

## The Social Health of Nevada

*Leading Indicators and Quality of Life in the Silver State*

# Nonprofits and Philanthropy in Nevada

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## Introduction

The state of Nevada changed rapidly in recent decades enjoying one of the longest and most sustained population and economic growth periods in the nation followed by a severe period of economic contraction and recession (Brookings Mountain West, 2011). Nearly a decade after the Silver State was hit by the Great Recession, the overall economic indicators for 2018 suggest Nevada's economy is now on solid ground with steady growth predicted for the near future (Banning 2018). The picture for Nevada's nonprofit sector is not nearly as clear with some indicators suggesting growth and other suggesting struggle.

This chapter explores the state of nonprofit organizations in Nevada, tracks the changes the sector has experienced in the last five years, compares the state's nonprofit sector to similar states across the region, and outlines the social and economic impact of nonprofit organizations and charitable activities on the wellbeing of Nevada. We should bear in mind that the state's ability to attract business and ensure economic growth hinges on the health and well-being of its nonprofit sector and community services. 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

- In 2016, Nevada nonprofits reported to IRS \$14.5 billion in assets and an annual revenues of \$5.4 billion.
- The healthcare sector nonprofits report the largest percentage of total revenue at \$1.7 billion (40.5%) and assets of \$2.3 billion.
- Nevada nonprofit organizations reported \$1,829 in revenues and \$4,929 in assets per capita – less than a quarter of the national average.
- In 2013, Nevadans made donations totaling \$1.23 billion in contributions to nonprofit and religious organizations, which makes the state as the 35th most generous in the nation.
- Nationally, Nevada ranked 51th in terms of both assets and revenues per capita reported by nonprofit organizations.

### How to Cite this Report

Jessica K.A. Word. 2018. "Nonprofits and Philanthropy in Nevada." In *The Social Health of Nevada: Leading Indicators and Quality of Life in the Silver State*, edited by Dmitri N. Shalin. Las Vegas, NV: UNLV Center for Democratic Culture, <http://cdclv.unlv.edu>

Additionally, research suggests that nonprofit organizations are an important driver of employment, and they offer more stable jobs during economic downturns (Salamon, Sokolowski & Geller 2012).

This report will draw on data available from the Nonprofit Works Project (2018) from John's Hopkins University's Center for Civil Society Studies and data from the National Center for Charitable Statistics (NCCS) Business Master Files (BMF) and Core Files (CORE).

Nonprofit organizations are an important part of Nevada's social health. Nonprofits deliver critical social, educational and health services to citizens from every economic and cultural background in communities throughout the state. They enrich lives by expressing important social and cultural values through artistic and cultural events. They also serve the state's business sector in the form of associations and professional societies. In total, they serve the very important role of uniting individuals and organizations into communities.

Despite the prominent role of nonprofits in so many areas of the state's communities, there is a limited understanding of their value and overall impact in the State of Nevada and nationally. This chapter documents a key role these organizations play not only in the lives of individuals but also for the entire state as it continues to evolve and diversify economically and politically.

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 the data about very small nonprofits is limited, we shall focus on organizations with at least \$50,000 a year in annual revenues (IRS.gov, 2018).

## **Nevada's State Context**

Nevada economy suffered a period of severe economic contraction during the Great Recession of 2007, with unemployment and foreclosure levels well above the national average. Unemployment during the recession reached a peak of 13.8% for Nevada in August of 2011 (Bureau of Labor Statistics, 2012). Currently, Nevada's unemployment rate has fallen to 4.8% and job growth in the state has exceeded the national average for 69 straight months (Soderberg, Schmidt & Robison, 2018).

Nevada's economic context and future is shaped by many factors including the continued dominance of employment in and around the area of hospitality and tourism which are service jobs requiring lower levels of education and training. The dominance of these types of jobs has caused Nevada average income to fall to 32<sup>nd</sup> among the states from 19<sup>th</sup> in 2007. On average, Nevadans make \$44,646 or about 89% of the national average (Bureau of Economic Analysis 2018). However, Nevada's economy has by many metrics begun to diversify, with job growth in high-tech and other industries as the state

moves to attract businesses and industries outside of the service and construction. This includes recent investments by Tesla, Google, and Switch in the state following the recession.

The development of the state economy is also uniquely shaped by the way the population of the state has settled and grown. With 89% of the state's population living in and around Las Vegas and Reno, Nevada is the third most urban state after California and New Jersey (Mackun & Wilson, 2011; Cox 2016). Las Vegas has a resident population of 2.2 million (73%) and Reno has a population of 464,543 (15.5%). The remaining 10.9 percent of its population is sprinkled throughout its rural counties. Of its 17 counties, 12 have fewer than 50,000 persons in residence (U.S. Census, 2018). The concentration of the population in these two areas of the state creates a great deal of contrast for the state in terms of economic development and social needs. For this reason, the chapter focuses on the state as consisting of three main regions: Northern Nevada (Carson City, Storey and Washoe Counties), Southern Nevada (Clark County) and Rural Nevada (Douglas, Lyon, Churchill, Humboldt, Lander, Pershing, Elko, Eureka, White Pine, Nye, Lincoln, Esmeralda and Mineral Counties). Each of these three regions of the state provides insights into the development of Nevada's nonprofit sector and the economic impact of the sector under review on the state's overall social health.

## Scope of Nevada's Nonprofit Sector

### *Composition of Nevada's Nonprofit Sector*

We will begin our examination of the impact of the nonprofit sector in Nevada by first examining the scope and composition of the nonprofit sector in the state. Understanding the composition of Nevada's nonprofit sector will help us to understand the role of the nonprofit sector in the communities across the state as well as its role economically. First, we will describe the state's nonprofits in terms of type and number of organizations found in the state. Second, we will examine the distribution of nonprofit organizations in terms of mission area or activity. After that, we will describe the finances of the sector, explore giving and philanthropy in the state of Nevada, and compare the size of Nevada's nonprofit sector to that of the other parts of the Mountain West and the United States.

### *Overview of Nevada Nonprofits*

Nonprofits in Nevada provide an important social safety net, undergird the cultural life of the community, and augment the state's healthcare system. They also represent a diverse cross section of social, recreation, arts, business, and labor organizations or associations in the state. Nevada nonprofits reported \$14.5 billion in assets and a

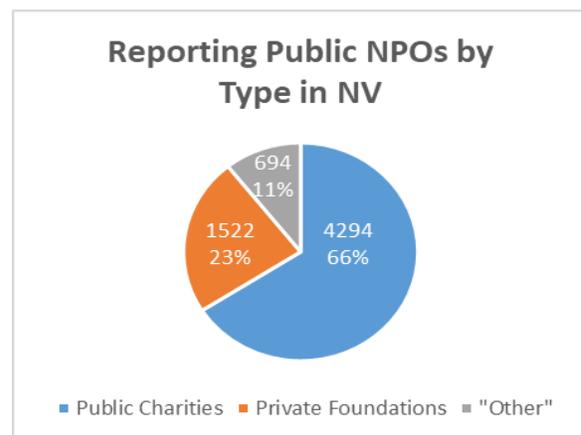


Figure 1: Reporting Nonprofit organizations by Type in Nevada (2016)

combined annual income of \$5.4 billion to the IRS in 2016 (NCCS Business Master File, June 2016). By comparison, the State of Nevada’s biannual budget for fiscal years 2018-2019 stands at \$26.1 billion with human services expenditures of 39.9% or \$10.4 billion over two years (Openbudget.nv.gov, 2018).

The Nevada’s nonprofit sector in 2016 included 8,781 registered organizations (NCCS Business Master File, June 2016). Nonprofit organizations are generally grouped into the following three categories: public charities, private foundations and “other.” While all registered nonprofit organizations are exempt from paying federal income taxes, not all nonprofit organizations were created with the same purpose or operate under the same reporting requirements (NCCS-FAQs, 2012). About half of all nonprofits are public charities, which are tax-exempt under IRS Section 501 (c) 3. Other types of nonprofits include social welfare organizations, 501 (c) (4), labor and agricultural associations 501 (c) (5), business leagues 501 (c) (6), and fraternal beneficiary societies, 501 (c) (8).

Registered organizations in Nevada include:

- 6,296 organizations classified as public charities,
- 4,294 public charities (68.2%) filed with the IRS
- 1,707 organizations classified as “other types of tax exempt organizations”
- 1,522 “other” nonprofit organizations (89.1%) filed with the IRS
- 778 organizations classified as private foundations
- 694 private foundations (89.2%) filed with the IRS

The distribution of Nevada’s three types reporting nonprofit organizations is shown in Figure 1. The number of registered nonprofit organizations is generally different than the number of reporting nonprofit organizations. This is because not all registered organizations file one of the IRS forms in the 990 series. Those that file forms are considered “reporting” (NCCS FAQ, 2018).

### ***Registered Public Charities by Activity***

All nonprofit organizations are categorized by NTEE codes, which indicate their primary purpose or activity. They are further classified into major subsectors, such as arts, education, health, etc. The broadest and most common classifications are Major 5, 10, and 12 classifications. For this chapter, we will examine the composition of the Nevada’s nonprofit sector using NTEE’s major 10 classification which divides all public charities into the ten most common activity groupings.

Public charities provide a broad array of services in a wide variety of fields. A closer look at the numbers and percentages (from highest to lowest) and types of registered public charities in Nevada reveals that:

- 6,296 organizations classified as public charities
- 1,683 (26.7%) are in the human services field
- 1,451 (23.0%) are religiously affiliated organizations
- 807 (12.8%) provide public and societal benefits
- 711 (11.3%) are in the education field
- 515 (8.2%) are in the field of health
- 388 (6.2%) are related to the environment and animals
- 82 (1.3%) are involved in international (foreign affairs, and national security)
- 28 (.4%) are categorized as mutual benefit and membership
- 25 (.4%) are categorized as unknown

**Reporting Public Charity Activities**

As previously mentioned, the number of *reporting* organizations differs from the number of *registered* organizations nationally and in each state. When viewed by Major 10 activity, the largest number of public charities reporting are classified as human service organizations with more than twice the number of organizations than in any other category. The next largest in terms of number or reporting public charities are in the areas of public and societal benefit, education, arts and culture, and health. A closer look at the numbers (from highest to lowest) of *reporting public charities* in Nevada categorized by Major 10 activity fields is as follows:

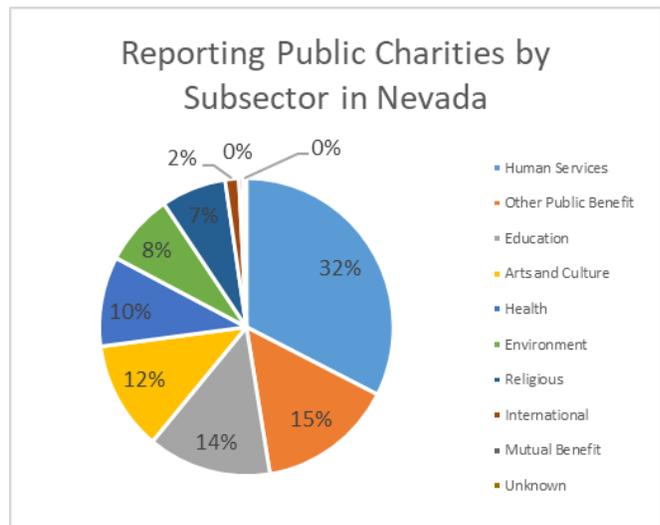


Figure 2 : Reporting Public Charities by Subsector (2016)

- 1,395 (32.5%) in human services
- 642 (15.0%) in public and societal benefits
- 584 (13.6%) in education
- 510 (11.9%) in arts, culture, and humanities
- 419 (9.8%) in health
- 337 (7.8%) in environment and animals
- 307 (7.1%) in religion
- 65 (1.5%) in international
- 20 (0.4%) in mutual benefit and membership; and
- 15 (0.3%) are listed as “other”

### ***Finances***

The financial footprint of nonprofit organizations in Nevada is also significant, with nonprofit organizations responsible for \$5.4 billion in revenue, \$14.5 billion in assets in 2016. Although the human services subsector comprises the largest number (1,395, 32.5%) of reporting public charities in Nevada, the healthcare field reports the largest percentage of total revenue at \$1.7 billion (40.5%) and assets of \$2.3 billion. This is similar to the overall pattern nationally, as the health care field which includes large nonprofit hospitals which tend to have higher revenues and assets than most other nonprofit organizations. During 2016, five of the top ten public charities in the State of Nevada in terms of assets and were health care organizations while most of the remaining organizations in the top ten were educational organizations (NCCS, 2018). The only organizations listed in the top ten that were not a healthcare or education related nonprofit organization was the Smith Center for Performing Arts which ranked second in terms of overall assets and the Opportunity Village Foundation which ranked ninth in terms of revenues (NCCS, 2018).

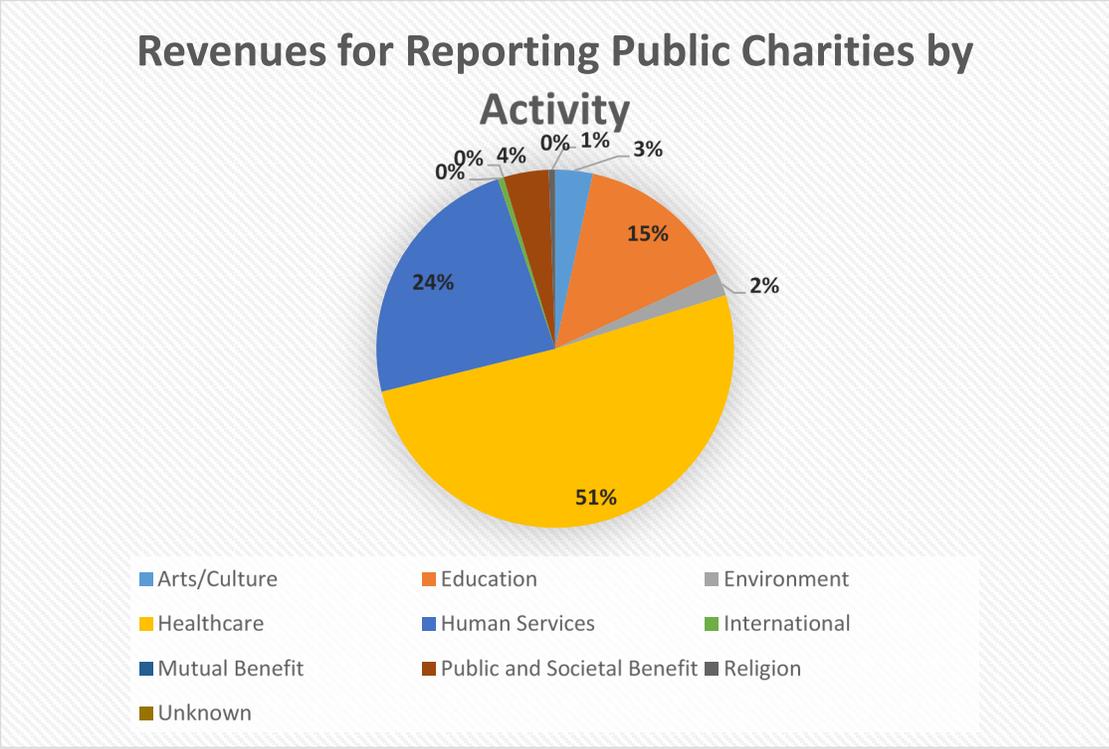
Nevada nonprofit organizations reported \$1,829 in revenues and \$4,929 in assets per capita. This is less than a quarter of the national average in terms of revenues and less than a third on the national average in terms of assets. Nevada actually ranked 50<sup>th</sup> in

terms of both assets and revenues per capita reported by nonprofit organizations when compared to other states.

Public charities, those nonprofit organizations holding 501(c)3 status, had a significant economic impact in the state of Nevada. According to the National Center for Charitable Statistics in 2016, public charities in Nevada were responsible for \$3.3 billion in revenue and \$6.8 billion in assets. Other types of nonprofit organizations in Nevada were responsible for \$1.5 billion in revenues, \$3.7 billion in assets. The remaining assets and revenues were held by private foundations.

### ***Distribution of Resources by Public Charity Activities***

Although the human services subsector comprises the largest number (1,395, 22.6%) of reporting public charities in Nevada, the health care field reports the largest percentage of total revenue at \$1.7 billion (51.0%) and assets at \$2.3 billion (33.9%) (See Figure 3). This is similar to the overall pattern nationally since the health care field includes large hospitals which tend to have higher revenues and assets than most other nonprofit organizations. The next largest share of revenues reported belonged to human service organizations (23.7%), education (14.7%), public and societal benefit (4.1%), arts, culture and humanities (3.4%) and the environment and animals (2.1%). The remaining areas reported less than one percent of the annual revenues for the nonprofit sector.



**Figure 1: Revenues Reported by Activity for Public charities**

Total revenue and assets reported on Form 990 by public charities in Nevada by the major 10 categories are shown in the Table 1 below.

**TABLE 1: ASSETS AND REVENUES FOR PUBLIC CHARITEIS BY ACTIVITY IN NEVADA (2016)**

NTEE Major Group	Registered Organizations		Organizations Filing Form 990 *		Revenues		Assets	
	#	%	#	%	#	%	#	%
Arts/Culture	606	9.6%	170	9.7%	113,241,220	3.4%	705,716,240	10.3%
Education	711	11.3%	221	12.6%	489,801,431	14.7%	1,450,325,976	21.2%
Environment	388	6.2%	143	8.2%	69,751,491	2.1%	101,606,884	1.5%
Healthcare	515	8.2%	216	12.4%	1,699,856,164	51.0%	2,310,548,001	33.9%
Human Services	1,683	26.7%	624	35.7%	789,313,961	23.7%	1,594,701,595	23.4%
International	82	1.3%	22	1.3%	17,251,039	0.5%	15,558,202	0.2%
Mutual Benefit	28	0.4%	5	0.3%	150,998	0.0%	452,313	0.0%
Public and Societal Benefit	807	12.8%	217	12.4%	136,731,186	4.1%	603,516,129	8.8%
Religion	1,451	23.0%	127	7.3%	18,750,714	0.6%	42,688,127	0.6%
Unknown	25	0.4%	3	0.2%	216,436	0.0%	170,169	0.0%
<b>Total</b>	<b>6,296</b>		<b>1,748</b>		<b>3,335,064,640</b>		<b>6,825,283,636</b>	

Source: IRS, Exempt Organizations Business Master File (501 (c) (3) Public Charities, 2016, Aug.) The Urban Institute, National Center for Charitable Statistics, <http://nccsdataweb.urban.org/>

A different pattern emerges when we examine assets instead of revenues. Healthcare still holds the highest proportion of assets at \$2.3 billion (33.9%), but nonprofits in this sector are more closely followed by human services with \$1.6 billion (23.4%) and education with \$1.5 billion (21.2%). In terms of assets, the remaining subsectors with over 1% of the assets include: arts and culture with \$705.7 million (10.3%), public and societal benefit with \$603.5 million (8.8%) and environment and animal organizations with \$101.6 million (1.5%). The remaining service areas each reported less than one percent of assets in the nonprofit sector (See Table 1).

## Giving and Volunteering in Nevada

As discussed above, one of the most significant sources for nonprofit revenue comes from the giving and generosity of individuals and organizations which support nonprofits through gifts and donations. While many of these gifts come in the form of monetary support, nonprofits also receive significant support in the form of volunteer labor and in-kind donations. This section examines the magnitude of giving and volunteering in Nevada. While the data on giving by individuals is somewhat limited, we draw upon the best source of data on charitable giving, which is a sample of individual tax returns used by the IRS to report on generosity. These estimates are not produced every year, so we shall concentrate on estimates from the most recent year available – 2013. While this information is somewhat older than the data used in the rest of the report, it will provide us with the most meaningful overall picture of the philanthropic activities of Nevadans.

**TABLE 1: COMPARATIVE GIVING AND GENEROSITY IN THE MOUNTAIN WEST AND NATIONALLY FOR 2013**

	Total Contributions	Ranking by Total Contributions	Mean Contribution	Rankings by Mean Contribution
Arizona	\$3.0 billion	20 of 51	\$4,287	36 of 51
Colorado	\$3.1 billion	19 of 51	\$4,467	32 of 51
Idaho	\$877 million	37 of 51	\$5,481	16 of 51
New Mexico	\$703 million	38 of 51	\$4,341	35 of 51
Nevada	\$1.2 billion	35 of 51	\$4,532	29 of 51
Utah	\$3.2 billion	18 of 51	\$8,503	1 of 51

Source: National Center for Charitable Statistics (2018); based on actual IRS 2013 data on incomes of \$50,000 or more).

In 2013, it is estimated that Nevadans made donations totaling \$1.23 billion in contributions to nonprofit and religious organizations. In terms of total contributions, Nevadans were the 35th most generous state or slightly below its ranking in terms of overall population size. Nevada ranked slightly higher in terms of mean contribution with a ranking of 29<sup>th</sup> and the average charitable contribution made being \$4,532. These rankings in many ways are similar to other states in the region with the exception of Utah and Idaho which had much higher rankings probably due in part to higher levels of religious participation in those two states.

Another way in which individuals support nonprofit organizations in the state of Nevada is through volunteering their time and talents to support organizations in the state. In 2015, Nevadans donated 56.9 million hours of service valued at \$1.3 billion annually (Corporation for National and Community Service, 2018). This is a significant resource in terms of the ability of the state’s nonprofit organization to offer additional services to communities. The number of volunteer hours donated was equivalent to the sector having an additional 27,356 fulltime employees. While the impact of these volunteer hours is very significant, it is important to compare volunteer rates for Nevada to those nationally in order to understand how it compares to other states.

In 2015, 24.9% of Americans volunteered their time giving 62.6 million volunteer hours (Corporation for National and Community Service, 2018). However, only 19.6% of Nevada residents volunteer their time annually, ranking Nevada 48<sup>th</sup> in terms of overall volunteer participation rate (Corporation for National and Community Service, 2018). While Nevada still lags in terms of volunteer participation when compared to the nation, its volunteer rate has relatively stable since 2004.

## Nevada’s Nonprofit Sector in Comparison

The only way to understand the relative size of nonprofit activity in the state of Nevada is to examine the sector in comparison to regional and state averages relative to population. In this section, we will examine the relative size of the nonprofit sector in the state in comparison to other states in the Mountain West and the United States as a whole. In general, this examination will demonstrate that Nevada’s nonprofit sectors is much smaller and less well-resourced when compared to both national and regional averages in terms of scope.

Data available from the U.S. Census, the National Center for Charitable Statistics (NCCS), and the Internal Revenue Service (IRS) indicate that in 2016, the number of registered nonprofits:

- Per every 10,000 people in the U.S., there were 34.4 public charities and 48.9 nonprofits
- Per every 10,000 people in the Mountain West, region there were 28.8 charities and 40.41 nonprofits
- Per every 10,000 residents in Nevada, there were 21.4 public charities and 29.9 nonprofits

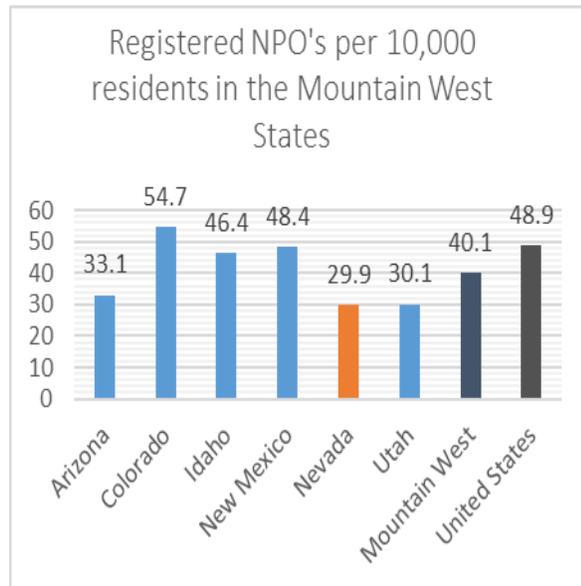
TABLE 1: FINANCIAL RESOURCES OF REPORTING NONPROFITS NATIONALLY AND IN THE MOUNTAIN WEST STATES

State	Population	# of NPOs	Revenues	Revenues per Capita	Assets
Arizona	6,908,642	22,907	\$31,106,466,798	\$4,503	\$50,786,230,763
Colorado	5,530,105	30,228	\$32,569,593,181	\$5,890	\$74,980,618,932
Idaho	1,680,026	7,801	\$5,460,078,432	\$3,250	\$9,817,535,861
New Mexico	2,085,432	10,096	\$6,601,212,040	\$3,165	\$15,802,986,566
Nevada	2,939,254	8,781	\$5,375,079,007	\$1,829	\$14,488,983,331
Utah	3,044,321	9,171	\$12,242,421,448	\$4,021	\$23,418,581,217
Mountain West	22,187,780	88,984	\$93,354,850,906	\$4,207	\$189,294,936,670
United States	323,405,935	1,581,445	\$2,387,009,585,822	\$7,381	\$5,479,586,019,266

In 2016, a total of 3,073 reporting nonprofit organizations operated in Nevada (August 2016 BMF data). These organizations reported revenues of \$1,829 and assets of \$4,929 per capita in Nevada. This is less than a third of the national average. Since regional differences exist across the United States, we also examine Nevada’s reported revenues and assets in comparison to other states in the Mountain West and found that even in comparison to other states in our region Nevada is far behind in terms of average revenues and assets per capita for nonprofit organizations. Examining these averages

for all fifty states, we found that Nevada ranked 51th in terms of both assets and revenues per capita reported by nonprofit organizations when compared to other states and the District of Columbia. Even within the region, Nevada nonprofit revenues per capita are less than half of the regional average and assets per capita are 57.7% of the regional average.

The next area for comparison is the number of organizations in the state relative to population. Nevada had 29.9 organizations registered for every 10,000 residents. This is slightly more than half the national average of 48.9 organizations per 10,000 people nationally and again well below even the regional average of 40.1 organizations per 10,000 residents. Figure 4 displays the number of nonprofits per 10,000 residents across the six states in the Mountain West and nationally. Nevada again ranks 50<sup>th</sup> in comparison to other states in terms of nonprofit organizations per 10,000 residents. So not only are the nonprofits in Nevada poorer in terms of



assets and revenues, but there are also fewer of them to serve the state's population. These three facts together might be less troubling if they were not paired with a ranking of 48th in terms of volunteer participation which suggests that nonprofits not only lack the financial capacity to meet the community's needs, but also are unable to supplement paid staff by recruiting volunteers to fill the gap.

## Regional Comparisons in the State of Nevada

Just as differences in the nonprofit sector exist between states, differences also exist between various regions within states. For this reason, Northern Nevada (Carson City, Storey and Washoe Counties), Southern Nevada (Clark County) and Rural Nevada (Douglas, Lyon, Churchill, Humboldt, Lander, Pershing, Elko, Eureka, White Pine, Nye, Lincoln, Esmeralda and Mineral Counties) were examined separately to understand the regional differences existing in the state in terms of the development and capacity of the nonprofit sector. Each of these three regions provides insights and contrasts into the development of Nevada's nonprofit sector and the resulting impact of the sector on the state.

**TABLE 1: GROWTH IN NUMBER OF NONPROFIT ORGANIZATIONS AND POPULATION BY REGION OF THE STATE**

Region of the State	Population 2011		NPOs 2011		Population 2016		NPOs 2016		Change in # NPOs	NPOs per 10,000 residents 2016
	#	%	#	%	#	%	#	%	#	#
Northern NV	483,239	17.8	2,249	30.1	510,701	17.4	2,427	27.6	178	47.5
Southern NV	1,966,521	72.4	3,103	54.9	2,156,724	73.5	5,179	59.0	1,068	24.1
Rural NV	268,410	9.9	873	15.0	271,829	9.3	1,174	13.4	51	43.2

Southern Nevada has long been the leader in terms of population growth for the state and Las Vegas is currently the 6<sup>th</sup> fastest growing city in the country (Shraf, 2018). However, this rapid growth often meant that infrastructure lagged population growth. The lag in capacity to support the population is also true in terms of the growth of nonprofit organizations to address needs in Southern Nevada. Over the past five years, Southern Nevada’s population has continued to grow in absolute terms at a rate of about 9.7% as well as a percentage of the state’s population as whole. Nonprofits have grown at an even more rapid rate in Southern Nevada with an increase of 26.0% in the number of registered organizations over the past five years. This is the fastest rate of growth in the state which averaged around 17.3% growth over the same time period.

While the number of filing nonprofit organizations in Southern Nevada has grown significantly over the past five years, the number of organizations is still well below national, state and regional averages. Southern Nevada only has 24.1 nonprofit organizations for every 10,000 residents (Table 4). This is well below the number of organizations per 10,000 residents observed in other regions of the state. Northern Nevada and Rural Nevada both have nearly twice the number of filing organizations per 10,000 residents as Southern Nevada. Table 4 also shows that even as the proportion of population located in Southern Nevada grew, the proportion of nonprofit organizations located in Southern Nevada grew only slightly.

**TABLE 1: NONPROFIT FINANCIAL RESOURCES BY REGION OF THE STATE**

Region	Population	%	Total Revenue Reported	%	Revenue per Capita	Total Assets Reported	%	Assets per Capita
Northern NV	486,574	17.7%	\$2,529,436,182	47.0%	\$5,198	\$5,830,067,888	40.2%	\$11,982
Southern NV	1,996,290	75.5%	\$2,557,245,821	47.6%	\$1,281	\$7,967,414,263	55.0%	\$3,991
Rural NV	269,546	9.8%	\$278,351,594	5.2%	\$1,033	\$689,503,044	4.8%	\$2,558
<b>State Total</b>	2,752,410		<b>\$5,375,079,007</b>		\$1,829	\$14,488,983,331		\$4,929

A further examination of regional differences led us to look at the financial assets and revenues of nonprofit organizations in the three regions. This examination again uncovered large disparities between the three regions of the state when it comes to the nonprofit finances. Rural Nevada nonprofit organizations reported the lowest revenues (\$1,033) and assets (\$2,558) per capita when compared to the other regions of the state (Table 5). This is not surprising since in general fewer nonprofit organizations operate in rural areas and these areas generally have lower costs of living than more urban areas. However, Southern Nevada, the most urbanized part of the state, only reported slightly higher revenues (\$1,281) and assets (\$3,991) per capita than Rural Nevada. Northern Nevada nonprofits have by far the most resources available to them. They reported revenues over three times the state average in terms of revenues per capita (\$5,198) and over twice the state average in terms of assets per capita (\$11,982). Over the last five years, the revenues of Northern Nevada nonprofits grew by \$960.8 million dollars (61.3%), while Rural Nevada revenues fell by \$12.7 million dollars (-4.4%) and Southern Nevada revenues only grew by \$167.1 million (7.0%). Northern Nevada's nonprofit revenues and assets per capita were by far the closest to national averages, although even in Northern Nevada the revenues reported were only about half the national average at \$5,198 per capita. Overall, the revenues for nonprofit grew on average for the state in the last 5 years but only enough to keep the average revenues for nonprofits in the state at 24% of the national average. In terms of assets per capita, the value of nonprofit assets in Nevada fell from 36% of the national average in 2011 to 29% in 2016. Since assets represent the sector's ability to weather and aid communities in difficult times, the community should have concerns about the resources available to nonprofits if we face another recession or major community crisis.

**TABLE 1: PHILANTHROPIC GIVING IN REGIONS OF NEVADA**

	Total Contributions	Mean Itemized Contribution	% Income Given (All income levels)
<b>Nevada</b>	\$1.4 billion	\$6,084	3.3%
<b>Metro</b>			
Reno-Sparks	\$303.5 million	\$7,110	3.6%
Las Vegas- Henderson-Paradise	\$1.03 billion	\$6,097	3.3%

These large differences in terms of financial assets across the three areas of the state led us to examine philanthropic giving as a possible source revenue differences across regions. The data reported in Table 6 summarize the information we have on philanthropic giving across the state of Nevada and its two largest metro areas (Reno-Sparks and Las Vegas), as reported in the Chronicle of Philanthropy (Chronicle of Philanthropy, October 2017). These data draw upon an IRS sample of charitable giving reported on itemized tax returns for filers with incomes above \$50,000 annually. While itemized tax returns do not represent all charitable giving, it is estimated itemized

charitable giving accounts for 80% or more of all individual giving by American households (Chronicle of Philanthropy, October 2017).

Northern Nevadans did have a higher mean itemized contribution overall and gave away an average of 3.6% of their income. In Northern Nevada, individuals with incomes higher than \$200,000 gave away the highest percentage of their incomes at 4.3% while those with lower incomes gave between 2.8% and 2.4% to charity. Southern Nevadans on average gave \$6,097 and 3.3% of their income to charity. In contrast to Northern Nevada, individuals making over \$200,000 annually gave away only 3.4% of their incomes to charity but individuals with lower incomes gave between 3.4% and 2.9% of their incomes to charity. It is not surprising that the total contributions were the highest for Southern Nevada given its much larger population size when compared to other regions of the state. On the whole, Southern Nevadans gave about 74.3% of all the contributions to charity in the State which is relatively proportional to the population of the region. While the giving in these regions does in part represent additional resources for the nonprofit sector, it is important to note that many of these donations do not necessarily stay in the communities of their donors. Often donors give to charities or causes that are outside of their local communities. This is especially the case in communities, such as Las Vegas, where many of the residents are relatively new to the community.

### **Emerging Issues and Policy Considerations**

As our discussion indicates, Nevada's nonprofit sector lags behind other states in several key areas and in a few has fallen even further back since 2011 (Word, Lim, Servino & Lange 2014). Addressing these weaknesses is complicated by the fact that we often lack timely and detailed information about the state's 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, 2002). We need a comprehensive knowledge of the nonprofit sector 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 depth of the Great Recession which hit Nevada communities hard. Nevada's nonprofit resources are at best stretched very thin and would face significant challenges if faced with another major recession or community crisis.

Continued 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 create roots and gain attention in local communities. Population growth has a positive impact on the economy, but expansion

at continued growth is likely 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 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 a high rate of 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, including professional development, undergraduate and graduate education, 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. However, the new tax laws that will go into effect for personal income taxes in 2018 have many in the charitable sector concerned because charitable giving nationwide might decrease between 6-9%. In large part, the decrease is predicted because of a doubling of the standard deduction which will limit the number of people who itemize (National Council of Nonprofits, 2018). The higher standard deduction will mean that individuals who do not currently give at high levels will have a lower incentive to give since many will no longer see a tax benefit for those gifts. Also of concern are changes to estate taxes which doubled the tax exemption for large estates making charitable giving as part of a bequest less attractive to donors. This is a concern to Nevada since the nonprofit sector in the state is already 51st in terms of the revenues per capita and any decreases in revenues will see likely see further weakening of the sector.

As nonprofit organizations have grown in prominence across the country, they started to attract attention from state legislators who increasingly show willingness to consider the needs of nonprofits when they allocate scarce resources. However, the state in recent years has also burdened nonprofit entities with additional reporting requirements which largely replicate the information already collected by the Internal Revenue Service through annual reporting requirements. In particular in 2013, Nevada passed new rules requiring organizations making charitable solicitations file financial paperwork with the state of Nevada. This additional reporting requirement places an additional burden upon a sector which is already stretched thin across the state. The state legislature needs to fully understand that even minimal burdens are a distraction for nonprofit organizations across the state and should be limited unless they are necessary and produce a substantial public benefit.

Another rapidly evolving issue for the nonprofit sector is the recent string of attacks against the “Johnson Amendment.” The Johnson Amendment was passed in 1954 and prohibits all nonprofits, including houses of worship, from endorsing political candidates and limits the ability of nonprofit organizations to engage in other partisan activities (Independent Sector, 2018). This measure is largely credited with ensuring nonprofit organizations remain nonpartisan and could allow for political donations to be made tax deductible. Many in the nonprofit sector fear that changes to the Johnson Amendment would cause a loss of trust in the sector and distract charitable organizations from their social missions.

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## Community Resources

Alliance for Nevada Nonprofits (ANN) – <https://alliancefornevadanonprofits.com/>

The Foundation Center - <http://foundationcenter.org/>

Giving USA - <https://givingusa.org/tag/giving-usa-2018/>

The Independent Sector - <http://www.independentsector.org/>

Internal Revenue Service Resources for Nevada Nonprofits - <https://www.irs.gov/charities-non-profits>

National Center for Charitable Statistics –<https://nccs.urban.org>

National Council of Nonprofits - <https://www.councilofnonprofits.org/>

Nevada Corporate Giving Council hosted by the Moonridge Group,  
<https://www.moonridgegroup.com/ncgc>

Nevada Department of State's Guide to Nonprofits -  
[http://ag.nv.gov/uploadedFiles/agnv.gov/Content/How\\_Do\\_I/NDOJ\\_Guide\\_to\\_Non-Profits.pdf](http://ag.nv.gov/uploadedFiles/agnv.gov/Content/How_Do_I/NDOJ_Guide_to_Non-Profits.pdf)

Nevada Community Foundation - <http://www.nevadacf.org/>

Nevada's Big Give -<https://www.nvbiggive.org>

Nonprofit Community and Leadership Initiative at UNLV <https://www.unlv.edu/ncli>

Philanthropy Leaders Summit hosted by the Moonridge Group,  
<https://www.moonridgegroup.com/plsv2018>

Southern Nevada Nonprofit Information Center (SoNNPIC) <https://lvccld.org/special-collections/sonnpic/>

UNLV's Continuing Education – Certificate in Nonprofit Management  
<http://continuingeducation.unlv.edu/catalog/nonprofit-management-certificate-program>

UNLV's Continuing Education – Grant Academy, <http://continuingeducation.unlv.edu/catalog/unlv-grant-academy>

UNLV's Graduate - Certificate in Nonprofit Management -  
<http://urbanaffairs.unlv.edu/pubadmin/Nonprofit.htm>

UNR's Extended Studies, Excellence in Nonprofit Management Institute -  
[https://exreg.unr.edu/eCS/CourseListing.aspx?master\\_id=1175&master\\_version=&course\\_area=CNP&course\\_number=109&course\\_subtitle=00](https://exreg.unr.edu/eCS/CourseListing.aspx?master_id=1175&master_version=&course_area=CNP&course_number=109&course_subtitle=00)

United Way of Northern Nevada and the Sierra - <http://www.uwayreno.org/>

United Way of Southern Nevada - <http://www.uwsn.org/>

## Appendix

Table A1: Nonprofit Organizations per Capita and State Ranking (August 2016 BMF data)

State	Population	Number of Registered Organizations	Organizations per 10,000	Rank
Alabama	4,860,545	20,577	42	43
Alaska	741,522	5,225	70	10
Arizona	6,908,642	22,907	33	49
Arkansas	2,988,231	13,678	46	40
California	39,296,476	163,924	42	44
Colorado	5,530,105	30,228	55	25
Connecticut	3,587,685	20,416	57	16
Delaware	952,698	6,452	68	12
District of Columbia	684,336	13,345	195	1
Florida	20,656,589	82,056	40	47
Georgia	10,313,620	43,896	43	42
Hawaii	1,428,683	7,571	53	27
Idaho	1,680,026	7,801	46	39
Illinois	12,835,726	66,053	51	29
Indiana	6,634,007	36,537	55	23
Iowa	3,130,869	27,936	89	4
Kansas	2,907,731	16,386	56	20
Kentucky	4,436,113	18,401	41	45
Louisiana	4,686,157	19,294	41	46
Maine	1,330,232	9,157	69	11
Maryland	6,024,752	33,635	56	22
Massachusetts	6,823,721	37,502	55	24
Michigan	9,933,445	47,890	48	34
Minnesota	5,525,050	33,977	61	13
Mississippi	2,985,415	13,082	44	41
Missouri	6,091,176	34,647	57	17
Montana	1,038,656	10,088	97	2
Nebraska	1,907,603	13,502	71	9
Nevada	2,939,254	8,781	30	51
New Hampshire	1,335,015	8,162	61	14
New Jersey	8,978,416	42,943	48	35
New Mexico	2,085,432	10,096	48	33
New York	19,836,286	102,645	52	28

North Carolina	10,156,689	47,504	47	38
North Dakota	755,548	5,628	74	8
Ohio	11,622,554	65,190	56	21
Oklahoma	3,921,207	18,730	48	36
Oregon	4,085,989	23,131	57	19
Pennsylvania	12,787,085	68,199	53	26
Rhode Island	1,057,566	7,984	75	6
South Carolina	4,959,822	24,751	50	31
South Dakota	861,542	6,441	75	7
Tennessee	6,649,404	31,552	47	37
Texas	27,904,862	109,797	39	48
Utah	3,044,321	9,171	30	50
Vermont	623,354	5,849	94	3
Virginia	8,414,380	42,762	51	30
Washington	7,280,934	36,244	50	32
West Virginia	1,828,637	10,400	57	18
Wisconsin	5,772,917	34,575	60	15
Wyoming	584,910	4,747	81	5
<b>Total</b>	<b>323,405,935</b>	<b>1,581,445</b>	<b>49</b>	

Table A2: Nonprofit Revenues per Capita and State Ranking (August 2016 BMF data)

State	Population	Total Revenue Reported on Form 990 *	Revenues per Capita	Revenue Rank
Alabama	4,860,545	13,759,809,401	2,831	50
Alaska	741,522	5,634,460,708	7,599	21
Arizona	6,908,642	31,106,466,798	4,503	40
Arkansas	2,988,231	17,576,576,171	5,882	32
California	39,296,476	235,532,201,116	5,994	30
Colorado	5,530,105	32,569,593,181	5,890	31
Connecticut	3,587,685	32,854,387,131	9,158	10
Delaware	952,698	5,886,046,834	6,178	28
District of Columbia	684,336	47,764,139,412	69,796	1
Florida	20,656,589	87,086,731,777	4,216	41

Georgia	10,313,620	57,755,166,663	5,600	35
Hawaii	1,428,683	8,339,201,016	5,837	33
Idaho	1,680,026	5,460,078,432	3,250	48
Illinois	12,835,726	111,211,505,267	8,664	12
Indiana	6,634,007	43,391,850,729	6,541	26
Iowa	3,130,869	21,006,849,565	6,710	25
Kansas	2,907,731	13,709,873,401	4,715	39
Kentucky	4,436,113	27,027,834,564	6,093	29
Louisiana	4,686,157	23,348,264,191	4,982	38
Maine	1,330,232	12,683,938,422	9,535	9
Maryland	6,024,752	54,620,219,294	9,066	11
Massachusetts	6,823,721	119,403,986,905	17,498	3
Michigan	9,933,445	81,636,884,250	8,218	18
Minnesota	5,525,050	66,224,694,943	11,986	7
Mississippi	2,985,415	9,817,951,932	3,289	47
Missouri	6,091,176	52,257,626,132	8,579	14
Montana	1,038,656	7,248,459,930	6,979	24
Nebraska	1,907,603	14,854,054,299	7,787	20
Nevada	2,939,254	5,375,079,007	1,829	51
New Hampshire	1,335,015	10,534,986,122	7,891	19
New Jersey	8,978,416	55,622,560,062	6,195	27
New Mexico	2,085,432	6,601,212,040	3,165	49
New York	19,836,286	261,709,292,310	13,193	4
North Carolina	10,156,689	58,681,575,100	5,778	34
North Dakota	755,548	9,332,111,138	12,351	6

Ohio	11,622,554	99,177,692,699	8,533	17
Oklahoma	3,921,207	15,390,367,743	3,925	44
Oregon	4,085,989	100,799,152,673	24,669	2
Pennsylvania	12,787,085	131,748,738,070	10,303	8
Rhode Island	1,057,566	13,198,428,875	12,480	5
South Carolina	4,959,822	17,591,658,758	3,547	46
South Dakota	861,542	6,444,021,775	7,480	23
Tennessee	6,649,404	37,007,755,866	5,566	36
Texas	27,904,862	113,798,893,582	4,078	42
Utah	3,044,321	12,242,421,448	4,021	43
Vermont	623,354	5,362,710,155	8,603	13
Virginia	8,414,380	63,678,364,336	7,568	22
Washington	7,280,934	62,437,783,321	8,576	15
West Virginia	1,828,637	9,121,503,518	4,988	37
Wisconsin	5,772,917	49,282,974,991	8,537	16
Wyoming	584,910	2,101,449,769	3,593	45
<b>United States (total)</b>	<b>323,405,935</b>	<b>2,387,009,585,822</b>	<b>7,381</b>	

Table A3: Nonprofit Assets per Capita and State Ranking (August 2016 BMF data)

State	Population	Assets Reported on Form 990 *	Assets per capita	Assets rank
Alabama	4,860,545	41,128,127,421	8,462	41
Alaska	741,522	12,959,247,174	17,477	20
Arizona	6,908,642	50,786,230,763	7,351	48

Arkansas	2,988,231	24,830,458,016	8,309	42
California	39,296,476	579,615,261,368	14,750	27
Colorado	5,530,105	74,980,618,932	13,559	30
Connecticut	3,587,685	90,223,518,780	25,148	7
Delaware	952,698	17,669,303,885	18,547	16
District of Columbia	684,336	86,741,807,716	126,753	1
Florida	20,656,589	199,323,170,129	9,649	40
Georgia	10,313,620	124,516,798,546	12,073	35
Hawaii	1,428,683	25,552,664,624	17,885	19
Idaho	1,680,026	9,817,535,861	5,844	50
Illinois	12,835,726	297,886,097,052	23,208	10
Indiana	6,634,007	104,207,183,051	15,708	26
Iowa	3,130,869	46,129,975,856	14,734	28
Kansas	2,907,731	32,585,323,300	11,206	36
Kentucky	4,436,113	47,396,777,916	10,684	38
Louisiana	4,686,157	36,905,172,709	7,875	44
Maine	1,330,232	22,722,543,062	17,082	23
Maryland	6,024,752	126,622,483,619	21,017	13
Massachusetts	6,823,721	346,014,038,817	50,708	2
Michigan	9,933,445	229,833,366,793	23,137	11
Minnesota	5,525,050	194,672,012,244	35,234	3
Mississippi	2,985,415	20,782,766,700	6,961	49
Missouri	6,091,176	103,999,905,690	17,074	24
Montana	1,038,656	12,640,515,436	12,170	33

Nebraska	1,907,603	44,077,539,816	23,106	12
Nevada	2,939,254	14,488,983,331	4,929	51
New Hampshire	1,335,015	25,939,171,231	19,430	15
New Jersey	8,978,416	128,102,266,044	14,268	29
New Mexico	2,085,432	15,802,986,566	7,578	46
New York	19,836,286	497,032,276,631	25,057	8
North Carolina	10,156,689	137,316,622,891	13,520	31
North Dakota	755,548	15,528,076,669	20,552	14
Ohio	11,622,554	199,224,898,881	17,141	21
Oklahoma	3,921,207	48,846,735,042	12,457	32
Oregon	4,085,989	115,039,881,352	28,155	6
Pennsylvania	12,787,085	302,229,218,096	23,636	9
Rhode Island	1,057,566	32,543,632,584	30,772	4
South Carolina	4,959,822	36,981,349,779	7,456	47
South Dakota	861,542	14,765,469,053	17,138	22
Tennessee	6,649,404	80,914,402,373	12,169	34
Texas	27,904,862	301,120,919,830	10,791	37
Utah	3,044,321	23,418,581,217	7,693	45
Vermont	623,354	11,218,977,492	17,998	18
Virginia	8,414,380	154,464,089,526	18,357	17
Washington	7,280,934	206,997,748,180	28,430	5
West Virginia	1,828,637	15,171,184,709	8,296	43

Wisconsin	5,772,917	92,073,818,358	15,949	25
Wyoming	584,910	5,744,284,155	9,821	39
Total	<b>323,405,935</b>	<b>5,479,586,019,266</b>	<b>16,943</b>	