

The Social Health of Nevada

Leading Indicators and Quality of Life in the Silver State

Nonprofit Sector and Philanthropy in Nevada

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Many scholars and community organizers believe that nonprofit organizations embody the collective will of the community and reflect the measure of support communities provide their members (Saxton & Benson 2005). The overall strength of the nonprofit sector reflects the health of the society that nurtures these organizations (Salamon 2002; DeVita, Flemming, & Twombly 2001). Since nonprofits are vital to service delivery in the United States, by studying nonprofits practices we can better understand the nature and intensity of the social problems in a given area and the effective ways by which resources could be allocated to address those problems (Gronbjerg & Paarlberg 2001).

This chapter explores the state of nonprofit organizations in Nevada, compares its nonprofit sector to peer institutions across the country, and outlines the contribution that Nevada nonprofits can make to the region hard hit by the recession. We should bear in mind that Nevada's ability to attract business and ensure economic growth hinges on the health and well-being of its nonprofit sector and community serves. These organizations are a vital part of building a civil society and a sense of community in the Silver State (Saxton & Benson 2005; Boris 1999; Putnam 2001).

Highlights

- Nevada is the 35th largest state in the U.S. but it ranks 51st in nonprofits per 10,000 persons.
- 8,313 tax-exempt organizations are registered in Nevada, including 5,412 public charities and 805 private foundations.
- In 2011, 32% or 1,751 organizations lost their tax exempt status in Nevada.
- The average itemized contribution by Nevada residents in 2007 was \$2,955.

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The nonprofit sector includes a wide array of institutions varying in size, staff, and organizational structure. Some nonprofits operate from individual's homes and are so small that IRS used to exempt them from filing requirements. As of 2008, all nonprofit organizations regardless of size have been required at least to file an "E-Post Card" with the IRS to confirm their continuing operations. Since this data is still not fully available, we shall focus on organizations with over \$25,000 dollars a year in annual revenue.

Nevada's Nonprofit Sector

Much of the history of Nevada has been a story of rapid economic growth and prosperity. Since 2006, Nevada's economy has fallen on difficult times, and for much of the economic recession it has led the nation in both unemployment and home foreclosures (Muro, Fikri & Rothwell 2011).

For several decades the nonprofit sector has been growing steadily in the U.S. and Nevada. According to IRS estimates, in the United States:

- There are 1,617,301 tax exempt entities in the U. S., 1,046,719 public charities and 115,915 private foundations registered with the IRS (NCCS Business Master File 08/2010). Overall, the nonprofit sector has experienced a 31.5% increase in the number of nonprofit organizations registered with the IRS from 1999 to 2009. The largest areas of growth overall are in the number of foundations and public charities (organizations classified as 501(c)3s by the IRS).

Table 1: Nonprofits per 10,000 residents nationally and in the Western Region as of 2010

	Number of NPOS	Population	Organizations per 10,000 residents
West	232,784	71,945,553	32.4
Mountain	68,088	22,065,451	30.9
Arizona	15,502	6,392,017	24.3
Colorado	19,684	5,029,196	39.1
Idaho	5,005	1,567,582	31.9
Montana	6,603	989,415	66.7
New Mexico	7,241	2,059,179	35.2
Nevada	5,412	2,700,551	20.0
Utah	5,863	2,763,885	21.2
Wyoming	2,778	563,626	49.3
Pacific	164,696	49,880,102	33.0
Alaska	3,645	710,231	51.3
California	115,437	37,253,956	31.0
Hawaii	5,568	1,360,301	40.9
Oregon	15,487	3,831,074	40.4
Washington	24,559	6,724,540	36.5
United States	1,031,193	308,745,538	33.4

- Of those nonprofit organizations currently filed with the IRS, 7,711 (0.67%) public charities and 807 (0.86%) foundations are located in Nevada. Only 5,327 or 69.08% of such organizations file annual reports with the IRS (nonprofits were previously only required to report the IRS if their gross annual receipts exceeded \$25,000).
- In the spring of 2011, the IRS revoked the tax-exempt status of more than 275,000 nonprofit organizations in the United States for failing to file their informational returns for three consecutive years. In Nevada, 1,715 organizations (32%) had their tax exempt status revoked (See Table 2 for detailed breakdown by county). Many of these revocations are linked to the organizations that are inactive, but it also likely that many small voluntary organizations lost their exempt status because they were unaware of the change in law.

The story of Nevada until recently was one of rapid growth and opportunity. According to U.S. Census estimates, Nevada was the second fastest growing state in the nation until 2006. It was surpassed only by the neighboring state of Arizona (Nasser, 2006). Prior to 2006, Nevada was the fastest growing state in the country for 19 years. However, the more recent census estimates have population growth in Nevada slowing dramatically to 1.8 percent in 2007-2008.

Table 2: Internal Revenue Service Revocation of Tax Exempt Status by Nevada Counties in 2010

County	# of Registered NPOs 2010		Revocations by County		# Remaining	% Lost
	#	%	#	%		
Carson	234	4.3%	76	4%	158	32%
Churchill	73	1.3%	3	0%	70	4%
Clark	3,108	57.4%	1012	59%	2096	33%
Douglas	166	3.1%	39	2%	127	23%
Elko	131	2.4%	40	2%	91	31%
Esmeralda	6	0.1%	2	0%	4	33%
Eureka	8	0.1%	1	0%	7	13%
Humboldt	53	1.0%	15	1%	38	28%
Lander	23	0.4%	7	0%	16	30%
Lincoln	13	0.2%	8	0%	5	62%
Lyon	129	2.4%	27	2%	102	21%
Mineral	22	0.4%	3	0%	19	14%
Nye	113	2.1%	38	2%	75	34%
Pershing	17	0.3%	5	29%	12	29%
Storey	14	0.3%	6	0%	8	43%
Washoe	1,259	23.3%	411	24%	848	33%
White Pine	42	0.8%	22	1%	20	52%
Total	5,411	100.0%	1715	100%	3696	32%

The historically rapid growth of Nevada had meant economic prosperity for most parts of the state. The rapid growth also resulted in a strain on resources and infrastructure for the communities that have expanded the fastest. The growth has not been universal or widespread across the state with many rural areas remaining sparsely populated and largely undeveloped. The expansion of the nonprofit sector has followed a pattern similar to the population growth in Nevada, with abundant growth in the more metropolitan areas of Las Vegas and Reno and little or no growth in the state's rural areas. The economic downturn has slowed the growth of nonprofit organizations, but even in the face of these changes the Nevada nonprofit sector has continued to grow in and around the state's population centers (See Table 3 for detailed county growth rates).

- From 2000 to 2010, the number of registered nonprofits grew nationally to 1,143,501, an increase of 35.1% (NCCS Business Master File 08/2010). Over the same period, the number of 501(c)3 organizations increased 33.45% and the number filing with the IRS increased by 108.9% (the estimates do not include more recent data on revocations since the NCCS data files have not yet been updated to include revised IRS tax status information).
- The number of nonprofits holding 501(c)3 status in Nevada over the past 10 years has increased 80.8% and the number of nonprofits filing annually with the IRS has increased by 185.5%. The rate of increase in 501(c)3 organizations registered in Nevada is more than twice the national average.

This is likely due to the rapid rate of population and economic growth that preceded the current financial crisis.

The growth in the nonprofit sector reflects not only increases in population size in the United States and the Western region but also the transition from direct delivery of public goods and services by governments to contracting out. Behind this transformation is the shift to delivery models that entail contracting with local service providers such as for profit and nonprofit organizations. In part because of this policy shift,

- In 2009, the nonprofit sector employed an estimated 13.5 million individuals (approximately 10% of the U.S. workforce) (Independent Sector 2011).

The increase in the size of nonprofit sector employment mirrors the decline in the government sector employment over the last several decades. The use of the nonprofit sector to deliver public goods and services has meant significant change in the character of the nonprofit sector, the level of competition between nonprofit organizations for resources, and the professionalization of the sector.

Table 3: Change in Number of Organizations and Populations by Nevada County 2000-2010

County	Population 2000		# of Registered NPOs 2000		# of Filing NPOs 2000		Population 2010		# of Registered NPOs 2010		# of Filing NPOs 2010		Popula- tion Change	Change in # of Register NPOs	Change in # of Filing NPOs	Reporting NPOS per 10,000 residents 2010
	#	%	#	%	#	%	#	%	#	%	#	%	%	%	%	
Carson	52,457	2.63%	163	5.4%	48	4.7%	55,274	2.05%	234	4.3%	139	4.8%	5.4%	43.6%	189.6%	25.1
Churchill	23,982	1.20%	45	1.5%	16	1.6%	24,877	0.92%	73	1.3%	39	1.3%	3.7%	62.2%	143.8%	15.7
Clark	1,375,765	68.85%	1,555	52.0%	510	50.3%	1,951,269	72.25%	3,108	57.4%	1,526	52.7%	41.8%	99.9%	199.2%	7.8
Douglas	41,259	2.06%	73	2.4%	24	2.4%	46,997	1.74%	166	3.1%	91	3.1%	13.9%	127.4%	279.2%	19.4
Elko	45,291	2.27%	76	2.5%	30	3.0%	48,818	1.81%	131	2.4%	78	2.7%	7.8%	72.4%	160.0%	16.0
Esmeralda	971	0.05%	4	0.1%	3	0.3%	783	0.03%	6	0.1%	4	0.1%	-19.4%	50.0%	33.3%	51.1
Eureka	1,651	0.08%	2	0.1%	0	0.0%	1,987	0.07%	8	0.1%	6	0.2%	20.4%	300.0%		30.2
Humboldt	16,106	0.81%	35	1.2%	13	1.3%	16,528	0.61%	53	1.0%	28	1.0%	2.6%	51.4%	115.4%	16.9
Lander	5,794	0.29%	18	0.6%	1	0.1%	5,775	0.21%	23	0.4%	10	0.3%	-0.3%	27.8%	900.0%	17.3
Lincoln	4,165	0.21%	14	0.5%	0	0.0%	5,345	0.20%	13	0.2%	5	0.2%	28.3%	-7.1%		9.4
Lyon	34,501	1.73%	71	2.4%	20	2.0%	51,980	1.92%	129	2.4%	75	2.6%	50.7%	81.7%	275.0%	14.4
Mineral	5,071	0.25%	19	0.6%	2	0.2%	4,772	0.18%	22	0.4%	12	0.4%	-5.9%	15.8%	500.0%	25.1
Nye	32,485	1.63%	51	1.7%	9	0.9%	43,946	1.63%	113	2.1%	59	2.0%	35.3%	121.6%	555.6%	13.4
Pershing	6,693	0.33%	12	0.4%	0	0.0%	6,753	0.25%	17	0.3%	9	0.3%	0.9%	41.7%		13.3
Storey	3,399	0.17%	10	0.3%	8	0.8%	4,010	0.15%	14	0.3%	10	0.3%	18.0%	40.0%	25.0%	24.9
Washoe	339,486	16.99%	818	27.3%	318	31.4%	421,407	15.60%	1,259	23.3%	779	26.9%	24.1%	53.9%	145.0%	18.5
White Pine	9,181	0.46%	26	0.9%	12	1.2%	10,030	0.37%	42	0.8%	25	0.9%	9.2%	61.5%	108.3%	24.9
Total	1,998,257	100.00%	2,992	100.0%	1,014	100.0%	2,700,551	100.0%	5,411	100.0%	2,895	100.0%	35.1%	80.8%	185.5%	10.7

(Registered and Filing Nonprofits) Figures taken from the National Center of charitable Statistics table wizards. Data from 05/2000 and 08/2010.

(Population) Figures taken from the U.S. Census Bureau, 2010 Census and Census 2000.

Note: Empty cells represent mathematically undefined percentages because we cannot compute percent increase if no organizations were registered in the comparison period.

The pattern of growth in Nevada's nonprofit sector over the last decade is less dramatic when we examine changes by county rather than across the state as a whole (See Table 3 for details).

- Over the last decade, rural counties including Esmeralda, Lander, Mineral, Pershing and Storey counties have experienced less than 50% or lower growth in the number of registered nonprofit organizations. One county, Lincoln has actually seen a decline in the number of registered nonprofit organizations.
- The highest rates of growth were seen in Clark, Douglas, Eureka, and Nye counties which have experienced at 100% or over increases in the number of registered nonprofit organizations. This made the growth rate for registered nonprofits 80.8% statewide over the last decade.

We should bear in mind that this overall number of nonprofits reported to the IRS is somewhat inflated because it often fails to account for the nonprofit organizations which are no longer operating (Boris 2006). The current issuance of over 250,000 revocations of tax status by the IRS is meant to address this issue but data on the size of the nonprofit sector have not yet been adjusted to reflect this recent development (See Table 2 for details on IRS revocations by county). IRS figures also fail to include many smaller, religiously based nonprofit organizations that either have not or are not required to register with the IRS (Gronbjerg 2002).

The rapid growth of nonprofits in some state regions can be explained by greater demand for goods and services and availability of resources. Thus, nonprofits grew fastest in Clark County and the surrounding cities of North Las Vegas, Las Vegas, and Henderson where the rise in the number of nonprofit organizations followed explosive population growth. Rapid increase in both population and number of registered nonprofit organizations has also been evident in Nye County, situated just West of Clark County. The need or demand for goods and services runs parallel here with the supply of resources. As the pool of available donors and the tax base increased, local governments and donors offered contracts and grants to a range of nonprofit organizations across the state. The ability of local and state government to fund even current service levels has changed dramatically in the wake of the economic crisis. At the state level, Nevada government has faced record budget shortfalls over the past 4 years.

A similar pattern can also be observed with the other counties near the rapidly growing population centers of Reno and Carson City in Douglas. However, the growth in Northern Nevada lags slightly behind that of Southern Nevada counties, which may reflect a difference in either the amount of need or the amount of resources within these areas (Schervish & Havens 2001). The fact that Clark, Nye, and Washoe counties lag far behind the national average in number of nonprofit organizations per 10,000 residents suggests that the need for nonprofit organizations in Nevada is still not fully met. This lag is due in large measure to the population explosion that has outstripped the ability of nonprofits to cope with the demand.

- While Nevada is the 35th largest state in the country, it ranks 51rd in the number of nonprofit organizations per capita (NCCS Business Master File 8/2010).

The lower number of nonprofits in proportion to the population is relevant because government in Nevada plays a smaller role than governments in other parts of the country (Koven & Mausolff, 2002; Rice & Sumberg 1997). The limited role of state government, in turn, is tied to a fairly small state budget and the bi-annual legislative session schedule which results in the relatively infrequent meeting of state political leaders. This limits the ability of the state to respond to emerging policy issues in a timely manner and leaves local government and nonprofit organizations as the primary respondents to new or changing issues.

- Nationally, there are 49.8 nonprofit organizations per 10,000 individuals (Urban Institute 2009).
- As of 2010, Nevada ranked 51st in terms of number of nonprofit organizations per capita (Urban Institute 2010).
- In 2010, Nevada lagged far behind both the regional and national average of nonprofits per 10,000 residents, with only 29.8 organizations per 10,000 residents (NCCS Business Mast/er File 82010).

The low density of nonprofits in our communities has important implications for the social health and wellbeing of the community as a whole. While the direct link between health of a community and density of nonprofits has not been fully established, many studies suggest that communities with greater numbers of nonprofit organizations have more social capital and are more able to diagnose and address social problems (Gamm & Putnam 1999; Douglas 1987; Weisbrod 1988; James 1987; Wolpert 1989).

Low density of nonprofit organizations also affects the range of public policy choices available to our communities (Gronjberg & Paarlberg 2001). Underdeveloped nonprofit sectors force governments to deliver services directly, employ for-profit entities, or expand the capacity of existing nonprofits to meet emerging needs. In the end, communities lacking in charitable organizations are likely to bear significant social costs, for it takes time to generate the required resources. It also increases the time span required to respond to community needs since governments tend to adjust policy and resources slowly.

We should note that religious institutions also play an important part in delivering social services.

- In 2006, there were estimated 308,922 congregations in the U.S., with 1,114 or 0.36% located in Nevada (InfoUsa.com, 2011).

Their contribution to charitable causes is difficult to quantify, for faith-based charities are not required to file reports about their activities with the IRS. Because of scarce

data, this report will not include religious charities in Nevada, even though our overview will refer at times to such organizations whose number and overall impact have grown in the past decade (Weitzman, Jalandoni, Lampkin & Pollack 2002).

Types of Nonprofit Organizations by Subsector

Nonprofit organizations range in size from single person volunteer-run outlets to very large organizations that are sometimes not even perceived as charities. Others are national organizations with budgets rivaling the largest businesses in communities. Public Charities are generally broken down into 10 broad subsector categories defined by the National Taxonomy of Tax Exempt Entities (NTEE):

1. Arts, Culture and Humanities
2. Education
3. Environment and Animals
4. Health
5. Human Services
6. International and Foreign Affairs
7. Public, Societal Benefit
8. Religion related
9. Mutual/Membership Benefit
10. Other

The largest proportion of nonprofits registered nationally is human service organizations that make up roughly 24.6% of the sector (NCCS Business Master File 8/2010). In financial terms, the largest nonprofits belong to the health and education subsectors that contain many private universities and hospitals. These two categories of nonprofit organizations require some of the most capital and labor intensive investments to address community needs.

The distribution of nonprofit organizations in Nevada follows the national pattern closely. The largest group of registered and filing nonprofits in Nevada comes from the human service subsector. One of the most notable differences is that Nevada has a smaller proportion of education and health nonprofits in comparison to the national average.

Table 4: Number of Public Charities Nationally and Nevada by NTEE Major Group or Subset in 2010

NTEE Major Group	National								Nevada							
	Registered		Reporting		Revenue		Assets		Registered		Reporting		Revenue		Assets	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Arts, Culture, and Humanities	104,576	9.1%	79,945	11.4%	27,822,394,458	3.6%	92,326,736,239	5.3%	660	8.6%	486	9.1%	68,839,913	2.8%	280,792,033	5.7%
Education	160,363	14.0%	115,667	16.5%	203,323,793,084	26.2%	700,241,488,827	40.2%	773	10.0%	606	11.4%	274,324,077	11.3%	932,183,223	18.8%
Environment and Animals	49,363	4.3%	31,931	4.6%	12,936,689,382	1.7%	33,275,321,666	1.9%	312	4.0%	222	4.2%	42,383,677	1.7%	77,501,388	1.6%
Health	180,918	15.8%	136,884	19.6%	250,104,948,251	32.2%	335,207,877,176	19.2%	677	8.8%	518	9.7%	1,316,110,158	54.1%	2,009,140,618	40.4%
Human Services	281,243	24.6%	197,913	28.3%	179,951,101,036	23.2%	275,844,529,675	15.8%	2,183	28.3%	1,585	29.8%	586,170,489	24.1%	1,237,268,170	24.9%
International	16,768	1.5%	11,954	1.7%	28,628,005,169	3.7%	29,060,799,762	1.7%	101	1.3%	79	1.5%	2,113,186	0.1%	4,186,775	0.1%
Public/Societal Benefit	113,433	9.9%	79,336	11.3%	60,480,934,464	7.8%	237,463,326,075	13.6%	821	10.6%	613	11.5%	121,394,561	5.0%	389,812,204	7.8%
Religion Related	226,678	19.8%	41,772	6.0%	11,469,523,935	1.5%	26,738,931,054	1.5%	1,998	25.9%	1,062	19.9%	15,546,937	0.6%	31,163,789	0.6%
Mutual Benefit Membership	2,920	0.3%	1,990	0.3%	2,014,757,537	0.3%	13,149,188,364	0.8%	23	0.3%	16	0.3%	4,763,467	0.2%	5,107,699	0.1%
Other	7,239	0.6%	2,421	0.3%	164,019,712	0.0%	210,223,947	0.0%	163	2.1%	140	2.6%	1,316,714	0.1%	1,483,010	0.0%
Total	1,143,501	100%	699,813	100%	776,896,167,028	100%	1,743,518,422,785	100%	7,711	100%	5,327	100%	2,432,963,179	100%	4,968,638,909	100%

Figures taken from the National Center of Charitable Statistics table wizards. Data from 11/2010.

A second revealing feature of Nevada's nonprofit sector can be gleaned from the revenues and assets allocated to the education subsector (see table 4). Nevada has a slightly smaller proportion of educational nonprofits than the national average, which probably reflects the smaller number of private universities and schools in Nevada relative to the size of its population. This difference is not that striking in terms of sheer proportion, but it begins to loom large once you examine the dramatic difference in the amount of assets and revenues for this subsector in Nevada compared to the national average.

In most other states the education subsector includes some of the largest and most powerful nonprofit institutions. This pattern mirrors the number of college-bound students and college graduates in such states. By contrast,

- Nevada ranks 43rd nationally by the number of students who enroll in college directly after graduating high school and 49th in completion of higher education within 6 years of enrollment (National Center for Higher Education Management Systems 2009).

Nevada also has a relatively small number of private colleges and universities in comparison to similarly sized states. Additionally, many states have large and prestigious private universities while the private colleges and universities in Nevada tend to be smaller and less well known than the public universities in the state.

The nonprofit sector in Nevada also differs in terms of the proportion of expenditures and revenues generated by health organizations. The health subsector is typically made up of the largest and wealthiest nonprofit organizations in communities and this is also true in Nevada. While health organizations make up only 9.7% of reporting organizations in Nevada, in comparison to 19.6% of registered organizations nationally, these organizations make up a much larger proportion of assets and revenue in the state.

- Nationally, health organizations account for 32.2% of revenue and 19.2% of assets; in Nevada health organizations hold 40.4% of assets and generate 54.1% of revenue (NCCS Business Master File 8/2010).

Financial Resources and Community Support

Communities support nonprofit organizations by bestowing on them tax exempt status, offering contracts for services, administering grants from governments, encouraging charitable giving, and supplying volunteers. Nevada does well in terms of supporting the nonprofit sector in some categories but lags far behind other states in other aspects. This section discusses the financial health of nonprofit organizations in Nevada, the resources obtained from the federal government, and support through individual giving and volunteering.

Financial resources are the lifeblood of any organizations. The methods by which nonprofit organization generate financial support is part of what makes these

organizations so unique compared to profit-oriented and public organizations. For-profit organizations stay in business by generating profit through prior sales or investments made with the hope of future financial gains. By contrast, government funding is collected involuntarily from tax payers and distributed by elected officials to organizations at fixed levels. The financial resources available to the nonprofit sector are different insofar as they come from the revenues collected voluntarily but without hope of future returns for either the individuals or the organizations granting the money. This is a unique quality of the nonprofit sector that binds its institutions to host communities.

Nonprofit organizations are supported by communities not only directly but also indirectly. An important source of indirect support for these organizations is their exemption from most local, state, and federal taxes. The relief from taxes amounts to an indirect subsidy by government committed to furthering public interest through nonprofit organizations (Rose-Ackerman 1986). The level of tax relief varies from community to community. Some exemptions have come under attack because they are perceived as conferring unfair advantages to nonprofits competing with their for-profit, tax-paying counterparts. The controversy this tax disparity generates increases in recessionary times when many state and local governments face severe budget shortfalls.

Tax benefits the wealthy receive for making charitable donations have also received much national attention. In the past 18 months, three separate proposals have been made to limit or decrease the value of charitable deductions for those in upper income brackets. Many in the nonprofit sector fear that these proposals may negatively impact the nonprofits' ability to raise much needed funds. Regardless of their mission, public charities receive the indirect financial subsidy of tax exemption from the federal government.

The revenue for the nonprofit sector in the U.S. comes from three main sources:

- Government (grants and appropriations) – 32.3%
- Dues, fees and charges – 45.5%
- Charitable Contributions – 12.4%
- Other sources (including interest income) – 9.8% (Wing, Roeger, & Pollack 2011).

Combining fee-for-service enterprises with other revenue generating practices shows that nearly 78% of the revenues for reporting public charities are generated as a result of the activities undertaken by nonprofit organizations rather than subsidies or donations. The section focuses on the three main sources of revenue for nonprofit organizations.

Both nationally and in Nevada, the distribution of resources to nonprofit organizations is very skewed, with a very small proportion of nonprofit organizations holding a large proportion of both the assets and the revenues for the sector as a whole (See Tables 5 and 6).

- Nationally, 69.2% of public charities had revenues less than \$100,000 (NCCS Business Master File 8/2010) (See table 5 for additional details). While these organizations represent the bulk of all public charities, they account for only 1.3% of revenues and less than 1.0% of all the assets held by the sector.

Table 5: Reporting Public Charities by Level of Total Revenue Nationally in 2010

Total Revenue	Registered Organizations		Reporting Organizations		Total Revenue Reported on Form 990		Assets Reported on Form 990*	
	#	%	#	%	#	%	#	%
A. Less than \$100,000	494,199	71.1%	432,584	69.2%	17,759,976,792	1.3%	5,146,741,729	0.2%
B. \$100,000-249,999	51,321	7.4%	48,265	7.7%	12,517,558,180	0.9%	7,849,511,197	0.3%
C. \$250,000-499,999	35,164	5.1%	33,408	5.3%	14,527,273,931	1.1%	11,994,897,275	0.5%
D. \$500,000-999,999	31,254	4.5%	29,976	4.8%	21,649,869,055	1.6%	21,416,391,052	0.9%
E. \$1-5 mil.	50,281	7.2%	48,710	7.8%	98,779,431,593	7.3%	111,658,997,123	4.6%
F. \$5-10 mil.	12,661	1.8%	12,393	2.0%	67,088,802,174	5.0%	86,797,642,509	3.6%
G. \$10-100 mil.	16,507	2.4%	16,202	2.6%	295,463,284,359	21.8%	467,467,805,512	19.2%
H. More than \$100 mil.	3,443	0.5%	3,413	0.5%	824,761,379,432	61.0%	1,727,420,792,420	70.8%
Total	694,830	100.0%	624,951	100.0%	1,352,547,575,516	100.0%	2,439,752,778,817	100.0%

(Figures taken from the National Center of Charitable Statistics table wizards. Data from 11/2010)

An even greater percentage of organizations in Nevada have revenues less than \$100,000 dollars (85.4%) (See table 6 for additional details). However, organizations with less than \$100,000 annually in revenue held a larger portion of assets (9.2%). Even more troubling is the fact that this group of nonprofits overall reported negative revenues in 2010 which suggests that a great number of these organizations may not be able to continue operations in the near future.

Table 6: Reporting Public Charities by Level of Total Revenue in Nevada in 2010

Total Revenue	Registered Organizations		Reporting Organizations		Total Revenue Reported on Form 990		Assets Reported on Form 990*	
	#	%	#	%	#	%	#	%
A. Less than \$100,000	4,934	85.4%	4,579	85.4%	-21,019,315	-0.8%	556,446,188	9.2%
B. \$100,000-249,999	288	5.0%	253	4.7%	40,380,773	1.5%	62,448,819	1.0%
C. \$250,000-499,999	155	2.7%	142	2.6%	50,540,847	1.9%	80,909,699	1.3%
D. \$500,000-999,999	122	2.1%	116	2.2%	83,426,816	3.1%	180,716,333	3.0%
E. \$1-5 mil.	178	3.1%	166	3.1%	363,551,612	13.5%	774,228,521	12.8%
F. \$5-10 mil.	27	0.5%	27	0.5%	187,493,864	7.0%	213,400,647	3.5%
G. \$10-100 mil.	38	0.7%	38	0.7%	996,439,657	36.9%	2,098,296,391	34.6%
H. More than \$100 mil.	38	0.7%	38	0.7%	996,439,657	36.9%	2,098,296,391	34.6%
Total	5,780	100.0%	5,359	100.0%	2,697,253,911	100.0%	6,064,742,989	100.0%

(Figures taken from the National Center of Charitable Statistics table wizards. Data from 11/2010)

Nevada does not differ much from the national patterns in terms of the distribution of nonprofit organizations by budget size for both reporting and registered nonprofit organizations (see tables 5 and 6). The main difference between Nevada nonprofits and kindred institutions in other states is that Nevada has a smaller proportion of public charities in the higher revenue and asset tiers (over 1 million dollars in total revenue annually). The difference is probably related to the larger number of newer nonprofit organizations within the state, since most nonprofits have relatively low revenue and

assets at their founding. This pattern is also likely to change over time as newer organizations establish themselves and win more support (Weitzman, Jalandoni, Lampkin & Pollack 2002).

Financial Resources

Revenues generated to support nonprofit organizations in the United States have been increasing since the late 1980's. However, financial difficulties and strains on state and local governments has generally led to severe budget cuts which has had a substantial impact on the nonprofit sector.

- Between 2000 and 2010 the number of registered nonprofit organizations grew by 28.38%. Over the same period, revenues grew 51.19% and assets grew by 57.65%.
- In 2010, reporting public charities in Nevada had combined revenues totaling \$4,247,646,160 for the year (NCCS Business Master File 8/2010) or 47th when compared to other states. This amounts to \$1,573 per person in Nevada annually.
- Nevada ranks 41st nationally in terms assets held by the nonprofit sector. The assets held per capita equal only \$5,362 per person in Nevada – less than half the national assets average of \$13,251 assets per capita (See Table 7 for additional resources).

Table 7: Financial Resources Nationally and in the Western States

	Population	# of Reporting NPOS	Revenues	Revenues Per Capita	Assets	Assets per Capita
West	71,945,553	139,671	278,541,217,603	3,872	425,428,736,673	5,913
Mountain	22,065,451	44,785	57,030,229,779	2,585	94,519,376,428	4,284
Arizona	6,392,017	8,805	20,070,899,115	3,140	23,862,133,575	3,733
Colorado	5,029,196	12,135	15,714,435,558	3,125	27,063,071,339	5,381
Idaho	1,567,582	2,900	2,905,233,049	1,853	4,564,641,167	2,912
Montana	989,415	3,891	3,398,727,356	3,435	6,544,228,127	6,614
New Mexico	2,059,179	4,054	4,132,228,351	2,007	7,279,498,006	3,535
Nevada	2,700,551	7,636	4,247,646,160	1,573	14,480,034,356	5,362
Utah	2,763,885	3,629	5,567,060,024	2,014	8,301,165,113	3,003
Wyoming	563,626	1,735	994,000,166	1,764	2,424,604,745	4,302
Pacific	49,880,102	94,886	221,510,987,824	4,441	330,909,360,245	6,634
Alaska	710,231	2,252	2,653,942,957	3,737	3,634,708,571	5,118
California	37,253,956	64,791	156,199,574,027	4,193	233,137,662,163	6,258
Hawaii	1,360,301	3,124	3,885,992,712	2,857	13,626,538,969	10,017
Oregon	3,831,074	9,911	33,386,475,745	8,715	41,627,976,911	10,866
Washington	6,724,540	14,808	25,385,002,383	3,775	38,882,473,631	5,782
United States	308,745,538	1,617,303	1,786,124,792,470	5,785	4,091,037,727,122	13,251

(Figures taken from the National Center of Charitable Statistics table wizards. Data from 08/2010. Population figures taken from the U.S.Census Bureau, 2010 Census).

Assets per capita are not the only way to scale the holdings of nonprofit organizations to the population size. These assets also represent real property and other resources that can be used by the sector to leverage money from other sources or that can be liquidated in lean times to finance operating costs and meet community needs. Assets held by nonprofits are usually accumulated overtime, which means that the lag can be attributed in part to the recent population growth in Nevada and the relative newness of many of the state's nonprofit organizations and foundations. This pattern is evident when examining the distribution of assets across the state by county (Table 8) even though Clark County holds 73% of the population, the rapid population growth in this region means that the nonprofit organizations hold less than half of the revenues and assets in the state.

Table 8: Financial Resources by Nevada County

Nevada Counties	Population		Total Revenue Reported		Total Assets Reported	
		%		%		%
Churchill	24,877	0.9%	7,378,244	0.3%	16,156,744	0.3%
Clark	1,951,269	72.3%	915,170,549	38.6%	2,170,422,513	46.9%
Douglas	46,997	1.7%	63,179,500	2.7%	70,779,499	1.5%
Elko	48,818	1.8%	23,977,255	1.0%	32,407,652	0.7%
Esmeralda	783	0.0%	-1,576,012	-0.1%	21,770,407	0.5%
Eureka	1,987	0.1%	24,689	0.0%	32,233	0.0%
Humboldt	16,528	0.6%	2,483,489	0.1%	5,231,604	0.1%
Lander	5,775	0.2%	458,729	0.0%	273,036	0.0%
Lincoln	5,345	0.2%	1,983,077	0.1%	188,904	0.0%
Lyon	51,980	1.9%	18,505,960	0.8%	9,166,509	0.2%
Mineral	4,772	0.2%	623,192	0.0%	74,921	0.0%
Nye	43,946	1.6%	12,168,709	0.5%	6,525,467	0.1%
Pershing	6,753	0.3%	545,656	0.0%	179,162	0.0%
Storey	4,010	0.1%	1,797,806	0.1%	5,015,720	0.1%
Washoe	421,407	15.6%	1,067,813,602	45.1%	1,748,768,412	37.8%
White Pine	10,030	0.4%	9,269,386	0.4%	24,369,770	0.5%
Carson City	55,274	2.0%	245,760,562	10.4%	518,786,737	11.2%
State Total	2,700,551	100.0%	2,369,564,363	100.0%	4,630,149,290	100.0%

(Figures taken from the National Center of Charitable Statistics table wizards. Data from 08/2010. Population figures taken from the U.S.Census Bureau, 2010 Census).

In 2009, the Urban Institute conducted a survey of human service nonprofit organizations to understand the impact the recession has had on nonprofit organizations due to the recession and the fiscal difficulties faced by federal, state, and local governments in the face of declining revenues. The survey revealed that over 200,000 formal contracts and grants exist between human service nonprofits and different levels of government. On average, human service nonprofits participate in six contracts with government at any one time and these contracts account for over 65% of agency revenues (Boris, de Leon, Reoger & Nikolova 2010).

While these grants often represent the single largest source of revenue, they also create many issues for these organizations due to government which have become more severe

during the current recession. These problems included government contracts and grants failing to cover the full costs of the program or services provided (57%), difficulties with the complexity of the compliance/reporting (83%), and application process (91%), changes to the contracts and grants (66%), and delinquent payments from governments paired with higher demands for services (70%). In particular, the late payments caused financial difficulties for many nonprofit organizations, forcing them to take such drastic measures as drawing on their cash reserves, laying off employees, and freezing or lowering employee salaries.

The report also detailed the issues reported on the contracting relationships between nonprofits and governmental agencies in the state of Nevada. Of those human service nonprofits currently contracting with governmental agencies the most nonprofit organizations reported having 2-4 contracts (41%), followed by 38% having 5 or more, and 21% having only 1 contract. The most commonly reported relationship between nonprofits and governments was with the state (58%) followed by 29% with the federal government and 13% with local government. The large number of nonprofit organizations reporting state level contracts is especially troubling for the nonprofit sector in Nevada since the state faced its largest fiscal deficit in 2011 and it is likely that the deep budget cuts made by the state deeply impacted nonprofits with contractual relationships.

Even prior to budget cuts made in 2010 and 2011, Nevada nonprofits were reporting serious problems with their existing government contracts. Nevada nonprofits ranked 4th nationally in the number of organizations reporting that the changes made to contracts/grants were either a big problem (38%) or a small problem (33%). Nevada also ranked 7th in terms of problems with late payments from local government. The most commonly reported late period was over 90 days behind, with 32% reporting this was a big problem and 33% reporting this was a small problem. Nevada agencies also ranked 9th in terms of reporting difficulties with the complexity or time required to complete application processes with 52% reporting this issues as a big problem and 30% reporting this as a small problem. Additionally, 38% of agencies reported payments from governments not covering the service costs being a major problem and 48% indicting the complexity of contract and grant reporting being a major problem.

The fiscal stresses faced by Nevada nonprofits caused them to take a series of actions. This included 52% of agencies freezing or reducing employee salaries and 48% of agencies reducing the number of employees. Over a third (34%) of all agencies drew on their cash reserves. The draw-down of cash reserves is an especially dire sign for nonprofit agencies as the recession has continued much longer than anticipated. If these organizations continue to draw on reserves, many organizations will have few options left in the face of future shortfalls or emergencies.

Federal Funding Resources Obtained

Many nonprofit organizations around the country benefit from direct and indirect subsidies from all levels of government. These subsidies take many forms, including grants, contracts, and tax benefits given to nonprofit organizations because of the special role they play in communities.

- Recent estimates indicate that government funding accounts for more than 32.3% of all nonprofit revenues (Independent Sector 2011).

Government contracts and grants are a major source of funding for nonprofit organizations. Little data is available on the contributions that various levels of government make to nonprofit organizations. Some aggregated information about resources obtained by nonprofits from federal agencies can be gleaned from the report published annually by the Census Bureau. The most recent report has Nevada receiving \$19.77 Billion dollars in total federal spending in 2010 with \$3.7 Billion of that coming in the form of grant funding (Census Bureau, 2011).

- Despite being 35th in terms of total state population, Nevada ranked 48th in federal funds received and 50st in federal funding dollars per capita.

These figures point out that the Nevada nonprofit community needs to hone its grantsmanship skills. Improvement in grant writing skills could benefit Nevada nonprofits not only in their application to federal government revenue sources but also in seeking support from other levels of government and private foundations.

Giving and Philanthropy

The difficult economic climate has also brought on a difficult climate for philanthropy nationally. Both 2008 and 2009 saw declines in philanthropic giving nationally but 2010 saw a recovery in philanthropic giving with \$290.89 billion given (Giving USA 2011). This represented a 2.1% increase over the previous year when adjusted for inflation. However, giving did not increase across all areas. Giving to human services remained steady in 2010 and declined 1.5 percent when adjusted for inflation. This decline is striking since the need for services by these agencies has increased in line with the economic difficulties that many individuals and families face across the country. Most giving in the U.S. is done by individuals (73%) followed by foundations (14%), bequests (8%), and corporations (5%).

One of the best measures of support by communities for the nonprofit sector is the level of individual giving to nonprofits. In general, communities with higher than average household incomes show greater levels of support for the nonprofit community.

- Nationally, giving by families to nonprofit organizations totals around 2.0% of the annual gross domestic product (GDP) (Giving USA 2011). But individuals with incomes exceeding \$100,000 give higher percentages of their incomes to charitable purposes.

Research suggests that personal resources are not the only factor affecting the level at which individuals donate to organizations within their community. An examination of the data from the 2001 Survey of Giving and Volunteering (<http://www.cpanda.org/pdfs/gv/GV01Report.pdf>), found that the level of individual

giving was significantly affected by the number of civic organizations in which they are involved, the length of time spent in the community, and regular participation in church services (Jones 2006). This suggests that giving is not only influenced by an individual's economic status but also by the extent to which the person is engaged in the community.

To examine local trends, we shall use information individual taxpayers included in their itemized deductions on their tax returns filed with the IRS. Charitable giving listed in the IRS forms includes contributions to reporting public charities tracked by the National Center for Charitable Statistics as well as contributions to congregations and religious organizations. According to the latest estimates from Giving USA 2010 (2011), http://www.givingusareports.org/products/GivingUSA_2011_ExecSummary_Print.pdf

- Charitable contributions from individuals, foundations, and businesses increased by a modest 3.8% between 2009 and 2010 and total approximately \$290.89 billion dollars. It is estimated that more than 1/3 of this giving goes to religious organizations.
- In 2009, Nevada ranked 39th nationally in terms of average charitable contributions per return with itemized contributions and 37th in average charitable contribution per return (The Urban Institute 2010).
- On average Nevadans gave 1.7% of their annual adjusted gross income, slightly above the national average, to charitable giving. This is a significant decrease from 2.4% of charitable giving reported in 2004.
- The slowdown in the national economy has also seen Nevada's Community Foundation decrease in size in recent years from over \$34 million in 2006 to only \$23 million in 2010.

The relatively lower generosity of Nevadans can be explained primarily by the change in economic fortunes in the state.

- Residents of Nevada reported an overall adjusted gross income of \$57,684 or the 7th highest in the nation in 2004. While in 2009, the average adjusted gross income of Nevadans had fallen to \$54,319 (a decrease of 5.8%) or the 18th in the nation.

The gap between the state's rank in average income and charitable giving may be an artifact of the low level of community engagement experienced by those who have recently migrated to the state. The findings of Jones (2006) on giving by individuals suggest that this gap may reflect the relatively large number of recent immigrants settling in Nevada. Recent immigrants are less likely to become involved in community groups and churches and make charitable contributions.

It also may be due in part to the strong presence of the Church of Jesus Christ of Latter Day Saints (LDS Church) in Nevada. Other states in the region that also have relatively large populations of LDS followers have similar gaps between charitable deductions on

income tax returns and revenues of registered 501(c)3 nonprofit organizations. The donations made to religious organizations, even though they often serve charitable purposes, are not reported to as charitable revenues because religious organizations are not required to file annual reports with the IRS or register as charitable organizations.

The apparent gap between Nevada's ranking in revenue and individual giving can be traced to several factors: lower levels of government support, the lack of federal funding dollars obtained, a lack of information about charitable giving to religious organizations, and the lower likelihood that recent immigrants would make charitable contributions locally. Many individuals settling in the state maintain ties to their former communities and these ties create the desire to give money to organizations and communities to which they have had long standing ties. If Nevada's rapid growth rate continues, the gap between revenue and giving is likely to persist.

Volunteering and Community Support Structures

Another source of support comes in the form of the time and energy that many volunteers put into working for nonprofit organizations (Jones 2006). Both Putnam (2000) and Jones (2006) found a link between community engagement and the amount of volunteer work. Building upon these earlier examinations the Corporation for National and Community Service examined volunteer rates nationally and found that volunteering tends to be higher in areas with higher homeownership, higher percentages of high school or college graduates, and larger number of nonprofit organizations. This suggests that volunteering within a community not only signals support for worthy causes and nonprofit organizations but it also speaks to the quality of community engagement. The latest estimates show that:

- Nationally in 2010, volunteers gave 8.1 billion volunteer hours to nonprofit organizations, valued at \$173 billion dollars annually. This represented the largest single year increase since 2003 (CNCS Business Maser File 8/2010).
- 15.2 million volunteers in the Western region of country contributed 2.1 billion hours of community service. Volunteers in the Western region were distinct in that they contributed the most hours per capita compared with other regions of the country (CNCS Business Maser File 8/2010).

The last figure suggests that communities in the Western region foster civic engagement, with volunteer work by individuals playing a significant role in the overall charitable activity (Jones 2006). Compared to other states in the region,

- Nevada ranked last (50th) in terms of participation in volunteer activities with only 20.9% of individuals giving of their time (CNCS Business Maser File 8/2010).
- But those Nevadans who engage in volunteer work devote a significant amount of their time to such activities. On average, Nevadans give 37.3 hours annually as volunteers, ranking 19th in terms of hours across states.

- Las Vegas ranked 49th out of 51 of the nation's largest cities in terms of overall volunteerism, and 26th on the number of hours given by volunteers.
- The total value generated by Nevada volunteers equals \$1.6 billion dollars annually, with 75.1 million hours contributed to community service statewide on an annual basis. This is a significant asset which, if properly tapped, could create many gains for the state and local communities.

One of the many problems identified with development of community support for nonprofit organizations is the low number of residents native to the state (Schwer, Johnson, Daneshvary, Hoyt & Bashir 2007; CNCS Business Maser File 8/2010). Nevada has the lowest number of native residents of any other state in the nation. This is not surprising considering the state's population growth in the past two decades. What is disconcerting is the extent to which Nevada diverges from other states. Nevada has by far the highest rate of in-migration of any other state, with less than 20% of its population being born in the state. Alaska, the state which has the next lowest rate of state-born residents, has a 40% rate of original residency.

The extremely high level of migration has important implications for the nonprofit organizations operating in local communities. Many individuals who migrate to new regions choose to support the communities of their origin. With less than a third of Nevada residents residing in the state for five years or more (Schwer, Johnson, Daneshvary, Hoyt & Bashir 2007), it is likely that much of the giving reported on individual tax returns is directed toward other communities.

Nevada ranked near the bottom in almost every category in terms of the Civic Life Index (CNCS 2010), <http://civic.serve.gov/data.cfm>. The Civic Life Index was developed by the Corporation for National and Community Service as a way to measure civic health, this index is based upon volunteering, voting, neighborhood engagement, and civic infrastructure. Nevada's ranking on this measure helps explain the low levels of volunteering found in our state. According to Jones (2006), volunteering differs from giving in that the former depends on the strength of community ties. The lack of civic engagement is reported to be a major disappointment for individuals relocating to the state from other areas of the country.

Another factor to be noted here is that the Silver State offers little educational support to those working for nonprofits, with the available support confined to continuing education curriculums and workshops through either consultants, other nonprofits, or as non-degree programs. This makes it difficult for nonprofit practitioners to update or upgrade their skills without leaving their communities. Beginning in the fall of 2007, the University of Nevada Las Vegas began to address this urgent need for additional educational support by instituting a graduate level certificate program designed to help nonprofit managers upgrade their skills. Still, additional technical support and research is needed to help those working within the nonprofit sector address local problems across the state, particularly in rural and Northern Nevada.

Corporate Giving and Foundations in Nevada

While individuals account for the vast majority of private giving, followed by independent and community foundation, corporations and corporate foundations make us the third largest component of philanthropy upon which nonprofit organizations draw. Often gifts made by corporations and corporate foundations are some of the most visible gifts made to nonprofit organizations. More importantly, large corporate gifts can signal legitimacy for individual nonprofit organizations and may lead to additional donations from similar donors (Galaskiewicz & Burt 1991).

In 2010, corporate giving remained relatively flat, totaling \$4.7 billion dollars. This represented a decline of 1.6 percent. Until the recent economic recession, the Nevada Community Foundation had grown quickly, with total assets growing from \$12 million in 2003 to over \$34 million dollars in 2006. However, the most recent financial reports available show the remaining assets of the Nevada Community Foundation dwindling \$24 million in 2010 (Nevada Community Foundation, 2010).

Many of these corporate donors are active not only in the Nevada Community Foundation but also in giving directly to nonprofit organizations locally, nationally, and internationally. Some of these corporations have also joined together in order to participate in a group known as Nevada Gives. The goal of Nevada Gives is to promote philanthropy in Southern Nevada. This organization counts among its members some of the most prominent businesses in the greater Las Vegas area, as well as major individual donors.

Corporate giving is an important aspect of the nonprofit sector in Nevada where major gifts are made annually either directly by businesses or foundations established to manage their annual giving.

- Nationally there are 2,733 grant making corporate foundations that annually give \$4.7 billion dollars (Foundation Center 2011).
- Only 15% of all corporate foundations are located in the western region. In 2010, these foundations accounted for only 12% of all foundation gifts in the West. From 2007 to 2008, the western region experienced the highest growth in giving – an estimated 14% increase compared to the previous two years. But foundations in the West saw a sharp 17.3% decline in overall assets over 2007 and 2008.

Table 9: Private Foundation Revenue Sources by Nevada County in 2010

Nevada Counties	# of Registered Organizations		# of Organizations Filing Form 990		Total Revenue Reported on Form 990		Assets Reported on Form 990	
	#	%	#	%	#	%	#	%
Churchill	1	0.1%	0	0.0%	0	0.0%	0	0.0%
Clark	459	56.9%	322	55.0%	342,348,632	51.3%	1,736,933,969	36.8%
Douglas	37	4.6%	30	5.1%	3,434,536	0.5%	75,075,826	1.6%
Elko	4	0.5%	2	0.3%	52,165	0.0%	643,796	0.0%
Esmeralda	1	0.1%	0	0.0%	0	0.0%	0	0.0%
Eureka	1	0.1%	0	0.0%	0	0.0%	0	0.0%
Lander	2	0.2%	0	0.0%	0	0.0%	0	0.0%
Lyon	1	0.1%	0	0.0%	0	0.0%	0	0.0%
Mineral	3	0.4%	2	0.3%	-3,375	0.0%	94,206	0.0%
Nye	7	0.9%	4	0.7%	1,215,611	0.2%	7,675,887	0.2%
Pershing	1	0.1%	0	0.0%	0	0.0%	0	0.0%
Storey	1	0.1%	1	0.2%	0	0.0%	0	0.0%
Washoe	261	32.3%	204	34.9%	319,060,951	47.9%	2,868,065,885	60.8%
White Pine	3	0.4%	1	0.2%	14,825	0.0%	19,846	0.0%
Carson City	25	3.1%	19	3.2%	609,130	0.1%	25,245,769	0.5%
Total	807	100.0%	585	100.0%	666,732,475	100.0%	4,713,755,184	100.0%

(Figures taken from the National Center of Charitable Statistics table wizards. Data from 04/2010.)

Several prominent local corporate and family foundations have achieved national prominence, including the Donald W. Reynolds Foundation, the Harrah's Foundation, the Andre Agassi Charitable Foundation, the Lincy Foundation, and the MGM Mirage Voice Foundation. The largest of these is the Donald W. Reynolds Foundation – it is the 30th largest foundations in the country as measured by its giving. However, the Donald W. Reynolds Foundation is scheduled to spend its remaining endowment and close before 2022. Another recent setback to the Nevada's foundations is the decision by the Lincy Foundation to allocate a \$200 million dollar gift to the University of California, Los Angeles (UCLA). The loss of the two major foundations will translate into diminished support for many nonprofit organizations across the state. Many other national foundations continue to be active in Nevada, but they have no headquarters in the Silver State.

Emerging Issues and Policy Considerations

As our discussion indicates, Nevada's nonprofit sector lags behind other states in several key areas. Addressing these weaknesses is complicated by the fact that we often lack timely and detailed information about state nonprofit organizations. The information about the nonprofit sector in Nevada tends to be fragmented, and it is based primarily upon financial data filed with the IRS or small locally based studies that focus on one particular issue or area. Without reliable information on the number of nonprofits, their size, type, activities, funding sources, and management capabilities we cannot develop effective solutions to the problems plaguing the philanthropic, public, and private sector in Nevada (Gronbjerg, 2001). We need a comprehensive knowledge of the nonprofit sector as a whole in order to weed out ineffective programs and increase management capacity of nonprofit organizations. The problems we face are in large

measure due the growing pains associated with the rapid growth in the region and the lack of a professional umbrella organization serving the needs of nonprofits.

Explosive population growth will continue to be a major issue for the state and its nonprofit organizations, limiting the ability of nonprofits to meet the community needs. As the demand for services mounts, nonprofit organizations will be forced to compete more strenuously for limited resources. While increased competition may encourage nonprofits to improve their organizational structures and services, this rivalry also makes it more difficult for new organizations to sink roots in local communities. Population growth has a positive impact on the economy, but expansion at such a rapid rate is bound to diminish the quality of life for many state residents, especially for the most vulnerable groups like children, the elderly, and the poor. Concerted efforts are needed to engage those moving to the Silver State, to encourage newcomers build ties and stay connected in areas lacking the sense of community, notably in state's largest city of Las Vegas.

As we assess the future prospects for Nevada nonprofits, we can see both reasons for concern and hope. The Silver State ranks 51st among the 50 states and the District of Columbia in the number of nonprofits, but it has experienced the tremendous growth in the nonprofit sector over recent years. As the size of the nonprofit sector expands and the population of Nevada continues to grow, the ability of regional nonprofits to draw federal dollars should improve. To take full advantage of the opportunities, those managing nonprofits will have to hone their professional skills, to initiate grant proposals sophisticated enough to compete with those from other states. State support for university programs at the undergraduate and graduate level is instrumental in creating the human capital necessary to upgrading the skill base of these professionals.

A strong nonprofit sector requires the policy changes that promote giving by both individuals and corporations in Nevada. In a state with no personal or corporate income tax, the only incentive for would-be donors is the federal tax write offs, plus the goodwill that giving generates from the community itself. Nevada needs to encourage state and local governments to contract with nonprofit entities delivering vital services by giving preference to nonprofits over for-profit entities in competitive contracting.

As nonprofit organizations have grown in prominence across the country, they started to attract attention from state legislators who increasingly show willingness to take into account the needs of nonprofits when they allocate scarce resources. Paired with better technical and education support, the improved services are likely keep pace with the population growth and generate the good will within the community. The failure to address in a comprehensive manner the needs of the nonprofit sector will have a negative impact on the quality of life in the Silver State.

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