



Maine Nonprofits at Work

2021 Edition



Adding Up Impact



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MANP extends deep appreciation
to Lisa LaVallee of Natick, MA (and future Mainer!)
for her creative contributions in crafting this
report, and **to our sponsors:**



THE BINGHAM PROGRAM



Nonprofits Matter

As Maine builds back from the events of 2020, our future prosperity will depend on advancing innovative solutions to address community challenges, connecting people to healing and opportunities, and strengthening our social fabric through broader civic engagement. **Advancing, connecting and strengthening—this is the daily work of an often overlooked part of Maine's economy: the nonprofit sector.**

Every other year, the Maine Association of Nonprofits releases our *Adding Up Impact* report to foster broader awareness and appreciation of the significant impact of the nonprofit sector on Maine's people, communities and economy. While the data included here predate the pandemic and its deep, wide-ranging impacts, the findings remain relevant to developing a more complete understanding of how nonprofits help drive our economy and enrich our quality of life.

Above all, the pandemic has shown us that nonprofits are more vital than ever in supporting the health and well-being of our communities, while also being uniquely vulnerable to the strains on our financial and social systems. Understanding the role they play in our social and economic system is more important than ever.

Scratch the surface of why people love Maine and you'll find a strong network of nonprofit organizations delivering on their missions. Nonprofits promote the values and ideals that create and support our quality of life and touch the lives of each and every Maine resident. They educate and care for our children, protect our natural environment, provide services for our most vulnerable neighbors, nurture our spirits through a wide range of cultural opportunities, create affordable housing, support economic development and provide health care for our neighbors. They also create jobs, develop community leaders, and invest significant financial and human resources in communities throughout the state.

A healthy and engaged nonprofit sector is essential to maintaining and improving the quality of life in our state. Every day, Maine residents place their trust in the responsiveness, performance and quality of services provided by nonprofits.

As a state association of nonprofits, we welcome current champions and new partners to join in the work of strengthening capacity, connections and cross-sector partnerships with government and businesses to empower people with purpose and steward the common good.

Thank you,



Jennifer Hutchins
MANP Executive Director



Photos courtesy of (top to bottom): Aroostook County Action Program, Adoptive and Foster Families of Maine, Maine Mineral & Gem Museum

Key Findings

Nonprofits are vital to our state and benefit us all by:

Stimulating Economic Development

- ▶ Partnering on local and regional economic development initiatives
- ▶ Employing a significant portion of the workforce
- ▶ Driving Maine's creative economy, which attracts business and tourism to communities
- ▶ Conserving and protecting the natural resources that are a cornerstone of Maine's economy and quality of life

Weaving Strong Social Fabric

- ▶ Caring for the physical and mental well-being of Maine people of all ages
- ▶ Providing a safety net for our most vulnerable residents
- ▶ Fulfilling commitments and programs established by policymakers
- ▶ Preparing and empowering new members of the workforce

Building Community + Cultivating Civil Society

- ▶ Defining, shaping, and improving the quality of life in local communities
- ▶ Bringing people together to address community challenges and grow as leaders
- ▶ Building and preserving local public structures such as libraries, clinics, open space, affordable housing, and emergency shelters

Nonprofits play a significant role in every county and community in Maine.

- ▶ Nonprofits **employ more than 100,000 workers**—25% more people than retail trade, almost 30,000 more people than the leisure and hospitality industry.
- ▶ Maine nonprofits **contribute \$14 billion to the economy**, which is equivalent to 21.5% of Maine's Gross Domestic Product.
- ▶ Maine nonprofits paid more than \$5.2 billion in wages, which translates to an estimated **\$304 million of personal income tax revenue for Maine's state and local governments**.
- ▶ Most Maine nonprofits are very small and **community-based**. 88% have annual budgets less than \$500,000.
- ▶ Nonprofits **mobilize 425,000+ volunteers** each year who give time and talent valued at nearly \$1 billion.
- ▶ Maine's foundation community brings a powerful local focus to its grantmaking. **98% of giving by Maine's top 25 foundations stays in-state**.

Partners in Prosperity

Just as we need to understand the impact of tourism, construction, or the fishing industry on our economy and society, we need to understand the significant role nonprofits play in our state's economic landscape and quality of life.

We Recommend

The prosperity and vitality of our state depend on cultivating strong partnerships among the business, government, and nonprofit sectors.

- Insisting that grants and contracts with nonprofits reflect the true costs of sustaining a mission-driven business.
- Collaborating with nonprofits to develop effective public policy to address community challenges.
- Including nonprofits in shaping and advancing Maine's economic and workforce development strategies.
- Engaging nonprofits as civic leaders and authorities on issues important to Maine people.

What's in a Name?



These are all names used to describe institutions and organizations in American society that are neither government nor business.

Nonprofits classified by the IRS as tax-exempt under section 501(c)(3) make up 74% of the total number of tax-exempt organizations in Maine. These organizations:

Are exempt from federal income tax and able to receive tax deductible contributions from individuals and businesses.

Must operate “exclusively for religious, charitable, scientific, or educational purposes” and serve the common good.

May not distribute profits to individuals or businesses.

Figure 1

Snapshot of the Maine and National 501(c) Nonprofit Sector, 12/2019

Types of Tax-Exempt Organizations	Maine Nonprofits Registered with IRS *	Maine Nonprofits Filing Annual IRS Form 990, 990-PF and 990-EZ Report
Under IRC Subsection 501(c)(3)	7,172	2,967
Private Foundations	513	471
Public Charities *	6,659	2,496
Under Other IRC 501(c) Subsections	2,473	779
501(c)(4) social welfare	423	144
501(c)(5) labor/agricultural	203	76
501(c)(6) business leagues	381	192
All other 501(c) organizations	1,466	367

* Does not include all religious congregations that meet the requirements of IRC section 501(c)(3), which are automatically considered tax-exempt and not required to register with the IRS or file Forms 990. Religious congregations that do register and file are included.

SOURCE: IRS Business Master Files (BMF) of 501(c)(3) Exempt Entities, DataLake Nonprofit Research (www.datalake.net) © 2020, DataLake, LLC

12/2019 BMF data may not match other figures in this report

This report focuses on Maine's registered 501(c)(3) nonprofits.

Registered 501(c)(3) nonprofits are generally organizations with more than \$5,000 in gross receipts.

(This number does not include many churches or small associations and nonprofit corporations that do not register with the IRS.)

These
7,172
nonprofits
are further
classified
into

513
Private Foundations

typically controlled by members of a family or a small group of individuals and derive much of their support from a small number of sources and from investment income.

6,659
Public Charities

must demonstrate a broad level of public support, and include schools, hospitals, social service agencies, environmental groups, etc.

Reporting nonprofits:

only 2,967 of the 7,172 501(c)(3)s file tax returns that include financial information

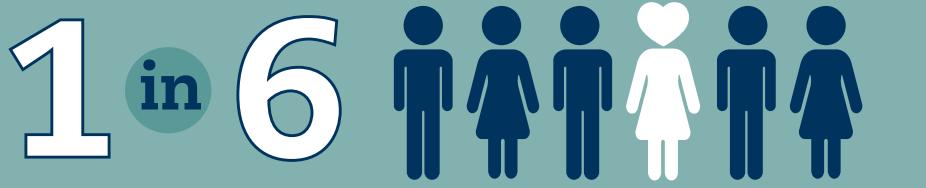
(Form 990, Form 990-EZ and Form 990-PF)

These are **generally organizations with annual gross receipts greater than \$50,000**, though some smaller nonprofits choose to file one of these forms as well.

In this report, many charts pertain even more specifically to **reporting public charities** and not to private foundations or public charities that do not file financial information.



Photos courtesy of (top to bottom): Preble Street, Camp CaPella, Girls on the Run



Maine workers is employed by a Maine nonprofit

That's over **100,000** employees!

The Maine nonprofit sector is a major economic engine in the state.

- ▶ **Maine's nonprofit workforce** included **more than 100,000 employees in 2019**, which represented **16% of all jobs in Maine** (about 1 out of every 6 jobs). Nationally, the sector is the third largest employer in the U.S. with more than 12 million people employed by nonprofit organizations.
- ▶ This workforce makes Maine's nonprofit sector a **vital player in Maine's employment numbers**. In fact, Maine's nonprofits employ 25% more people than retail trade, almost 30,000 more people than the leisure and hospitality industry, and fourteen times as many workers as the state's agriculture, forestry, fishing, and hunting industry. **See Figure 2.**
- ▶ Maine's nonprofit sector paid **\$5.2 billion in wages in 2019**, or approximately **18% of the state's total payroll**. These wages translate to an estimated \$304 million of personal income tax revenue for Maine's state and local governments and more than \$823 million in federal tax revenues.
- ▶ Nonprofit organizations are active in a range of fields in Maine. Healthcare and social service organizations account for approximately 30% of nonprofit jobs, and **hospitals continue to be a major employer (36% of all nonprofit jobs)**. Educational services make up another 18% of nonprofit sector employment. **See Figure 3.**

Employment

by the numbers

Figure 2

Maine Nonprofit Workforce Compared to Selected Industries, 2019

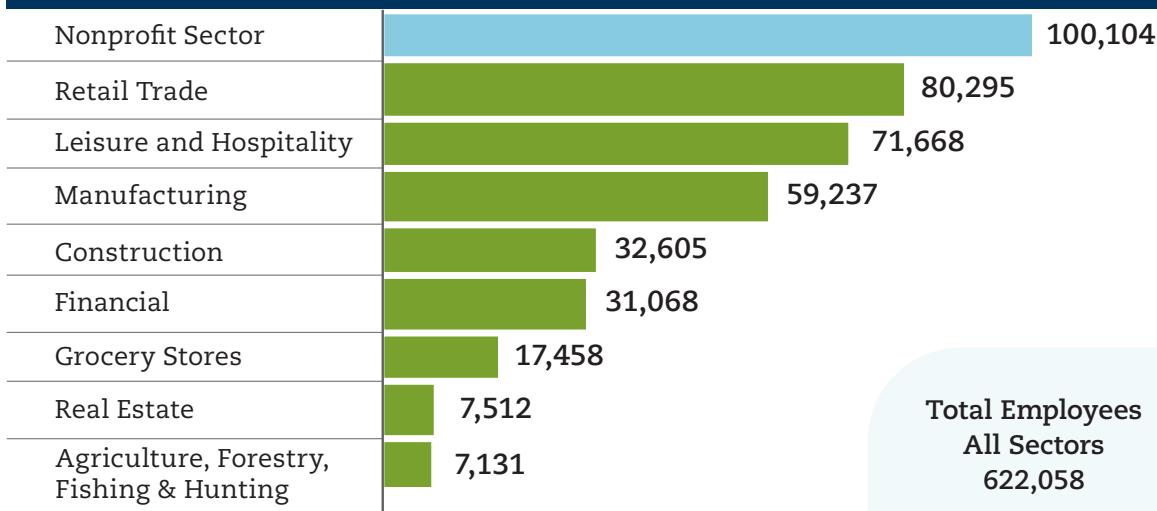
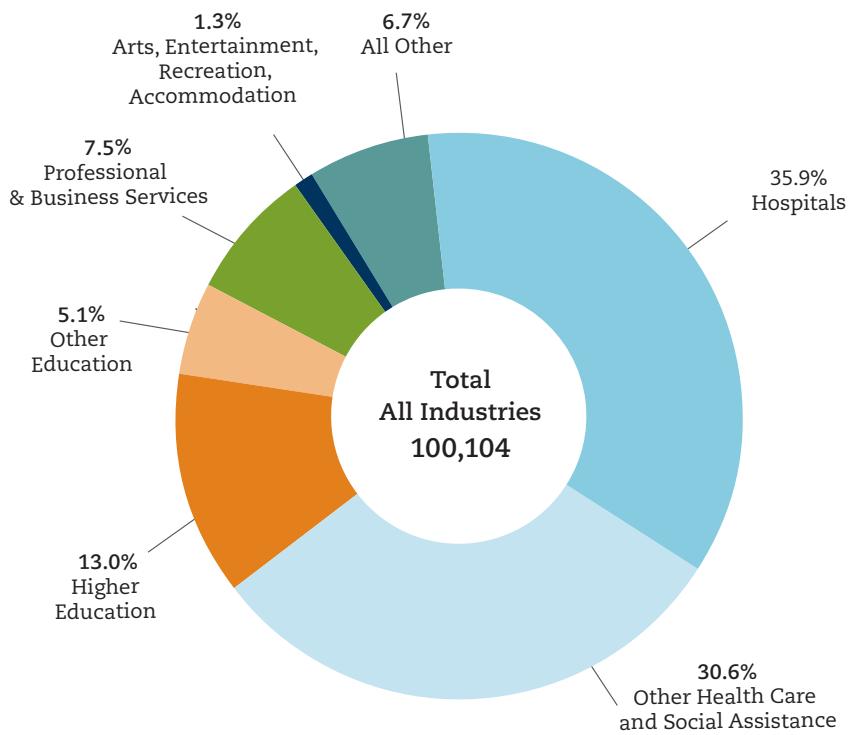


Figure 3

Distribution of Maine Nonprofit Employment by Field, 2019



SOURCE: Data drawn from Maine Department of Labor, Quarterly Census of Employment & Wages (QCEW) for 2019 using the IRS Exempt Organizations Master File for (c)(3) nonprofits in Maine.

Expenditures

by the numbers

Nonprofits are a big part of Maine's small business community.

97% have annual budgets less than \$5 million.

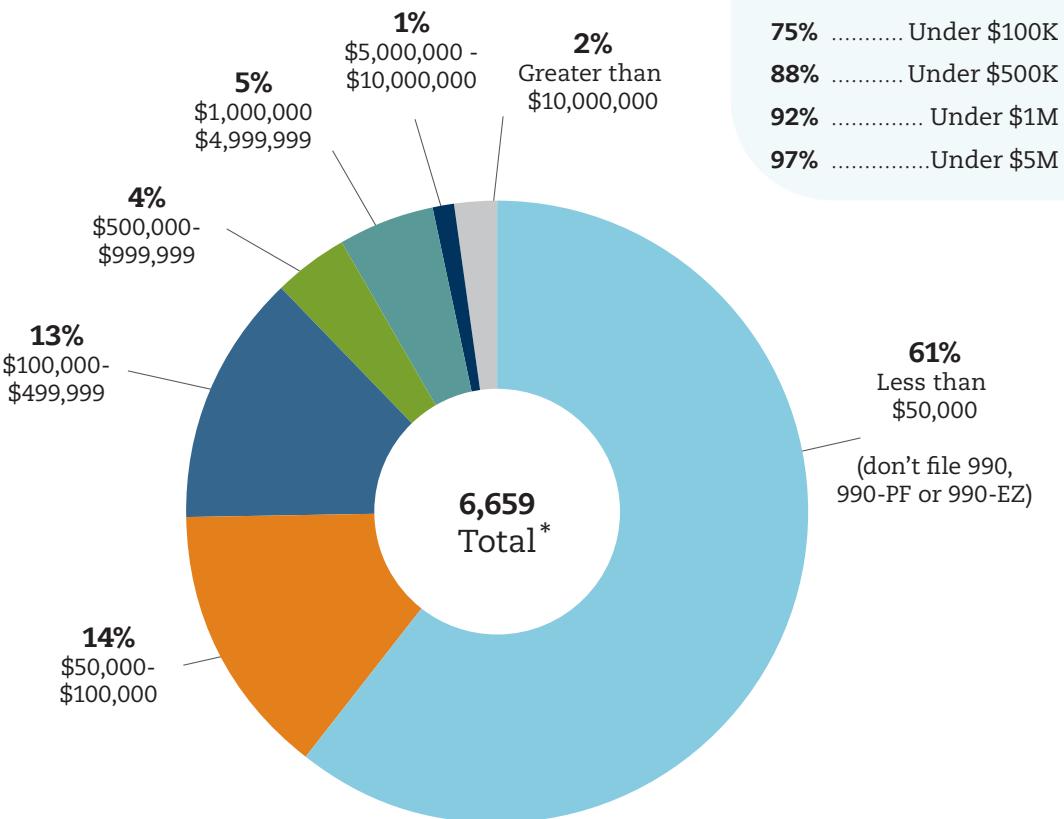
88% have annual budgets less than \$500,000.

61% have annual budgets less than \$50,000.

The IRS does not require financial reporting
for these very small organizations.

Figure 4

Maine Public Charities by Expenditure Level, 2018



SOURCE: IRS Business Master Files (BMF) of 501(c)(3) Exempt Entities, IRS e-File and Revenue Transaction Files (RTF) of 501(c)(3) Public Charity Form 990/990-EZ Returns, DataLake Nonprofit Research (www.datalake.net) © 2020, DataLake, LLC

*This number differs from that in Figure 1 due to the use of multiple IRS data sources. See explanation on page 7.

In 2018, Maine nonprofits contributed nearly **\$14 billion to the economy** through wages paid, retail and wholesale purchases, and professional services contracts. This is **equivalent to 21.5% of Maine's Gross Domestic Product.**

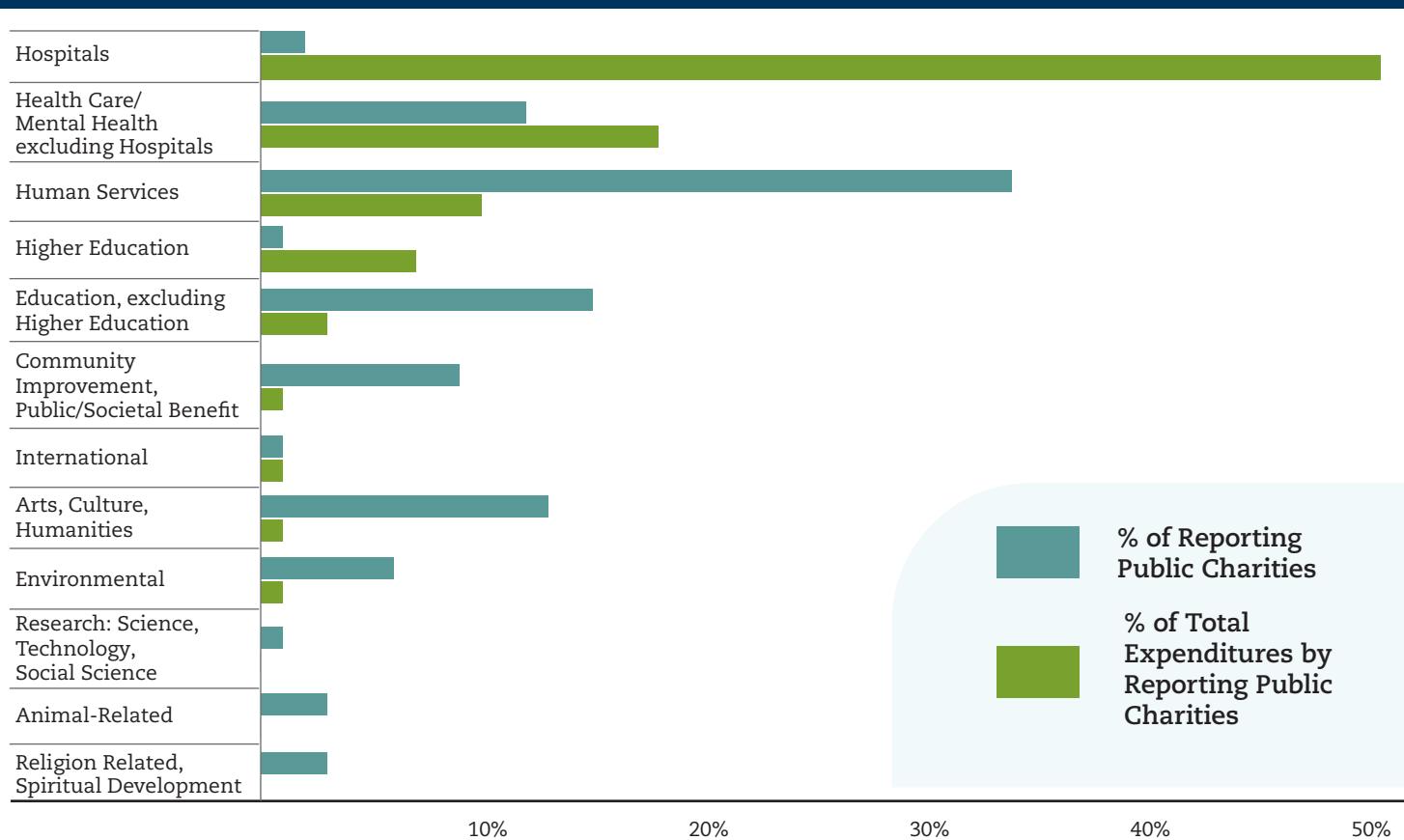
- ▶ Human service organizations provide hot meals and transportation to the elderly, counseling for youth, housing for families, and hundreds of other services critical to the quality of life in each Maine community.
- ▶ Most of these organizations are small and volunteer-driven. In 2018, they comprised 34.5% of reporting charitable nonprofits, yet only account for 9.7% of the \$14 billion in expenditures.
- ▶ Hospitals are vital economic engines. They are located in every county in Maine. Although they represent only 1.8% of reporting charitable nonprofits, hospitals were responsible for 56.4% of nonprofit expenditures in 2018.

In 2018, Maine nonprofits contributed nearly

\$14 billion to the economy

Figure 5

Expenditures of Maine Reporting Public Charities by Field, 2018



SOURCE: IRS e-File and Revenue Transaction Files (RTF) of 501(c)(3) Public Charity Form 990/990-EZ Returns, DataLake Nonprofit Research (www.datalake.net) © 2020, DataLake, LLC

Volunteerism

by the numbers

Revenue

Because nonprofits attract significant private funding, they are able to augment the government's impact on the issues of our times.

The majority of nonprofits receive very little funding from government sources. A relatively small number of very large, complex nonprofits have the capacity to manage complicated processes attached to public dollars. **See Figure 6.**

Though each nonprofit's business model is influenced by many factors, one influence on average funding streams is mission area.

See Figure 7.

Nonprofits mobilize community members to share their time and talent for the public good.

More than 1/3 of Maine residents volunteer — a rate that puts Maine in the top 10 nationally.

In Maine, volunteer time represents an investment of nearly \$1 billion each year to the benefit of our communities.



SOURCE: Volunteering in America, Corporation for National and Community Service, circa 2018

Figure 6

Sources of Nonprofit Revenue by Organization Size

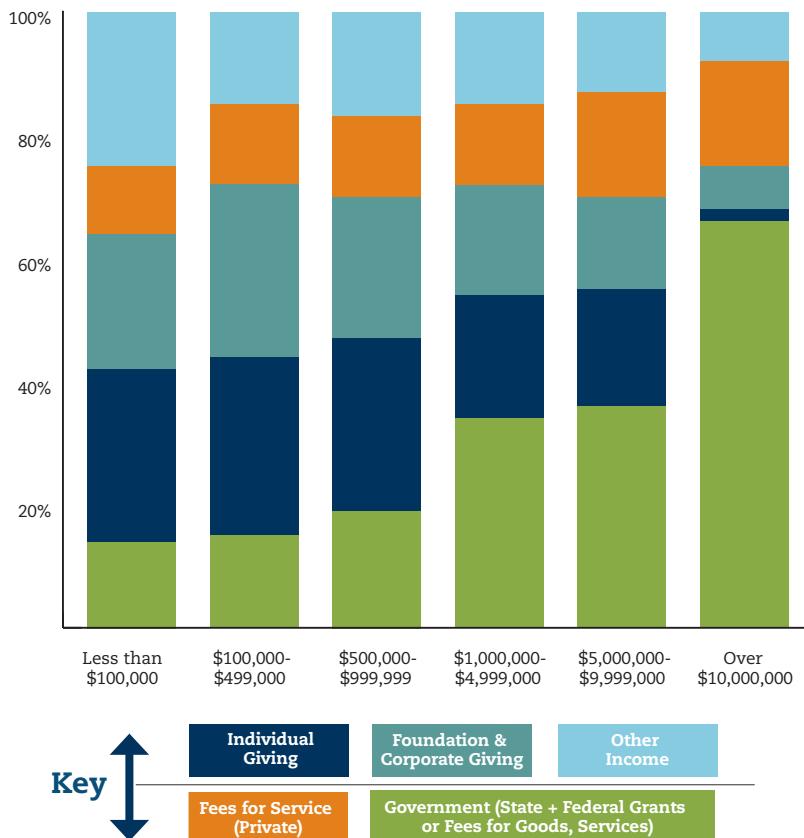
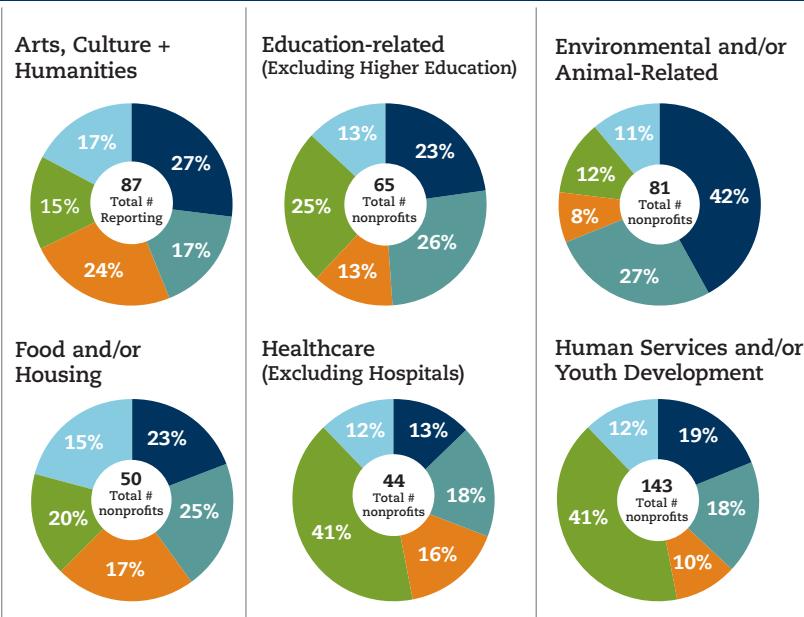


Figure 7

Average Sources of Nonprofit Revenue by Select Field



SOURCE: MANP Survey of Nonprofit Wages + Benefits in Northern New England, 2020

Philanthropy

by the numbers

Maine's nonprofit sector is one of the most robust in the country and it is supported by a philanthropic community that is small by national standards.

Figure 8

Top 25 Maine Foundations by Total Maine Giving, 2018

Rank	Name	Maine Giving (in millions)
1	Harold Alfond Foundation	\$39.78
2	Maine Community Foundation	\$27.18
3	Libra Foundation	\$10.38
4	Elmina B. Sewall Foundation	\$8.02
5	Lunder Foundation	\$7.93
6	John T. Gorman Foundation	\$7.24
7	Stephen & Tabitha King Foundation	\$4.02
8	Maine Health Access Foundation	\$3.59
9	Davis Family Foundation	\$3.10
10	The Bill and Joan Alfond Foundation	\$2.81
11	Doree Taylor Charitable Foundation	\$2.39
12	Maine Cancer Foundation	\$1.97
13	The Betterment Fund	\$1.79
14	Maine Justice Foundation	\$1.68
15	MELMAC Education Foundation	\$1.66
16	Sam L. Cohen Foundation	\$1.63
17	Next Generation Foundation	\$1.27
18	The Nine Wicket Foundation	\$1.09
19	Gloria C. Mackenzie Foundation	\$1.00
20	Quimby Family Foundation	\$0.93
21	TD Charitable Foundation	\$0.93
22	Morton-Kelly Charitable Trust	\$0.89
23	Maine Credit Unions Campaign for Ending Hunger	\$0.79
24	Francis T. and Louise T. Nichols Foundation	\$0.76
25	Roxanne Quimby Foundation	\$0.74

SOURCE: Foundation Giving in Maine 2020,
Maine Philanthropy Center

According to IRS filings, there are more than 500 private foundations, though the number of foundations actively engaged in grantmaking is closer to 375 according to analysis by Candid.

- ▶ This small but mighty community brings powerful local focus to its grantmaking.
- ▶ Analysis of Maine's top 25 funders (including both private foundations and grantmaking public charities) shows they gave \$179 million in 2018, with 74% of those funds staying in Maine.
- ▶ 80% of these top funders gave to recipients in six or more counties, spreading their impact statewide.

Individuals account for the vast majority of charitable giving.

Maine giving lags behind national and regional averages. In 2018, Mainers donated 0.8% of their annual income on average compared to 1.3% in 2016 and 1.7% nationally.

Typically, only people who itemize their returns are provided a tax incentive to give. Tax reforms passed in 2017 mean fewer than 10% of taxpayers itemize.



SOURCE: IRS e-File and Revenue Transaction Files (RTF) of 501(c)(3) Public Charity Form 990/990-EZ Returns, DataLake Nonprofit Research (www.datalake.net) © 2020, DataLake, LLC

Donors

A Closer Look

by the numbers

Figure 11

Reporting Public Charities in Maine by County, 2018

County	2018 Estimated Population	Number of Reporting Charities	Public Charities / 1000 People	Expenditures	Assets	Expenditures as % of Maine Gross Domestic Product (2018)
Androscoggin	107,914	139	1.29	\$1,259,529,252	\$1,648,759,157	2.0%
Aroostook	67,318	103	1.53	\$551,464,993	\$262,376,299	0.9%
Cumberland	293,673	772	2.63	\$4,420,289,020	\$8,001,921,548	6.8%
Franklin	29,915	55	1.84	\$119,454,735	\$129,990,742	0.2%
Hancock	54,734	201	3.67	\$873,722,884	\$2,351,956,712	1.4%
Kennebec	122,044	237	1.94	\$1,410,214,609	\$3,060,837,824	2.2%
Knox	39,717	144	3.63	\$247,029,598	\$427,192,137	0.4%
Lincoln	34,399	119	3.46	\$217,980,479	\$439,397,853	0.3%
Oxford	57,754	90	1.56	\$204,292,315	\$340,137,451	0.3%
Penobscot	151,817	218	1.44	\$2,939,829,525	\$2,652,296,422	4.6%
Piscataquis	16,746	25	1.49	\$47,691,702	\$60,923,407	0.1%
Sagadahoc	35,690	63	1.77	\$65,654,167	\$371,723,522	0.1%
Somerset	50,489	50	0.99	\$209,441,260	\$289,301,722	0.3%
Waldo	39,657	67	1.69	\$165,570,922	\$310,436,825	0.3%
Washington	31,321	80	2.55	\$159,630,398	\$191,649,377	0.2%
York	205,869	258	1.25	\$982,406,000	\$1,436,856,129	1.5%
Maine Total	1,339,057	2,621	1.96	\$13,874,201,859	\$21,975,757,127	21.5%
United States	327,167,434	418,524	1.28	\$2,164,900,003,561	\$4,318,239,749,208	

SOURCES: IRS e-File and Revenue Transaction Files (RTF) of 501(c)(3) Public Charity Form 990/990-EZ Returns, DataLake Nonprofit Research (www.datalake.net) © 2020, DataLake, LLC; U.S. Census Bureau, Population Division Annual Estimates of the Resident Population for Counties in Maine: April 1, 2010 to July 1, 2019 (CO-EST2019-ANNRES-23) Release Date: March 2020 US Bureau of Economic Analysis

Figure 12

Reporting Public Charities in Maine by Expenditure Level, 2018

Expenditure Level	# of Reporting Public Charities	Total Assets	Total Expenditures	% of Reporting Public Charities	% of Total Reported Assets	% of Total Reported Expenditures
Less than \$100,000	950	\$276,838,365	\$44,503,908	36.2%	1.3%	0.3%
\$100,000 - \$499,999	861	\$743,344,512	\$197,257,997	32.9%	3.4%	1.4%
\$500,000 - \$999,999	264	\$696,383,124	\$188,725,751	10.1%	3.2%	1.4%
\$1,000,000 - \$4,999,999	338	\$2,079,629,426	\$765,585,743	12.9%	9.5%	5.5%
\$5,000,000 - \$10,000,000	70	\$947,425,026	\$507,165,021	2.7%	4.3%	3.7%
Greater than \$10,000,000	138	\$17,232,136,674	\$12,170,963,439	5.3%	78.4%	87.7%
Total	2,621	\$21,975,757,127	\$13,874,201,859	100.0%	100.0%	100.0%

SOURCE: IRS e-File and Revenue Transaction Files (RTF) of 501(c)(3) Public Charity Form 990/990-EZ Returns, DataLake Nonprofit Research (www.datalake.net) © 2020, DataLake, LLC

Figure 13

Nonprofit Employment in Maine, by County, in Comparison to Total Employment, 2019						
County	501(c)3 Nonprofit Employment	Total Employment	Nonprofit Employment as a % of Total Employment	Total 501(c)3 Nonprofit Wages	Total Wages	Nonprofit Wages as a % of Total Wages
Androscoggin	8,593	49,730	17.3%	\$463,690,521	\$2,213,162,966	21.0%
Aroostook	4,172	26,642	15.7%	\$201,843,244	\$1,057,815,533	19.1%
Cumberland	30,699	187,768	16.3%	\$1,728,944,822	\$10,155,680,814	17.0%
Franklin	1,843	10,758	17.1%	\$80,303,522	\$404,656,599	19.8%
Hancock	5,049	22,725	22.2%	\$263,734,573	\$914,601,272	28.8%
Kennebec	11,213	60,642	18.5%	\$536,700,485	\$2,749,347,032	19.5%
Knox	2,720	17,690	15.4%	\$124,446,333	\$735,035,392	16.9%
Lincoln	2,123	11,183	19.0%	\$88,212,454	\$424,675,318	20.8%
Oxford	2,422	16,898	14.3%	\$101,789,900	\$667,778,395	15.2%
Penobscot	16,330	70,819	23.1%	\$925,377,372	\$3,102,788,089	29.8%
Piscataquis	980	5,492	17.8%	\$46,949,003	\$201,090,748	23.3%
Sagadahoc	711	16,154	4.4%	\$21,900,977	\$797,194,400	2.7%
Somerset	2,061	15,924	12.9%	\$92,345,675	\$653,931,147	14.1%
Waldo	1,683	11,608	14.5%	\$81,214,208	\$482,404,322	16.8%
Washington	1,657	10,170	16.3%	\$71,703,603	\$386,283,256	18.6%
York	7,790	74,605	10.4%	\$402,282,698	\$3,493,539,819	11.5%
Total*	100,046	608,808	16.4%	\$5,231,439,390	\$28,439,985,102	18.4%

SOURCE: Data drawn from Maine Department of Labor, Quarterly Census of Employment & Wages (QCEW) for 2019 using the IRS Exempt Organizations Master File for 501(c)3 nonprofits in Maine.

Figure 14

Number, Expenditures, and Assets of Reporting Charitable Nonprofits in Maine by Field, 2018						
Type of Charitable Nonprofit	#	% of Total	Expenditures	% of Total Expenditures	Assets	% of Total Assets
Arts, Culture, Humanities	336	12.8%	\$142,748,954	1.0%	\$485,868,447	2.2%
Education - excluding Higher Education	382	14.6%	\$471,205,757	3.4%	\$1,585,210,886	7.2%
Higher Education	20	0.8%	\$1,031,495,557	7.4%	\$5,558,239,719	25.3%
Environmental	168	6.4%	\$92,794,061	0.7%	\$841,022,624	3.8%
Animal Related	78	3.0%	\$38,020,683	0.3%	\$128,879,584	0.6%
Health Care/Mental Health - excluding Hospitals	319	12.2%	\$2,480,719,726	17.9%	\$3,327,939,104	15.1%
Hospitals	47	1.8%	\$7,830,145,013	56.4%	\$6,602,646,221	30.0%
Human Services	904	34.5%	\$1,345,993,290	9.7%	\$1,980,087,825	9.0%
Institutional	35	1.3%	\$180,822,427	1.3%	\$183,842,236	0.8%
Community Improvement, Public/Societal Benefit	239	9.1%	\$197,213,024	1.4%	\$1,046,146,862	4.8%
Research: Science, Technology, Social Science	26	1.0%	\$43,999,715	0.3%	\$109,120,962	0.5%
Religion Related, Spiritual Development	67	2.6%	\$19,043,652	0.1%	\$126,752,657	0.6%
Total	2,621	100.0%	\$13,874,201,859	100.0%	\$21,975,757,127	100.0%

SOURCE: IRS e-File and Revenue Transaction Files (RTF) of 501(c)(3) Public Charity Form 990/990-EZ Returns, DataLake Nonprofit Research (www.datalake.net) © 2020, DataLake, LLC

100%
of

Mainers Benefit

from the work of
Maine Nonprofits