

PARTNERS IN PROSPERITY

The Maine Nonprofit
Sector Impact

A report detailing the economic
impact of the Maine nonprofit
sector, written by the Maine
Association of Nonprofits with
generous support from the
Maine Community Foundation
and the Unity Foundation



advancing | connecting | strengthening



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February 2008

Maine's future prosperity will depend on strengthening communities throughout our state by advancing creative ideas and solutions, and connecting citizens to opportunities. *Advancing, connecting, and strengthening* – this is the daily work of an often overlooked part of our economic engine: the nonprofit sector.

Throughout the state, nonprofits invest significant financial and organizational resources in Maine communities, promoting the ideals that attract so many to our quality of life. As this report illustrates, Maine's nonprofit community is one of the strongest in the nation, which may help explain why Maine is so often considered one of the best places to live and raise a family. From protecting the environment, to developing our future community leaders and entrepreneurs, to supporting the early care and education of our children, to protecting our most vulnerable citizens, nonprofits are key to our present and our future.

For example, Maine nonprofits:

- protect the environment by preserving open space, fighting for clean air and water, and by promoting sustainable development;
- promote economic development by counseling small businesses, providing education and job training, and investing in community development;
- support the growth of our future citizens and community leaders by investing in early care and education, and connecting youth to service and work opportunities; and
- weave a strong safety net by providing physical and mental health supports to those most in need.



A robust, vibrant nonprofit sector is essential to both maintaining and improving the quality of life in our state. The citizens of Maine have and will continue to place their trust in the responsiveness, performance and quality of services provided by these organizations. The Maine Association of Nonprofits, the Maine Community Foundation, and the Unity Foundation are pleased to present this report, to promote better understanding and appreciation of our state's nonprofit community.

Scott Schnapp
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CREATING PROSPEROUS COMMUNITIES

Maine nonprofit organizations benefit us all as resources for community building, fostering civil society, strengthening our social fabric, and building economic prosperity.

Community Builders:

- Partnering with government to build and preserve local public structures such as libraries, clinics, open space, and emergency shelters.

Civil Society Cultivators:

- Engaging citizens in their communities through volunteerism & democratic process.

Social Fabric Weavers:

- Defining, shaping, and improving the quality of life in local communities.

Economic Stimulators:

- Employing a significant portion of the workforce, including underemployed citizens.
- Serving as the foundation of Maine's creative economy, which attracts businesses to communities.

Key Economic Impact Findings:

- Most Maine nonprofit organizations (52%) are small – very small. Their annual income is less than \$25,000, yet the sector mobilizes approximately 360,000 volunteers every year (one of the highest rates in the country).¹ That's more than the population of Cumberland and Aroostook counties combined.
- In 2005, reporting Maine nonprofits contributed \$7 billion to the Maine economy through wages paid, retail and wholesale sales, and professional services contracted. This accounts for almost 15% of the State's gross product, which is the same percentage as the manufacturing and construction industries combined.²
- Maine nonprofit hospitals continue to be vital economic engines in many communities, accounting for fifty cents out of every dollar expended by reporting Maine nonprofits.
- Nonprofits have a significant presence in every county and community in the state, from the most populous, Cumberland, to the least, Piscataquis.
- The 289 foundations registered in Maine granted almost \$92 million in 2005. That is approximately \$15 million more than the 5% of assets required of most foundations by federal law.

Key Social Impact Findings:

- It costs almost \$1,000 less per person per year to house the chronically homeless than to do nothing.³
- Investing in job training for high school students has the long term result of increasing wages an average of 8% for those individuals.⁴
- One program in central Maine supported 77 individuals with serious mental illness in working 54,000 hours during a year, earning almost \$500,000 in taxable wages. This is a population that, without support, has a 94% unemployment rate.⁵
- By 2004, nonprofit land trusts in Maine had conserved an area roughly equal to Cumberland, Kennebec, Knox, and Sagadahoc Counties combined, protecting the viability of the tourism industry, which is responsible for generating \$2.5 billion annually for the state's economy.⁶
- By effectively managing volunteers, one nonprofit in Downeast Maine more than doubled their staff hours.
- In 2007, a Maine nonprofit organized an effort to pass legislation protecting Maine consumers from predatory lending practices. Catastrophic economic losses prior to passage of this law and the collapse of the subprime mortgage market were estimated to cost Maine an excess of \$300 million from the end of 2007 through 2009.⁷
- By partnering with the government to provide valuable services to Maine's small business community, a system of nonprofit centers assisted their clients in creating or saving 862 jobs in 2005 and returned \$4.21 in tax revenues to the State of Maine for every state dollar spent on the program.⁸

INTRODUCTION

What's in a Name?

The nonprofit sector is the collective name used to describe institutions and organizations in American society that are neither government nor business. Other names often used include the not-for-profit sector, the third sector, the independent sector, the philanthropic sector, the voluntary sector, or the social sector.

This report focuses on a unique category of nonprofits, those classified by the Internal Revenue Service (IRS) as 501(c)(3) organizations. They are exempt from federal income tax and are able to receive tax deductible contributions. These 501(c)(3) organizations must operate “exclusively for religious, charitable, scientific, or educational purposes” and serve the common good. 501(c)(3)s may not distribute profits to individuals or businesses.

Size and Scope

In 2005, the most recent data available, Maine was home to 5,560 charitable nonprofit organizations. These organizations are registered under the IRS code 501(c)(3). Of these, 2,667 charitable nonprofits had gross receipts of over \$25,000 and were required to report to the IRS. In 2005, there were also 317 private foundations. Of these, 233 had gross receipts of over \$25,000 and were required to report to the IRS.

From this point forward, nonprofits and foundations with gross receipts of over \$25,000 annually will be referred to as “reporting c3 nonprofits” or “reporting foundations.” This report is based on information compiled by the National Center for Charitable Statistics.

Figure 1

Maine Tax-Exempt Organizations*	Registered with IRS (over \$5,000 in gross receipts)	Filing Annual IRS Report (over \$25,000 in gross receipts)
Under 501(c)(3)**	5,877	2,900
Private Foundations	317	233
Charitable Nonprofits	5,560	2,667
Under Other 501(c) Subsections	3,166	905
501(c)(4) social welfare	598	188
501(c)(5) labor/agricultural	278	95
501(c)(6) business leagues	421	232
501(c)(other)	1,869	390

* The data in this chart comes from 09/2007 Business Master File (BMF) data and may not match other figures in this report which come from versions of the BMF analyzed further by the National Center for Charitable Statistics.

** Does not include religious congregations.

SOURCES: NCCS Data Web, National Center for Charitable Statistics <http://nccsdataweb.urban.org/> ©2006

The Economic Impact

In 2005, Maine reporting c3 nonprofits added \$7 Billion to the Maine economy through wages paid, retail and wholesale sales, and professional services contracted. This accounts for almost 15% of the State's Gross Product, which is roughly the same as the manufacturing and construction industries combined.

The Total Impact

Economic impact is fairly easy to measure, and the last section of this report details this impact, but the full impact of Maine's nonprofits can not be measured simply by the numbers of people it employs or its contribution to the State's Gross Product. The full impact is measured by lives changed and communities enriched. On the following pages, we provide case studies that exemplify our assertion that Maine's nonprofits are Partners in Prosperity.

COMMUNITY BUILDING

Maine nonprofits have been effectively partnering with government to build and preserve local public structures such as libraries, clinics, open space, affordable housing, and emergency shelters for decades. Our communities are stronger when citizens have the spaces to come together to solve problems, to engage with each other, and to recreate.



The Impact:

Ninety-nine chronically homeless individuals were tracked following their first year of living in permanent supportive housing (PSH) supported by three Maine nonprofits, Preble Street Resource Center, Avesta Housing, and Shalom House. In the twelve months studied, it cost \$93,436 less than it did for care of the same group of people the year prior to being housed. This represents an average savings per person of \$944. This same group of people reported an average of 60% higher scores on six key quality of life indicators including health, independence, relationships, learning, helping others, and socializing.

The Story Behind the Impact:

The crisis of homelessness in Maine is now entering its fourth decade, and in the last 30 years the needs of people who find themselves homeless have become more complex. An estimated 25% of people who are homeless also struggle with mental illness, substance abuse, or multiple disorders. Studies around the country have found that permanent supportive housing (PSH) is effective at helping people with disabilities remain stably housed once they move out of shelters. The numbers of homeless people and families, while tragically high, has actually decreased in some parts of the country where permanent supportive housing efforts are prioritized. Several PSH facilities exist in Maine and are proving not only to be the right moral choice, but a good economic choice as well.

For more information, visit www.mainehousing.org/Documents/HousingReports/CostOfHomelessness.pdf.

The Impact:

Tourism in Maine generates 58,000 jobs and an increasing share of the State's Gross Product, currently 5% or \$2.5 billion. According to the State Office of Tourism, outdoor recreation and touring in Maine's pristine open spaces are the top two reasons people visit Maine. The Maine Land Trust Network, a program of Maine Coast Heritage Trust that provides training, networking, and resources to land trusts, reports that by 2004, the 100 Maine land trusts leveraged private and public funds to obtain ownership or easements on almost 1.5 million acres. That's an area approximately the size of Cumberland, Kennebec, Knox, and Sagadahoc Counties combined.

The Story Behind the Impact:

Nature-based travel, one of the fastest-growing sectors of global tourism, holds great potential to strengthen Maine's economy without the environmental costs associated with other industries. Conserving our wild and green spaces is key to the survival of Maine tourism and the members of the Maine Land Trust Network have been doing this work for decades. Most of the more than 100 nonprofit land trusts in Maine are locally-based and work with local officials and citizens to identify and conserve land that is key to the preservation of culture, water quality, wild life habitat, agriculture, and recreation in their communities. Several land trusts have a state-wide focus and work to conserve large tracks of land essential to another important industry in Maine – hunting, fishing and wild life viewing, which according to a University of Maine study contribute \$1 billion of the state's total tourism revenues.

For more information, visit www.mltn.org.

WEAVING STRONG SOCIAL FABRIC

Most nonprofits are local and community-based. With strong ties in the community, they are best able to play an essential role in improving quality of life and maintaining the region's safety net.



The Impact:

From October 2006 to October 2007, clients in Kennebec Behavioral Health's vocational program worked over 54,000 hours, earning almost \$444,000 in taxable wages. Prior to their enrollment in the vocational program, these clients were unemployed.

The Story Behind the Impact:

The State of Maine faces a 94% unemployment rate among persons with serious mental illness. Kennebec Behavioral Health (KBH) recognizes that people with mental illness can develop marketable skills and contribute to the Maine economy. An average of 77 clients per month earn taxable income through KBH's Clubhouse Vocational Services Program, which trains, supports and coordinates clients' employment opportunities. Other KBH programs include medical clinics, community support programs, home-based therapy, outpatient care, drug and shoplifting outreach, substance abuse treatment and education, school-based education and support, and supported housing.

For more information, visit KBH at www.kbhmaine.org/about.html.

The Impact:

Jobs for Maine's Graduates (JMG) targets middle and high school students at risk of disconnecting and dropping out. The students enrolled in the JMG class of 1998 were earning an average of 8% more than their peers six years after graduation, according to the Working Maine study prepared by the Maine Department of Labor. The 1998 cost per JMG participant was \$1,177, of which the state invested 61% or \$706 per student. In ten years, the participant cost has increased by only \$266 to the current cost of \$1,443, with the state now contributing 43% or \$620 per student. As young adults, JMG graduates are earning an average of \$1,624 more per year than the rest of the population in their age group, proving there is a long-term payoff in helping at-risk young people develop proven pathways to higher education and careers.

The Story Behind the Impact:

JMG was established in 1993 to help students reconnect to school, graduate and transition into continued education and the workforce successfully. The JMG program teaches 37 core competencies comprised of six skill sets, and vigilantly tracks the outcomes of its programs. In the Class of 2006, 96% percent of students successfully graduated from high school as compared to the state average for that year of 87%. Within the year following high-school graduation, 86% of those graduates pursued higher education, were employed full-time, enrolled in the military, or a combination thereof; and 47% of the graduates went on to immediately pursue higher education.

For thirteen consecutive years, JMG has been recognized as the best statewide program of its kind in the nation because its performance outcomes have exceeded national standards for programs working with disadvantaged youth. Program performance standards are monitored by the Center for Labor Market Studies at Northeastern University and Jobs for America's Graduates. Call (207) 620-7180 for more information.

CULTIVATING CIVIL SOCIETY

By engaging citizens in local, state and national issues, and by engaging citizens in volunteerism, nonprofits are the training ground for the leaders of our businesses and our democracy.



The Impact:

Despite having just one paid employee, Schoodic Arts for All's annual programs include 65 workshops, 80 live performances, 14 art shows, Schoodic Community Chorus, the Kids' Steel Pan Band, and the Adult Steel Pan Band. In 2007, hundreds of Schoodic Arts for All (SAFA) volunteers contributed over 2,400 hours of time, a value of more than \$35,000, according to the Bureau of Labor Statistics.

The Story Behind the Impact:

Founded in 1999, SAFA is a nonprofit organization that has a tremendous effect on the art and culture of the Schoodic Peninsula area and surrounding communities in Downeast Maine. 650 households, both year 'round & seasonal, participate in Schoodic Arts events, and 630 people participate in Schoodic Arts Festival workshops annually. SAFA provides music, art, dance, theater, writing, crafts, poetry, sculpture, fiber arts, and jazz in performances and workshops at affordable prices. To encourage families to attend events together, children are admitted for free to all performances. SAFA events draw people from all across Hancock and Washington Counties and beyond.

<http://www.schoodicarts.org/index.html>

The Impact:

By 2004, predatory lending practices were escalating in Maine. According to some estimates⁹, Maine would lose over \$300 million in deflated property values from the end of 2007 through 2009, as well as losses in property taxes, and excessive fees and interest rates paid by consumers. Coastal Enterprises, Inc. (CEI) was the lead advocate in passing Maine's recent anti-predatory lending legislation which will help prevent future losses. In addition, the law helps prevent the less easily quantified social impacts of destabilization on families facing foreclosure.

Story Behind the Impact:

In 2004, CEI started to see more of its housing counseling clients with predatory loans facing foreclosure and attempted to bring public and private interests together to pass strong state legislation, as other "best practice" states had already done. At the time, many of the stakeholders felt the problem was minimal as compared to other states and challenged CEI to provide documentation of the problem. CEI did just that and released a report on predatory lending in Maine¹⁰ in 2006, coauthored with the Center for Responsible Lending in Durham, North Carolina, which was the most comprehensive report done on a state level. The report, along with the softening of the subprime mortgage market, led various interests, including bankers and some mortgage brokers, to acknowledge that predatory lending was a problem in Maine. Another important part of the success of the campaign was building a diverse coalition to advocate for the bill. The Homeownership Protection Act Coalition had 33 diverse members, including victims of predatory lending, businesses and nonprofits, who educated their legislators and the media on the issue and the specific remedies in the bill.

Maine's bill, passed into law in 2007, is considered one of the strongest in the country, providing a broad reach of consumer protection.

For more information, visit www.ceimaine.org/images/stories/pdf/predatoryrptfinal-ah.pdf.

STIMULATING ECONOMIC DEVELOPMENT

Nonprofits partner with government to create economic incentives and provide technical assistance to businesses and entrepreneurs.



The Impact:

The Small Business Development Center (SBDC) housed at the Northern Maine Development Commission (NMDC) served 245 distinct customers in 2007, contributing over 1,000 hours of business assistance and creating more than \$2.1 million in total capital formation. The Northern Maine SBDC provides quality one-on-one counseling to northern Maine's small business community at no cost to potential and existing business owners and managers.

The Story Behind the Impact:

Maine Small Business Development Centers (Maine SBDC) are dedicated to helping the state's small businesses succeed. Through a network of service centers, SBDC counselors engage small business owners and micro-business owners in development activities that help improve their chances for success, as well as improve the economic climate throughout Maine. In 2006, a job was created or saved by MSBDC's clients every 11 hours; \$10,000 in new sales were generated every 78 minutes; \$4.21 was returned to the state treasury in tax revenues for every state dollar spent on the programs; and \$3.30 was returned to the federal treasury for every federal dollar spent on the programs. NMDC serves Aroostook County, as well as the towns and unorganized territories that border Aroostook in Penobscot, Piscataquis, and Washington counties.

For more information, visit www.nmdc.org.

The Impact:

In its first five years, the Maine Technology Institute (MTI) funded 342 Maine businesses that completed 440 technology development projects with the goal of bringing new products and services to market. The high success rate (60% resulting in marketable products or services to date) increased employment by 600 jobs. Wages in MTI-funded firms are approximately 20% higher (\$36,900 annually) than the average Maine wage (\$30,880). During that period, the employment growth rate at these firms was more than six times the employment growth rate in the average Maine company.

The Story Behind the Impact:

The Maine Technology Institute (MTI) is a private non-profit corporation funded by the State of Maine to stimulate research and development activity leading to the commercialization of new products and services in the state's technology-intensive sectors. Early-stage activities are inherently high risk; therefore, private investment is hard to come by, necessitating the creation of MTI by the Maine State Legislature in 1999. Beyond the success in creating jobs at a much higher level than the free market, an independent evaluation found that MTI-funded firms have contributed the following to the Maine economy:

- For every \$1 of MTI spending, \$12 in external funding was leveraged.
- MTI clients purchase 32% of their materials and 42% of their services from other Maine companies, thus expanding economic benefit to other Maine-based businesses.
- Revenues of these MTI-funded firms exceeded \$100 million.

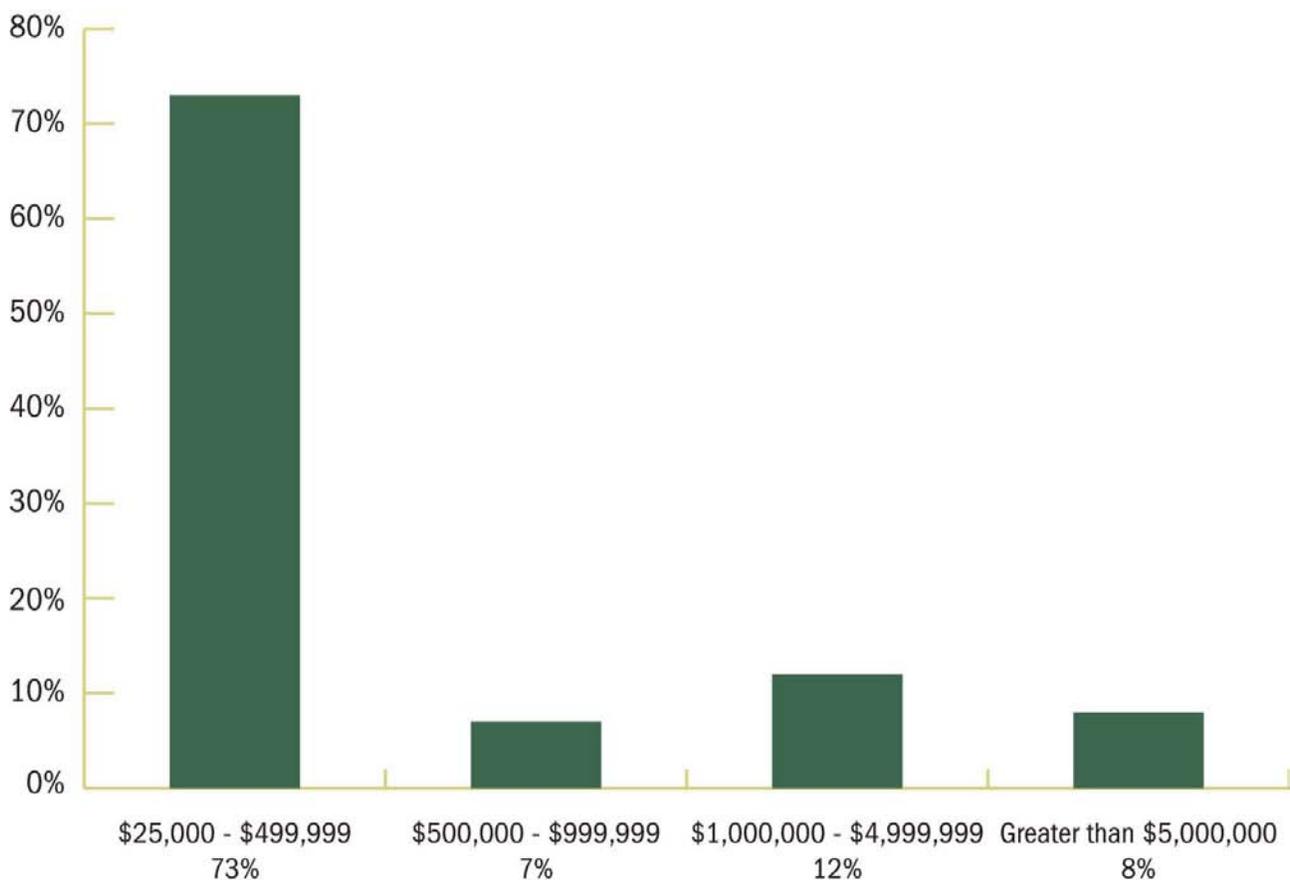
For more information, visit www.mainetechnology.org.

THE MAINE NONPROFIT SECTOR BY THE NUMBERS

The 2005 IRS filings of 2,333 reporting c3 nonprofit organizations were analyzed by the National Center for Charitable Statistics. These organizations each have annual gross receipts of over \$25,000 and represent only 42% of Maine's tax exempt organizations under the IRS code 501(c)(3).

- Most reporting c3 nonprofits are small – 92% have budgets under \$5 million annually
- Furthermore – 73% are very small, with budgets under \$500K

Figure 2 Percent of Reporting c3 Nonprofits

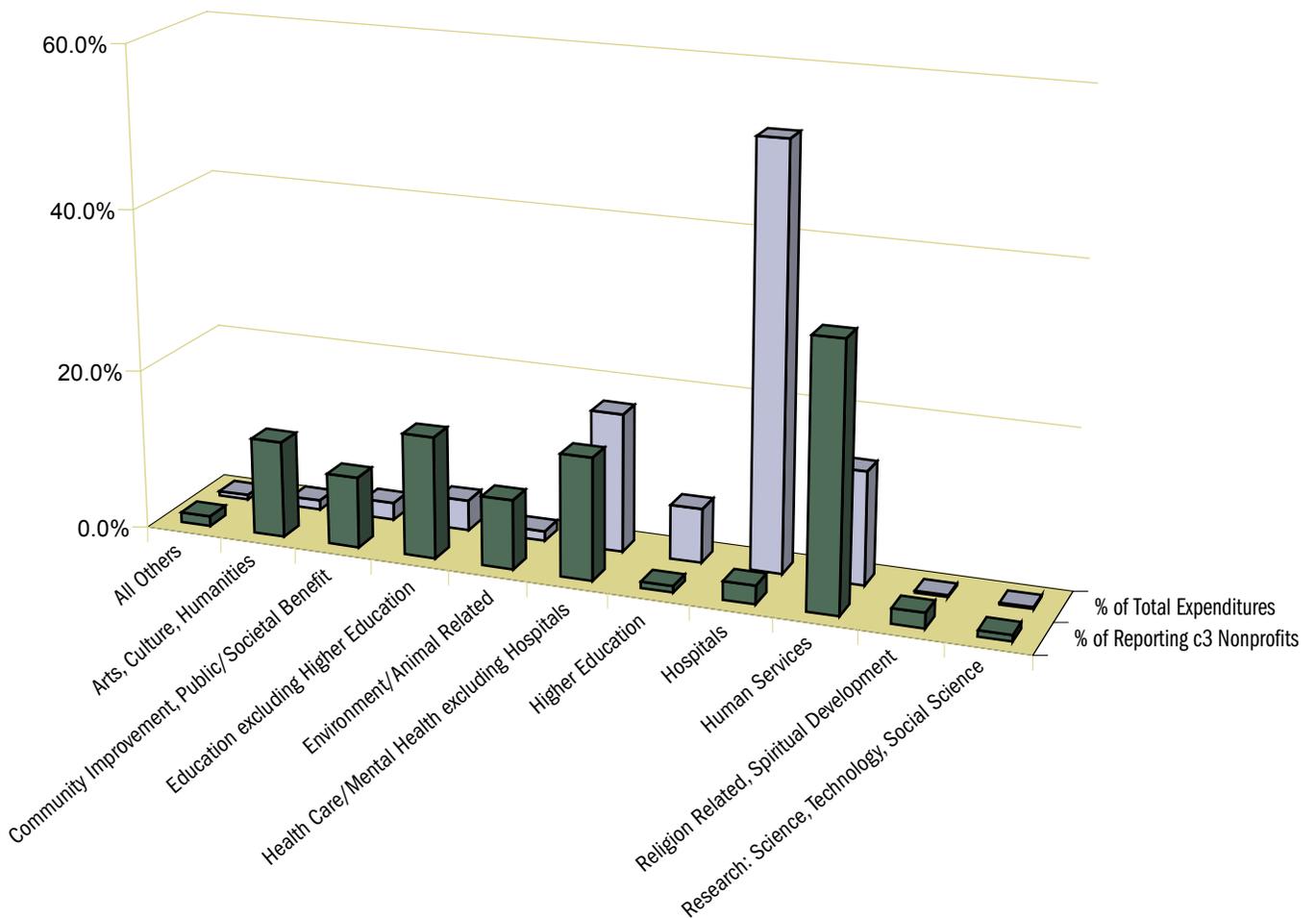


SOURCES: NCCS Data Web, National Center for Charitable Statistics <http://nccsdataweb.urban.org/> ©2006

MAINE REPORTING C3 NONPROFITS BY TYPE

Below represents the percent of reporting c3 nonprofits by type. The front row of bars corresponds to the percent of the 2,333 nonprofit organizations in each classification. The back row of bars corresponds to the percent of the \$7 billion in total expenditures each group adds to the Maine economy.

- Human service organizations provide hot meals and transportation to the elderly, counseling for youth, housing for families, and hundreds of other services important to the quality of life in each Maine community. They comprise 33% of the 2,333 reporting c3 nonprofits, yet are only responsible for 14% of the \$7 billion in expenditures, showing that most of these organizations are small and community-based.
- Hospitals are vital economic engines. They are located in every county in Maine. Although they represent only 2% of the 2,333 reporting c3 nonprofits, hospitals are responsible for 52% of the sector's \$7 billion impact on the Maine economy.



SOURCES: NCCS Data Web, National Center for Charitable Statistics <http://nccsdataweb.urban.org/> ©2006

SOURCES OF NONPROFIT REVENUE

Nonprofit revenue comes from a variety of sources. As revenue data available from the IRS does not tell us very much about sources of nonprofit income, we contracted with the Maine Center for Economic Policy to analyze data we collected during our 2006 Survey of Nonprofit Wages & Benefits. As part of this survey, we asked respondents to estimate their sources of revenue in five categories: Federal Government, State or Local Government, Individual or Corporate Contributions, Foundation Grants, and Non-governmental Fees, such as ticket or product sales to individuals. Although approximately 80% of the almost \$280 million in revenues represented by the 172 responding organizations comes from either Federal, State or Local Government sources, it varies significantly by budget size (See Figures 4 & 5).

In aggregate, much of the funding appears to come from governmental sources; however, the analysis also showed that many nonprofits report receiving no government funds. For example 54% of Maine nonprofits received no federal money; 36% received no state or local government money. Furthermore, 68% received less than 20% of their revenue from the federal government and 51% received less than 20% of their revenue from state or local governments.

This illustrates that a relatively small number of very large complex nonprofits receive the lion's share of public dollars, while a majority of nonprofits receive very little or no funding from government sources. One reason for this may be that contracting with state and federal governments requires the capacity to manage complex reporting requirements and the capital to operate between payments.

Figure 4* Revenues in Maine Nonprofits w/ Budgets < \$5m, 2006 (n=139)

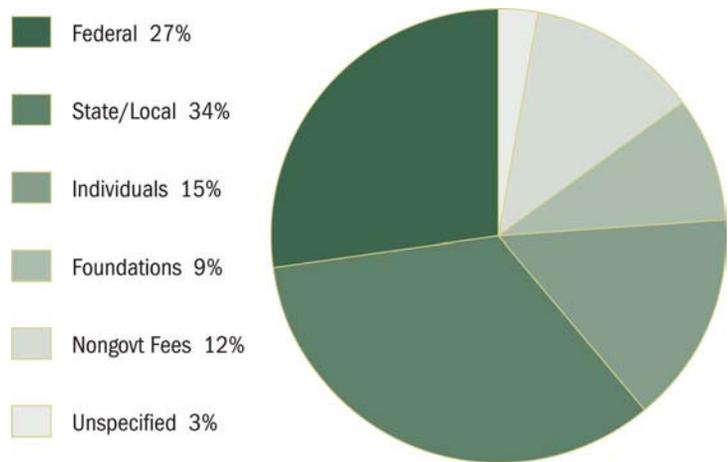
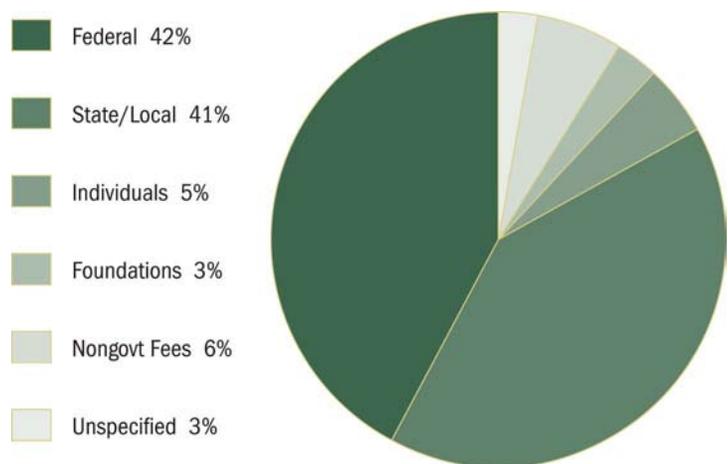


Figure 5* Revenues in Maine Nonprofits w/ Budgets \$5m or More, 2006 (n=33)



*Source: Maine Center for Economic Policy – Analysis of Revenue Data Maine Association of Nonprofit’s Report on Nonprofit Wages & Benefits 2006

PHILANTHROPY IN MAINE

Nonprofits partner with the government, private individuals and the philanthropic community to provide enrichment and services that can't or won't be provided by the free market. This section of the report looks at the foundation community in Maine.

- In order to ensure their ongoing financial stability while maintaining their charitable purposes, most foundations must grant 5% of assets annually. Maine foundations generously exceeded that requirement by almost \$15 million in 2005.
- The Oak Foundation, the Edward E. Ford Foundation and the Melmac Education Foundation are new to the Foundation Center's top 10 Maine foundations by giving.
- Giving by these top 10 foundations amounts to 69% of total Maine foundation giving.

Figure 6: Overview of Maine Foundations, 2005

Foundation Type	Number of Foundations	Assets	Total Giving
Independent Foundations	244	\$1,192,938,407	\$71,036,408
Corporate Foundations	13	\$43,172,004	\$5,320,765
Community Foundations	2	\$167,625,567	\$14,461,428
Operating Foundations	30	\$136,661,322	\$1,056,600
Total in Maine	289	1,540,397,300	91,875,201
Total in United States	71,095	\$550,552,049,000	\$36,402,633,000
Maine as % of U.S.	0.41%	0.28%	0.25%

Figure 7: Top 10 Maine Foundations by Total Giving, 2005

Foundation Name	Total Giving	Foundation Type
The Oak Foundation U.S.A.	\$16,388,530	Independent
The Maine Community Foundation, Inc.	\$14,354,958	Community
Libra Foundation	\$12,267,640	Independent
Stephen and Tabitha King Foundation, Inc.	\$4,124,786	Independent
Harold Alford Foundation	\$3,570,687	Independent
Maine Health Access Foundation	\$3,122,481	Independent
The Edward E. Ford Foundation	\$3,041,314	Independent
The Sandy River Charitable Foundation	\$2,707,250	Independent
TD Banknorth Charitable Foundation	\$2,331,736	Corporate
Melmac Education Foundation	\$1,352,299	Independent
Total	\$63,261,681	

Source for figures 6 & 7: The Foundation Center

CHARITABLE GIVING BY TAX PAYERS WHO ITEMIZE THEIR DEDUCTIONS

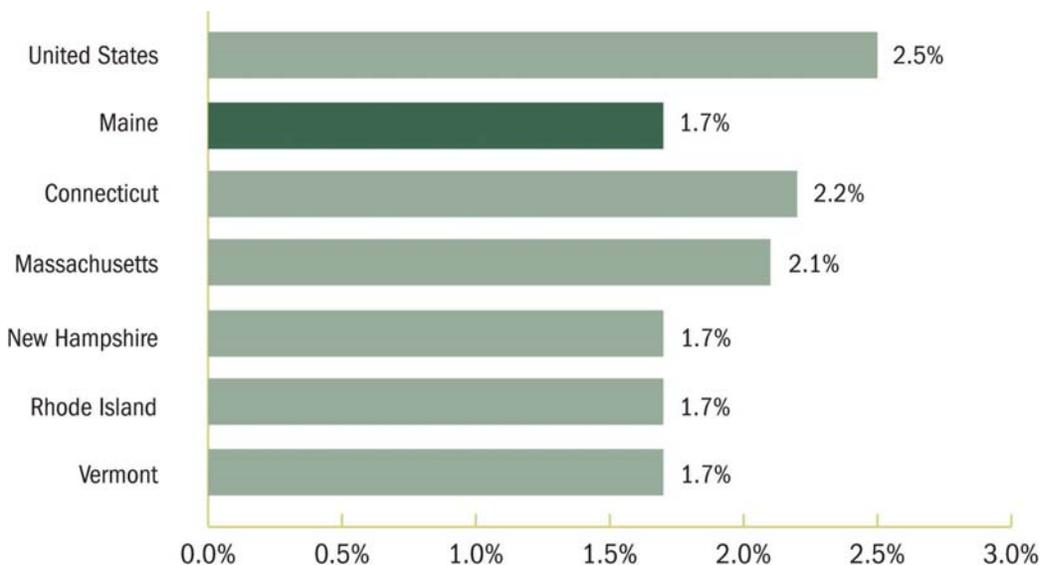
Approximately 70% of Maine taxpayers do not itemize their taxes¹¹ and therefore do not receive a tax deduction for their charitable contributions, so it is difficult to quantify their generosity. This is typical for the rest of the country as well. For those who do itemize, we have the following information:

- Median Maine income lags behind the U.S. and the rest of New England, resulting in a lower average charitable giving per itemizer.
- Maine and the rest of New England continue to lag behind the national average for charitable giving; however, the gap between the national average and the Maine average has remained less than 1% over the last five years.

Figure 8: Average Charitable Contribution of Itemizers, 2005



Figure 9: Percent of Income Contributed by Itemizers, 2005



Source: National Center for Charitable Statistics



Conclusion: Adding Up the Impact

Maine has one of the most robust nonprofit sectors in the country¹² supported by one of the smallest philanthropic communities,¹³ proving that Maine's nonprofits are strong, innovative and efficient partners in prosperity.

In a 2007 statement to Congress about the role of nonprofits, Stanley J. Czerwinski, Director of Strategic Issues for the Government Accountability Office, observed:

“Virtually every American interacts with the nonprofit sector in his or her daily life through a broad range of concerns and activities such as health care, education, human services, job training, religion, and cultural pursuits. In addition, federal, state, and local governments rely on nonprofit organizations as key partners in implementing programs and providing services to the public.”

Imagine Maine without nonprofits. Would we still retain our high quality of life, which so clearly represents Maine's strong community values of people and place? We hope this report provides a better understanding of the role nonprofits play in ensuring prosperous communities with strong social fabric. When nonprofits partner with government, business, and concerned citizens in pursuit of a common goal, everyone profits.

Acknowledgements

This third edition of our report on nonprofit economic impact would not have been possible without the generous support of many organizations.

We would like to express our sincere thanks to Coastal Enterprises, Inc., Jobs for Maine's Graduates, Kennebec Behavioral Health, the Maine Department of Labor, Maine Land Trust Network, Maine Technology Institute, Northern Maine Development Corporation, Preble Street Resource Center, and Schoodic Arts for All, who supplied the impact stories that were key elements of this report.

The National Council of Nonprofit Associations has generously shared templates and text with us. The text from page five is largely adopted from their report on the economic impact of the nation's nonprofit sector. Their report can be found at www.ncna.org.

The Nonprofit Roundtable of Greater Washington just released a report titled, “Beyond Charity: Recognizing Return on Investment”. We used their format in presenting the eight impact studies in the body of this report. Their report can be found online at www.nonprofitroundtable.org.

This report was funded equally by the Maine Community Foundation, the Unity Foundation, and member support of the Maine Association of Nonprofits.





About the Maine Association of Nonprofits



The Maine Association of Nonprofits (MANP) is an association of over 650 nonprofit members and more than 100 corporate supporters which provides a broad range of tools, resources, services and information to the Maine nonprofit sector. MANP offers management training programs, Guiding Principles & Practices for Nonprofit Excellence in Maine tools, a searchable vendor database, a staff helpline, legislative alerts, the Dirigo Awards for Nonprofit Excellence, a job board, a searchable database of effective nonprofit management practices, employment and economic reports on the sector, and a group purchasing program for health care and employee benefits. MANP is part of a national network of over 40 state associations working to advance, connect and strengthen our country’s vibrant nonprofit sector.

About the Maine Community Foundation



Founded in 1983, the Maine Community Foundation (MaineCF) is one of the leading charitable resources for donors seeking to provide long-term support to strengthen Maine communities. Known for its innovative grant program, financial strength and prudent investment strategies, MaineCF is a public charity incorporated in Maine and governed by a statewide volunteer Board of Directors. A professional staff works in three program areas: grantmaking and program initiatives; resource development and philanthropic services; and finance and investments. The foundation serves as a civic leader, convener and sponsor of special initiatives in the arts, social capital, education and other fields. With assets totaling \$240 million, MaineCF has awarded more than \$125 million in grants and scholarships since its founding.

About the Unity Foundation



The Unity Foundation was established as a public grantmaking foundation in 2000 by the late Bert G. Clifford of Unity, Maine. Bert and Coral Clifford wanted to build the capacity of well-managed nonprofit organizations across the United States to fulfill their missions to arts/culture/recreation, community/economic development, education, the environment, and youth. In Maine, three nonprofits — Good Will-Hinckley, Unity College, and the Four Square Foundation — were named as supported organizations of the Unity Foundation. These and other nonprofits across the country are eligible to apply for Opportunity Grants and Annual Grants, collaborative projects with one or more of the Unity Foundation’s three designated nonprofits. The Unity Foundation remains committed to the dream of its founder, Bert G. Clifford, who passed away in August 2001. His vision of supporting high-performance, mission-driven nonprofits that demonstrate “best practices” in administration and management remains our guiding principle.



SUPPORTING DATA

Figure 10: Reporting c3 Nonprofits in Maine by County, 2005

County	2005 Population*	Number of Organizations	2005 Nonprofits/ 1000 People	Expenditures	Assets	Expenditures as a % of Gross State Product
Androscoggin	108,039	131	1.21	\$742,838,019	\$1,045,032,102	1.7%
Aroostook	73,240	91	1.24	\$321,104,796	\$198,937,789	0.7%
Cumberland	274,950	642	2.33	\$1,864,336,586	\$3,408,456,186	4.2%
Franklin	29,704	52	1.75	\$129,553,022	\$94,159,629	0.3%
Hancock	53,660	164	3.06	\$401,103,368	\$802,608,071	0.9%
Kennebec	120,986	244	2.02	\$936,648,617	\$1,365,225,587	2.1%
Knox	41,219	141	3.42	\$231,134,428	\$317,084,242	0.5%
Lincoln	35,240	100	2.84	\$136,386,250	\$271,108,187	0.3%
Oxford	56,628	82	1.45	\$134,434,868	\$145,854,328	0.3%
Penobscot	147,068	210	1.43	\$977,453,068	\$1,205,653,090	2.2%
Piscataquis	17,674	25	1.41	\$52,119,250	\$53,932,064	0.1%
Sagadahoc	36,962	57	1.54	\$54,533,473	\$215,861,679	0.1%
Somerset	51,667	40	0.77	\$122,562,405	\$158,775,400	0.3%
Waldo	38,705	61	1.58	\$98,969,722	\$143,875,481	0.2%
Washington	33,448	73	2.18	\$97,646,965	\$106,879,668	0.2%
York	202,315	219	1.08	\$658,593,099	\$756,834,256	1.5%
Unclassified		1		\$14,564,106	\$11,578,331	0.0%
Maine Totals	1,321,505	2,333	1.77	\$6,973,982,042	\$10,301,856,090	15.5%
US Totals	295,859,883	313,790	1.06	\$1,087,512,827,163	2,091,343,434,134	8.3%

*US Census Bureau

Reporting c3 Nonprofits in Maine by Expenditure Level, 2005

Expenditure Level	Number of Charities	Assets	Expenditures	Percent of Total Charities	Percent of Total Assets	Percent of Total Expenditures
Less than \$100,000	967	235,275,172	42,659,949	41.45%	2.28%	0.61%
\$100,000 - \$499,999	736	560,575,932	173,476,900	31.55%	5.44%	2.49%
\$500,000 - \$999,999	174	305,429,349	122,909,292	7.46%	2.96%	1.76%
\$1,000,000 - \$4,999,999	279	1,307,151,740	654,783,768	11.96%	12.69%	9.39%
\$5,000,000 - \$9,999,999	65	768,658,680	466,066,446	2.79%	7.46%	6.68%
Greater than \$10,000,000	112	7,124,765,217	5,514,085,687	4.80%	69.16%	79.07%
Total	2,333	10,301,856,090	6,973,982,042	100.00%	100.00%	100.00%

Number, Expenditures, and Assets of Reporting c3 Nonprofits in Maine by Field, 2005

Type of Charitable Nonprofit	Number	Percent of Total	Expenditures	Percent of Total Expenditures	Assets	Percent of Total Assets
All Others	30	1.3%	40,717,581	0.6%	36,838,053	0.4%
Arts, Culture, Humanities	281	12.0%	82,253,024	1.2%	297,454,831	2.9%
Community Improvement, Public/Societal Benefit	206	8.8%	152,020,400	2.2%	498,739,571	4.8%
Education excluding Higher Education	354	15.2%	267,258,656	3.8%	874,463,218	8.5%
Environment/Animal Related	202	8.7%	86,009,307	1.2%	407,263,208	4.0%
Health Care/Mental Health excluding Hospitals	355	15.2%	1,206,302,362	17.3%	1,308,738,065	12.7%
Higher Education	19	0.8%	472,928,825	6.8%	2,266,726,647	22.0%
Hospitals	54	2.3%	3,655,307,460	52.4%	3,328,246,820	32.3%
Human Services	769	33.0%	978,881,286	14.0%	1,201,754,870	11.7%
Religion Related, Spiritual Development	45	1.9%	15,613,558	0.2%	53,087,053	0.5%
Research: Science, Technology, Social Science	18	0.8%	16,689,583	0.2%	28,543,754	0.3%
Total	2,333	100.0%	\$6,973,982,042	100.0%	\$10,301,856,090	100.0%



For more information, see:

Maine Association of Nonprofits (<http://www.nonprofitmaine.org>)

Maine Community Foundation (<http://www.mainecef.org>)

Unity Foundation (<http://www.unityfdn.org>)

National Center for Charitable Statistics at the Urban Institute (<http://www.nccs.urban.org>)

The Foundation Center (<http://www.fdncenter.org>)

Endnotes

¹ See Corporation For National & Community Service; Volunteering in America 2007; www.nationalservice.gov

² See U.S. Department of Commerce, Bureau of Economic Analysis; Gross Domestic Product By State; www.bea.gov

³ See Mondello, Gass, McLaughlin, & Shore; Cost of Homelessness; September 2007; <http://www.mainehousing.org/Documents/HousingReports/CostOfHomelessness.pdf>

⁴ See Maine Department of Labor; Working Maine, The Labor Market Experiences of the 1998 Graduating Class of Jobs for Maine's Graduates; July 2007

⁵ See Kennebec Behavioral Health, 2006 Annual Report; <http://www.kbhmaine.org/about.html>

⁶ See the Maine Land Trust Network; The Public Benefit of Conserved Lands, 2005

⁷ See Eric Stein, Quantifying the Economic Cost of Predatory Lending, A Report from the Coalition for Responsible Lending, Durham, NC,) October 2001; and See Sen. Charles Schumer, Chair and Rep. Carolyn Maloney, Vice-Chair, The Subprime Lending Crisis: The Economic Impact on Wealth, Property Values and Tax Revenues and How We Got There. Report and Recommendations by the Majority Staff of the Joint Economic Committee, October 2007.

⁸ See Maine Small Business Development Centers, 2006 Annual Report: Chrisman Report 2006 covering 2004-2005 activity.

⁹ See Eric Stein, Quantifying the Economic Cost of Predatory Lending, A Report from the Coalition for Responsible Lending, Durham, NC,) October 2001; and See Sen. Charles Schumer, Chair and Rep. Carolyn Maloney, Vice-Chair, The Subprime Lending Crisis: The Economic Impact on Wealth, Property Values and Tax Revenues and How We Got There. Report and Recommendations by the Majority Staff of the Joint Economic Committee, October 2007.

¹⁰ See Carla Dickstein, Hannah Thomas and Uriah King, Predatory Mortgages in Maine: recent trends and the persistence of abusive lending in the subprime mortgage market. Coastal Enterprises, Inc. Wiscasset, ME. 2006.

¹¹ See IRS Statistics of Income; <http://www.irs.gov>

¹² See the bottom two lines of Figure 10 in Supporting Data

¹³ See The Foundation Center, Fiscal Data of Grantmaking Foundations by Region and State, 2005



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