms of employment¹.
- The paid workforce of Colorado nonprofits alone represents a significant 5.6 percent of the total Colorado workforce (or one out of every 18 workers), more than the state's banking and insurance industry.
- Colorado's charitable nonprofit sector:
 - Generated \$13.1 billion in revenues;
 - Spent over \$11.9 billion, including over \$4.2 billion in wages and compensation;
 - Held nearly \$23 billion in assets; and
 - Accounted for more than five percent of the state's gross state product, the overall measure of the state's economic activity.
- Colorado's nonprofit sector accounts for a greater share of Colorado's gross state product than the transportation, utilities, and agriculture industries combined.
- Moreover, through the \$4.2 billion in wages and compensation that they paid, Colorado's nonprofits generated at least \$240 million of sales and income tax revenues for Colorado governments.
- While Colorado's nonprofit sector is a sizable economic force, expending billions of dollars and employing a significant proportion of Coloradans, it nevertheless trails its counterparts in other parts of the nation in relative size.
 - Between 1992 and 2005, Colorado nonprofit expenditures grew by 60 percent after adjusting for inflation, while the national average growth in expenditures in the nonprofit sector was 70 percent
 - The nonprofit share of total employment in Colorado, at 5.6 percent, is below the U.S. average of 7.2 percent.
 - Nonprofit expenditures per capita in Colorado, though 28 percent higher than the Mountain Region average, are 30 percent below the nation as a whole.
- Between 1995 and 2005, nonprofit employment in Colorado grew by 39 percent, adding over 34,600 jobs to the state's total. This was nearly twice the 22 percent employment growth rate achieved by the for-profit sector during this period.

Key Findings from Part 2

Part 2 of this report highlights the results of a statewide survey of Colorado nonprofits to ascertain the net contribution to the Colorado economy as a result of the net economic inflows.

Key findings from Part 2 include:

- Colorado nonprofit organizations bring significant economic benefits to the state. Colorado nonprofits attract out-of-state dollars that total over \$900 million per year, even after accounting for their own expenditures outside the state. As that money circulates through the economy, the total net impact is over \$2.1 billion.
- Federal funding is a large part of the impact of nonprofits. Approximately 62 percent of out-of-state funding comes from federal funds and grants, and federal funds are more than four times the size of any other type of funding. Most inflows (84 percent) are derived from federal funding, individual contributions, and foundation grants.
- Almost half of the economic benefits are produced by mid-sized organizations. While the largest nonprofits produce large economic impacts on an individual basis, mid-sized nonprofits with annual expenses between \$1 million and \$9.99 million produce approximately 48 percent of the net economic benefits of the sector, due to their combination of large numbers and significant individual impacts.
- Human services and education-oriented nonprofits are the largest overall producers of positive economic impacts. Within the nonprofit sector, these types of nonprofits produce approximately 38 percent of the total statewide net economic impact. Other major nonprofit types include those with focuses in religion, health care, housing, public society benefit, and mental health care.
- Most out-of-state funds flowing to Colorado nonprofits are from populous states. Aside from the federal government, states that are significant net funders to Colorado nonprofits include California, New York, Texas, Illinois, and Florida. Colorado nonprofits therefore draw significant funds not just from outside Colorado, but outside the entire Rocky Mountain area.
- Economic benefits to Colorado are spread throughout the state. All regions of the state benefit from the economic impacts of nonprofit organizations. However, the impacts are disproportionately larger in areas where mid-sized and large nonprofits are more plentiful. Approximately 66 percent of statewide impacts occur in the Denver metro area and another 14 percent in central Colorado, including Colorado Springs. Areas where large nonprofits are not common, such as southeast and southwest Colorado, receive roughly one to two percent of the statewide impacts.
- These economic benefits are atop the other benefits that nonprofits bring to their communities. It should be noted that this study examines only the impacts of nonprofits as they relate to attracting dollars to the state. Atop that benefit are the social and other benefits that nonprofits produce through their services.