



Nonprofits Vital to Recovery



FOCUS ON NONPROFITS IN WASHINGTON

Nonprofits are at the heart of every community across our state.

There are 30,808 charitable nonprofit organizations in Washington.

Nonprofits offer good jobs.

- Nonprofits in Washington State **employ nearly 270,000 people and pay over \$13 billion in wages annually.** The represent 10% of the private workforce.
- **Nonprofits employ 21% more people than the construction industry in Washington,** and just 16% less people than the manufacturing sector.
- Nonprofits pay higher average wages than for-profits in most fields, including healthcare, education and social assistance.

Nonprofits mobilize volunteers. 30% of Washingtonians volunteer, contributing over 198 million hours of volunteer services valued at over \$5 billion.

Most importantly, nonprofits strengthen our communities.

Nonprofits Must Be Included in Relief and Recovery Funding

Nonprofits, like businesses, depend on earned revenue. 49% of nonprofit revenue overall comes from fees for services. This percentage is even higher in many fields such as healthcare, higher education, childcare, and arts and culture.

Nonprofits are vulnerable in economic downturns.

- Nonprofits have been severely impacted by the COVID-19 shutdown due to interruptions to fee

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for service activities and cancellation of fundraising events.

- **46% of nonprofits surveyed in Washington report having less than 3 months of reserves.**
- During recessions, charitable giving by individuals and foundations decreases. **During the 2008 recession, giving dropped by 5.8%.** Smaller, grassroots groups are particularly dependent on contributions from individuals and fundraising events.
- If state and local budgets are cut due to decreased revenue, many community services provided by nonprofits could be at risk. Nonprofits depend on government grants and contracts for 32% of their revenue overall (second only to fees for services).
- Nonprofits cannot raise capital in the way that for-profit companies can, nor tax communities. This lack of working capital is exacerbated by the fact that most government contracts are reimbursement based, and many government agencies do not pay on time.

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Nonprofits are not all alike.

- The nonprofit ecosystem includes large, established institutions and small grassroots groups. All enhance our quality of life and are working for valuable public purposes.
- During COVID-19, some nonprofits have ramped up to meet increased demand for basic services like food and shelter and to do so safely. Others have temporarily closed but will play a vital role in helping communities to recover.
- **Organizations based in and serving communities of color, immigrants and refugees, non-English speaking people and other marginalized groups are often the less resourced and more vulnerable.**

Members of their communities are among the hardest hit by the pandemic, placing new demands on these nonprofits. **Policies and public investment must be designed to reach and include these nonprofits and community groups.**

Questions

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