

Nonprofit Notes

Texas Nonprofit Sector: Key Findings

Report of the

NONPROFIT MANAGEMENT PROGRAM



Key Points

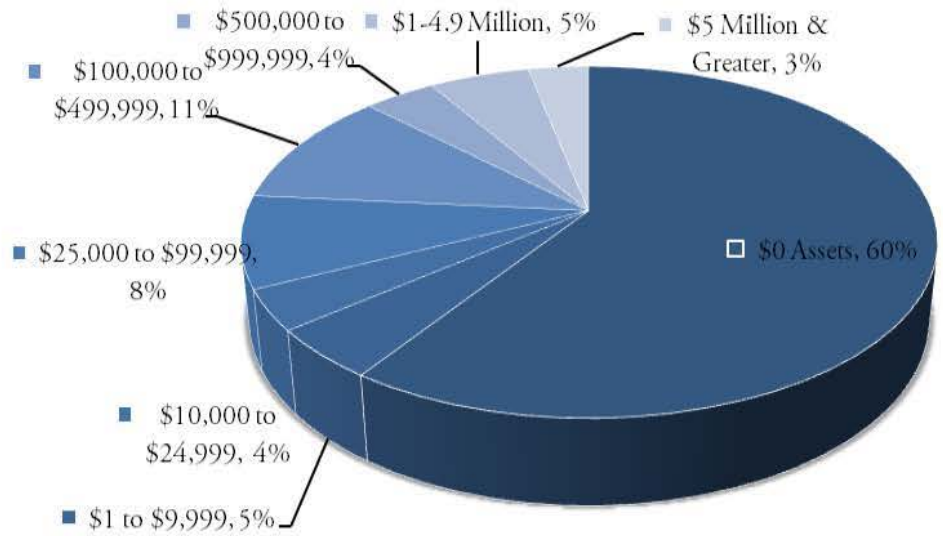
- Nearly 100,000 nonprofits are registered in the State of Texas.
- The number of 501(c)3 nonprofits nearly doubled between 2000 and 2010.
- The vast majority of these organizations have limited or no significant assets.
- Median revenue for nonprofits filing tax return data is just over \$90,000 annually.
- There are significant regional differences in that the Austin area reports the highest number of nonprofits per capita and the south part of the state reports the lowest per capita ratio.
- Roughly 40% of nonprofits operated at a net deficit during 2010.

There are 97,807 tax-exempt nonprofit organizations in Texas. Most tax-exempt organizations are 501(c)3 public charities (such as churches, social service organizations, and many health-care entities), which account for 72.8% of the entire number of nonprofit organizations in the state (over 70,000 entities).

The vast majority of tax-exempt organizations (60%) hold no assets (see Figure 1). Another 17% have assets of less than \$100,000. Just under 10% of tax-exempt organizations have assets of \$1 million or more.

Figure 1 Assets of Tax Exempt Organizations in Texas

The average age for tax-exempt organizations in Texas is almost 25 years. Since 1981, there has been a massive increase in the number of 501c(3) organizations established (see Figure 2). Forty percent of 501c(3) organizations were established in the last decade (2001-2010) as shown in Table 3. This reflects the growth of just over 12,000 new organizations from 2001-2010.



There were 28,281 tax-exempt 501c(3) organizations that filed a tax return in 2010. Just over a quarter (26.4%) of these organizations are classified as human service organizations, which include a whole range of social service, youth development type organizations (see Figure 4). These organizations hold about 10% of the total assets in the sector. There are over 5,000 foundations in the state, and they hold over \$30 billion in assets (about 18% of total assets). . Almost 20% of the organizations are classified as educational organizations.

Figure 2 Number of Nonprofits Established in Texas: 1940-2010

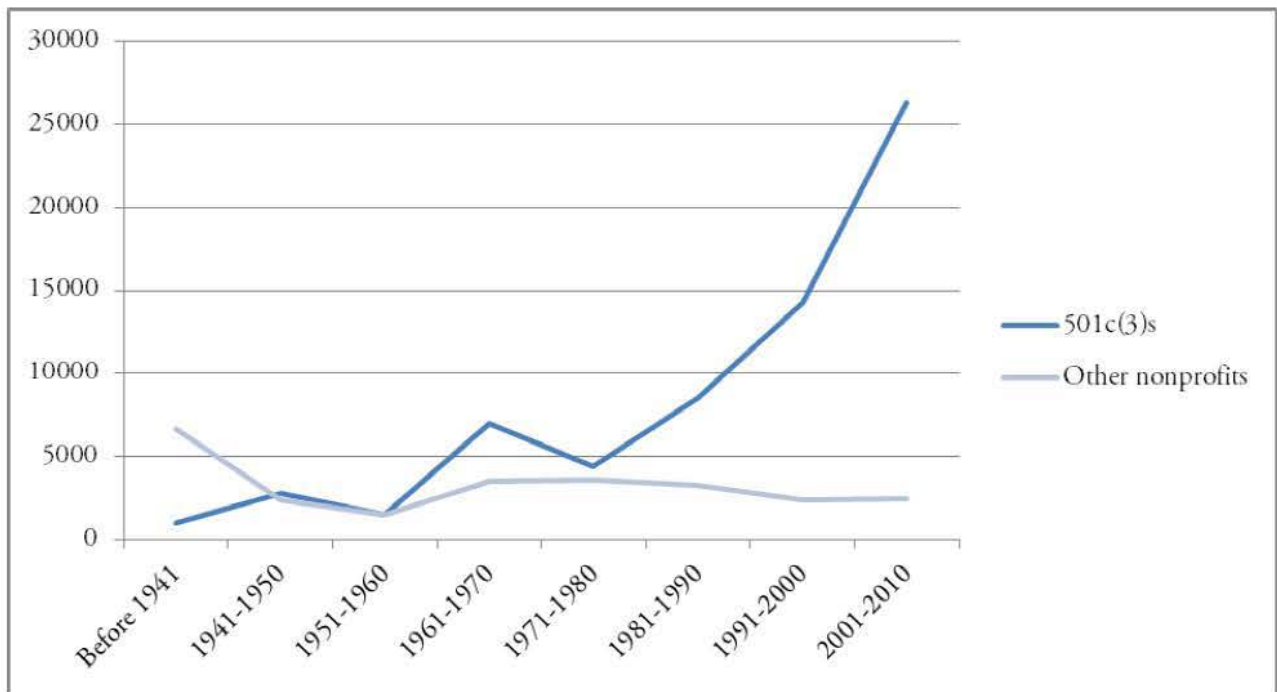
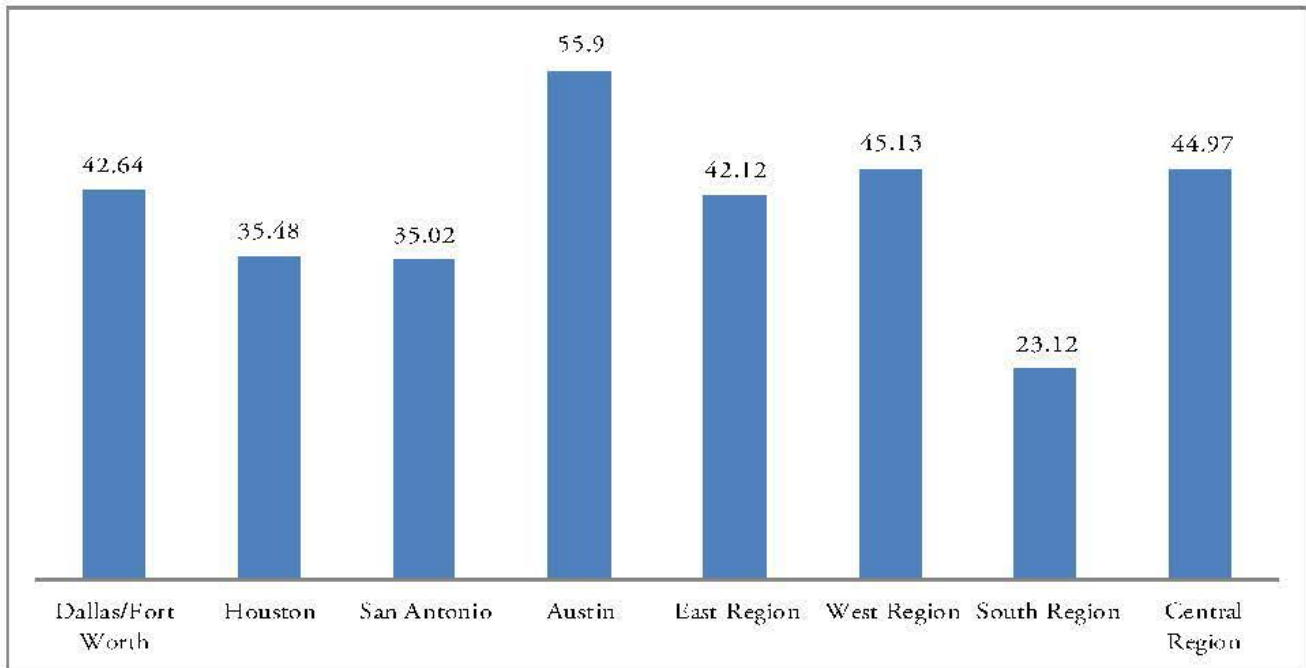


Figure 3 Number of nonprofits per 10,000 residents



Overall, there are 38.9 nonprofit organizations for every 10,000 residents in Texas. This is below the national average of 50 nonprofits per 10,000 residents. Texas ranks 46th out of 50 states and the District of Columbia. More than 50% of nonprofit organizations are operated in two major metropolitan areas, Dallas/Fort Worth and Houston. Austin area reports the highest number of tax-exempt organizations per capita, with

over 55.9 organizations per every 10,000 residents. The South Region reports the lowest number of organizations per capita, with just over 23 organizations per 10,000 residents.

Over 40% of nonprofit organizations reported operating a deficit during 2010 (see Figure 5). Of the organizations that operate at a net surplus, about a third have surpluses of 10% or less of total revenue, while just over 40% have surpluses over 25% of total revenue.

Figure 4 Major Types of 501(c)3 Nonprofits

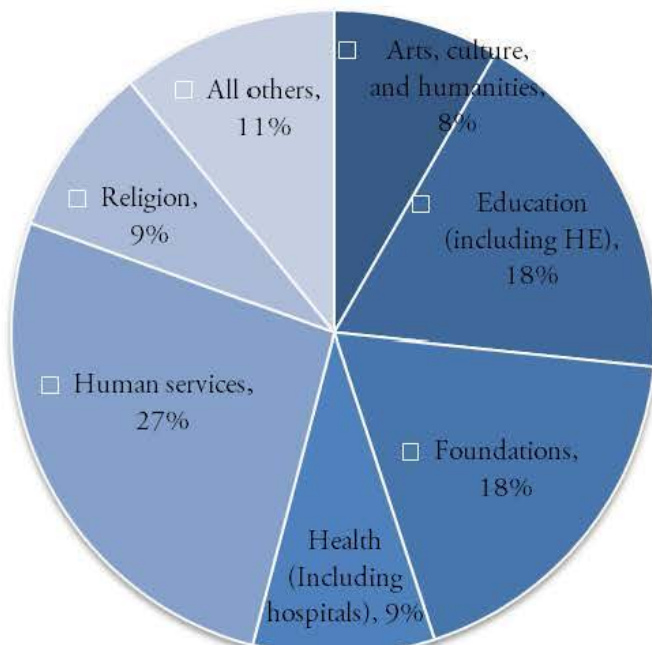
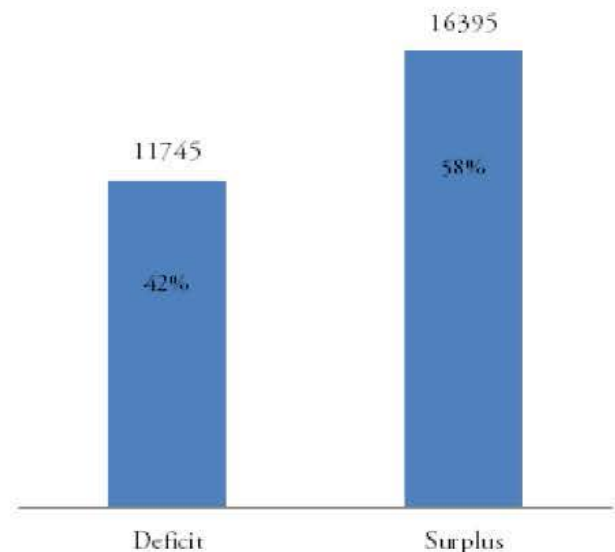


Figure 5 Number of Organizations Operating in a Deficit or Surplus





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The Program in Nonprofit Management develops leaders for the nonprofit sector, contributes to understanding nonprofit organizations and their role in society, and supports the practice of effective management.

