

MONTANA'S  
**NONPROFIT**  
SECTOR  
IN BRIEF

RELEASED JANUARY 2013



**Montana Nonprofit Association**

# MONTANA'S NONPROFITS ARE...

## *...a Partner*

The public, private, and nonprofit sectors are a “three legged stool” supporting **a vibrant Montana** now and for the future. Nonprofits are mission-driven corporations governed by community leaders who often represent government and for-profit enterprise.

## *...a Civic Response*

All 501(c)(3) nonprofit organizations are a response to needs identified by citizens. Montana's nonprofits **reflect our people and our values**—from promoting arts and sciences to preserving indigenous cultures and languages, protecting civil rights and animal habitat, providing hunter safety, caring for our children and elders, fulfilling our spiritual needs and so much more.

## *...a Benefit to the Community*

All 501(c)(3) nonprofits start out as corporations that trade shareholder earnings for **community betterment**, private ownership for **community stewardship**, and personal gain for **the greater good**.

## *...an Employer*

44,794\* Montanans are employed by a 501(c)(3) organization, making up **10.6% of Montana's workforce**.

## *...in Every Corner of Montana*

Montana is home to 6,448 501(c)(3) nonprofits.\* Present in 55 of 56 counties,\*\* nonprofit support civic interest and communities **in the furthest reaches of our state**.

\*Montana Department of Labor and Industry, *2011 Quarterly Census of Employment and Wages*

\*\*Urban Institute, NCCS DATAWEB, IRS Business Master File, 12/2011



# MONTANA VOLUNTEERS

Nonprofit impact requires professional talent, effective partnerships, the generous support of Montana citizens, and **the power of volunteers**. To execute their innovative strategies in a cost-effective way, nonprofits depend on a unique structure of support very unlike the other two sectors. Nonprofits are governed by a volunteer board and use “boots on the ground” volunteers to deliver services.

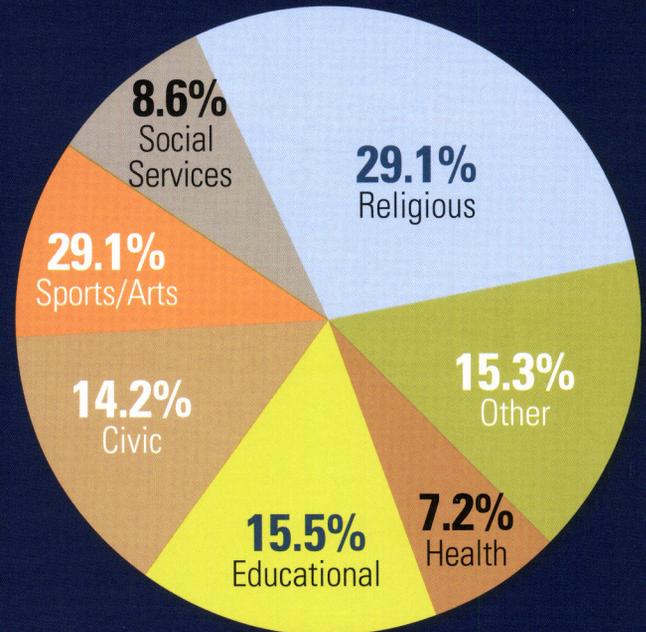
31% of Montanan's donated time in 2010 compared with the national average of 26.3%. Of those, 27.1% volunteered to do general labor and 20.5% volunteered professional or management skills. This exceeds the national rates of 20.3% and 16.4% respectively.

## Montana Is Ranked 12th for Volunteer Rate

- **255,600** volunteers
- **33.3% of residents volunteer** - ranking them 12th among the 50 states and Washington, DC
- **33.4 million hours of service**
- **43.5 hours per resident**—ranking them 7th among the 50 states and Washington, DC
- **\$714.2 million of service contributed**

Source: Corporation for National and Community Service. [www.volunteeringinamerica.gov/MT](http://www.volunteeringinamerica.gov/MT)

## Where People Volunteer



## MANY MISSIONS...ONE VOICE

With more than 650 nonprofit member organizations, Montana Nonprofit Association is the voice of Montana's 501 (c)(3) Nonprofit Sector. The Montana Nonprofit Association (MNA) was founded in 2001 as a membership organization that promotes a strong nonprofit sector in Montana through advocacy, affordable products and services, training and education, research and information sharing, and network building.

- MNA's membership is comprised of more than 650 members serving their communities all across Montana.
- More than 35% of MNA's members are rural, and many are national or international in scope.
- Our membership employs over 7,000 full-time and 5,000 part-time employees.
- MNA members have an aggregate budget of \$550,000,000 and an aggregate payroll of \$240,000,000.
- MNA promotes a strong nonprofit sector in Montana by supporting excellent nonprofit leadership and management practices, effective cross-sector partnerships, and awareness of the value of nonprofits in Montana's communities.

To learn more about the Montana Nonprofit Association or Montana's nonprofit sector, please contact us at **(406) 449-3717** or visit us online at **[www.mtnonprofit.org](http://www.mtnonprofit.org)**



Montana Nonprofit Association

# The Diversity of Nonprofits in Montana

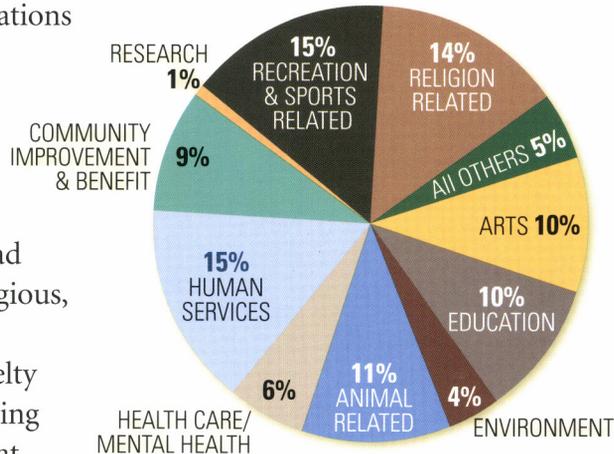
Tax Exempt Organizations

Registered with IRS

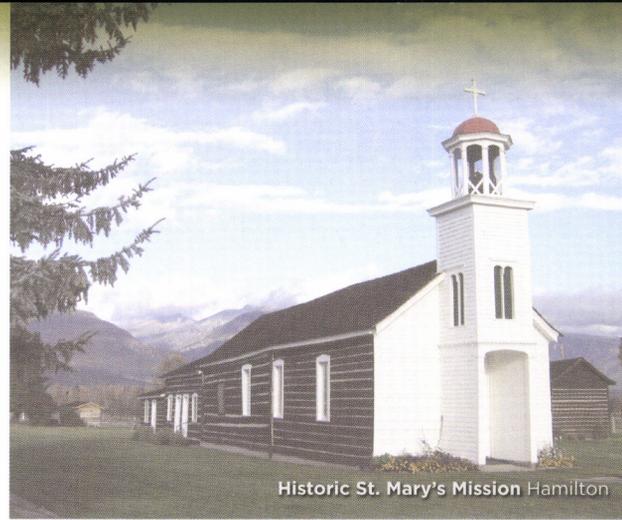
Tax Exempt Organizations	Registered with IRS
<b>501(c)(3) - Charitable</b>	<b>6,448</b>
Private Foundations	327
Public Charities	6,121
All other 501(c) subsections	3,463

The IRS recognizes more than 30 types of tax exempt entities under Section 501c. Organizations granted 501(c)(3) status are called “charitable” nonprofit organization. To be charitable, an organization must do mission work focused in one of only 8 broad areas: charity, education, religious, scientific, literary, testing for public safety, preventing cruelty to children or animals, fostering amateur sports competition at either national or international level.

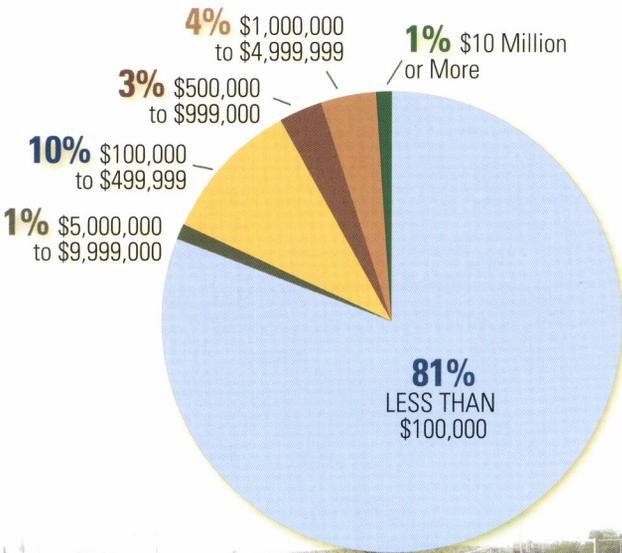
## Distribution of Mission Types In Montana



Source: Urban Institute, NCCS DATAWEB, IRS Business Master File, 12/2011



## Distribution of Budget Sizes in Montana



Of the 6,448 501(c)(3)s in Montana,\* 4017 have no paid staff at all. Far from inactive, these small organizations include food pantries, sports leagues, local historical societies, garden clubs, after school programs, church auxiliaries, and much more.

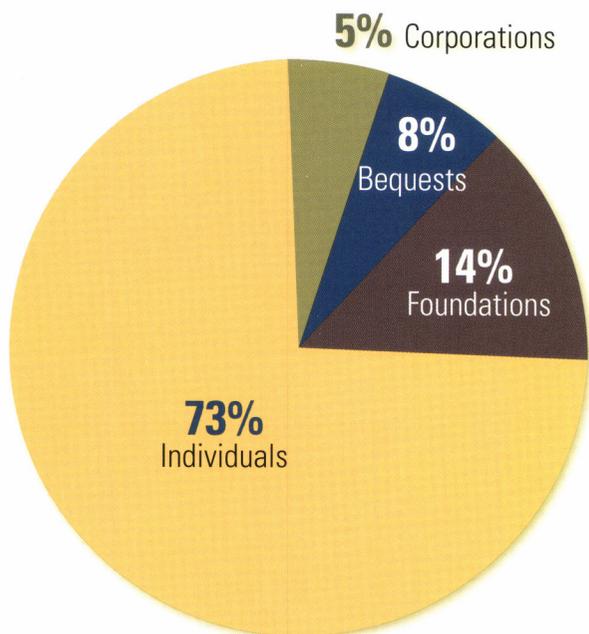
Source: Urban Institute, NCCS DATAWEB, IRS Business Master File, 12/2011



# Montana Supports Nonprofits

A 2010 report by the Urban Institute entitled *Profiles of Individual Charitable Contributions by State, 2008* showed that while Montana's Average Adjusted Gross Income per Return were ranked 48th in the country, Montanans were 30th in the country for the average charitable contribution per return. Further, when the average contribution was calculated using only itemizers, Montana ranked 24th in the US.

## US Donation Percentages by Source



Source: The Center on Philanthropy at Indiana University, *Giving USA 2012: The Annual Report on Philanthropy for the Year 2011—Executive Summary*

## Montana Statewide Charitable Contributions

Total Contributions

**\$494**  
MILLION

Average Charitable Contribution

**\$1,041**

Average Adjusted Gross Income

**\$45,426**

State AGI Ranking

**48<sup>th</sup>**

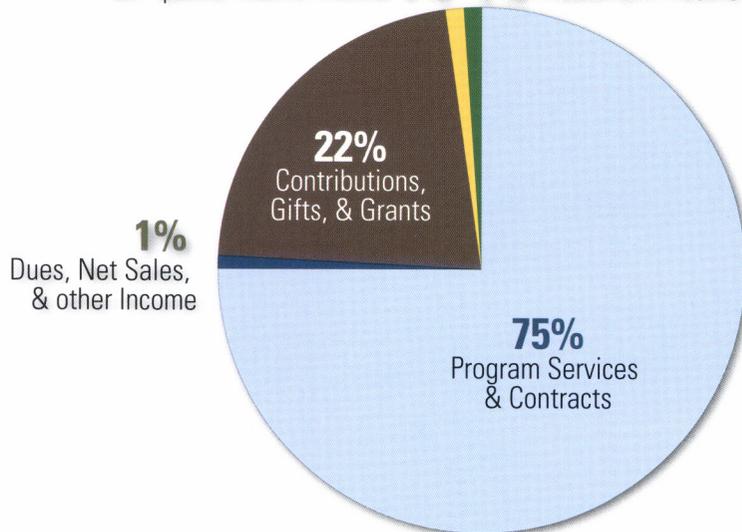
State Average Contribution Ranking

**30<sup>th</sup>**

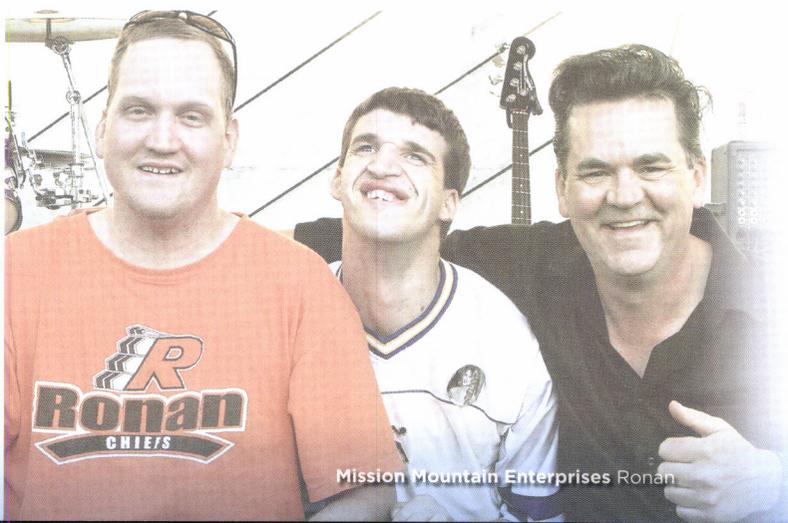
Source: October 2012 Urban Institute, *Profiles of Individual Charitable Contributions By State, 2010*

## Montana Revenue Percentages by Source

Net Special Events Income **1%** Investment Income **1%**



Source: National Center for Charitable Statistics, 501(c)(3) Public Charities: Revenue Source by County (Core 2010PC)



# THE NONPROFIT ROLE IN MONTANA'S ECONOMY

Montana's nonprofits are a robust part of our state's economy with over 10% of the state's workforce and almost 45,000 employees across the state.

Sector	Establishments	Employees	% of total	% of total Employees
 GOVERNMENT GOVERNMENT	2,215	83,228	5.26%	19.69%
 CHARITABLE NONPROFITS	<b>2,086*</b>	<b>44,794</b>	<b>4.96%</b>	<b>10.6%</b>
 OTHER TAX-EXEMPT CORPORATIONS	522	4,548	1.24%	1.08%
 BUSINESS	37,231	<del>29,017</del> 29,068	88.53%	68.64%

\* does not include C3's that do not report paying wages or churches.

**34%**  
of Montana's 501(c)(3) nonprofits pay wages. These businesses employ

**10.6%**  
of Montana's total workforce. Total wage contribution to Montana's GDP from 501(c)(3) nonprofits is

**\$1.54 BILLION DOLLARS**

Source: Montana Department of Labor and Industry, 2011 Quarterly Census of Employment and Wages

## Total Number of Wage Paying 501(c)(3) Nonprofits in Montana

City	Total Establishments	Total Employment	Total Wages	Number of Nonprofits per 1000 Residents
Billings	203	7,565	\$325,275,584	5.58
Bozeman	170	3,117	\$111,621,210	11.68
Butte	76	1,539	\$34,928,263	4.98
Great Falls	136	4,545	\$176,041,640	5.87
Helena	185	4,051	\$141,502,764	15.49
Kalispell	85	3,471	\$142,184,613	13.09
Missoula	226	4,972	\$145,845,956	8.84
Rural	1005	15,534	\$442,876,056	4.97
<b>Statewide</b>	<b>2,086</b>	<b>44,794</b>	<b>\$1,546,119,679</b>	<b>6.07</b>

Source: Montana Department of Labor and Industry, 2011 Quarterly Census of Employment and Wages

**▶ 48%**

of wage paying 501(c)(3) nonprofits operate outside of the seven major Montana cities

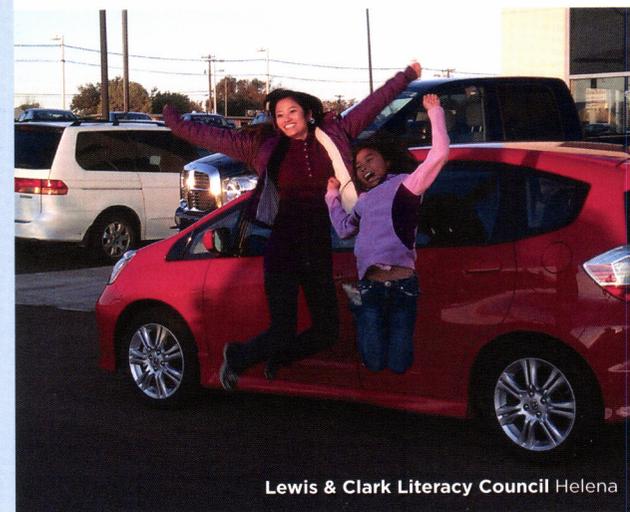
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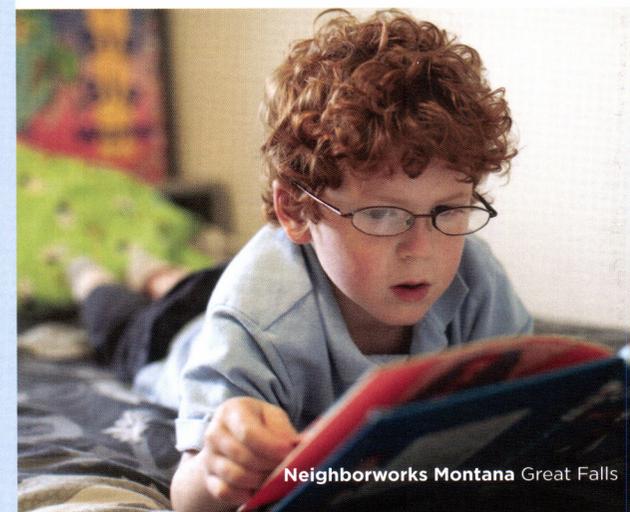
International Organic Inspector's Association Broadus



Youth Homes Missoula



Lewis & Clark Literacy Council Helena



Neighborworks Montana Great Falls