

RESEARCH REPORT

Nonprofit Trends and Impacts 2021

National Findings on Donation Trends from 2015 through 2020, Diversity and Representation, and First-Year Impacts of the COVID-19 Pandemic

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This survey establishes the first year of a multiyear national panel survey of nonprofits under the Nonprofit Organization Research Panel Project Manager (NORPP Manager), which directly advances the objectives of the Nonprofit Panel Dataset Project, a collaboration of more than 70 researchers across the United States who contributed intellectual support to lay the groundwork and inform the methodology for this national panel. This survey and the Nonprofit Organization Research Panel Project Manager (NORPP Manager) are also supported by the National Science Foundation Human Networks and Data Science – Infrastructure Program collaborative award numbers 2024310, 2024307, 2024320, and 2024330, which support a collaboration between the Urban Institute, American University, George Mason University, and the Georgia Institute of Technology to develop the panel study infrastructure to facilitate broad collaborative research on this and other panels of nonprofits through the project. This report and the multiyear panel are also possible thanks to in-kind support from Independent Sector, in part through Independent Sector’s Visiting Scholars program.

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Executive Summary

Nonprofit organizations in the United States play a vital role delivering services, strengthening communities, and facilitating civic engagement. They are diverse in size and type, ranging from all-volunteer organizations with no revenue to multibillion-dollar institutions managed by highly professionalized staff. They have diverse revenue sources, including individual donors, fees for service, and public and private institutions. Though research has illuminated much about these organizations in recent years, we lack a nationally representative portrait of the nonprofit sector detailing donation trends and who is served, where, and by whom. Our nationally representative study fills these gaps.

We focus on operating 501(c)(3) public charities whose activities range from direct service provision to community building and advocacy. We exclude many service providers in specialized fields, including hospitals, schools, higher-education institutions, churches, and other houses of worship, and we exclude organizations that usually fund other organizations rather than providing services directly. This report complements studies on donation trends conducted from individual donor and sector-wide perspectives by focusing on the experiences of nonprofits, donations that they rely on, the contexts and contours of their programs, and the US communities they serve.

Our study provides new evidence about the nonprofit sector in three ways. First, our nationally representative survey provides important data on geographic and demographic characteristics of the people and communities that nonprofits serve across the United States and the demographic diversity and representation of organizations' staff and leadership. Second, our study shows how organizations of different sizes and in different subsectors and geographic contexts have been affected by recent trends in donations and how they were affected by the events of 2020. Third, recognizing that the trends we discuss are constantly changing, our study is an ongoing panel study, and future surveys will analyze additional trends in organizational characteristics and donations. This first report and future years of the study will equip nonprofit practitioners, funders, and policymakers with the knowledge they need to support the nonprofit sector and strengthen civil society. We begin with an introduction on the importance of the nonprofits represented in this study and background information on how recent studies on changing giving trends prompted us to examine how those trends affect nonprofit organizations. We then share our findings, which provide new information about characteristics of

nonprofits in the United States not provided on the Internal Revenue Service (IRS) Form 990 and illuminate donation trends from 2015 through 2019 and in 2020. We close with implications of findings.

In our discussion of the findings on the people and communities served by nonprofits and the demographics of those who work at nonprofits, we highlight the following key takeaways:

- **Nonprofits serve communities across the United States.** The distribution of nonprofits across urban, suburban, and rural areas mirrors that of the US population, and a greater share of nonprofits are located and provide services in lower-income communities.
- **Nonprofits serve a wide range of people.** Most nonprofits (55 percent) have programs that serve the general public, and 45 percent have programs that focus on people and families below the federal poverty level. Many organizations provide programs that focus on historically marginalized groups, including people who are Black or African American (29 percent), Latinx (27 percent), Indigenous, Native American, or Alaskan Native (17 percent), and LGBTQ (19 percent).
- **Nonprofit leadership demographics offer insight into the diversity and representation of the sector.** Seventy percent of boards have at least one board member who identifies as a person of color. On average, half of board members identify as women. Thirty-four percent have at least one board member with a disclosed disability and 44 percent have at least one board member who identifies as LGBTQ+. We find that 16 percent of nonprofits that primarily focus on serving people of color have all-white boards. Fifty-eight percent of rural nonprofits have no board members who are people of color. Twenty-one percent of executive directors are people of color and 62 percent of executive directors are female.

In our focus on donation trends in the sector, we present findings for two periods, 2015 through 2019 and calendar year 2020—to show how donation trends affected individual nonprofit organizations before and during the public health, economic, social, and civic disruptions of 2020. Our results demonstrate that the disruptions of 2020 did not affect nonprofits equally: whereas some experienced increased donations and gained additional revenue that enabled them to continue their programs, others suffered revenue losses, and some experienced more nuanced changes in revenue and programs.

In our discussion of the findings on donation trends and the impacts of 2020, we highlight the following key takeaways:

- **Donations from individuals are essential.** Donations from individuals are essential resources for the nonprofits represented in this study. We find that about three out of four nonprofits

view individual donations as essential or very important for their work, and small nonprofits, defined as those with expenses under \$500,000, depend even more on individual donations. Organizations with annual budgets under \$500,000 make up over 60 percent of the nonprofits represented in this study, and report that roughly 30 percent of their revenue comes from individual donations, compared with 18 percent for large organizations, defined as those with annual budgets of \$500,000 or more.

- **Most organizations experienced donation growth from 2015 through 2019, but for many, that trend reversed in 2020.** We find that donations to nonprofits across the United States have been growing overall. From 2015 through 2019, 58 percent of organizations experienced growth in donations, 32 percent experienced stable donations, and 10 percent experienced decreased donations. The events of 2020 disrupted this trend for many nonprofits. More organizations (37 percent overall) reported decreased donations in 2020 than in the five preceding years, which was true for all categories of nonprofits represented in this study.
- **A greater share of small nonprofits experienced decreased donations in 2020 than large nonprofits.** The disruptions of 2020 were felt by nonprofits of all sizes, but small organizations, which make up most of the sector and depend most heavily on donations, experienced decreased donations in 2020 in greater numbers than large nonprofits. Forty-two percent of organizations with budgets under \$500,000 experienced decreased donations in 2020, compared with 29 percent of organizations with budgets of \$500,000 or more.
- **Donation trends from 2015 through 2019 reveal disparities between organizations led by non-Hispanic white people and those led by people of color.** A greater share of POC-led organizations experienced declines in donations from 2015 to 2019 and a smaller share experienced increases in donations in that period compared with non-Hispanic-white-led organizations. However, in 2020, organizations led by non-Hispanic white executive directors and executive directors of color experienced similar trends.
- **The events of 2020 dramatically impacted nonprofits of all types and sizes.** Forty percent of organizations reported losses in total revenue for 2020, including 54 percent of arts organizations and 36 percent of all other nonprofits. Organizations that reported losses lost an average of 31 percent of total revenue and 7 percent of their paid staff by the end of the year. Moreover, the COVID-19 pandemic disrupted nonprofit services across the country, which led to a dramatic decline in program-related income. And among organizations that reported receiving fees for service (an important source of revenue for the sector) in 2019, fees for service declined by 30 percent at the median in 2020. This is likely to have exacerbated

nonprofits' financial challenges, as more organizations reported that donations fell in 2020 than in prior years.

Errata

This report was corrected on October 15, 2021, and October 26, 2021. In box 2, we explain that we use “people of color” to represent people survey respondents identified as a race or ethnicity other than non-Hispanic white (a previous version incorrectly said “identified as non-Hispanic white”). In addition, two percentages in table 3 had been switched: overall donations from 2015 through 2019 increased for 52 percent (not 46 percent) of organizations led by executive directors of color, and overall donations increased in 2020 for 46 percent (not 52 percent) of organizations led by non-Hispanic white executive directors. Lastly, in this version, we report that 46 percent (not 49 percent) of board chairs are female.

Introduction

The nonprofit sector is a critical part of the civic infrastructure in the United States. Nonprofit organizations play a vital role delivering services, strengthening communities, and facilitating civic engagement. Diverse in size and type, they range from all-volunteer organizations with no revenue to multibillion-dollar institutions managed by highly professionalized staff. The United States has roughly 1.8 million nonprofit organizations, including 501(c)(3) public charities, private foundations, and a variety of membership and professional organizations (Independent Sector 2020). With expenditures of \$1.94 trillion, charitable 501(c)(3) nonprofits account for roughly 75 percent of revenue and expenses in the sector (NCCS Project Team 2020). Though research has illuminated much about these organizations in recent years, we lack a nationally representative portrait of the charitable nonprofit sector detailing trends in donations, who is served, where, and by whom.

This report presents findings from the first year of an ongoing panel study (described in appendix A); researchers will analyze the longer-term effects of the trends we describe and related trends in follow-up studies of our representative panel of nonprofit organizations. This report documents the extent and scope of donation trends among a nationally representative sample of operating 501(c)(3) public charities with \$50,000 or more in annual expenses. We exclude many specialized service providers, including hospitals, schools, higher-education institutions, churches, and other houses of worship, and we exclude organizations that usually fund services rather than providing them directly, including foundations and mutual benefit and philanthropic support organizations. The organizations we exclude are important parts of the charitable sector, but our study focuses on nonprofits that are the end recipients of donations and engage in activities that range from direct service provision to community building and advocacy. These organizations are often underrepresented in studies of national financial trends because their financial footprint is smaller than that of hospitals, higher-education institutions, and organizations that provide infrastructure-level philanthropic support for the sector. The organizations represented in this study tend to depend more on public support (including private contributions and government grants) than other public charities: in 2017, 62 percent of their total revenue came from public support, compared with 53 percent for all public charities.¹ Our report complements research on donation trends from individual-donor and sector-wide perspectives by illuminating the experiences of these nonprofits, the donations that support them, the contexts and contours of their programs, and the communities they serve (box 1 and appendix B provide more details about this study).

In this report, we compare donation trends in the five years before the COVID-19 pandemic in the United States, 2015 to 2019, with a snapshot of the pandemic's immediate effects in 2020. We also provide a baseline for future annual surveys that will follow this report. Many of the questions we address could not have been answered in a representative way with previously available sources, including IRS Form 990 data. This report provides new insights on the following questions: Who do nonprofits serve? Where do they provide services? Who works at and leads nonprofits? Are nonprofits experiencing trends in donations that reflect overall changes in individual giving shown by recent studies? What other trends are organizations experiencing? What types of nonprofits are most affected by changes in giving and in what ways? How are organizations in different types of communities—rural, urban, and suburban—and with different leadership and staff demographics affected? Do fewer gifts from those who make small or medium donations disproportionately affect organizations that serve people of color, low-income communities, or other vulnerable populations? How has the pandemic affected these trends? Which organizations and populations are most affected?

Analysis of these questions improves our understanding of donation trends in the United States and their impacts. Evidence from previous studies suggests that declines in donations from low- and middle-income households are leading to greater dependence on high-income households for donations to the nonprofit sector.² Until now, we have not sufficiently understood how these trends in individual donations have affected nonprofits across a variety of dimensions. That is the focus of this report.

As we began this study in early 2020, it quickly became evident that the COVID-19 pandemic would have profound implications for all aspects of nonprofit operations and that it needed to be integrated into the study design. The pandemic did not affect nonprofit organizations equally; some were able to continue their programs, whereas others suffered revenue losses and scaled back or closed, which had ripple effects on whole communities (Stewart, Kuenzi, and Walk 2021). Moreover, the uniquely powerful public health, economic, social, and civic disruptions of 2020 affected nonprofits' ability to secure resources and serve their communities, but studies of the impacts of those disruptions were largely fielded with unrepresentative samples as the pandemic was evolving (Stewart, Kuenzi, and Walk 2021). To complement other studies conducted in 2020, we surveyed nonprofit organizations at the start of 2021, when a fuller financial accounting of the 2020 calendar year was available.

Combined with future studies on changes in giving trends, the findings in this report will provide a detailed view of the health of our nonprofit sector and a better understanding of how giving trends affect nonprofit donations, what types of organizations and what target populations are most affected by those trends, and how to recognize disparities in donations. This information will help nonprofit

leaders, funders, and public officials better understand and respond to these trends as they work to strengthen the nonprofit sector.

This report is organized into the following chapters: an overview of how we conducted the study and a profile of the organizations included and the communities they serve; findings on donation trends and how they vary; and implications of our findings. We also include appendixes and a glossary to provide additional information about our research partnership, research methods, and data.

BOX 1

Why and How We Conducted This Study

Our team of researchers from American University, George Mason University, and the Urban Institute set out to answer the following research questions through a nationally representative survey:

- What recent donation trends have 501(c)(3) nonprofit organizations experienced? How have those trends varied across organization and community characteristics?
- What are the differing impacts on and implications for nonprofits of donation trends?

To answer these questions, we surveyed organizations across diverse US communities and asked about trends they had experienced for different types and sources of donations and for different size categories of individual donations (below \$250, greater than or equal to \$250, and major gifts as defined by each organization). Although this sample design and these questions cannot completely capture information on donors' characteristics, we can isolate and analyze how trends differ depending on the type of organization, where and whom they serve, and what types of donations they receive.

We invited nonprofits across the country to participate in early 2021. We asked them to recall their donation experiences during two periods: 2015 through 2019, and 2020. We also asked about whom they serve and how, about other revenues, and about their 2020 experiences. We collected 2,306 usable responses through an online, self-administered survey sent to a representative sample of 501(c)(3) operating public charities with annual revenues and expenses of at least \$50,000,^a as reported on the June 2019 Internal Revenue Service Business Master File. The survey and sample had the following characteristics:

- The sample organizations excluded all schools (day care, preschool, primary, secondary, colleges, and universities), hospitals, and religious congregations.
- We created a nationally representative sample stratified by five organization size categories, National Taxonomy of Exempt Entities (NTEE) categories A through Z, and the 50 states plus DC. These organizations will become a panel of organizations that the research team will continue to study.^b

- We collected surveys from January through April 2021. Collecting surveys in 2021 allowed us to account for 2020 donations through the end of the holiday period, a high-volume giving period for many nonprofits.
- The survey included 35 questions covering financial, programmatic, and operational information.^c

Notes

^a The nonprofits in our study are designated as operating public charities in the National Center of Charitable Statistics taxonomy rather than mutual benefit or philanthropic support organizations; see appendix B for more information.

^b See appendix A for more information on the long-term partnership that will enable the ongoing panel study.

^c An early version of the survey included more questions, but we shortened it to reduce the burden on respondents.

Background

The services nonprofit organizations provide are generally recognized as important contributions to the economy and the public (NCCS Project Team 2020).³ Demand for these services has increased in the United States in the past several decades (Hopkins et al. 2014; Salamon, Geller, and Sokolowski 2012), and this has corresponded with growth in the nonprofit sector during that period (NCCS Project Team 2020). Despite this growth, we lack representative data for understanding their funding, their work, and trends that impact how they serve their communities. IRS Form 990 data, the major data resource for nonprofit research and the only systematic yearly government data source on nonprofit organizations, are limited by their content, and widely useable data are typically only released two to three years after being collected (Fyall, Moore, and Gugerty 2018; Kim and Charles 2016). This lack of representative and timely data hinders our efforts to understand the composition and health of the sector and how changes in public policy and economic conditions affect nonprofits' activities (Besel, Williams, and Klak 2011; Twombly 2003; Wang and AbouAssi 2021).

501(c)(3) charities are unique in the nonprofit sector in that they provide broad public benefits to society. Consequently, they are eligible to receive tax-deductible donations, which provide an important source of revenue for their charitable work. These public charities provide a vast array of programs in all types of communities. They include social and human service providers; arts, culture, health, educational, religious, and research institutions; advocates for causes including civil rights and the environment; and foundations and other types of grantmaking organizations (Boris, McKeever, and Leydier 2017). Their revenue comes from a variety of sources, including fees for service, government grants and contracts, foundation and corporate grants, events, and individual donations (Steuerle et al. 2017).

While providing new data on the nonprofit sector, this study focuses on trends in individual donations and how those trends differ across nonprofit organizations. The literature suggests there are two national trends in charitable giving: total/aggregate giving is increasing, while the share of households making donations to nonprofits is declining. Research in the early 2000s showed that charitable giving was growing rapidly (Havens and Schervish 2001). This trend was disrupted when total donations fell during and immediately following the Great Recession, but donations recovered to prerecession inflation-adjusted levels by 2017 and reached an estimated \$471.4 billion in 2020,⁴ the highest level ever recorded. Even though aggregate donations have steadily recovered and grown since the Great Recession, giving participation rates among American households have steadily declined (Osili, Zarins, and Han 2021). Evidence from various data sources on individual giving indicates that

changes in personal wealth and income explain some declines in giving participation, such as declines in giving for secular causes (Osili, Zarins, and Han 2021). Moreover, overall declines in participation owe partly to steady declines in religious giving since 2000 (Osili, Zarins, and Han 2021). Despite this evidence, how these trends have translated to changes in the flows of donations to individual nonprofits is less understood.

As one concern, several recent studies of individual donors have shown that participation rates in charitable giving among low- and middle-income donors in the United States is declining,⁵ suggesting that although donations have generally been increasing, nonprofits appear to be relying more on wealthier donors.⁶ Recent policy changes eliminated the tax incentive for low- and middle-income households to give, which some suggest may exacerbate the trend toward reliance on wealthy households (Rooney et al. 2020). Before 2017, many middle-income households filed itemized income tax returns, allowing them to claim a deduction for charitable donations. The Tax Cuts and Jobs Act of 2017 significantly increased the standard deduction, resulting in an estimated 21 million fewer households using this charitable giving incentive (Tax Policy Center 2020).

Additional studies have identified other potential concerns about donation trends. For example, the Fundraising Effectiveness Project's 2019 report and Giving USA's 2019 report indicated that overall giving was not keeping up with inflation and that donations to many subsectors were declining, in addition to further evidence of declining participation in giving across the country. Moreover, rates of volunteering—an important resource for many nonprofit organizations, especially smaller ones with few or no paid staff (Nesbit, Christensen, and Brudney 2018)—have also declined over the past two decades, which may be attributable to and may be contributing to a decline in social capital more generally (Grimm and Dietz 2018). The combined effects of declining participation in giving and volunteering could particularly impact the organizations that most depend on them, such as small nonprofits or those serving marginalized communities.

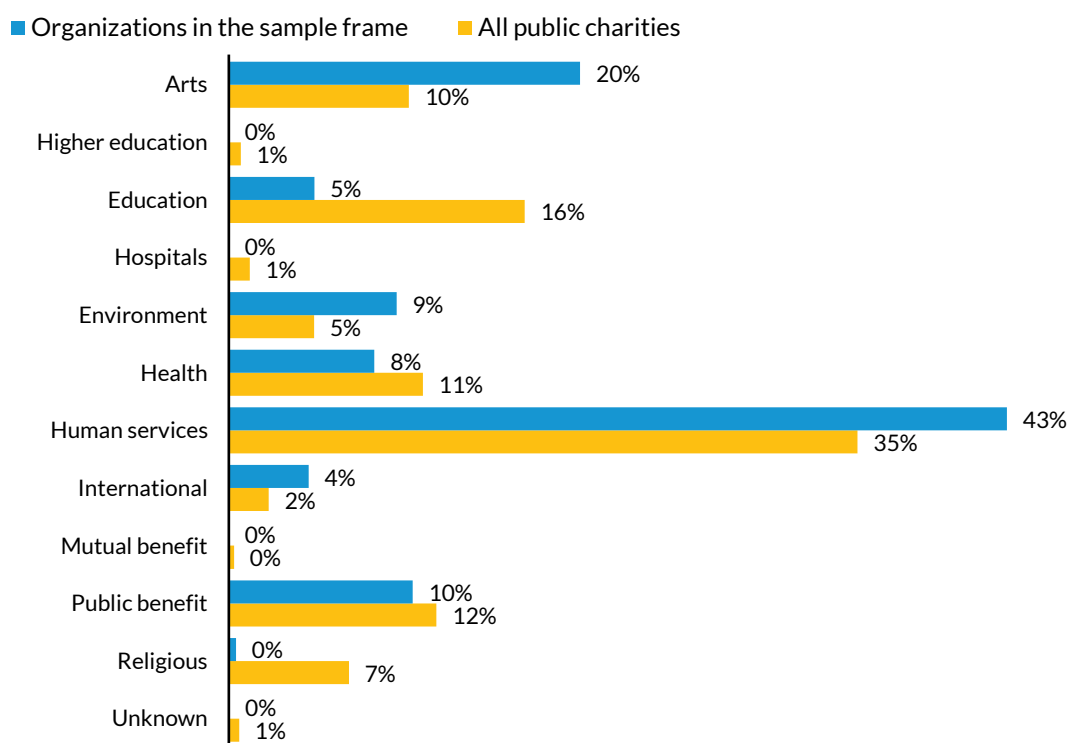
Our nationally representative panel of nonprofits helps us understand how these issues identified in the literature affect US nonprofit organizations. Given the overall growth of the sector, understanding important trends affecting it, such as declining trends in giving and volunteering, will help nonprofits, their funders, and policymakers proactively and accurately address trends as they change. Importantly, this panel illuminates how trends impact nonprofit organizations of varying characteristics differently and how donations and other revenue sources support nonprofit services in different communities.

About the Nonprofits in Our Study

The nonprofits that responded to our survey represent the variety of US charitable organizations that fall within our target population. Figure 1 shows the subsector breakdown of nonprofits included in this study. As discussed in box 1, because we excluded nonprofit schools and hospitals, nonprofits with health and education missions represent a smaller share of the organizations in this study than they do in the nonprofit field. Many education organizations from the full National Center for Charitable Statistics (NCCS) data files are support organizations, which we exclude from our study, and many religious organizations provide religious services or support religious services, which we also exclude. These and the other sample restrictions we have noted increase the relative shares of arts, environmental, human service, and international organizations in the population of nonprofits our study represents.

FIGURE 1

Subsector Breakdown of Nonprofits Included in This Study and of All Public Charities



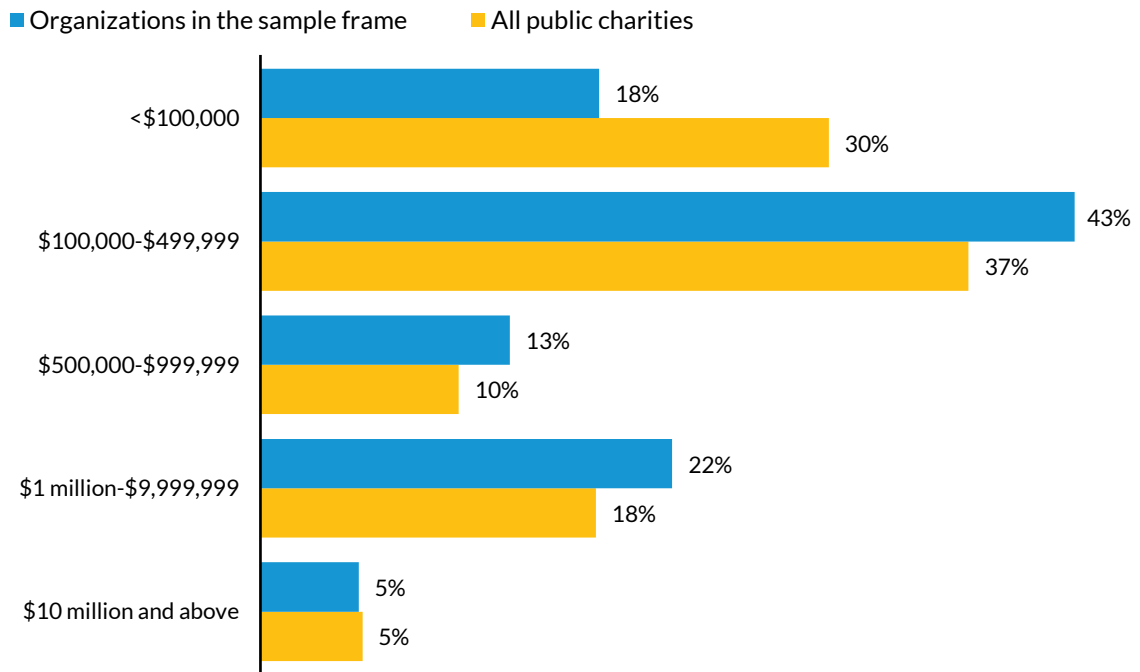
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Sources: National Center for Charitable Statistics Core PC 2017 data files (NCCS Project Team 2020) and Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: Totals may not equal 100% due to rounding. The data for all public charities were identified using the Urban Institute's "The Nonprofit Sector in Brief 2019" (available at <https://nccs.urban.org/publication/nonprofit-sector-brief-2019>) and include all public charities with total revenues over \$50,000. The sample frame differs by also excluding organizations with total expenses below \$50,000, mutual benefit and philanthropic support organizations, and organizations in specific specialized subsectors (see the methodology in appendix B for details).

The nonprofits in our study vary in size, which we define by their reported expenses. We intentionally invited organizations of all sizes (except those with reported expenses below \$50,000, the minimum for inclusion in this study) to participate to better understand their different experiences. The nonprofits in this study reported expenses from \$50,000 to well over \$1 million; the largest share has expenses from \$100,000 to \$499,999 (figure 2).

FIGURE 2
Size Breakdown of Nonprofits in This Study and of All Public Charities, by Reported Expenses



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Sources: National Center for Charitable Statistics Core PC 2017 data files (NCCS Project Team 2020).

Notes: Totals may not equal 100% due to rounding. The data for all public charities were identified using the Urban Institute’s “The Nonprofit Sector in Brief 2019” (available at <https://nccs.urban.org/publication/nonprofit-sector-brief-2019>) and include all public charities with total revenues over \$50,000. The sample frame differs by also excluding organizations with total expenses below \$50,000, mutual benefit and philanthropic support organizations, and organizations in specific specialized subsectors (see the methodology in appendix B for details). The distribution of organizations by size categories differs slightly from the distribution of all public charities reported in “The Nonprofit Sector in Brief 2019” because of the additional sample exclusions in this study’s methodology. Specifically, the methodology in “The Nonprofit Sector in Brief 2019” excludes nonprofits that report annual revenue of less than \$50,000 but includes organizations with total expenses below that threshold (which are excluded in this study). This reduces the overall proportion of very small organizations (under \$100,000) in our sample by excluding nonprofits with expenses of less than \$50,000 per year. Therefore, the relative proportions (and representation) of organizations in larger size categories (other than those \$10 million and above) are greater in this study. This decision was made so that our sample and study better represent relatively established and economically active organizations that operate programs in communities across the United States while still reflecting the distribution of organizations in smaller size categories based on total expenses (which were also oversampled to ensure adequate representation of small organizations across the country).

As shown in appendix B, the final sample for this study reflects the distribution of the organizations in the sample frame in terms of size, subsector, and other characteristics. The organizations represented in this study depend more heavily on public support than public charities more generally: in 2017, 62 percent of their total revenue came from private contributions and government grants, compared with 53 percent for all public charities. However, other financial characteristics are similar, including the average ratio of program revenue to total revenue (31 percent in 2017 for nonprofits represented in this study versus 34 percent in 2017 for all public charities). (See box 1 and appendix B for additional details on the sample and the nonprofits this study represents.)

We discuss the findings of our study in the next two chapters. Box 2 explains language choices and key terms relevant to the discussion of those findings.

BOX 2

A Note on Language

Below, we discuss how some of our key terms relate to what appears on IRS Form 990. (The glossary at the end of the report defines other relevant terms.)

Donations: In our survey of nonprofit organizations, we asked respondents about how donations received by their organizations changed between 2015 and 2019 and how donations during that period compared with those in 2020. We asked about particular types of donations and about donations overall. The survey collected more details about types of funding and trends in the receipt of that funding than can be found from Form 990 data.

Location: We describe where nonprofits are headquartered and where they provide services. When presenting findings, unless noted otherwise, we use the *zip code of the physical address of the headquarters that each survey respondent provided*. We compared each headquarters' zip code with other location information that we asked respondents to report on, including up to six program service locations and whether they serve urban, suburban, or rural areas. Comparing across all those questions, we were able to determine that the headquarters location for nearly every respondent represents at least part of their service area and thus is a good approximation for location. We discuss this more in our findings.

People of color: We use people of color (POC) to represent people survey respondents identified as a race or ethnicity other than non-Hispanic white. In some sections we describe majority-POC communities and POC staff and board members. We recognize there is no terminology around race and ethnicity that resonates with everyone. We also note there might be bias in these reports; that is, the information about the race and ethnicity of colleagues and people served may not be completely accurate.

Sex/gender: We recognize that sex and gender are not binary, and in our survey, we asked about many identities for staff and board members. While we report representation in all categories, most responses refer to the categories of men/women or male/female. Therefore, in places where we provide highlights, we focus on those categories. Again, we note the potential bias in these responses.

Findings on Nonprofit Program Locations and Demographics

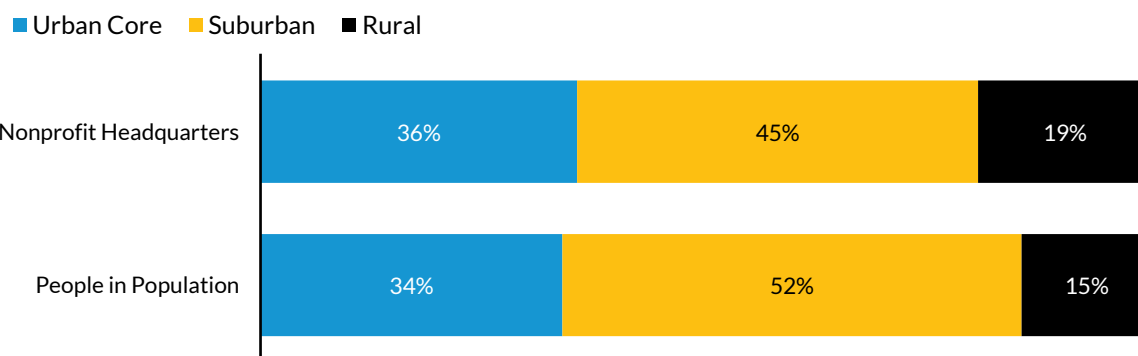
Understanding where nonprofit organizations operate, whom they serve, and how they serve them sounds simple. These fundamental pieces of information, however, are often skewed by incomplete information—by surveys that rely on convenience samples or only focus on a limited geography, or by the limited information available from IRS Form 990. The findings we present here from this nationally representative survey provide a more balanced picture and greater insight into the communities nonprofits serve and how their demographic representation reflects those communities. Key findings include the following:

- **Nonprofits serve communities across the United States.** The distribution of nonprofits across urban, suburban, and rural areas mirrors that of the US population, and a greater share of nonprofits are located and provide services in lower-income communities.
- **Nonprofits serve a wide range of people.** Most nonprofits (55 percent) have programs that serve the general public, and 45 percent have programs that focus on people and families below the federal poverty level. Many organizations provide programs that focus on historically marginalized groups, including people who are Black or African American (29 percent), Latinx (27 percent), Indigenous, Native American, or Alaskan Native (17 percent), and LGBTQ (19 percent).
- **Nonprofit leadership demographics offer insight into the diversity and representation of the sector.** Seventy percent of boards have at least one board member who identifies as a person of color. On average, half of board members identify as women. Thirty-four percent have at least one board member with a disclosed disability and 44 percent have at least one board member who identifies as LGBTQ+. We find that 16 percent of nonprofits that primarily focus on serving people of color have all-white boards. Fifty-eight percent of rural nonprofits have no board members who are people of color. Twenty-one percent of executive directors are people of color and 62 percent of executive directors are female.

The Distribution of US Nonprofits across Urban, Suburban, and Rural Areas Aligns with That of the US Population

A common challenge with research on the nonprofit sector is that the mailing addresses that nonprofits list on Form 990 may not accurately reflect their physical addresses or program service locations. We therefore included a series of questions on our survey about where nonprofits are located and where they provide programs and services (figure 3). To be able to accurately discuss how donations vary across geographies, we needed to be sure the indicator we were using provided an accurate description of what we were talking about. We asked organizations to provide their main address (i.e., headquarters) and up to six program addresses. Comparing headquarters locations and program locations shows that headquarters location is a strong predictor of areas served. We also asked respondents to categorize their service areas as urban, suburban, and/or rural. Most organizations headquartered in rural areas (70 percent) only have program service locations in rural areas. Organizations headquartered in urban or suburban areas are more likely than those in rural areas to serve a mix of locations, with roughly half serving some rural areas. Only 6 percent of organizations in rural areas and 7 percent of organizations in urban or suburban areas report *not* serving the area where they are located.

FIGURE 3
The Geographic Distribution of Nonprofits Closely Mirrors That of the US Population



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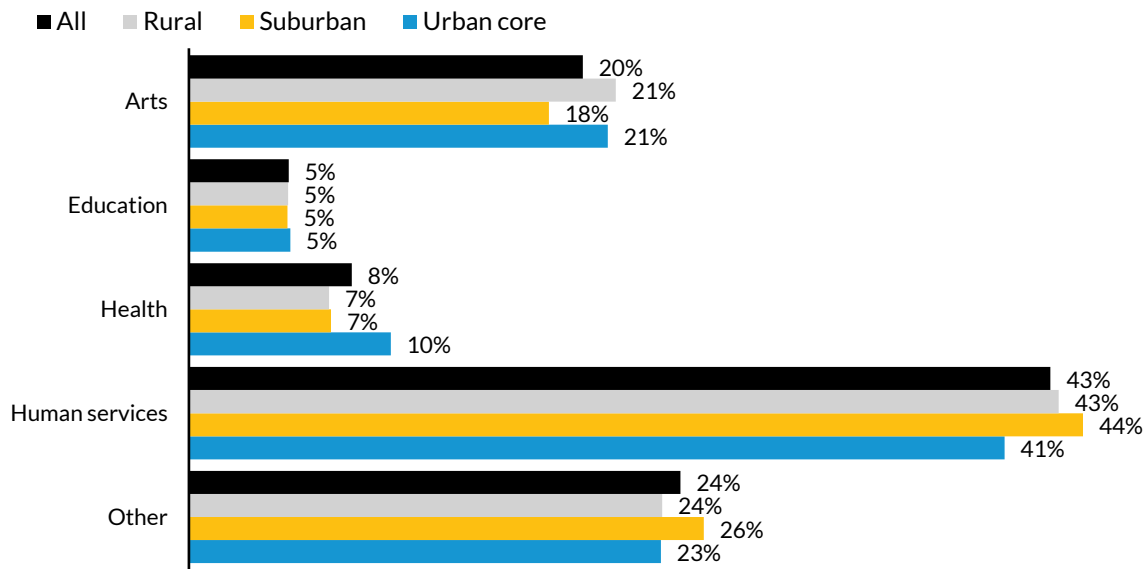
Source: Authors' calculations.

Notes: Totals may not equal 100% due to rounding. We designate zip codes as urban core using National Center for Health Statistics data (see https://www.cdc.gov/nchs/data_access/urban_rural.htm). We designate zip codes as rural using the Federal Office of Rural Health Policy's designation of rural (see <https://www.hrsa.gov/rural-health/about-us/definition/datafiles.html>). Remaining zip codes are in a category we designated suburban. For our US population estimates, we used American Community Survey 2018 5-year estimates. The zip code is from organizations' self-reported headquarters address from the survey. We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

When asked to tell us more about where they deliver services, 21 percent report providing services exclusively in urban areas, 10 percent exclusively in suburban areas, and 19 percent exclusively in rural areas. The remaining 50 percent reported providing services in two or more of these areas. Roughly half (52 percent) reported that they serve one or more local areas (e.g., communities, neighborhoods, towns, cities, or counties). One-quarter reported serving a statewide area or a region of a state. The remaining 23 percent reported serving multistate (7 percent), national (6 percent), or international (10 percent) areas.

Moreover, within each subsector of nonprofits, similar shares are in urban, suburban, and rural areas (figure 4). For example, arts organization constitute roughly 20 percent of all organizations and account for roughly 21 percent of the organizations in urban core areas, 18 percent of those in suburban areas, and 21 percent of those in rural areas, which are statistically similar.

FIGURE 4
Within Particular Nonprofit Subsectors, Similar Shares of Organizations Are in Urban, Suburban, and Rural Areas



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Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: Totals may not equal 100% due to rounding. We designate zip codes as urban core using National Center for Health Statistics data (see https://www.cdc.gov/nchs/data_access/urban_rural.htm). We designate zip codes as rural using the Federal Office of Rural Health Policy’s designation of rural (see <https://www.hrsa.gov/rural-health/about-us/definition/datafiles.html>). Remaining zip codes are in a category we designated suburban. For our US population estimates, we used American Community Survey 2018 5-year estimates. The zip code is from organizations’ self-reported headquarters address from the survey. We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

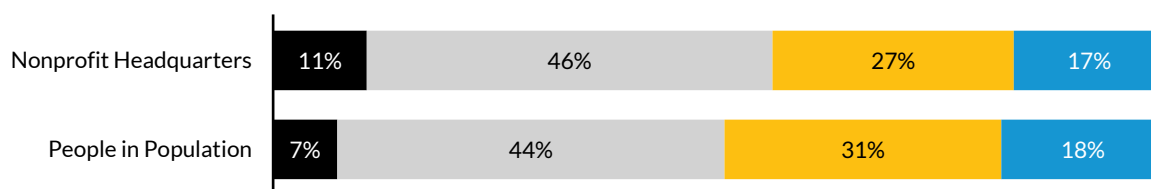
The Majority of Nonprofit Headquarters Are in Low-Income Communities

Fifty-six percent of nonprofit headquarters are in lower-income communities, compared with almost 51 percent of the US population (figure 5).⁷ We measure “low income” by comparing within-state income levels against states’ median incomes (see figure C.2 in appendix C).⁸ A nonprofit headquartered in a low-income zip code does not necessarily deliver services in that zip code and does not necessarily primarily serve low-income people. However, 98 percent of organizations headquartered in low-income areas report having service locations in those areas. In contrast, only 1 percent of organizations with headquarters in high-income areas report program locations in the lowest-income communities. Eighty-nine percent of organizations with program locations in low-income communities are also headquartered in low-income zip codes, 6 percent are headquartered in medium-low-income zip codes, and 4 percent are headquartered in medium-high-income zip codes. Furthermore, 58 percent of organizations with headquarters in low-income communities serve people whose incomes are below the federal poverty level as one of their primary populations. Thus, when we use headquarters’ zip codes to identify organizations operating in low-income communities, we know those organizations are primarily serving those communities.

FIGURE 5

The Share of Nonprofits in Lower-Income Areas Mirrors That of the US Population

■ Low Income ■ Medium-Low Income ■ Medium-High Income ■ High Income



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Source: Authors’ calculations.

Notes: Totals may not equal 100% due to rounding. We calculated relative income levels by comparing the median household income for each zip code against the median household income of the state using the 2018 American Community Survey 5-year estimates on the zip code level from Social Explorer (<https://www.socialexplorer.com/>). We followed Berkowitz and coauthors (2015) to define zip code income categories. Low income = less than 60 percent of median household income, medium-low income = 60–99.999 percent of median household income, medium-high income = 100–139.999 percent of median household income, and high income = greater than or equal to 140 percent of median household income. Percentages in this figure are calculated using areas with known income levels; to protect the confidentiality of people living in low-population areas, some areas are not classified by the US Census. The zip code is from organizations’ self-reported headquarters address from the survey. We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

Nonprofits Serve a Wide Range of People

The nonprofits in our study serve people of all ages. Just over one-quarter (29 percent) have programs that primarily serve Black or African American people, and a similar share include programs that primarily serve Latinx people. Roughly one-third have programs that focus on women and girls, and nearly one-third have programs that focus on men and boys. Roughly one-fifth include a focus on people identifying as LGBTQ,⁹ and a similar share focus on people with disclosed disabilities. (See the tables in appendix C for more detail.) Our sample also includes nonprofits that do not focus on a specific demographic and focus instead on, for example, certain geographic areas, natural resource conservation, and animal welfare. Roughly half of nonprofits (55 percent) report having programs that serve the general public.

Nonprofits' Organizational Demographics

We asked nonprofits about the characteristics of their organizational leadership (i.e., executive directors, board chairs, and board members) and staff. We report on a few of those characteristics to show how the demographics of the people leading nonprofits and providing services relate to the donations their organizations receive. More detailed information about these characteristics can be found in appendix C.

We Find That More Nonprofits Have Board Members of Color Than Shown in Previous National Studies, but People of Color Are Still Underrepresented among Nonprofit Leadership

Across all organizations, 79 percent of executive directors and 79 percent of board chairs are non-Hispanic white. This suggests non-Hispanic white people are overrepresented in leadership positions relative to their share of the nonprofit workforce, which 2020 employment data show to be 68 percent (Independent Sector 2020). On average, we find that 10 percent of staff are people of color, and 37 percent of organizations have no staff of color.

Moreover, although 21 percent of board chairs are people of color, the average board is 11 to 20 percent POC, with the median organization reporting that their board is 1 to 10 percent people of color. These statistics reflect similarities in board representation since the most recent nationally representative data on nonprofit governance were collected in 2005, when on average 14 percent of board members were people of color and the median board was 4 percent POC (Ostrower 2007). Since

2005, however, POC representation on nonprofit boards has increased: whereas 51 percent of nonprofit boards were entirely white in 2005 (Ostrower 2007), 70 percent of boards today have at least one member who identifies as a person of color. Nevertheless, these findings show room for growth in board representation. Similar to 2005 findings that 18 percent of nonprofits that primarily served people of color had entirely white boards (Ostrower 2007), we find that 16 percent of nonprofits that primarily serve people of color today have entirely white boards, whereas 38 percent of organizations that do not primarily focus on people of color have entirely white boards. This is again similar to 2005, when the more nonprofits focused on people of color, the more likely they were to have board members of color (Ostrower 2007).

Similar to 2005 findings (Ostrower 2007), greater shares of nonprofits in urban areas have staff members of color (77 percent) and board chairs and executive directors of color (33 percent) compared with nonprofits in rural areas, 42 percent of which have staff members of color and 8 percent of which have executive directors and board chairs who are people of color. Among people of color, people who identify as Black or African American are the most likely to serve as executive directors and board chairs: 8 percent of organizations have a Black or African American executive director, and 11 percent have a Black or African American board chair.

Majorities of Executive Directors Are Female, Majorities of Staff Are Women, and a Slight Majority of Board Chairs Are Men

Sixty-two percent of executive directors are female, and 46 percent of board chairs are female. More than half of the average organization's staff are women, which is consistent with national employment data (Independent Sector 2020) that show the share of women employed in the sector overall is 66 percent. Seven percent of organizations report no women on staff, and 22 percent report their staff are all women. Roughly 2 percent of nonprofits identified their executive directors and board chairs as transgender, nonbinary/nonconforming, or other.

Women make up half the average board, with a slightly greater median (51 to 60 percent). Representation of women on nonprofit boards has increased since 2005, when 46 percent of board members were women on average, with a median of 44 percent (Ostrower 2007). Only 1 percent of organizations report no women on their boards, and 4 percent report all their board members are women.

Staffs and Boards Have Similar Characteristics and Are More Diverse Than Executive Directors and Board Chairs

To better understand the diversity of staff and board members, we asked respondents whether staff or board members had received services from the organization, whether they have disclosed disabilities, their age, and their sexual orientation and gender identity. Many more organizations reported that staff and board members had these characteristics than executive directors and board chairs. Roughly half reported that their organization has at least one board member who receives or has received services from the organization, 34 percent reported it has at least one board member with a disclosed disability, and 44 percent reported it has at least one board member who identifies as LGBTQ+. Similarly, 52 percent reported having at least one staff member who receives or has received services from the organization, 37 percent reported having at least one with a disclosed disability, and 46 percent reported having at least one who identifies as LGBTQ+. Seventy-four percent of organizations reported having staff younger than 35, whereas only 55 percent reported having board members younger than 35. Roughly 10 percent reported executive directors and 6 percent reported board chairs identifying as LGBTQ+. About 9 percent reported executive directors and 6 percent reported board chairs as having disclosed disabilities.

Understanding Donation Trends

Nationally representative data on the donation trends that nonprofit organizations experience provide a better understanding of the complexity of the nonprofit sector and a stronger foundation for helping practitioners, funders, and policymakers develop and implement solutions to ensure a strong and equitable sector. Our key findings include the following:

- **Donations from individuals are essential.** Donations from individuals are essential resources for the nonprofits represented in this study. We find that about three out of four nonprofits view individual donations as essential or very important for their work, and small nonprofits, defined as those with expenses under \$500,000, depend even more on individual donations. Organizations with annual budgets under \$500,000 make up over 60 percent of the nonprofits represented in this study, and report that roughly 30 percent of their revenue comes from individual donations, compared with 18 percent for large organizations, defined as those with annual budgets of \$500,000 or more.
- **Most organizations experienced donation growth from 2015 through 2019, but for many, that trend reversed in 2020.** We find that donations to nonprofits across the United States have been growing overall. From 2015 through 2019, 58 percent of organizations experienced growth in donations, 32 percent experienced stable donations, and 10 percent experienced decreased donations. The events of 2020 disrupted this trend for many nonprofits. More organizations (37 percent overall) reported decreased donations in 2020 than in the five preceding years, which was true for all categories of nonprofits represented in this study.
- **A greater share of small nonprofits experienced decreased donations in 2020 than large nonprofits.** The disruptions of 2020 were felt by nonprofits of all sizes, but small organizations, which make up most of the sector and depend most heavily on donations, experienced decreased donations in 2020 in greater numbers than large nonprofits. Forty-two percent of organizations with budgets under \$500,000 experienced decreased donations in 2020, compared with 29 percent of organizations with budgets of \$500,000 or more.
- **Donation trends from 2015 through 2019 reveal disparities between organizations led by non-Hispanic white people and those led by people of color.** A greater share of POC-led organizations experienced declines in donations from 2015 to 2019 and a smaller share experienced increases in donations in that period compared with non-Hispanic-white-led

organizations. However, in 2020, organizations led by non-Hispanic white executive directors and executive directors of color experienced similar trends.

- **The events of 2020 dramatically impacted nonprofits of all types and sizes.** Forty percent of organizations reported losses in total revenue for 2020, including 54 percent of arts organizations and 36 percent of all other nonprofits. Organizations that reported losses lost an average of 31 percent of total revenue and 7 percent of their paid staff by the end of the year. Moreover, the COVID-19 pandemic disrupted nonprofit services across the country, which led to a dramatic decline in program-related income. And among organizations that reported receiving fees for service (an important source of revenue for the sector) in 2019, fees for service declined by 30 percent at the median in 2020. This is likely to have exacerbated nonprofits' financial challenges, as more organizations reported that donations fell in 2020 than in prior years.

One question we brought to this study was whether larger donors are replacing smaller donors. Thus, we also asked these questions in ways to determine whether nonprofits had experienced this trend prepandemic (2015 to 2019) and during the pandemic (in 2020). We asked about donations of less than \$250 and donations of \$250 and more. We used donations below \$250 as a proxy measure of donations from low- and middle-income donors. We also asked about donations coming from people with incomes of \$40,000 or less, but roughly half of respondents either indicated they were “unsure” or did not answer this question, suggesting that many nonprofits do not collect information on their donors' wealth and leading us to use more reliable measures on donation amounts as proxies in our analysis. We also asked about restricted and unrestricted donations to understand to what extent nonprofits have autonomy over how they use donations. We link these answers to information we collected about community characteristics, organization size, organization subsector, and key characteristics of staff and board members to see how nonprofit experiences vary. We report most of our findings based on “overall donations” rather than specific types of donations because we did not find major differences across types of giving (figures 8, 9, and 10 summarize these findings).

BOX 3

A Note on Our Survey Question about Categories of Donations

Throughout this report, we discuss changes in donations reported by nonprofit organizations. To learn about these changes, we asked survey respondents the following question: To the best of your knowledge, has each of the following categories of donations to your organization changed?

The survey was fielded from January through April 2021. Respondents were given one column to provide answers for the five-year period of 2015 through 2019 and one column to provide answers for “from March 2020 until now.” **They were asked to select from a drop-down box with these choices:** increased significantly (by more than 10 percent), increased moderately (by less than 10 percent), stayed more or less the same, decreased moderately (by less than 10 percent), or decreased significantly (by more than 10 percent). They could also indicate they were unsure or that the funding source was not applicable to them. We did not ask them to provide donation amounts or numbers of donors in this question.

They reported on the following:

- overall donations
- cash donations (from individuals) below \$250
- cash donations (from individuals) of \$250 and above
- major gifts (from individuals) (donations above the threshold you defined in the previous question)
- cash donations from lower-income individuals
- cash donations (from individuals) *without* donor-imposed restrictions (or for general operating expenses)
- cash donations (from individuals) *with* donor-imposed restrictions
- non-cash donations of assets to support the organization financially (e.g., stocks, land vehicles, or other property that was not intended to be used directly in the organization’s programs)
- in-kind donations to be used for the organization’s programs (e.g., space, goods, equipment, office supplies, program materials, or vehicles that were used to carry out the organization’s programs)
- donations from the organization’s board members
- foundation or corporate grants/donations without donor-imposed restrictions (or for general operating expenses)
- foundation or corporate grants/donations with donor-imposed restrictions

Source: Spring 2021 Survey of Nonprofit Trends and Impacts, question 18c.

Donation Trends by Type and the Importance of Donations to Organizational Missions

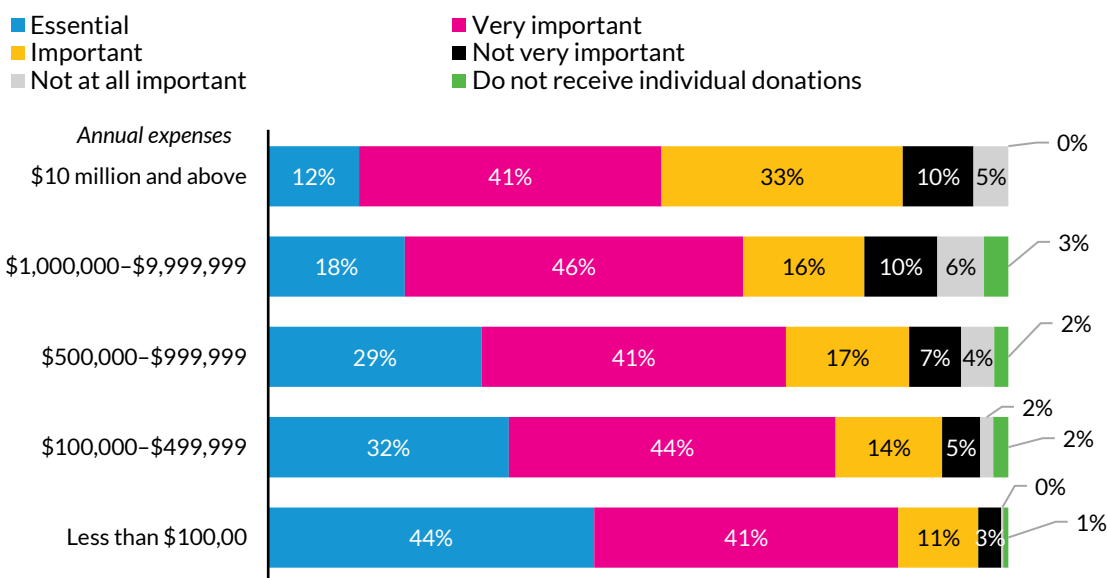
We begin this section by describing overall donation trends for all the organizations in our study. We report on the importance of donations to the organizations; donation trends from 2015 through 2019 and in 2020; and specific types of donations, such as corporate and foundation grants, individual cash donations, and restricted and unrestricted donations and grants. We also compare the importance of donations for supporting these organizations.

Most Organizations of All Sizes Say Donations from Individuals Are Important to Their Work

More than 80 percent of nonprofits with annual expenses between \$50,000 and \$100,000 and more than 70 percent of organizations with annual expenses below \$500,000 report that donations from individuals are essential or very important to their work (figure 6). Almost all organizations (98 percent) report individual donations as a revenue source, and nearly 90 percent consider individual donations at least “important” to their work. Smaller organizations are more dependent on individual donations for their work, but even among the largest organizations (i.e., those with annual expenses of \$10 million or more), individual donations are important. None of the largest organizations do not receive individual donations as revenue, and 85 percent report that individual donations are important, very important, or essential to their work.

FIGURE 6

The Majority of Nonprofits Report That Donations from Individuals Are Essential or Very Important to Their Work, and They Are Especially Important for Smaller Nonprofits



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Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: Totals may not equal 100% due to rounding. Survey question 18 asked, “How important are donations from individuals to the work of your organization?” We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

More Organizations Experienced Overall Decreases in Donations in 2020 Than in the Preceding Five-Year Period

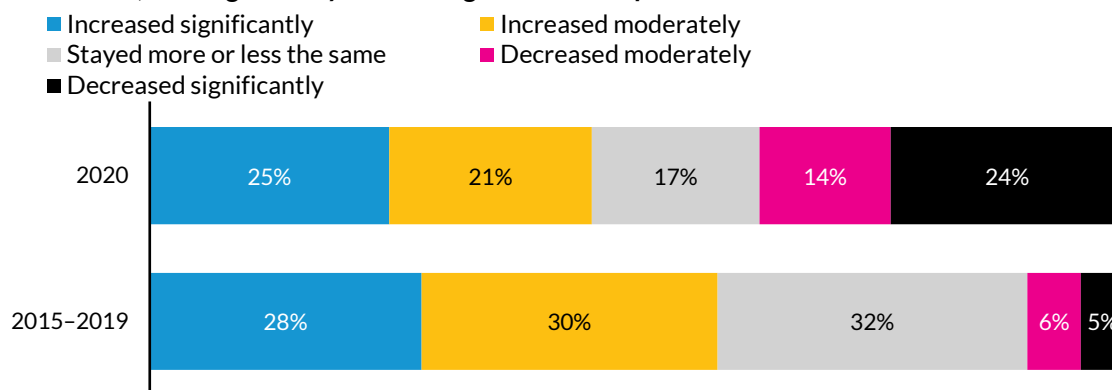
Relatively few organizations (10 percent) experienced decreases in overall donation amounts from 2015 through 2019. More than half (58 percent) reported increases, while roughly one-third (32 percent) reported overall donations stayed more or less the same. These findings demonstrate positive overall trends in giving and are consistent with reports on trends of aggregate donation amounts during that period (Giving USA 2019).

However, the public health, economic, social, and civic disruptions of 2020 made it clear that those positive trends are vulnerable to shocks, and our findings show greater nuance in nonprofits’ experiences in 2020 than reports about aggregate donations in the nonprofit sector. Even though 46 percent of organizations reported increases in donations in 2020, the share of organizations for which donations decreased grew threefold (to 37 percent) (figure 7). This is especially important given many of those organizations were still recovering from declines in donations from the recession in the

previous decade. A quote from one survey respondent provides context about why few nonprofits reported having experienced declines in donations from 2015 through 2019—they had already been at a low point before that period and were building back: “We had noticed a significant increase as the economy rebounded starting in 2015. Our individual reoccurring donations increased as well as participation in our fundraising event revenue.”

FIGURE 7

More Organizations Experienced Decreases in Overall Donations in 2020 Than in the Preceding Five-Year Period, although Nearly Half of Organizations Experienced Increases in 2020



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Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: Totals may not equal 100% due to rounding. The words “moderately” and “significantly” do not indicate a statistical difference, but rather reflect the response option wording; see box 3 for more details on that wording. We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

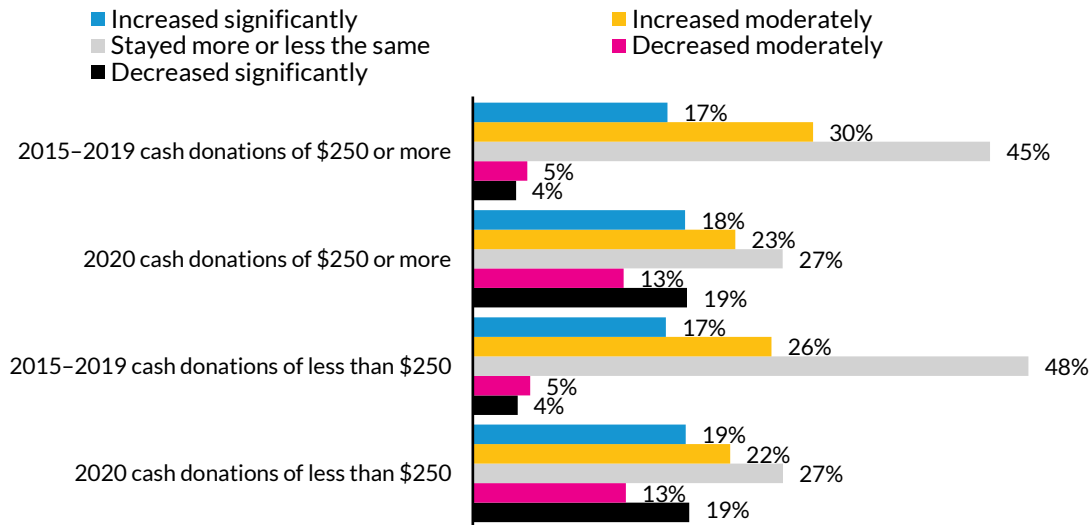
Organizations Experienced Similar Trends across Donation Types

We asked organizations to report trends for multiple types of donations (see box 3). Here, we present trends in larger and smaller individual donations, restricted and unrestricted grants or donations, and individual, foundation, and corporate donations. Other than the differences we highlight, the trends observed in each of these subsets of donations is similar to those described above for overall donations. Therefore, after briefly summarizing trends in donation types, we use overall donations to explore donation trends throughout the rest of the report.

Nonprofits reported that roughly 61 percent of all donations they received in 2019 were below \$250; organizations with annual budgets below \$500,000 reported that larger shares of their donations were below \$250 (64 percent) than did organizations with budgets of \$500,000 or more (57 percent). While smaller organizations tend to rely more heavily on donations below \$250 than larger

organizations, the overall trends in donations above and below \$250 were similar to other trends in donations organizations experienced. More organizations experienced fluctuations in donations in 2020 than in 2015–2019 (figure 8); this is true for donations of less than \$250 (donations stayed the same for 27 percent in 2020 versus 48 percent in 2015–2019) and donations of \$250+ (donations stayed the same for 27 percent in 2020 versus 45 percent in 2015–2019).

FIGURE 8
Large and Small Cash Donations Fluctuated More in 2020 Than in the Previous 5 Years



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Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

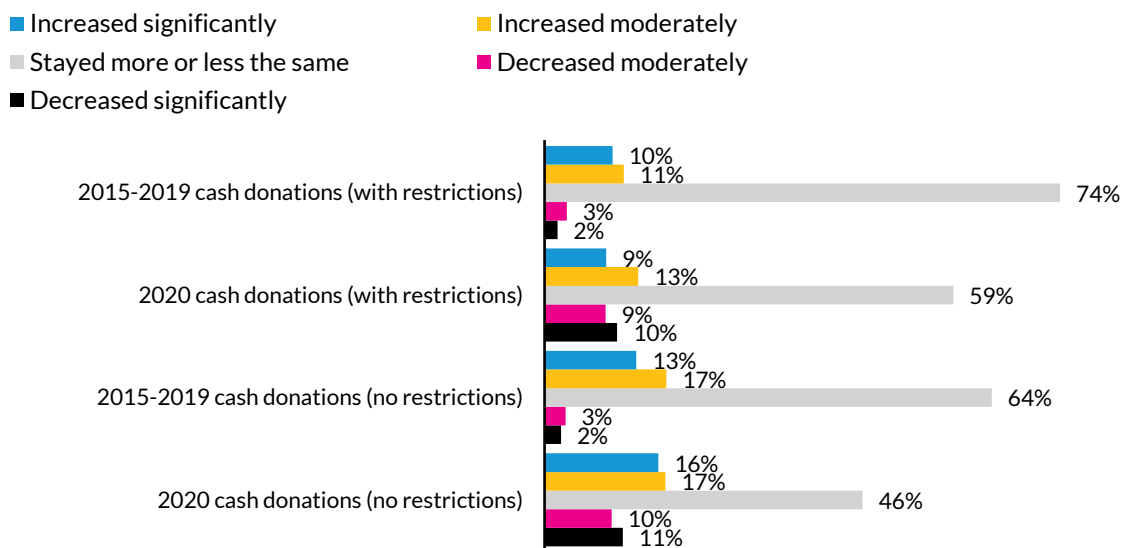
Notes: Totals may not equal 100% due to rounding. The words “moderately” and “significantly” do not indicate a statistical difference, but rather reflect the response option wording; see box 3 for more details on that wording. We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

More organizations reported that unrestricted cash donations from individuals increased in 2020 and the five preceding years than reported that restricted donations increased during those periods (figure 9). More organizations reported that both restricted and unrestricted funds decreased in 2020 than reported that they decreased in the five preceding years. For some organizations that lost donations from 2015 through 2019, that trend continued in 2020, and this was similar for all types of giving: more than half of organizations that experienced losses in individual donations below \$250 (51 percent), individual donations of \$250 or more (52 percent), individual donations with restrictions (62 percent), and individual donations without restrictions (56 percent) from 2015 through 2019 also saw losses in those donations in 2020.

FIGURE 9

From 2015 through 2019 and in 2020, More Organizations Experienced Increases in Unrestricted Donations from Individuals Than Experienced Increases in Restricted Donations

More organizations reported that donations decreased in 2020 than reported they decreased in the five preceding years



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Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

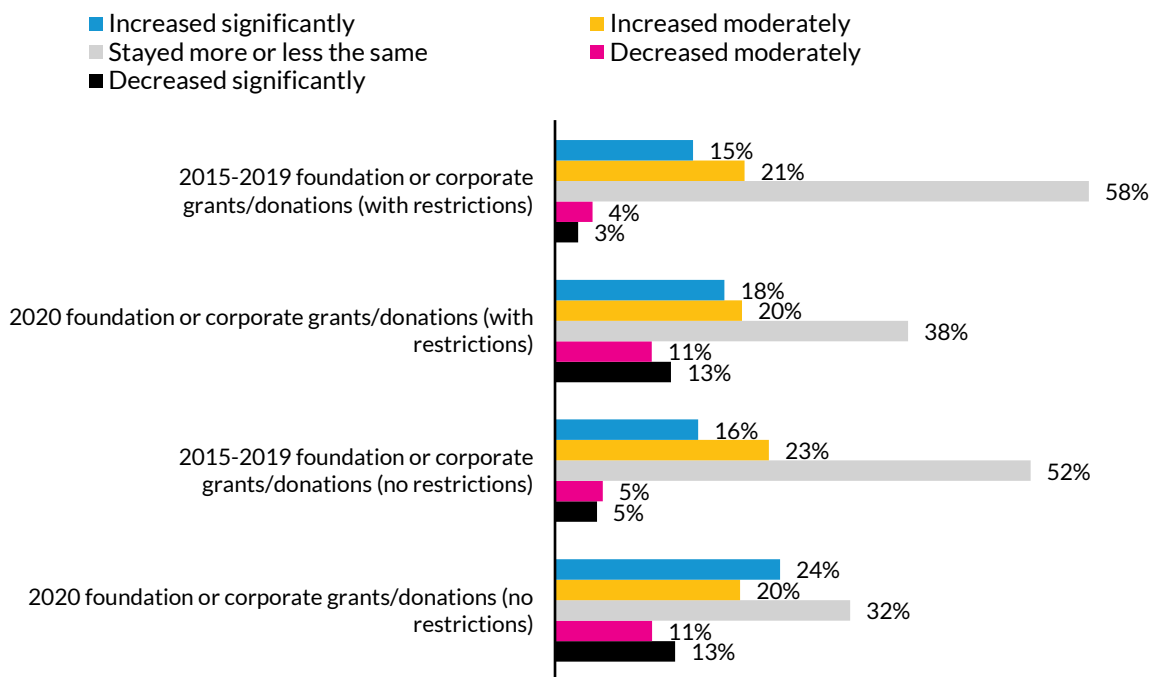
Notes: Totals may not equal 100% due to rounding. The words “moderately” and “significantly” do not indicate a statistical difference, but rather reflect the response option wording; see box 3 for more details on that wording. We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

Organizations reported similar trends for corporate and foundation grants and donations as they did for individual cash donations (figure 10). For some organizations, the loss of grants they experienced from 2015 through 2019 continued in 2020: 47 percent of organizations that had losses of unrestricted grants from 2015 to 2019 also experienced declines in those grants in 2020, and this figure was 58 percent for restricted grants. However as figures 8, 9, and 10 show, organizations were most likely to report experiencing stagnation, or no change, in restricted and unrestricted foundation and corporate grants in 2020 and in the five preceding years.

FIGURE 10

From 2015 through 2019 and in 2020, More Organizations Experienced Increases in Unrestricted Foundation and Corporate Grants Than Experienced Increases in Restricted Grants

More organizations report that foundation and corporate grants and donations decreased in 2020 than reported they decreased in the five preceding years



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Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: Totals may not equal 100% due to rounding. The words “moderately” and “significantly” do not indicate a statistical difference, but rather reflect the response option wording; see box 3 for more details on that wording. We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

Organizations That Reported Donations Are Essential to Their Revenue Streams Were More Likely to Experience Decreases in Donations in 2020

Individual donations are essential or very important to 75 percent of organizations, important to 16 percent, and not very important or not important at all to just 9 percent. Organizations from all these response-option categories experienced larger decreases in donations in 2020 than in the previous five years. Similarly, the shares of organizations in nearly all response-option categories that experienced increases in donations in 2020 were smaller than those that experienced increases from 2015 through 2019 (except those in the “not very important” category). Notably, most organizations that regard donations as essential or very important also believe volunteers are critical for their operations (only

slightly over 10 percent of organizations that regard donations as essential or very important said that volunteers are not important or that they do not use volunteers).

A larger share of organizations for which donations are essential reported that donations decreased in 2020 (41 percent) than that of organizations for which donations are not important at all (26 percent). In 2020, similar shares of organizations where donations are essential experienced increases in donations (42 percent) as experienced decreases (41 percent).

TABLE 1

A Larger Share of Organizations Reporting Donations Are Essential Experienced Declines in 2020 Donations Than Those Reporting Donations Are Not Important at All

	2015-19			2020		
	Overall donations increased	Overall donations stayed the same	Overall donations decreased	Overall donations increased	Overall donations stayed the same	Overall donations decreased
Donation importance						
Essential	58%	30%	12%	42%	17%	41%
Very important	62%	28%	10%	49%	14%	37%
Important	56%	38%	6%	47%	20%	33%
Not very important	40%	53%	7%	42%	24%	34%
Not at all important	53%	35%	12%	35%	39%	26%

Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: Donation importance comes from question 18: “How important are donations from individuals to the work of your organization?” Overall donations come from question 18c (see box 3 for more information). We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

Donation Trends by Community Characteristics

In this section, we report variations in donation trends by three community characteristics:¹⁰ population density, which we discuss in terms of urban core, suburban, and rural areas; community income level represented at four levels; and areas where people of color are and are not the majority of people living in the community.

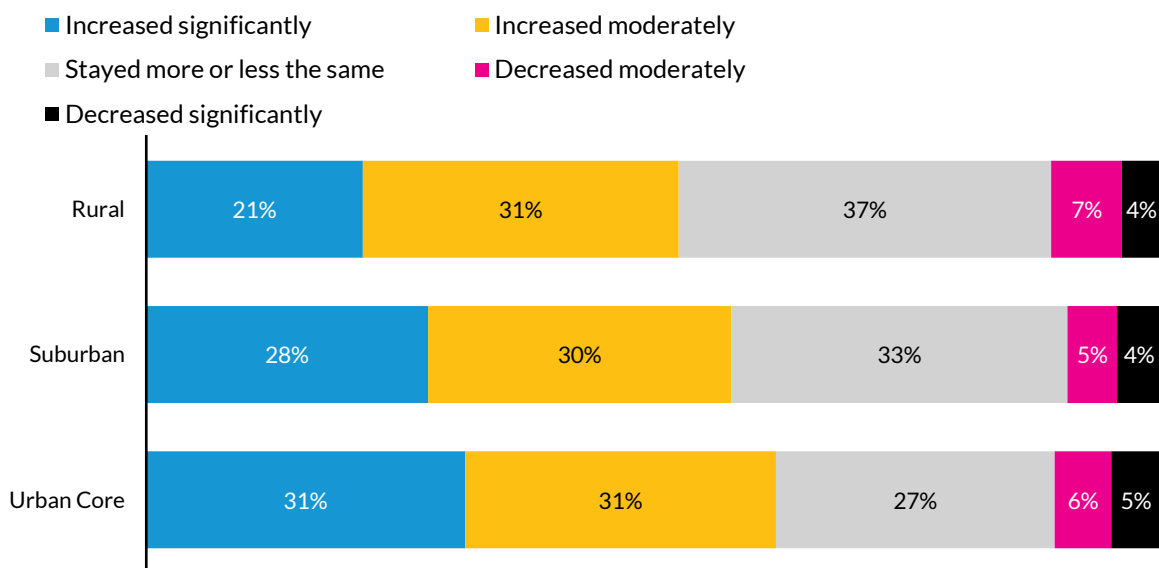
A Larger Share of Organizations in Urban Cores Than in Rural Areas Reported That Overall Donations Increased from 2015 through 2019, but That Trend Reversed in 2020

In rural and urban areas, roughly 1 in 10 organizations reported that overall donations declined from 2015 through 2019, whereas roughly 1 in 3 organizations reported that they declined in 2020. A greater share of organizations in urban core communities than in rural communities reported increases in overall donations for 2015 through 2019 (figure 11). In 2020, the trend is reversed (figure 12).

FIGURE 11

A Greater Share of Organizations in Urban Core Areas Than in Rural Areas Experienced Increases in Overall Donations from 2015 through 2019

Regardless of geography, few organizations reported declines in 2015–2019 donations



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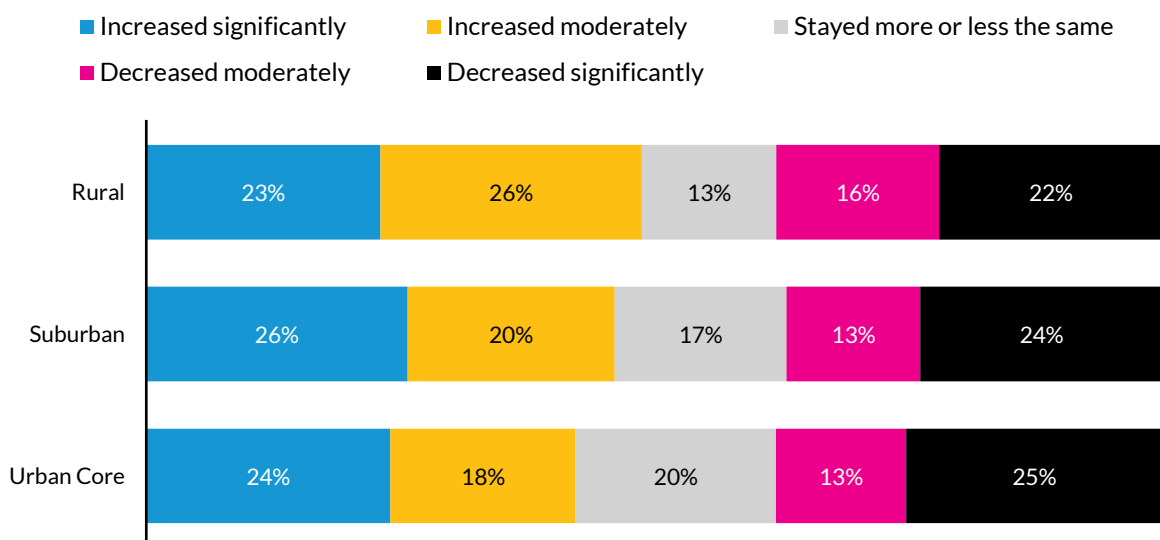
Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: Totals may not equal 100% due to rounding. We designate zip codes as urban core using National Center for Health Statistics data (see https://www.cdc.gov/nchs/data_access/urban_rural.htm). We designate zip codes as rural using the Federal Office of Rural Health Policy's designation of rural (see <https://www.hrsa.gov/rural-health/about-us/definition/datafiles.html>). Remaining zip codes are in a category we designated suburban. The zip code is from organizations' self-reported headquarters address from the survey. See appendix B for more detail. We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

FIGURE 12

A Greater Share of Organizations in Rural Areas Than in Urban Areas Experienced Increases in Overall Donations in 2020

Regardless of geography, more organizations reported declines in 2020 than in the five preceding years



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Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: Totals may not equal 100% due to rounding. We designate zip codes as urban core using National Center for Health Statistics data (see https://www.cdc.gov/nchs/data_access/urban_rural.htm). We designate zip codes as rural using the Federal Office of Rural Health Policy’s designation of rural (see <https://www.hrsa.gov/rural-health/about-us/definition/datafiles.html>). Remaining zip codes are in a category we designated suburban. The zip code is from organizations’ self-reported headquarters address from the survey. See appendix B for more detail. We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

Organizations in High-Income Communities Were More Likely to Experience Increases in Donations from 2015 through 2019 Than Those in Lower-Income Communities

Regardless of community income level, few organizations saw declines in overall donations from 2015 through 2019, and more than half experienced increases (table 2). A larger share of organizations in high-income communities reported increases during that period. In 2020, smaller shares of organizations in each community income level reported increases in overall donations. Slightly smaller shares of organizations in low-income communities reported decreases in overall donations.

TABLE 2

A Larger Share of Organizations in High-Income Communities Than in Lower-Income Communities Experienced Increases in Overall Donations from 2015 through 2019

A somewhat smaller share of organizations in low-income communities reported decreases in 2020 donations

	Low-income zip code	Medium-low income zip code	Medium-high income zip code	High-income zip code
Experienced decreases in overall donations between 2015–2019	7.2%	10.6%	10.0%	8.6%
Experienced decreases in overall donations during 2020	31.0%	39.6%	37.0%	34.2%
Experienced increases in overall donations between 2015–2019	52.0%	56.6%	59.2%	64.4%
Experienced increases in overall donations during 2020	43.8%	44.9%	48.2%	44.6%

Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

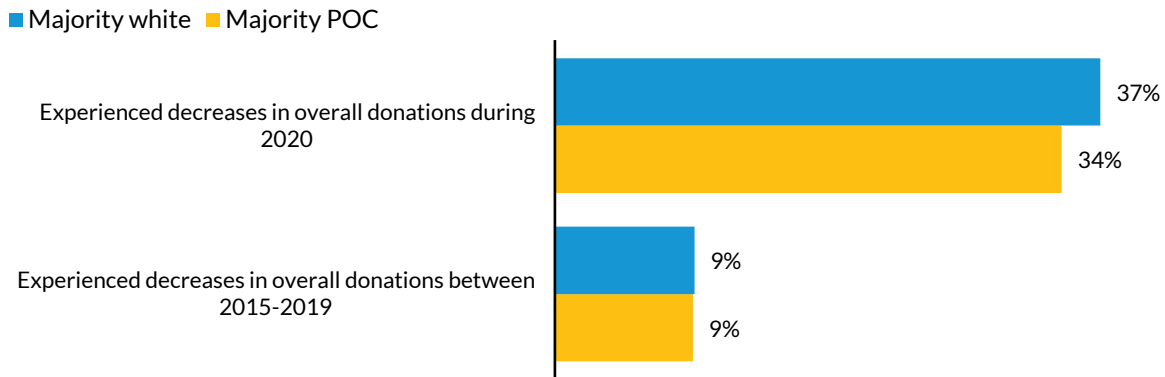
Notes: We calculated relative income levels by comparing the median household income for each zip code against the median household income of the state using the 2018 American Community Survey 5-year estimates on the zip code level from Social Explorer (<https://www.socialexplorer.com/>). We followed Berkowitz and coauthors (2015) to define zip code income categories. Low income = less than 60 percent of median household income, medium-low income = 60–99.999 percent of median household income, medium-high income = 100–139.999 percent of median household income, and high income = greater than or equal to 140 percent of median household income. Percentages in this table are calculated using areas with known income levels; to protect the confidentiality of people living in low-population areas, some areas are not classified by the US Census. The zip code is from organizations’ self-reported headquarters address from the survey. We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

Organizations in Majority-POC and Majority-White Communities Experienced Similar Donation Trends in 2020 and the Five Preceding Years

We characterize a zip code as majority POC when fewer than half of the residents in that zip code identify as “white alone.”¹¹ Approximately 10 percent of US zip codes are majority POC, and approximately 15 percent of nonprofits in the United States and in our sample serve those communities. As figures 13 and 14 show, decreases and increases in donations to organizations in majority-POC and majority-white communities do not differ significantly. Larger shares of organizations in both groups reported that donations decreased in 2020 than reported they decreased in the five preceding years.

FIGURE 13

Organizations Headquartered in Majority-POC and Majority-White Areas Experienced Similar Trends in Donation Decreases in 2020 and in the Five Preceding Years



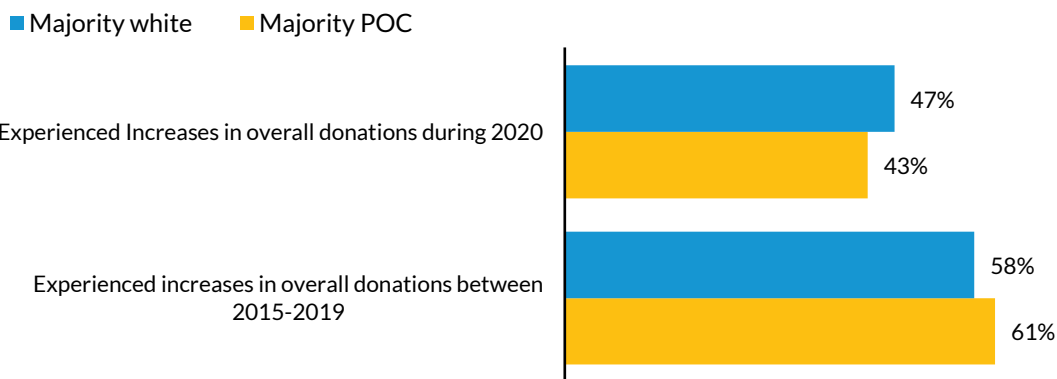
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Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: POC = people of color. We use majority POC to refer to communities where more than 50 percent of residents are people of color, and we use majority white to refer to communities where less than 50 percent of residents are people of color. The 2018 American Community Survey 5-year estimates on zip code level from Social Explorer refer to these communities as majority-minority (for majority POC) and non-majority-minority (for majority white). The zip code is from organizations' self-reported headquarters address from the survey. We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

FIGURE 14

Organizations in Majority-POC and Majority-White Areas Experienced Similar Trends in Donation Increases in 2020 and in the Five Preceding Years



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Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: POC = people of color. We use majority POC to refer to communities where more than 50 percent of residents are people of color and majority white to refer to communities where less than 50 percent are people of color. The American Community Survey 2018 5-year estimates on the zip code level from Social Explorer refer to these communities as majority-minority (for majority POC) and non-majority-minority (for majority white). The zip code is from organizations' self-reported headquarters address from the survey. We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

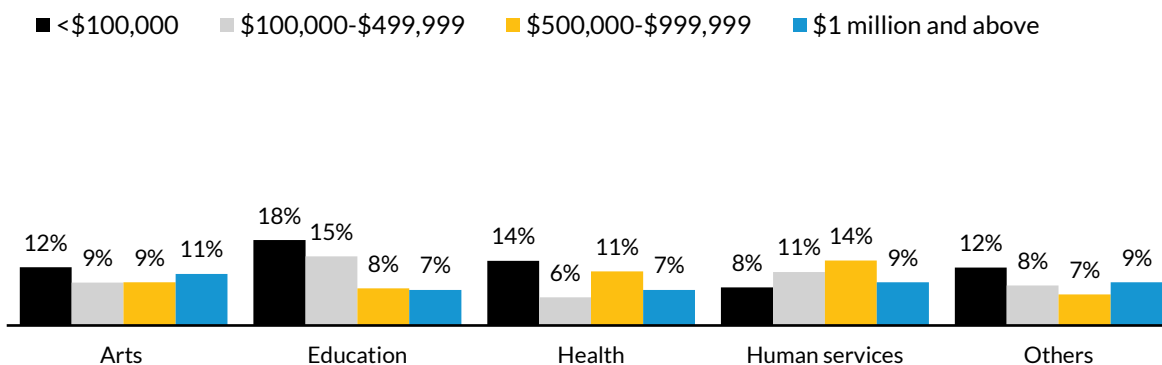
Donation Trends by Organization Size and Subsector

In examining donation trends by organization size and subsector, we determine size using organizational expenses and determine nonprofit subsector using organizational purpose as identified by the National Taxonomy of Exempt Entities code. We compare the experiences of organizations in different subsectors, the experiences of organizations of different sizes, and the experiences of organizations by size and subsector. Again, few organizations reported that donations decreased from 2015 through 2019, and we observed this trend across all organizations in all subsectors (figure 15). More than half of organizations in all subsectors and of all sizes experienced increases from 2015 through 2019, except for small education organizations (figure 16).

FIGURE 15

Few Organizations of Any Size in Any Subsector Experienced Decreases in Overall Donations from 2015 through 2019

Decreases in donations, 2015 to 2019



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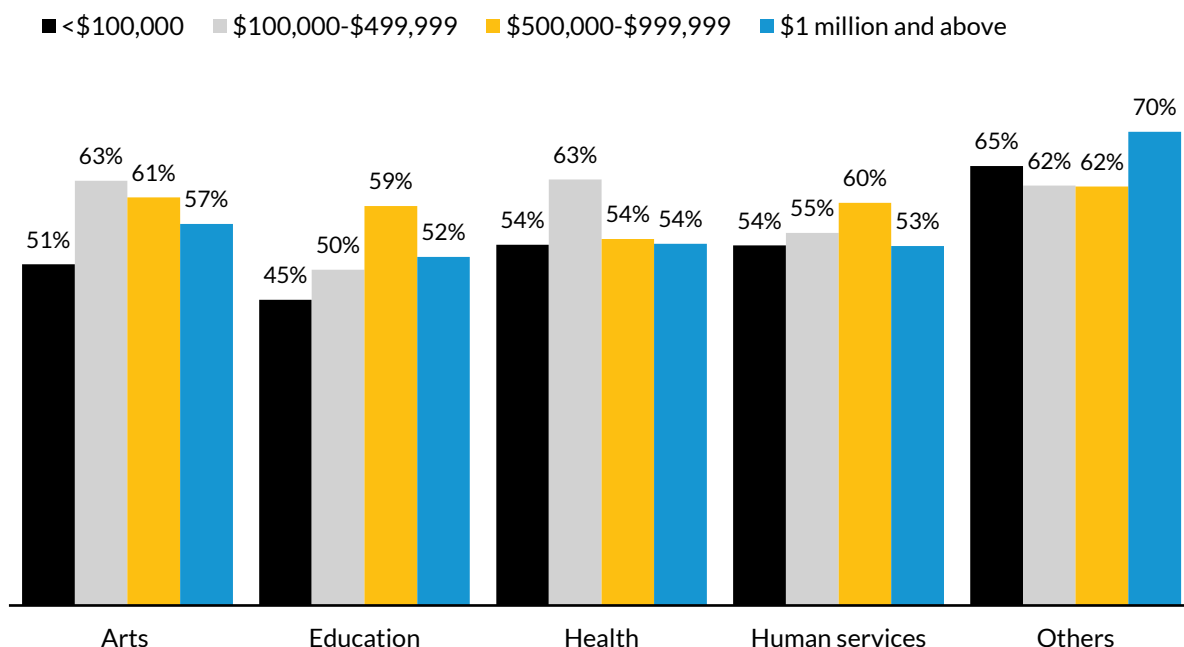
Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: Totals may not equal 100% due to rounding. Subsectors of arts, education, health, human services, and other are defined using organizations' National Taxonomy of Exempt Entities codes (see glossary for more information). Sizes are the expenses reported on the most recent IRS Form 990 (2017 Core Data from the National Center for Charitable Statistics). We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

FIGURE 16

More Than Half of Organizations of All Subsectors and Sizes Experienced Donation Increases from 2015 through 2019, Except for Small Education Organizations

Increases in donations, 2015 to 2019



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Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: Totals may not equal 100% due to rounding. Subsectors of arts, education, health, human services, and other are defined using organizations' National Taxonomy of Exempt Entities codes (see glossary for more information). Sizes are the expenses reported on most recent IRS Form 990 (2017 Core Data from the National Center for Charitable Statistics). We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

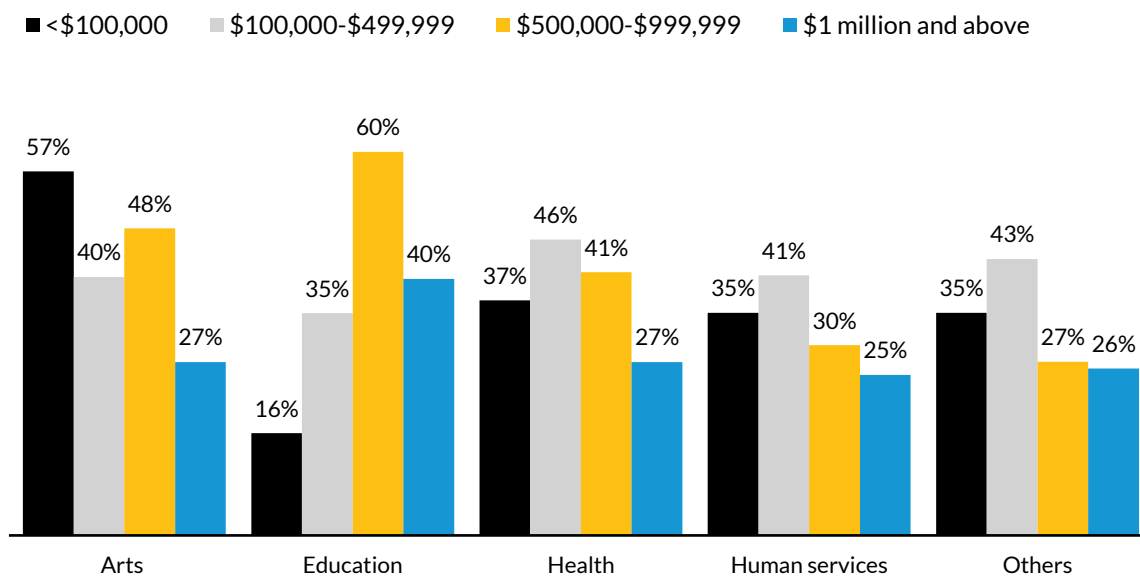
For All Subsectors and Organizations of Nearly All Sizes, Larger Shares of Organizations Experienced Decreases in Donations in 2020, and Arts Organizations Experienced Decreases Most

Greater shares of arts, education, health, human services, and other organizations reported decreases in donations in 2020 than reported decreases in the preceding five-year period (see figures 15 and 17). The share of arts organizations that reported declines in overall donations was 13 percent for the 2015 through 2019 period and 43 percent for 2020, supporting the widespread narrative that arts organizations were hit hard during the pandemic because of social distancing and event cancellations.

FIGURE 17

In All Subsectors and Nearly All Size Categories, Larger Shares of Organizations Reported Decreases in Donations in 2020 Than Reported Decreases in the Preceding Five Years, and Arts Organizations Were Hit Particularly Hard

Decreases in donations, 2020: In all subsectors except education, the largest organizations reported fewer declines



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Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: Totals may not equal 100% due to rounding. Subsectors of arts, education, health, human services, and other are defined using the organizations' National Taxonomy of Exempt Entities codes (see glossary for more information). Sizes are the expenses reported on most recent IRS Form 990 (2017 Core Data from the National Center for Charitable Statistics). We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

Organizations with Expenses of \$1 Million or More Were Less Likely to Experience Declines in Donations

Across all subsectors except education, the largest organizations (with expenses of at least \$1 million) were less likely to report that donations decreased in 2020 (see figure 17). Among health, human services, and other subsectors, higher proportions of organizations with expenses under \$500,000 reported that overall donations declined in 2020 (see figure 17) than did larger organizations. The experiences of arts and education organizations varied more across different size groups (see figure 17).

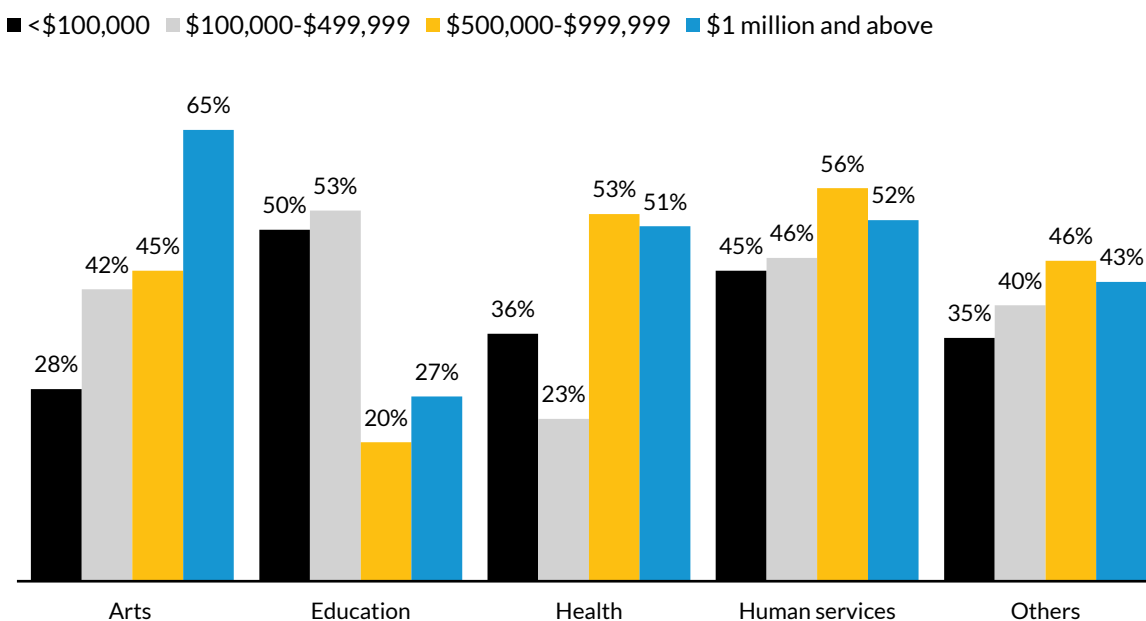
Except in Education, Large Organizations Were More Likely to Experience Increased Donations in 2020 Than Small Organizations

Except for education nonprofits, a greater share of organizations with expenses of \$500,000 or more reported that donations increased in 2020 (figure 18). The largest arts organizations reported 2020 increases at the greatest rate (65 percent). Human services organizations, however, experienced the most consistent increases across all sizes (45 to 56 percent). Human services organizations reported 2020 increases at the greatest rate (figure 18), and a larger share of human services organizations reported that donations increased from 2015 through 2019. The experiences of arts and education organizations were less consistent across these two periods, as organizations of some sizes did better in each period (see figures 17 and 18).

FIGURE 18

Except in Education, Greater Shares of Larger Organizations Than of Smaller Ones Experienced Increased Donations in 2020

Increases in donations, 2020: Somewhat greater shares of human services organizations of all sizes reported increases than reported decreases in 2020



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Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: Totals may not equal 100% due to rounding. Subsectors of arts, education, health, human services, and other are defined using organizations' National Taxonomy of Exempt Entities codes (see glossary for more information). Sizes are the expenses reported on most recent Form 990 (2017 Core Data from the National Center for Charitable Statistics). We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

Donation Trends by Organizational Demographics

We also examined donation trends as they relate to organizational demographic characteristics, specifically staff leadership, board leadership, and staff composition.

The Donation Experiences of Organizations With and Without Executive Directors of Color Were More Similar in 2020 Than in the Preceding Five Years

In 2020, 38 percent of organizations led by executive directors of color experienced decreases in overall donations, compared with 37 percent of organizations not led by executive directors of color; 47 percent of organizations with executive directors of color experienced increases in overall donations in 2020, compared with 46 percent of organizations not led by executive directors of color. Trends in overall donations from 2015 through 2019 were less similar for both groups and showed greater disparities for POC-led organizations in the five years leading up to 2020. A larger share of organizations led by people of color reported decreases for that period (14 percent versus 9 percent of organizations not led by people of color), and a smaller share reported increases (52 percent versus 60 percent).

We also examined donation trends among organizations with board chairs of color and organizations with majority-POC boards. A smaller share of organizations led by POC board chairs than of organizations led by white board chairs experienced increases in donations during both periods (table 3). We also examined organizations with majority-POC staff and found that greater shares of those organizations than of majority-white organizations experienced decreases and increases in overall donations in 2020.

TABLE 3

Donations Trends among Organizations Led and Not Led by People of Color Were More Similar in 2020 Than in 2015 through 2019

Larger shares of both groups experienced decreases in donations in 2020 than the preceding five years

	Overall donations decreased between 2015–2019	Overall donations decreased in 2020	Overall donations increased between 2015–2019	Overall donations increased in 2020
Non-Hispanic, white executive director or CEO	9%	37%	60%	46%
POC executive director or CEO	14%	38%	52%	47%

Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: CEO = chief executive officer. We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

Donor-Advised Funds

Though we did not evaluate five-year trends in donations from donor-advised funds (DAFs), we began collecting new data in the first year of this panel study on the distribution of DAF funding to organizations in the sector. Collecting these data each year of the study will enable analysis of trends in DAF funding. In this survey, organizations reported whether they received grants from DAFs in the past two years. We found that 50 percent of organizations received funding from DAFs, but the distribution of DAF funding varied by organizational characteristics. In general, fewer smaller organizations received funding from DAFs than larger organizations. For organizations that receive individual donations, roughly 35 percent of organizations with annual expenses under \$100,000 received grants from DAFs in the past two years, compared with 47 percent of organizations with expenses between \$100,000 and \$499,999, 59 percent of organizations with expenses between \$500,000 and \$999,999, and 65 percent of organizations with expenses of \$1 million and above. DAF funding did not vary significantly by subsector or community income levels, but it did across urban, suburban, and rural areas. Fifty-five percent of urban organizations received funding from DAFs, compared with 48 percent of suburban organizations and 44 percent of rural organizations. The share of organizations led by people of color (42 percent) that received funding from DAFs was also lower than the share of nonprofits led by white people (52 percent) that received DAF funding.

The Events of 2020 Dramatically Impacted Nonprofits

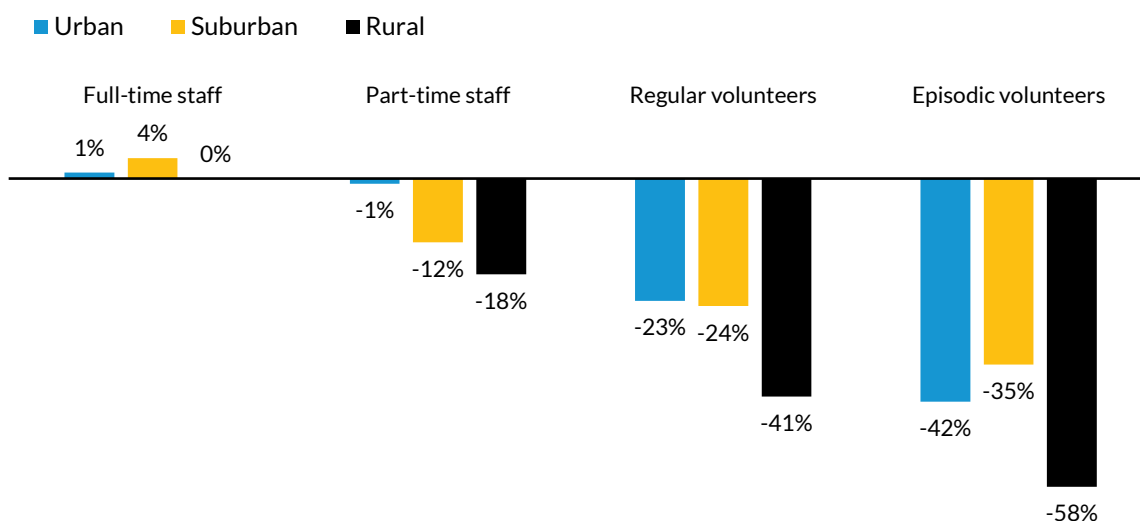
Most nonprofits say that donations are important to their work. For small nonprofits, donations tend to be a large part of their revenue, whereas they tend to be a smaller part of the revenue of large nonprofits. When other revenue sources decline, donations become even more important. In 2020, nonprofits across the country experienced new challenges as the pandemic forced many staff to work remotely and barred many in-person client interactions. The average organization maintained its overall staff and total revenue in 2020, in part because of government support. But this was not the reality for all nonprofits, many of which experienced severe shocks to primary revenue streams and volunteer human resources. Forty percent of organizations reported losses in total revenue for 2020 (including 54 percent of arts organizations and 36 percent of all other nonprofits). Organizations that reported less revenue lost an average of 31 percent of total revenue and 7 percent of their paid staff.

Full-Time Employment Stayed Roughly the Same, but Employment of Part-Time Staff and Volunteers Declined

Although full-time employment remained stable overall, part-time employees and volunteers, which represented large shares of nonprofit human resources, were more vulnerable to the effects of the pandemic. In 2019, part-time employees and volunteers made up 85 percent of all paid and volunteer human resources, on average (and 93 percent for nonprofits with less than \$500,000 in annual expenses), so declines in those resources impacted most nonprofits' ability to perform their missions. In 2020, nonprofits, on average, lost 7 percent of their part-time paid staff. Organizations in suburban and rural areas were hit hardest by decreases in part-time employment in 2020 (decreases of 12 and 18 percent, respectively; figure 19). Total volunteers declined by 33 percent on average in 2020; regular volunteers decreased 25 percent, and episodic volunteers decreased 40 percent. Nonprofits in rural areas had the largest declines.

FIGURE 19

Nonprofits in Rural Areas Experienced the Largest Declines in Staff and Volunteers from 2019 to 2020



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Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: The percentages in this chart refer to the percent change between the average for 2020 as compared with the average for 2019 in each category. Question 16 was: How many (paid and unpaid) people in your organization will have worked in the following capacities for each year below (2019, 2020, 2021)? Response options were full-time paid staff (35 or more hours/week), part-time paid staff (less than 35 hours per week), regular volunteers (including board members or voluntary staff who perform duties for the organization each week), episodic volunteers (persons, including board members, involved for a particular purpose or event, such as a fundraising event, walk-a-thon, annual meeting, volunteer consulting, etc.), AmeriCorps volunteers assigned to your organization, paid consultants (paid by your organization or a funder), other. We designate zip codes as urban core using National Center for Health Statistics data (see https://www.cdc.gov/nchs/data_access/urban_rural.htm). We designate zip codes as rural using the Federal Office of Rural Health Policy’s designation of rural (see <https://www.hrsa.gov/rural-health/about-us/definition/datafiles.html>). Remaining zip codes are in a category we designated suburban. The zip code is from organizations’ self-reported headquarters address from the survey. We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

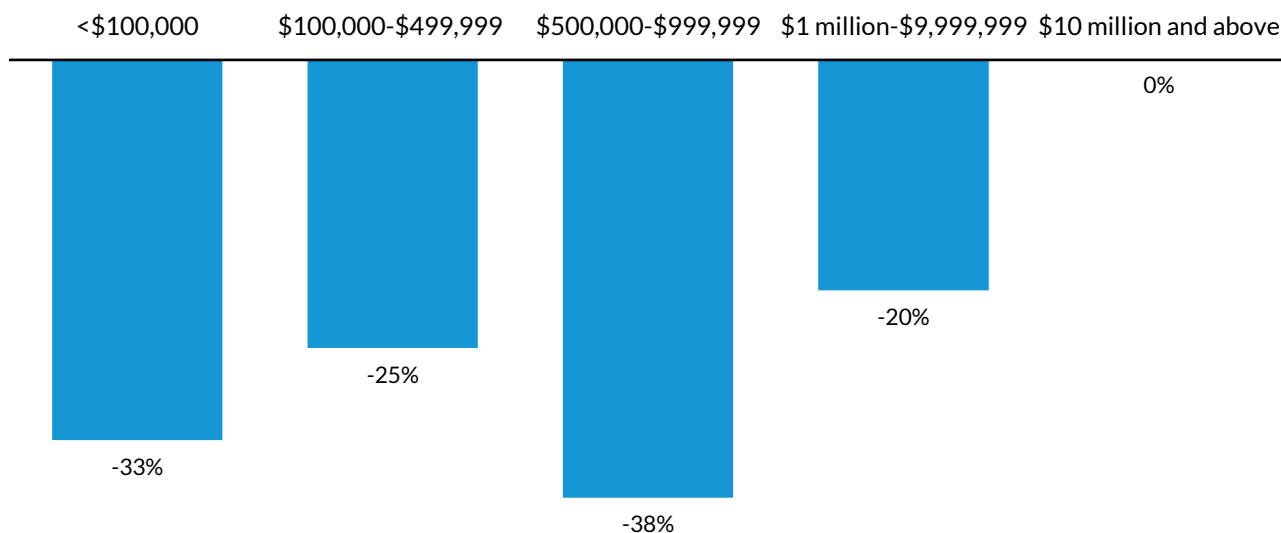
Fee-for-Service Revenue Declined for Most Nonprofits

The pandemic also disrupted nonprofit services across the country in 2020, which led to a dramatic decline in program-related income. Fees for service, an important source of revenue for the sector, declined by 30 percent for the median organization that reported fees for service in 2019. This financial strain is likely to have exacerbated the financial challenges nonprofits faced, as more organizations reported that donations declined in 2020 than in previous years.

FIGURE 20

The Smallest Organizations Were Hit Hardest by the Fee-for-Service Declines in 2020

Median changes in private fees for service by organization size, 2019 to 2020



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Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: The percentages in this figure refer to the “median” change that organizations experienced in 2020 as compared with 2019. Question 22 read: For the fiscal years 2019, 2020, and as expected for 2021, what is the approximate breakdown of your organization’s revenue or expected revenue? Here we report on one of the eight options (fees from self-paying participants). Sizes are the expenses reported on most recent IRS Form 990 (2017 Core Data from the National Center for Charitable Statistics). We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

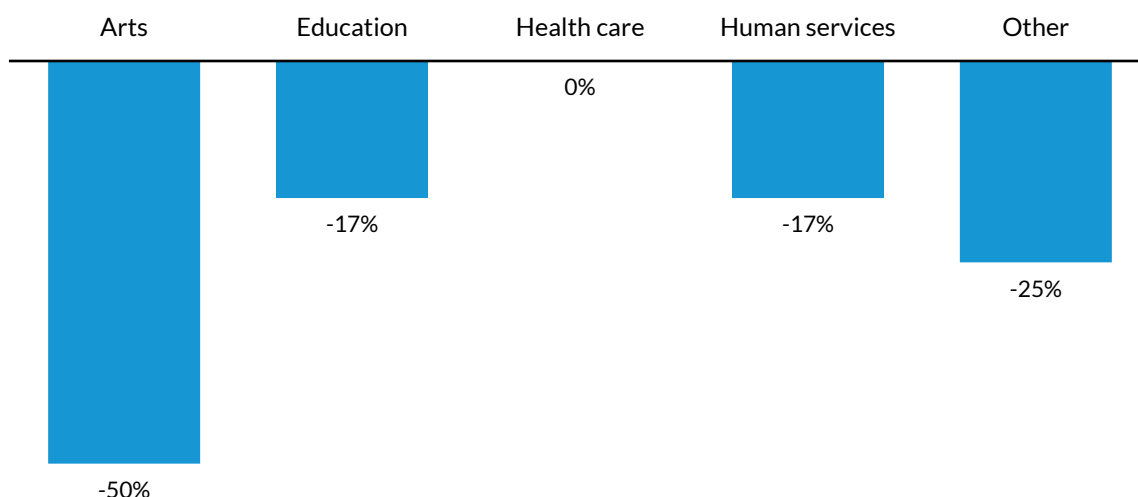
Smaller organizations, which depend more heavily on donations, were hit particularly hard by declines in fee-for-service income (see figure 20). The median change in fees for service ranged from 25 percent to 38 percent for organizations with less than \$1 million in annual spending, whereas it was close to none for organizations with \$10 million or more in annual spending.

Arts organizations reported the largest losses in private fees for service, with the median organization losing 50 percent of these fees (figure 21). The median human services organization and the median education organization that reported fees for service in 2019 saw declines of 17 percent, while health organizations reported no change. The median “other” subsector organizations saw a decline of 25 percent.

FIGURE 21

Arts Organizations Were Hit Hardest by Declines in Fee-for-Service Revenue

Median changes in private fees for service by subsector, 2019 to 2020



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Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: Subsectors of arts, education, health, human services, and other are defined using organizations' National Taxonomy of Exempt Entities codes (see glossary for more information). The percentages in this figure refer to the "median" change that organizations experienced in 2020 as compared with 2019 for all organizations that reported fees for service in 2019. Survey question 22: For the fiscal years 2019, 2020, and as expected for 2021, what is the approximate breakdown of your organization's revenue or expected revenue (we report on one of eight options, fees from self-paying participants). We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

Organizations Sought Ways to Weather the Crisis

Nonprofits have used various financial strategies since March 2020 to weather the pandemic-caused financial crisis. Some strategies involve increasing or supplementing revenue, such as by applying for the federal Paycheck Protection Program (PPP) loans (66 percent), drawing on reserves (39 percent), and borrowing funds or increasing lines of credit (19 percent) (figure 22). Other nonprofits decreased expenses (57 percent). Some increased staff benefits (18 percent), while others reduced or paused them (10 percent).

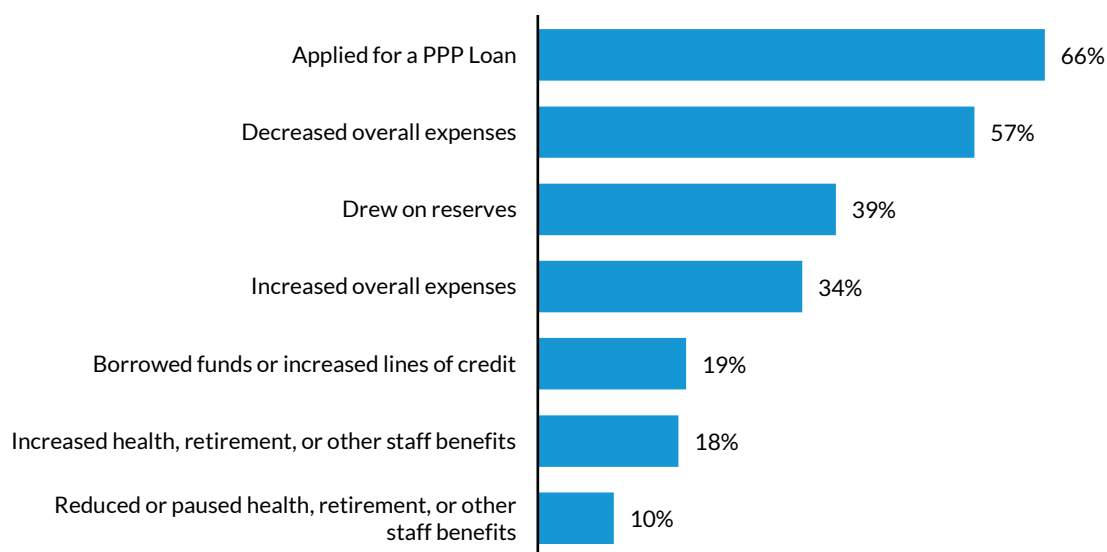
While two-thirds of nonprofits applied for PPP loans, the share of organizations that applied for PPP loans ranged from 37 percent of organizations below \$100,000 in annual expenses—of which many reported not having paid staff—and 64 percent of organizations from \$100,000 to \$499,999 to over 80 percent of organizations above \$500,000 in expenses. Of the nonprofits that applied for PPP loans, 99

percent received PPP funding. Organizations that received PPP loans reported continuing an average of 3 staff positions for organizations under \$100,000 in annual expenses, 6 staff for organizations \$100,000 to \$499,999 in expenses, 10 staff for organizations \$500,000 to \$1 million, 27 staff for organizations \$1 million to \$9,999,999, and 158 staff positions for the largest organizations of \$10 million and above. Compared with organizations' self-reported 2019 paid staff, this represented an average of 94 percent, 92 percent, 82 percent, 71 percent, and 68 percent of their 2019 paid staff positions, respectively.

FIGURE 22

Nonprofits Used Various Financial Strategies in 2020, Some Increasing and Some Decreasing Expenses or Benefits

Changes in financial strategies from March 2020 to Spring 2021



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Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: PPP = Paycheck Protection Program. These responses are drawn from two questions. Question 31: “Did your organization apply for a Federal Paycheck Protection Program (PPP) Loan in 2020?” and Question 33: “Since March 2020, has your organization made any of the following changes to your Finances?” (with select all-that-apply closed-ended response options). We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

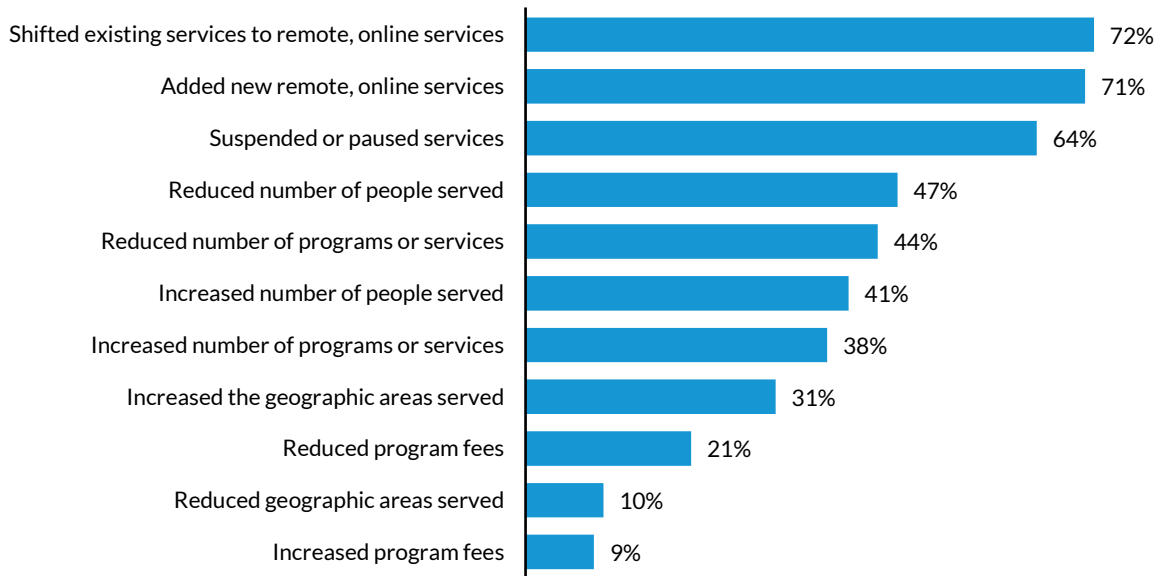
Nonprofits also implemented strategies to alter their programs, the ways they deliver services, the geographic areas they serve, and how they handle program fees (figure 23). Slightly more nonprofits added new remote, online services (71 percent) than suspended or paused services (64 percent). Similar shares increased the number of people served (41 percent) as decreased the number of people served

(47 percent). More organizations increased the geographic areas they served (31 percent) than decreased them (10 percent).

FIGURE 23

Slightly More Nonprofits Added Services Than Suspended or Paused Services

Changes in operations and services from March 2020 to Spring 2021



URBAN INSTITUTE

Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: Question 34 wording: “Since March 2020, has your organization made any of the following changes to your Programs?” (with select all-that-apply closed-ended response options). We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

Implications of Findings

This study adds to the evidence about changes in charitable giving before the pandemic. Comments from some survey participants suggest that the period from 2015 through 2019 was one of growth and recovery from the Great Recession, which is consistent with aggregate national trends of increased donations flowing into the sector (Giving USA 2021; Osili, Zarins, and Han 2021). Few of the nonprofits we surveyed, regardless of community or organizational characteristics, reported that giving declined during that period.

This report reinforces findings that changes in charitable giving levels affect organizations differently depending on their size, age, mission, and location. Studies generally show that larger

organizations have access to multiple revenue sources and are therefore less likely to rely on contributions to achieve their missions (Krawczyk, Wooddell, and Dias 2017) than smaller organizations, which have fewer revenue options. Further, smaller organizations tend to rely more on donations than larger organizations.¹² For instance, organizations with less than \$100,000 in annual expenses draw nearly 80 percent of their revenue from contributions,¹³ and these small organizations make up roughly 30 percent of charitable organizations (NCCS Project Team 2020). We also find that small organizations that depend heavily on donations make up much of the sector: roughly 60 percent of nonprofits have annual budgets below \$500,000, and more than 90 percent of those view individual donations as “essential,” “very important,” or “important” to their work.

Organizations providing public benefits and serving vulnerable populations have also been found to depend more heavily on donations (Fischer, Wilsker, and Young 2011; Lecy, Ashley, and Santamarina 2019), which demonstrates the importance of charitable giving for the sector and suggests that the impacts of changing giving trends could negatively affect organizations serving the most vulnerable American communities. Greater shares of organizations for which donations are essential experienced declines in donations in 2020, placing many of those organizations in a difficult position.

The literature also indicates that urban nonprofits may be able to generate more revenue because of their proximity to wealth and professional staff (Ecer, Magro, and Sarpça 2017). But being in an urban rather than a rural environment is not the only important factor in generating donation revenue. Studies also suggest that local poverty levels may be negatively associated with the provision of nonprofit human services and donations to support organizations in those areas (Bielefeld 2000). This suggests that areas with higher poverty rates may suffer from less donor support in general and may be more affected by declining donation trends.

Our findings add nuance to this understanding of donations to organizations in urban and low-income areas. Greater shares of urban nonprofits than of rural ones reported that donations increased from 2015 through 2019, suggesting that during periods of relative economic growth and stability, urban organizations fared well. Organizations in low-income and majority-POC communities experienced similar trends as other nonprofits. But organizations located in urban core areas showed greater vulnerability in 2020, when greater shares reported that donations declined. These findings support suggestions from the literature that urban organizations may be more susceptible to economic and donation downturns than other nonprofits. In contrast, whereas donation trends for rural organizations lagged behind those of other organizations from 2015 through 2019, larger shares of

rural organizations reported that donations increased in 2020—perhaps demonstrating that donations are less volatile in rural than urban environments.

More than half of nonprofit revenue in the United States comes from fees for service and earned revenue, but these sources generally do not fully cover expenses. Although larger organizations tend to rely more on fees for services, the majority of all organizations raise revenue through both fees and donations; smaller organizations tend to rely more on donations.¹⁴ For example, arts and cultural organizations typically generate fees through ticket sales and other earned revenue, but they also seek philanthropic contributions from private donors and government grants because fees do not fully support their programs. This makes arts and other fee- and philanthropy-dependent organizations particularly vulnerable to external environmental changes or shocks (Krawczyk, Wooddell, and Dias 2017). We find that small arts organizations were hit particularly hard in 2020, whereas greater shares of the largest organizations, regardless of mission area, experienced smaller declines and greater increases in donations.

These findings are particularly important considering younger and less-established organizations are likely to be more affected when donors retrench than older and larger organizations that have had time to establish themselves in a community and can benefit from their reputations and community trust. As Krawczyk, Wooddell, and Dias write, “Organizations that are perceived as providing high-quality programs and services are more likely to receive charitable donations” (2017, 820). Indeed, we find that size is an important factor in organizational sustainability during crisis: the smallest organizations were more vulnerable to economic shocks and donation trends in 2020.

Trends in charitable giving have also shifted in response to the impact of the COVID-19 pandemic and the movement for racial justice following the murder of George Floyd (Soskis 2021). Evidence from state-level reports indicates that nonprofit finances were negatively impacted across the board in the early months of the pandemic, owing largely to a decline in individual donations and event cancellations because of social distancing requirements (Stewart, Kuenzi, and Walk 2021). The pandemic also created a need for federal relief to the nonprofit sector as nonprofits faced increased expenses while revenues declined (Stewart, Kuenzi, and Walk 2021).

One of our most notable findings is that most nonprofits do not report that giving decreased from 2015 through 2019. This could owe to several reasons, which further research can explore. First, organizations that suffered most from declining donations from 2015 through 2019 could already have gone out of business when we launched the survey in 2021. Researchers could explore trends in donation revenue among the organizations that closed between 2015 and 2019, although tracing so-

called “dead” nonprofits poses methodological challenges. Second, our survey could have suffered from a cognitive bias that causes people to remember past events as being more positive than they were in reality (Mitchell and Thompson 1994). Researchers could select a subset of organizations that participated in our survey to see whether the organizations that reported faring better from 2015 through 2019 than in 2020 actually did. Third, it would be interesting to better understand how donor-advised funds affect donations to the nonprofits in our sample and whether donations from those funds are increasing as those funds grow (this would require a more nuanced approach to be explored).

Our findings raise additional questions, such as why smaller shares of rural organizations than nonrural organizations experienced declines in giving in 2020, and whether the strengthened commitments to supporting racial equity and justice that might have led to increases in donations to POC-led organizations in 2020 will continue. It would also be worth examining whether and how recent changes in volunteering (Grimm and Dietz 2018) relate to the changes in giving that we observed. The national survey responses and our ongoing panel project will provide data that will facilitate further exploration of these and many other questions.

Glossary

Here, we define key terms used throughout this report.

Board: the board of directors that every nonprofit is required to have. Nonprofits do not have owners. Instead, boards of directors are legally responsible for ensuring their organizations meet the federal and state standards for the dollars they receive and the missions they were approved to carry out when they applied for nonprofit status.

Donation: money, goods, and services provided to an organization by individuals and institutions. In this report, we focus on monetary donations. We asked survey respondents about donation amounts received from 2015 through 2019 and how donations in 2020 compared with the previous five years. We asked about particular types of donations and about overall donations (where we did not limit to particular types). The survey provides more details about types of donations and trends in the receipt of those gifts than can be found in Form 990 information. Note that many studies report on giving and giving trends. Donations are what the organizations receive when someone gives. In this report we use donations and donation trends to represent the gifts received.

Donation, restricted: monetary gifts that put limits (restrictions) on how organizations can use the money. Typically, limits require organizations to use the money on a certain type of program or to serve a certain type of person or community.

Donation, unrestricted: monetary gifts that do not put limits (restrictions) on how organizations can use the money. General operating funds are one type of unrestricted donation.

IRS Forms 990 and 990EZ: Annual required Internal Revenue Service forms that provide the public with financial and related information about nonprofit organizations that have income of at least \$50,000 in a given year.

Low-income area: we measure “low income” by comparing substate income levels with state median household income. Low income is defined as less than 60 percent of state median household income.

Majority-POC community: in our study, a community designated by the 2018 American Community Survey 5-year estimates as “majority-minority,” where more than 50 percent of residents identify as a race or ethnicity other than non-Hispanic white.

Majority-white community: the opposite of a majority-POC community (i.e., a community the 2018 American Community Survey 5-year estimates show as having more than 50 percent of residents who identify as non-Hispanic white).

Nationally representative: our sample reflects the structure of the entire population of the registered US nonprofit organizations described in this report (see appendix B for more details).

Nonprofit organization: in this study, the organizations that responded to our survey. These are operating 501(c)(3) public charities that provide broad public benefits to society and are therefore eligible to receive tax-deductible donations, which provide an important source of revenue for their charitable work. We excluded all schools (day care, preschool, primary, secondary, colleges, and universities), hospitals, religious congregations, and funding intermediaries.

Nonprofit sector (or sector): in the United States, our society is commonly thought of as having three primary “sectors” based on the tax system for organizations and their purposes. Those sectors are business, government, and nonprofits. When we use the terms nonprofit sector or just sector in this report, we are referring to all organizations with the official classification of “nonprofit” as designated by the IRS.

National Taxonomy of Exempt Entities (NTEE) codes: these are activity codes used to classify nonprofit organization based on their primary purposes and used in various analyses. For the list of codes, see <https://nccs.urban.org/publication/irs-activity-codes>.

People of color (POC): people who identify as a race or ethnicity other than non-Hispanic white.

POC-led organization: in our study, a nonprofit with an executive director or CEO (that is, the staff person designated as running the organization) who identifies as having a race or ethnicity other than non-Hispanic white.

Rural area: zip codes of nonprofit headquarters are designated as rural using the Federal Office of Rural Health Policy’s designation of rural (see <https://www.hrsa.gov/rural-health/about-us/definition/datafiles.html>).

Size: In this report, sizes are the expenses reported on most recent IRS Form 990 (2017 Core Data from the National Center for Charitable Statistics). The lowest size category we list as “less than \$100,000,” but we have excluded organizations whose size is less than \$50,000.

Subsectors: subcategories of nonprofits based on organizations’ primary purposes. Those primary purposes and the names of the subsectors are designated by a set of NTEE codes (for the list of codes,

see <https://nccs.urban.org/publication/irs-activity-codes>). We use the typical analytic convention of reporting by arts, education, health, and human services organizations and grouping the remaining codes into a category called “other.”

Suburban area: zip codes of nonprofit headquarters that were designated as neither urban core (using National Center for Health Statistics data; see https://www.cdc.gov/nchs/data_access/urban_rural.htm) nor rural (using the Federal Office of Rural Health Policy’s designation of rural; see <https://www.hrsa.gov/rural-health/about-us/definition/datafiles.html>).

Urban core area: zip codes of nonprofit headquarters are designated as urban core using National Center for Health Statistics data (see https://www.cdc.gov/nchs/data_access/urban_rural.htm).

Appendix A. Understanding the Nonprofit Sector through a Long-Term Partnership

Research partners at the Urban Institute, American University, and George Mason University have collaborated with other scholars and institutions in the field of nonprofit research since 2015 to improve how we study nonprofit organizations. With in-kind support from the Association for Research on Nonprofit Organizations and Voluntary Action, we have sought to address the piecemeal nature of most research on nonprofit organizations, which cannot be aggregated to understand the important contributions and needs of nonprofits, either across the United States or within communities. After many years of planning, we were given the opportunity to begin filling the gap with a nationally representative survey of nonprofits, this report describing our survey findings, and this first year of data collected for our panel dataset and our effort to build data infrastructure. Funding from the Generosity Commission, a project of the Giving Institute and Giving USA Foundation, and the National Science Foundation's [Human Networks and Data Science – Infrastructure \(HNDS-I\) program](#) (grant numbers 2024310, 2024307, 2024320, and 2024330) made this step possible.

Continued Partnerships, Data Building, and Data Sharing

American University (led by Lewis Faulk), George Mason University (led by Mirae Kim), the Urban Institute (led by Teresa Derrick-Mills), and our newest partner, the Georgia Institute of Technology (led by Calton Pu), are continuing this collaborative effort to build better data and better data infrastructure for sharing to help researchers, practitioners, funders, and policymakers collect evidence and insights on the nonprofit sector. The next stage of this work is being funded by a three-year National Science Foundation HNDS-I grant. This grant will fund the creation of infrastructure that will allow the Nonprofit Organization Research Panel Project Manager (NORPP Manager) to share data from the National Survey of Nonprofit Trends and Impacts, and to conduct further studies.

This publicly available and collaborative platform will provide public access to data from the project, as well tools for analysis. It will also provide an infrastructure that the field can contribute original data to, thereby enabling nonprofit researchers to collectively remedy long-standing data gaps

and increase the rigor of research on the sector by sharing vetted methodologies and survey instruments. Work on the platform began in fall 2020, and it is expected to go “live” by 2023.

We will be continuing to seek feedback from and to partner with other researchers in the nonprofit research field to refine the platform and our approaches to building and sharing data.

Future Access to Data from the Spring 2021 National Survey of Nonprofit Trends and Impacts

The Urban Institute and its partner institutions will make the survey data available in two separate versions: a publicly available dataset released concurrent with this report and a restricted use dataset available in the future. See more about each below.

Publicly Available Data

In the short term, the deidentified, public use data file will be available through the Urban Institute’s Data Catalog at <https://datacatalog.urban.org/>. Click on “View all public data” or search for “National Survey of Nonprofit Trends and Impacts.” The public use data file includes much of the data we present in this report plus other data collected at the same time. We provide a codebook and other instructions about how to use the data appropriately. Some of the data we collected through the survey are not included in this public file to protect the identities of the nonprofits that responded to the survey.

Restricted-Access Data

In the long term, development of the Nonprofit Organization Research Panel Project Manager (NORPP Manager) will enable researchers to repeat and extend the national panel survey through collaborations with other researchers in the field. The NORPP Manager platform and its data will be made publicly available. Members of the academic, research, and practitioner communities will have access to the researcher NORPP Manager platform with standard safeguards.

The NORPP Manager platform will be accessible with two levels of access. The most basic access will allow any public user to download and analyze deidentified data and generate aggregated summary statistics based on general organizational identifiers, such as location and subsector. Freely available higher-level access will also be granted for noncommercial research purposes that require the ability to identify or merge data for specific samples of organizations. Because data in the platform will be

collected over time from surveys of people (i.e., human subjects) in organizations, evidence of approval (or exemption) from institutional review boards at researchers' institutions will be required for them to securely access data containing unique organizational identifiers that enable the panel data to be linked with other identified data.

Please check Urban's project webpage for updates on the availability of the restricted-access data at <https://www.urban.org/partnering-understand-long-term-trends-nonprofit-organization-activities-and-needs>.

Appendix B. Details on Methodology

The final survey included 35 questions and was designed to be completed in approximately 30 minutes.¹⁵ We developed the survey through consultations with stakeholders and nonprofit researchers and reviews of other surveys of the nonprofit sector.¹⁶ We pretested drafts of the questions, seeking feedback on question wording and timing with nonprofit organizations and experts. The survey has four main sections, which include questions about the impacts (or expected impacts) of the COVID-19 pandemic. The first section covers core questions about key organizational characteristics and overall finances, including the sources of financial and nonfinancial support. This section also includes questions about programs and services (e.g., where the organization serves, which populations or groups it focuses on). The second section covers questions about the organization's revenue strategies and trends in donations that the organization experienced from 2015 through 2019. The third section covers questions about the demographics of staff and board members. The last section covers questions about the respondents who complete the survey on behalf of the sample organizations.

Sampling Detail

The sampling frame comprises 117,714 charitable (501(c)(3) nonprofit organizations. Organizations from the arts, education, health, human services, and "other" NTEE codes were included. Religious organizations that focus on providing other charitable or advocacy programs and that meet the other inclusion criteria below are represented in the sample.

Sample Frame Inclusion Criteria

The sampling frame included charitable 501(c)(3) nonprofit organizations that

- are classified as operating public charities (not as mutual benefit or support organizations) in the NCCS Core Files, because they directly provide public-benefit programs rather than offering mutual benefit services or focusing on funding other public charities;¹⁷
- were eligible to receive tax-deductible donations as of June 2019 and satisfy the IRS public support test 509(a)(1) or alternative public support test 509(a)(2) for public charity status;
- filed an IRS Form 990 or 990-EZ between 2013 and 2018 and are included in the 2015–2017 NCCS 990 Core Files;

- are present on the IRS Business Master File and were not listed by the IRS as being subject to automatic revocation of tax-exempt status for failing to file for three consecutive years as of June 2019; and
- reported \$50,000 or more in annual revenue and expenses on the most recent IRS Form 990, as reported on the June 2019 IRS Business Master File.

Sample Frame Exclusion Criteria

The sampling frame excludes nonprofit organizations with a 501(c)(3) IRS designation that

- are special entities (i.e., churches, schools, hospitals, or government units);
- primarily provide support, grants, scholarships, and funding to other service-providing organizations, such as community foundations, “friends of” organizations, and other philanthropy-focused or support organizations (NTEE-CC three-character subcodes ending in 11, 12, and 19 and NTEE “T” codes, with the exception of T01, T02, and T40);
- mutual benefit organizations, such as membership clubs and associations, and research institutes (NTEE-CC three-character subcodes ending in 03, 05), labor unions (J40), food industry associations (NTEE-CC K6A-K98), and other associations (M60, S40-S47, U20-U98, V20-V98, Y20-Y98);
- schools (including preschools, K-12 schools, higher education under NTEE “B,” and day care NTEE-CC P33) with the exception of libraries and education organizations providing advocacy, assistance, or other services to specific populations (B01, B02, B28, B60, B70, B90, and B92);
- hospitals, nursing homes, health services, health associations, medical research entities, and fire and rescue organizations (NTEE-CC E20-E31, E50, E60-E6A, E90-E92, F31, G20-G98, H20-H98, M23, M24, and M41);
- residential housing organizations and homeowners associations (NTEE-CC L21-L24, L4A-L50);
- sports clubs, associations, and leagues (NTEE subcodes N40-N50, N60-N70, N80);
- churches, houses of worship, and other organizations that focus on providing worship- or church-related services (which are not required to file with the IRS) (X20-X88);
- organizations with unknown or unclassified NTEE-CC codes (three-character codes ending in 99, NTEE “Z” codes); and

- organizations not located in the continental United States, Alaska, or Hawaii (as indicated by their address in the Business Master File as of June 2019).

TABLE B.1

Breakdown of All Public Charities in the United States and of Our Sample Frame

	All Public Charities		All Public Charities after Exclusions for the Sample Frame	
	Number	% of total	Number	% of total
Arts	32,828	10.01	22,980	19.52
Higher education	2,170	0.66	0	0.00
Education	53,930	16.44	5,607	4.76
Hospitals	3,790	1.16	0	0.00
Environment	15,539	4.74	10,974	9.32
Health	35,356	10.78	9,526	8.09
Human services	114,540	34.93	50,882	43.23
International	7,266	2.22	5,230	4.44
Mutual benefit	955	0.29	0	0.00
Public benefit	37,840	11.54	12,014	10.21
Religious	21,885	6.67	471	0.40
Unknown	1,860	0.57	30	0.03
Total	327,959	100.00	117,714	100.00

Sources: National Center for Charitable Statistics Core PC 2017 data files (NCCS Project Team 2020) and Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: The data for all public charities were identified using the Urban Institute’s “The Nonprofit Sector in Brief 2019” (available at <https://nccs.urban.org/publication/nonprofit-sector-brief-2019>) and include all public charities with total revenues over \$50,000. The sample frame differs by also excluding organizations with total expenses below \$50,000, mutual benefit and philanthropic support organizations, and organizations in specific specialized subsectors

Stratified Random Sample

We sought to create a nationally representative sample that had the potential for representative subgroup analysis by state, by size of organization, by NTEE code, by urban or nonurban geography, and by shares of low-income neighborhoods and majority-POC neighborhoods. Thus, we stratified sampling by

- organization size categories (five strata; table B.2);
- NTEE A–Z categories; and
- state (50 states plus Washington, DC).

Oversampling

An important aim of this study was to better understand the different experiences of organizations in different geographic contexts, including those in urban, suburban, and rural areas, communities where incomes are depressed, and communities with higher concentrations of people of color. To identify and ensure a representative sample of organizations in rural areas, we used the 2018 Federal Office of Rural Health Policy data on rural-designated areas, identifying organizations in zip codes that were more than 50 percent rural, and matching zip codes based on organizations' addresses on their most recent Form 990, reported in the June 2019 IRS Business Master File. We also used zip-code-level data to identify organizations located in low-income communities, using the methodology applied by Berkowitz and coauthors (2015). We specifically used the 2018 American Community Survey 5-year estimates (i.e., 2014 to 2018)¹⁸ data on zip code level and state to identify median household income for zip codes and states to identify four income categories of zip codes: (1) low-income zip codes, where the median household income is below 60 percent of the state median household income; (2) medium-low-income zip codes, where median household incomes are 60 to 99.999 percent of the state median household income; (3) medium-high-income zip codes, where median household incomes are 100 to 139.999 percent of the state median household income; and (4) high-income zip codes, where median household incomes are 140 percent or more of the state median household income. As Berkowitz and coauthors (2015) show, these cut-points based on median household incomes highly correlate with a broad range of socioeconomic, health, and community-level inequalities. Using the 2018 ACS 5-year estimates, we can also directly compare and control for other zip-code-level demographic indicators, including population, racial and ethnic diversity, and average education levels.

To ensure adequate responses from organizations in rural and low-income communities, we oversampled organizations in those zip codes, taking an additional 2.5 percent sample of rural organizations and an additional 5 percent sample of organizations in low-income zip codes in the first wave of our survey. Because we suspected that smaller organizations may be most impacted by the pandemic and may not respond at the same rate as larger organizations because of capacity or availability, we also added a 2.5 percent oversample of small organizations (those with annual expenses below \$100,000) in the first wave. Analysis of first-wave responses indicated that those categories of organizations were responding at similar rates to others in the sample, so we did not include additional oversamples with the remaining waves of the survey.

Contact Information and Recruitment

The IRS Forms 990 used to create the sample do not contain the complete information for conducting a web-based survey. Thus, as organizations were identified for the sample, research team members used contact information from the IRS forms, then performed web searches to identify email addresses for appropriate staff leadership. For example, Form 990 may indicate that an organization's executive director is John A. Smith. Although the organization's website may not list their email address, we could search for the executive director's name via Google plus the organization's domain name. This approach often yielded the email address we sought.

Sometimes a specific email address was not discoverable using this protocol. In such cases, we collected whatever email address was publicly available, such as info@organization.org. We still recorded the name of a high-level executive, such as the executive director, so that even though the survey invitation went to a generic email address, the message was still addressed to a specific person.

Recruitment

It is always a challenge to obtain responses from organizations invited to participate in surveys;¹⁹ during the pandemic, disruptions to normal operations and the fact that many nonprofit staff have worked remotely have made obtaining responses even more difficult. We drew upon our knowledge of survey best practices to encourage participation and ensure our emails were reaching their intended destinations. In addition, we conducted general awareness activities to further encourage responses. We created a project webpage with general information about the study, held a webinar with invitees and posted it to the project webpage, and asked intermediary organizations to encourage their members to participate in the survey if contacted.

One challenge of web-based surveys is that emails containing invitations to participate are sometimes caught in spam filters. We took three steps to avoid this: we checked our subject and text language against known spam triggers, we sent emails at times that occurred during the business day across multiple time zones, and we used built-in spam-avoidance features in our survey-distribution software. We also sent a preliminary email to test the email addresses and alert organizations that a survey invitation was coming. These emails indicated that 3.7 percent of the email addresses were incorrect and needed to be replaced (either because we received automated bounce-backs or because people emailed us to give us correct contact information).

About a week later, we sent the official invitation with the survey link and then sent up to 10 reminders to nonrespondents to encourage response. Participants invited during wave 1 received reminders over a four-month period, whereas those in waves 2 and 3 received reminders over a three-month period and two-month period, respectively. We also called a random sample of approximately 1,500 invited organizations to further encourage response. These calls resulted in either speaking to someone at the organization, leaving a voicemail or other message, or not getting through to anyone at all. Because many organizations did not have staff coming to the office regularly due to the pandemic, we did not send any physical mail.

Response and Completion Rates and Weighting

When we closed the survey in April 2021, we had 2,306 usable responses (tables B.2 through B.4). This is a completion rate of 9.7 percent including full and partial completions, and 6.5 percent including full completions only. Very few organizations (73) explicitly refused to participate in the survey; many more (1,078) asked us to remove them from our contact lists. It is not possible to know how many organizations saw the invitation and decided not to answer. We determined responses to be usable if they either (1) reached the end of the survey and completed at least 50 percent of the questions, or (2) responded through question 17 (the first question in the donations section). In six unique cases we reviewed responses where respondents made it through question 17 but, because of a high degree of missingness on other questions, we deemed them not usable. Analyses indicate that the responses remain representative; see weighting information below.

TABLE B.2

Survey Waves Deployed, Response, Nonresponse

	Overall	Wave 1	Wave 2	Wave 3
Period deployed	December 2020 – April 2021	December 2020 – April 2021	February – April 2021	March – April 2021
Number sent	24,598	4,953	8,386	11,259
Number completed and usable	1,548	346	553	649
Number partially completed and usable	758	178	289	291
Number started but not usable	617	114	224	279
Number that never entered survey	19,603	3,919	6,507	9,177
Number refused	1,151	220	400	531

Notes:

^a Wave 1 deployed with active recruitment between December 2020 and March 2021, with a second active recruitment occurring from March through April 2021; wave 1 sample members received 1 to 10 prompts to respond, mostly by email. Wave 2 deployed with active recruitment between February and March 2021 and a final recruitment in April 2021. Wave 3 deployed with active recruitment between March and April 2021. The survey closed for all waves on April 20, 2021.

^b As table B.2 shows, there is a difference between the number sampled and the number sent based on ability to obtain contact information. Despite our best effort, 921 emails went to addresses that bounced or failed. The number reported here represents the number of organizations that were sent the survey regardless of whether we believe they received it.

^c This is the number who reached the end of the survey whose responses were usable. Respondents were recoded as “partially complete and usable” (46) if they completed less than 50 percent of questions but made it all the way to the end of the survey.

^d This is the number of respondents included who did not reach the end of the survey but completed responses through question 17.

^e This is the number of organizations to which surveys were emailed but which never clicked to open the survey. We do not know whether the survey ever reached the sampled organizations (i.e., whether emails were blocked as spam, appeared in inboxes but were ignored, or appeared in inboxes but were deleted).

^f This is the number of organizations that requested we stop following up with them. They may have done this through one of several methods, including contacting us directly (11), clicking the opt-out link in Qualtrics (1,046), and marking “No” after reading the consent request (94).

TABLE B.3

Response Rates and Characteristics

Characteristics	Sampling Frame		Sample		Usable Survey Responses		
	#	%	#	%	#	Unweighted ^a %	Weighted ^b %
<i>US census region</i>							
1-Northeast	25,643	21.78%	5,406	21.98%	460	19.95%	21.68%
2-Midwest	26,019	22.10%	5,569	22.64%	548	23.76%	22.11%
3-South	37,585	31.93%	7,658	31.13%	684	29.66%	32.02%
4-West	28,467	24.18%	5,965	24.25%	614	26.63%	24.20%
<i>Organization expenses</i>							
<\$100,000	20,843	17.71%	4,073	16.56%	390	16.91%	17.73%
\$100,000 to \$499,000	50,125	42.58%	10,668	43.37%	1,026	44.49%	42.67%
\$500,000 to \$999,999	15,347	13.04%	3,170	12.89%	326	14.14%	13.00%
\$1 to \$9.99 million	25,340	21.53%	5,631	22.89%	508	22.03%	21.47%
\$10 million or more	6,059	5.15%	1,056	4.29%	56	2.43%	5.13%
<i>NTEE category</i>							
Arts	22,980	19.52%	5,536	22.51%	600	26.02%	19.54%
Education	5,607	4.76%	1,172	4.76%	119	5.16%	4.98%
Health	9,526	8.09%	1,794	7.29%	129	5.59%	8.07%
Human services	50,882	43.23%	10,208	41.50%	939	40.72%	42.87%
Other	28,719	24.40%	5,888	23.94%	519	22.51%	24.53%
Total	117,714	100.00%	24,598	100.00%	2,306	100.00%	100.00%

Notes: NTEE = National Taxonomy of Exempt Entities (see the glossary for more information).

^a All calculations in this report use the weighted survey responses.

^b We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

TABLE B.4

Population Distribution, Nonprofit Distribution, and Responses

Characteristics	US Population Estimates (2018) ^a		Nonprofits in Sample Frame		Nonprofits in Usable Survey Responses		
	#	%	#	%	#	Unweighted ^b %	Weighted ^c %
<i>Urban-rural categories (ZIP)^d</i>							
1-Urban core	97,760,520	33.88%	40,350	34.28%	842	36.67%	35.52%
2-Suburban	148,663,728	51.52%	54,595	46.38%	1,051	45.78%	45.02%
3-Rural	42,142,168	14.60%	22,765	19.34%	403	17.55%	19.46%
<i>Relative community income^e</i>							
Low income (<0.6 of State Median HH Income)	20,650,056	7.16%	10,777	10.33%	233	11.49%	10.52%
Medium-low income (0.6–0.999 of state median HH income)	125,379,008	43.49%	44,583	42.74%	885	43.66%	45.56%
Medium-high income (1.0–1.399 of state median HH income)	89,524,368	31.05%	29,277	28.06%	562	27.73%	27.05%
High income (≥1.4 of state median HH income)	52,738,568	18.29%	19,686	18.87%	347	17.12%	16.87%

Notes: HH = household.

^a Population estimates are based on the 2018 American Community Survey 5-year estimates on the zip-code level from Survey Explorer.

^b All calculations in this report use the weighted survey responses.

^c We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

^d We designate zip codes as urban core using National Center for Health Statistics data (see https://www.cdc.gov/nchs/data_access/urban_rural.htm). We designate zip codes as rural using the Federal Office of Rural Health Policy's designation of rural (see <https://www.hrsa.gov/rural-health/about-us/definition/datafiles.html>). Remaining zip codes are in a category we designated suburban. For our US population estimates, we used American Community Survey 2018 5-year estimates. We used zip codes from organizations' self-reported headquarters address on our survey. Ten organizations could not be classified using this method as their zip codes did not appear in the sources used; those organizations were dropped from these types of analyses.

^e Relative income levels are calculated using the median household income for the zip code compared with the median household income of the state using the 2018 American Community Survey 5-year estimates on the zip-code level from Social Explorer (available at <https://www.socialexplorer.com/>). A total of 279 organizations could not be classified into income levels using this method because some of the American Community Survey blocks some zip codes for this purpose when the population levels are too low. This means that more rural organizations are excluded from analyses examined by the income levels of communities.

Survey Weights

There are two respondent survey weights: a survey weight when working only with respondents who completed the full survey (“weight_complete_only”), and a survey weight when including respondents who completed part of survey (“weight_complete_partials”). The survey weights adjust the estimates to account for nonresponse. The weights also adjust for the oversampling of small nonprofit organizations (those with annual expenses below \$100,000) and the oversampling of nonprofit organizations in rural and low-income areas based on zip code. These survey weights reduce potential nonresponse bias by adjusting the sample so that the respondents and nonrespondents end up with the same distribution of characteristics that we have information on for the full population. These weights include the following adjustments:

- a small adjustment to increase the representation of larger organizations
- an adjustment to correct for the lower participation rates of nonprofits in rural zip codes
- an adjustment to correct for differential response rates among different types of nonprofit organizations based on the NTEE classification system
- an adjustment to correct for lower response rates in the South and Northeast United States
- a small adjustment to get the correct share of nonprofits located in low-income zip codes

Survey weights affect variance estimates and, as a result, tests of significance and confidence intervals. Variance estimates derived from standard statistical software packages that assume simple random sampling are generally too low, which can lead to overstated significance levels and overly narrow confidence intervals. The impact of the survey weight on variance estimates is measured by the design effect and is explained in the next section.

Design Effects

Statistical adjustments made after data collection are required because of disproportionate participation rates among sampled organizations. The post-data collection adjustments require analysis procedures that adjust the standard errors you would obtain had you done a simple random sample that involved no adjustments. Therefore, when using survey weights, variance estimation requires estimating the survey design effect associated with using the weighted estimate. The term “design effect” is used to describe the variance of the weighted sample estimate relative to the variance of an estimate that assumes a simple random sample.

In a wide range of situations, the adjusted standard error of a statistic should be calculated by multiplying the usual formula by the design effect (the “deft” value). Thus, the formula for computing the 95 percent confidence interval around a percentage is the following, where \hat{p} is the sample estimate and n is the unweighted number of sample cases in the group being considered:

$$\hat{p} \pm \left(deft \times 1.96 \sqrt{\frac{\hat{p}(1 - \hat{p})}{n}} \right)$$

To get a more accurate estimate of the standard errors associated with a weighted estimate, one would multiply the unweighted standard error by the appropriate deft value. The deft value for “weight_complete_only” is **1.041**, and the deft value for the survey weight when including respondents who completed part of survey (“weight_complete_partials”) was **1.034**. For example, suppose one was using the weight_complete_partials weight on a measure from the survey that had an unweighted standard error of 0.0212. The weighted estimate would not change, but the standard error of the estimate would be 0.0219 (0.0212 x 1.034).

Other Data Sources

We connect four other data sources with the survey data to perform some of the analyses presented in this report. We describe each of these briefly.

IRS Forms 990 and 990 EZ

We used data from the IRS Forms 990 and 990 EZ to create the sampling frame for the survey. All US nonprofit organizations with gross receipts equal to or above \$50,000 are required to file these public information Forms with the IRS annually. In this report we use these data to describe organizational characteristics for years before we administered the survey. We are also able to link survey data to IRS Form 990 data to explore more dimensions of organizations’ experiences. These data are publicly available for analysis, but it often takes months before the data are released. In this report, we always connect back to the same 990 data included in the sampling frame, which come from the most recent Form 990 filed by each organization as recorded in the IRS Business Master File for June 2019. Those were the most recent data available when we began constructing our sampling frame.

2018 American Community Survey 5-Year Estimates

We classify zip codes as low income using the 2018 American Community Survey 2018 5-year estimates. When we say “low-income communities” in this report, we are referring to US zip codes where the median household income is below 60 percent of the state median household income in the 2018 American Community Survey 5-year estimates following Berkowitz and coauthors (2015) who show that this zip code measure based on median household incomes highly correlates with a broad range of socioeconomic status indicators, health, and community-level inequalities. Low income means less than 60 percent of median household income, medium-low income means 60 to 99.999 percent of median household income, medium-high income means 100 to 140 percent of median household income, and high income means greater than 140 percent of median household income.

We also use the American Community Survey data to create estimates on the zip code level from Social Explorer for “majority-minority” (what we call majority-POC communities) and “non-majority-minority” (what we call majority-white communities). We use majority-POC to refer to communities where more than 50 percent of residents are people of color and majority-white to refer to communities where less than 50 percent of residents are people of color.

Center for Health Statistics Data

We use Center for Health Statistics data to assign zip codes as urban core. See https://www.cdc.gov/nchs/data_access/urban_rural.htm.

Federal Office of Rural Health Policy Designations

We classify zip codes as rural if their main address is located in a zip code that is more than 50 percent rural as classified by the Federal Office of Rural Health Policy (2018). See that office’s definitions and data files at <https://www.hrsa.gov/rural-health/about-us/definition/index.html> and at <https://www.hrsa.gov/rural-health/about-us/definition/datafiles.html>.

Appendix C. Additional Data

Distribution of People by US Community Characteristics

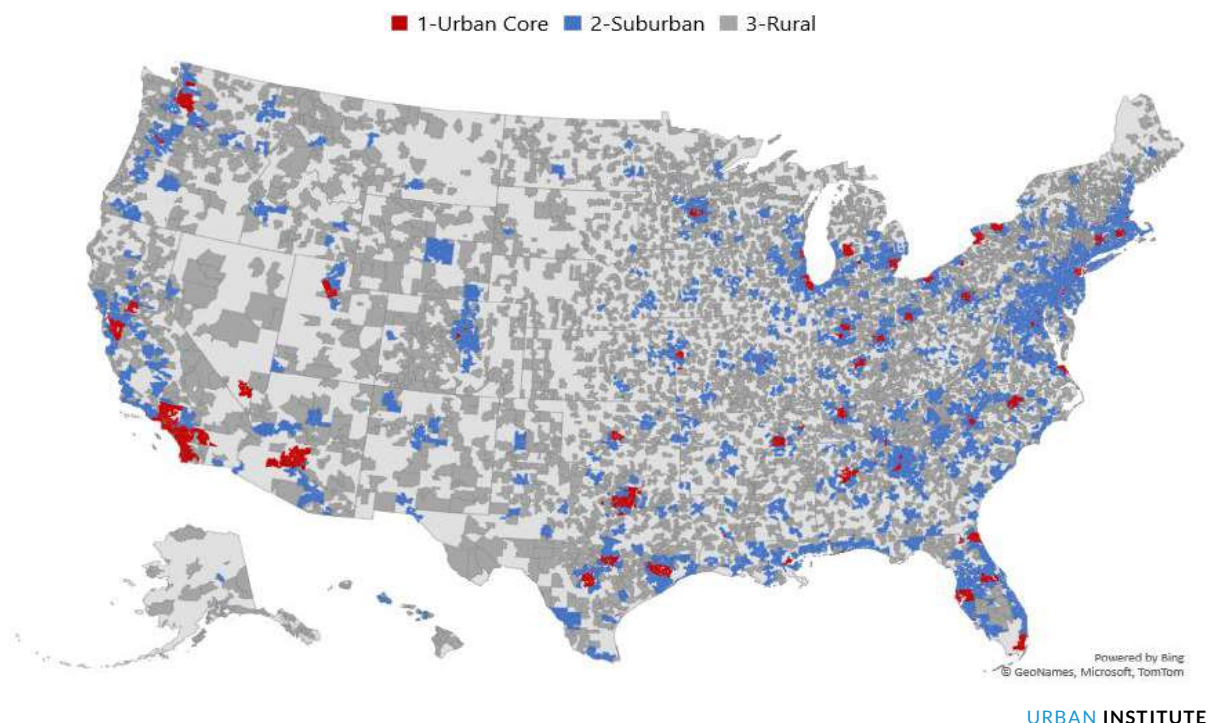
In the “Findings on Nonprofit Program Locations and Demographics” chapter of this report, we discuss how the distribution of nonprofits relates to the distribution of people across the country. We provide two charts below that help to show the distribution of people across the country. Figure C.1 shows the distribution of people in urban core areas (red), suburban areas (blue), and rural areas (dark gray).

Figure C.2 shows the distribution of people by income with lighter shades of orange indicating higher-income areas and darker shades indicating lower-income areas. It is important to note that there are people of all income levels spread across urban, suburban, and rural areas.

FIGURE C.1

Distribution of People in the United States by Zip Code Type (Urban Core, Suburban, and Rural)

About half of people live in suburban areas, but most land area in the United States is rural

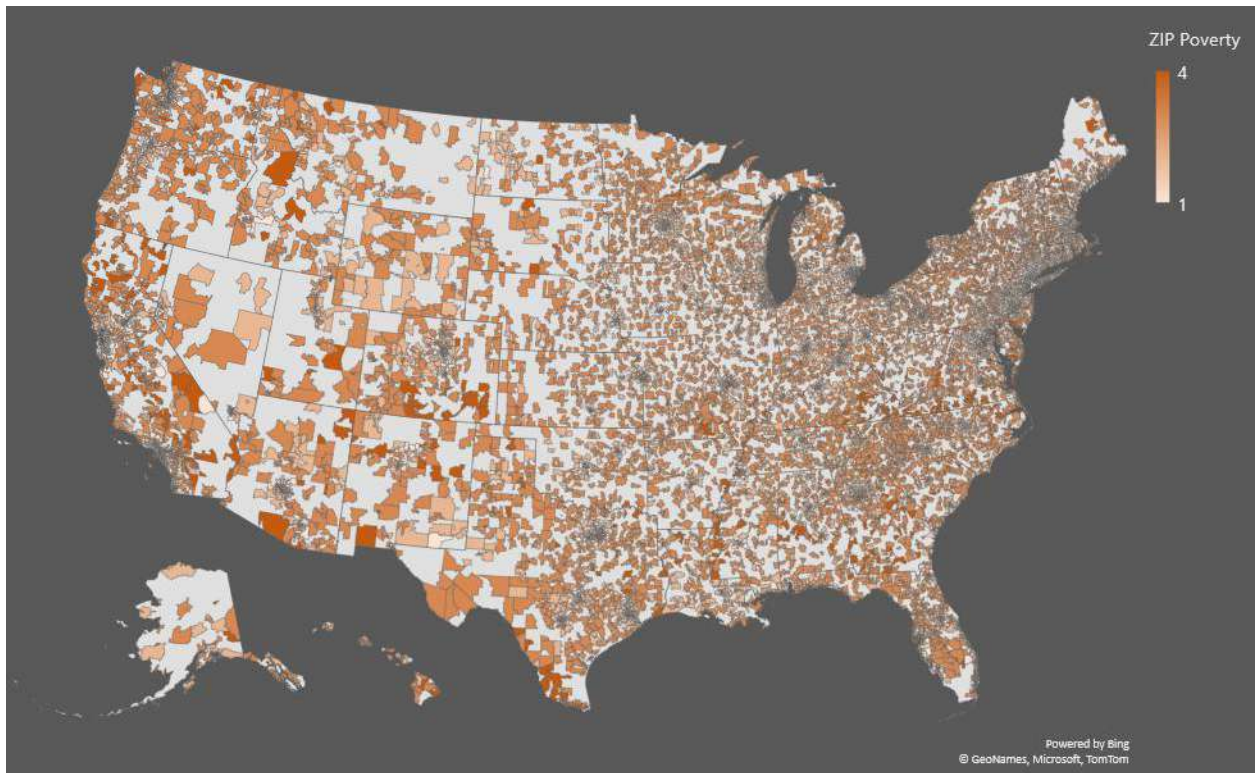


Source: Authors' calculations, using the 2018 American Community Survey 5-year estimates on the zip code level from Social Explorer (available at www.socialexplorer.com).

Notes: We designate zip codes as urban core using National Center for Health Statistics data (see https://www.cdc.gov/nchs/data_access/urban_rural.htm). We designate zip codes as rural using the Federal Office of Rural Health Policy's designation of rural (see <https://www.hrsa.gov/rural-health/about-us/definition/datafiles.html>). Remaining zip codes are in a category we designated suburban. For our US population estimates, we used American Community

FIGURE C.2

Relative Poverty Levels in US Zip Codes, Based on Median Household Income Relative to the State Median Household Income



URBAN INSTITUTE

Source: Authors' calculations, using the 2018 American Community Survey 5-year estimates on the zip code level from Social Explorer (available at www.socialexplorer.com).

Notes: Relative income levels are calculated using the median household income for the zip code compared with the median household income of the state. Some areas are unclassified to protect the confidentiality of people living in low-population areas. The darker the orange, the lower the income of the area.

Survey Data on Types of People Served

The tables in this section summarize some of what we learned from survey responses about the people served by nonprofit organizations in this nationally representative sample of 501(c)(3) public charities.

TABLE C.1

Primary Populations Served by Responding Nonprofits by Community Type*Percentages of nonprofits marking each population as one of their primary populations served*

	Urban core area ^b	Suburban area ^b	Rural area ^b	Low-income area ^c	Total
Primary populations^a					
<i>Age group</i>					
Children and youth up to age 18	47.8%	50.4%	42.8%	47.1%	48.0%
Young adults, 19–24	38.3%	36.8%	35.6%	42.9%	37.1%
Adults, 25–64	53.4%	51.1%	51.0%	57.7%	51.9%
Adults, 65+	36.6%	40.8%	48.9%	38.0%	40.9%
Families	33.8%	37.8%	44.7%	36.6%	37.7%
<i>Race/ethnicity</i>					
Black or African American	37.5%	27.9%	15.1%	44.0%	28.8%
Latinx, Hispanic or of Spanish Origin	34.1%	25.5%	16.1%	35.5%	26.8%
Indigenous, Native American, or Alaskan Native	17.1%	17.2%	15.7%	17.6%	16.8%
Asian	19.6%	17.9%	11.2%	17.4%	17.2%
Native Hawaiian or Pacific Islander	14.0%	13.6%	10.1%	15.3%	13.1%
<i>Gender identity</i>					
Men/boys	34.2%	33.0%	27.0%	35.8%	32.3%
Women/girls	40.9%	37.0%	30.2%	39.9%	37.1%
Nonbinary gender	18.6%	19.1%	15.7%	18.9%	18.3%
Identifying as LGBTQ+	19.8%	19.7%	15.1%	19.4%	18.8%
<i>Income level</i>					
Below 200% poverty line	38.9%	38.2%	35.6%	48.3%	38.0%
Below 100% poverty line	47.8%	43.4%	43.0%	58.4%	44.9%
Any income	33.8%	37.8%	44.7%	36.6%	37.7%
<i>Special populations</i>					
Veterans	10.5%	12.7%	17.8%	14.4%	12.9%
Foreign born individuals or families	22.0%	17.5%	12.5%	22.8%	18.1%
Individuals with physical or cognitive disabilities	20.8%	20.9%	18.1%	20.6%	20.3%
<i>General public</i>	47.6%	58.2%	60.3%	51.8%	54.8%
<i>Other</i>	10.5%	12.2%	10.8%	10.0%	11.3%

Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.**Notes:** We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.^a Survey respondents were given this list of possible populations to indicate them as primary, secondary, or not applicable; they could mark as many populations as they wanted.^b We designate zip codes as urban core using National Center for Health Statistics data (see https://www.cdc.gov/nchs/data_access/urban_rural.htm). We designate zip codes as rural using the Federal Office of Rural Health Policy's designation of rural (see <https://www.hrsa.gov/rural-health/about-us/definition/datafiles.html>). Remaining zip codes are in a category we designated suburban. For our US population estimates, we used American Community Survey 2018 5-year estimates. We used zip codes from organizations' self-reported headquarters address on our survey. All responding

organizations are assigned to one of these three areas except for 10 organizations where zip code information was not available in the sources used.

^c We calculated relative income levels by comparing the median household income for each zip code against the median household income of the state using the 2018 American Community Survey 5-year estimates on the zip code level from Social Explorer (<https://www.socialexplorer.com/>). We followed Berkowitz, et al. (2015) to define zip code income categories. Low income = less than 60 percent of median household income, medium-low income = 60–99.999 percent of median household income, medium-high income = 100–139.999 percent of median household income, and high income = greater than or equal to 140 percent of median household income. Percentages in this figure are calculated using areas with known income levels; to protect the confidentiality of people living in low-population areas, some areas are not classified by the US Census. The zip code is from organizations' self-reported headquarters address from the survey. We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative. A total of 279 organizations could not be classified into income levels using this method because the American Community Survey blocks identities of some zip codes when the population levels are too low.

Survey Data on Staff and Board Characteristics

The tables (C.2 through C.5) in this section summarize some of what we learned from survey responses about the people who work in or serve on the boards of directors of the nonprofit organizations in this nationally representative sample of 501(c)(3) public charities.

TABLE C.2

Executive Director or Chief Executive Officer Demographics by Community Type

Percentages of nonprofits reporting their CEO as having these characteristics

	Urban core area ^b	Suburban area ^b	Rural area ^b	Low-income area ^c	Total
Survey demographic categories^a					
<i>Race/ethnicity</i>					
White	67.0%	82.3%	92.4%	66.1%	78.7%
Non-White	33.0%	17.7%	7.6%	33.9%	21.3%
Black or African American	13.0%	7.4%	1.1%	21.0%	8.2%
Latinx, Hispanic or of Spanish Origin	7.6%	4.1%	0.8%	9.2%	4.7%
Indigenous, Native American, or Alaskan Native	0.8%	0.6%	1.4%	0.5%	0.8%
Asian or Pacific Islander	4.1%	1.5%	0.3%	0.5%	2.2%
Multiracial	2.6%	1.6%	1.2%	1.0%	1.9%
Other	5.0%	2.5%	2.8%	1.8%	3.5%
<i>Sex and gender identity</i>					
Male	36.3%	36.0%	30.8%	47.0%	35.1%
Female	60.4%	61.4%	65.7%	51.8%	61.9%
Transgender	0.0%	0.0%	0.3%	0.0%	0.1%
Nonbinary / Nonconforming	0.8%	0.2%	0.0%	0.5%	0.4%
Other	0.8%	0.2%	0.0%	0.5%	0.4%
Identifies as LGBTQ+	14.2%	7.9%	7.2%	7.8%	10.0%
Person with a disability	6.7%	8.6%	11.3%	9.4%	8.5%
Most common age (mode)	55-64 (31.9%)	55-64 (33.6%)	55-64 (29.8%)	45-54 (25.7%)	55-64 (32.4%)

Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: CEO = chief executive officer. We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

^a Represents some survey categories.

^b We designate zip codes as urban core using National Center for Health Statistics data (see https://www.cdc.gov/nchs/data_access/urban_rural.htm). We designate zip codes as rural using the Federal Office of Rural Health Policy's designation of rural (see <https://www.hrsa.gov/rural-health/about-us/definition/datafiles.html>). Remaining zip codes are in a category we designated suburban. For our US population estimates, we used American Community Survey 2018 5-year estimates. We used zip codes from organizations' self-reported headquarters address on our survey. All responding organizations are assigned to one of these three areas except for 10 organizations where zip code information was not available in the sources used.

^c We calculated relative income levels by comparing the median household income for each zip code against the median household income of the state using the 2018 American Community Survey 5-year estimates on the zip code level from Social Explorer (<https://www.socialexplorer.com/>). We followed Berkowitz and coauthors (2015) to define zip code income categories. Low income = less than 60 percent of median household income, medium-low income = 60–99.999 percent of median household income, medium-high income = 100–139.999 percent of median household income, and high income = greater than or equal to 140 percent of median household income. Percentages in this figure are calculated using areas with known income levels; to protect the confidentiality of people living in low-population areas, some areas are not classified by the US Census. The zip code is from organizations' self-reported headquarters address from the survey. We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative. A total of 279 organizations could not be classified into income levels using this method because the American Community Survey blocks identities of some zip codes when the population levels are too low.

TABLE C.3

Board of Directors Chairperson Demographics by Community Type*Percentages of nonprofits reporting their board chair as having these characteristics*

	Urban core area ^b	Suburban area ^b	Rural area ^b	Low-income area ^c	Total
Survey demographic categories^a					
<i>Race/ethnicity</i>					
White	67.1%	81.8%	92.1%	60.3%	78.6%
Non-White	32.9%	18.2%	7.9%	39.7%	21.4%
Black or African American	16.9%	8.9%	2.3%	24.3%	10.5%
Latinx, Hispanic or of Spanish Origin	6.6%	3.0%	1.3%	8.1%	4.0%
Indigenous, Native American, or Alaskan Native	1.0%	0.3%	1.1%	1.4%	0.7%
Asian or Pacific Islander	3.6%	1.7%	1.0%	2.9%	2.2%
Multiracial	2.3%	2.5%	1.1%	1.8%	2.2%
Other	2.5%	1.8%	1.1%	1.2%	1.9%
<i>Sex and gender identity</i>					
Male	49.0%	51.6%	55.3%	52.7%	51.3%
Female	47.3%	46.7%	43.4%	43.9%	46.4%
Transgender	0.2%	0.0%	0.0%	0.0%	0.1%
Nonbinary / Nonconforming	0.9%	0.5%	0.4%	0.7%	0.6%
Other	0.9%	0.5%	0.4%	0.7%	0.6%
Identifies as LGBTQ+	8.1%	5.2%	4.6%	6.0%	6.1%
<i>Other demographics</i>					
Person with a disability	4.7%	6.1%	8.0%	4.5%	6.0%
Most common age (mode)	55-64 (29.7%)	55-64 (30.3%)	65-74 (27.7%)	55-64 (28.7%)	55-64 (29.2%)

Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

^a Represents some survey categories.

^b We designate zip codes as urban core using National Center for Health Statistics data (see https://www.cdc.gov/nchs/data_access/urban_rural.htm). We designate zip codes as rural using the Federal Office of Rural Health Policy's designation of rural (see <https://www.hrsa.gov/rural-health/about-us/definition/datafiles.html>). Remaining zip codes are in a category we designated suburban. For our US population estimates, we used American Community Survey 2018 5-year estimates. We used zip codes from organizations' self-reported headquarters address on our survey. All responding organizations are assigned to one of these three areas except for 10 organizations where zip code information was not available in the sources used.

^c We calculated relative income levels by comparing the median household income for each zip code against the median household income of the state using the 2018 American Community Survey 5-year estimates on the zip code level from Social Explorer (<https://www.socialexplorer.com/>). We followed Berkowitz and coauthors (2015) to define zip code income categories. Low income = less than 60 percent of median household income, medium-low income = 60–99.999 percent of median household income, medium-high income = 100–139.999 percent of median household income, and high income = greater than or equal to 140 percent of median household income. Percentages in this figure are calculated using areas with known income levels; to protect the confidentiality of people living in low-population areas, some areas are not classified by the US Census. The zip code is from organizations' self-reported headquarters address from the survey. We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative. A total of 279 organizations

could not be classified into income levels using this method because the American Community Survey blocks identities of some zip codes when the population levels are too low.

TABLE C.4

Staff Demographics by Community Type

Percentages of nonprofits reporting at least one staff member with the characteristic

	Urban core area ^b	Suburban area ^b	Rural area ^b	Low-income area ^c	Total
Survey demographic categories^a					
<i>At least 1 person on the staff who...</i>					
Is a person of color	77.1%	60.6%	42.0%	78.2%	63.0%
Is a woman	93.3%	92.4%	91.8%	92.2%	92.6%
Identifies as LGBTQ+	55.0%	41.9%	37.8%	46.0%	45.7%
Has a disclosed disability	39.2%	35.3%	39.9%	41.3%	37.5%
Is younger than 35 Years Old	77.5%	72.8%	69.4%	80.0%	73.7%
Receives or has received services from the organization	56.0%	50.3%	49.9%	59.4%	52.2%

Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

^a Represents some survey categories.

^b We designate zip codes as urban core using National Center for Health Statistics data (see https://www.cdc.gov/nchs/data_access/urban_rural.htm). We designate zip codes as rural using the Federal Office of Rural Health Policy’s designation of rural (see <https://www.hrsa.gov/rural-health/about-us/definition/datafiles.html>). Remaining zip codes are in a category we designated suburban. For our US population estimates, we used American Community Survey 2018 5-year estimates. We used zip codes from organizations’ self-reported headquarters address on our survey. All responding organizations are assigned to one of these three areas except for 10 organizations where zip code information was not available in the sources used.

^c We calculated relative income levels by comparing the median household income for each zip code against the median household income of the state using the 2018 American Community Survey 5-year estimates on the zip code level from Social Explorer (<https://www.socialexplorer.com/>). We followed Berkowitz and coauthors (2015) to define zip code income categories. Low income = less than 60 percent of median household income, medium-low income = 60–99.999 percent of median household income, medium-high income = 100–139.999 percent of median household income, and high income = greater than or equal to 140 percent of median household income. Percentages in this figure are calculated using areas with known income levels; to protect the confidentiality of people living in low-population areas, some areas are not classified by the US Census. The zip code is from organizations’ self-reported headquarters address from the survey. We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative. A total of 279 organizations could not be classified into income levels using this method because the American Community Survey blocks identities of some zip codes when the population levels are too low.

TABLE C.5

Board Member Demographics by Community Type*Percentages of nonprofits reporting at least one board member with the characteristic*

	Urban core area ^b	Suburban area ^b	Rural area ^b	Low-income area ^c	Total
Survey demographic categories^a					
<i>At least 1 person on the board who...</i>					
Is a person of color	84.7%	69.2%	41.8%	85.0%	69.9%
Is a woman	98.9%	99.0%	99.3%	99.4%	99.0%
Identifies as LGBTQ+	57.7%	40.5%	28.1%	44.0%	44.0%
Has a disclosed disability	35.6%	32.3%	36.1%	34.4%	34.2%
Is younger than 35 years old	58.1%	54.4%	53.5%	63.4%	55.6%
Receives or has received services from the organization	55.5%	49.2%	50.5%	54.7%	51.7%

Source: Spring 2021 National Survey of Nonprofit Trends and Impacts.

Notes: We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.

^a Represents some survey categories.

^b We designate zip codes as urban core using National Center for Health Statistics data (see https://www.cdc.gov/nchs/data_access/urban_rural.htm). We designate zip codes as rural using the Federal Office of Rural Health Policy's designation of rural (see <https://www.hrsa.gov/rural-health/about-us/definition/datafiles.html>). Remaining zip codes are in a category we designated suburban. For our US population estimates, we used American Community Survey 2018 5-year estimates. We used zip codes from organizations' self-reported headquarters address on our survey. All responding organizations are assigned to one of these three areas except for 10 organizations where zip code information was not available in the sources used.

^c We calculated relative income levels by comparing the median household income for each zip code against the median household income of the state using the 2018 American Community Survey 5-year estimates on the zip code level from Social Explorer (<https://www.socialexplorer.com/>). We followed Berkowitz and coauthors (2015) to define zip code income categories. Low income = less than 60 percent of median household income, medium-low income = 60–99.999 percent of median household income, medium-high income = 100–139.999 percent of median household income, and high income = greater than or equal to 140 percent of median household income. Percentages in this figure are calculated using areas with known income levels; to protect the confidentiality of people living in low-population areas, some areas are not classified by the US Census. The zip code is from organizations' self-reported headquarters address from the survey. We are reporting weighted responses that take into account the sample design and nonresponse so that the estimates are nationally representative.. A total of 279 organizations could not be classified into income levels using this method because the American Community Survey blocks identities of some zip codes when the population levels are too low.

Notes

- ¹ These data are based on the National Center for Charitable Statistics Core PC 2017, using restrictions following the methodology in the Urban Institute’s “The Nonprofit Sector in Brief 2019,” available at <https://nccs.urban.org/publication/nonprofit-sector-brief-2019>.
- ² Patrick M. Rooney, “The Growth in Total Household Giving Is Camouflaging a Decline in Giving by Small and Medium Donors: What Can We Do About It?” *Nonprofit Quarterly*, August 27, 2019, <https://nonprofitquarterly.org/total-household-growth-decline-small-medium-donors/>.
- ³ “Nonprofits account for 12.3 million jobs, 10.2 percent of private sector employment, in 2016,” US Bureau of Labor Statistics, August 31, 2018, https://www.bls.gov/opub/ted/2018/nonprofits-account-for-12-3-million-jobs-10-2-percent-of-private-sector-employment-in-2016.htm?view_full.
- ⁴ “Giving USA 2020: Charitable giving showed solid growth, climbing to \$449.64 billion in 2019, one of the highest years for giving on record,” Giving USA, June 16, 2020, <https://givingusa.org/giving-usa-2020-charitable-giving-showed-solid-growth-climbing-to-449-64-billion-in-2019-one-of-the-highest-years-for-giving-on-record/>.
- ⁵ Rooney, “The Growth in Total Household Giving Is Camouflaging a Decline in Giving by Small and Medium Donors: What Can We Do About It?”; Una Osili and Sasha Zarins, “Fewer Americans are giving money to charity but total donations are at record levels anyway,” *The Conversation*, July 3, 2018, <https://theconversation.com/fewer-americans-are-giving-money-to-charity-but-total-donations-are-at-record-levels-anyway-98291>.
- ⁶ Rooney, “The Growth in Total Household Giving Is Camouflaging a Decline in Giving by Small and Medium Donors: What Can We Do About It?”
- ⁷ When we say “lower” and “higher,” we are combining the low/medium-low and high/medium-high levels, respectively. We followed Berkowitz and coauthors (2015) to define zip code income categories. Low income = less than 60 percent of median household income, medium-low income = 60–99.999 percent of median household income, medium-high income = 100–139.999 percent of median household income, and high income = greater than or equal to 140 percent of median household income.
- ⁸ This is a different measure than the federal poverty level, which sets a standard for the country and tends to show regions of the country as being lower income than other parts of the country because of certain factors (for instance, the cost of living is higher in the northeastern United States than in the southeastern United States). Using a comparison to state income levels helps to calibrate for differences across the country in relative income levels.
- ⁹ This particular question omitted “+” from “LGBTQ,” and that abbreviation therefore appears differently here than elsewhere in this report.
- ¹⁰ See the glossary for definitions of terms, and see figure notes throughout this section for more details.
- ¹¹ The source we use, the 2018 American Community Survey 5-year estimates, refers to these communities as majority-minority (for majority POC) and non-majority-minority (for majority white).
- ¹² Jon Durnford, DataLake Nonprofit Research, analysis of digitized (paper) Form 990 returns from Candid and electronic Form 990 and 990-EZ returns from the IRS at the request of the authors July 2021.
- ¹³ Jon Durnford, DataLake Nonprofit Research, analysis of digitized (paper) Form 990 returns from Candid and electronic Form 990 and 990-EZ returns from the IRS at the request of the authors July 2021.
- ¹⁴ Jon Durnford, DataLake Nonprofit Research, analysis of digitized (paper) Form 990 returns from Candid and electronic Form 990 and 990-EZ returns from the IRS at the request of the authors July 2021.

- ¹⁵ In the first wave of the survey, we randomly assigned participants to a long form and a short form. After assessing survey completions in February 2021, we dropped the long form. We found that although participants were completing the long and short forms at approximately equal rates, the short form better matched our target of a 30-minute completion time. Knowing how busy the nonprofits are, we did not want to overburden them with a longer survey. Thus, results reported here include only the questions from the short form.
- ¹⁶ Our partners at Independent Sector helped us engage stakeholders through a combination of brief surveys, individual interviews, and three virtual meetings. The goal of engaging stakeholders was to learn their priorities for topics the research project should address. Moreover, the types of questions and the structure of the survey were built from collaborations with many other researchers who contributed ideas to the nonprofit panel dataset discussions that began in 2015. See appendix A for more information.
- ¹⁷ See pages 20-21 of the National Center for Charitable Statistics' *Guide to Using NCCS Data* at <https://nccs-data.urban.org/NCCS-data-guide.pdf>.
- ¹⁸ Downloaded from https://www.sociaexplorer.com/tables/ACS2018_5yr.
- ¹⁹ See <https://www.aapor.org/Education-Resources/For-Researchers/Poll-Survey-FAQ/Response-Rates-An-Overview.aspx> for a discussion of declining survey response rates.

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