

ANNUAL REPORT

STATE OF NONPROFITS & PHILANTHROPY

IN SAN DIEGO

JUNE 2015



University of San Diego

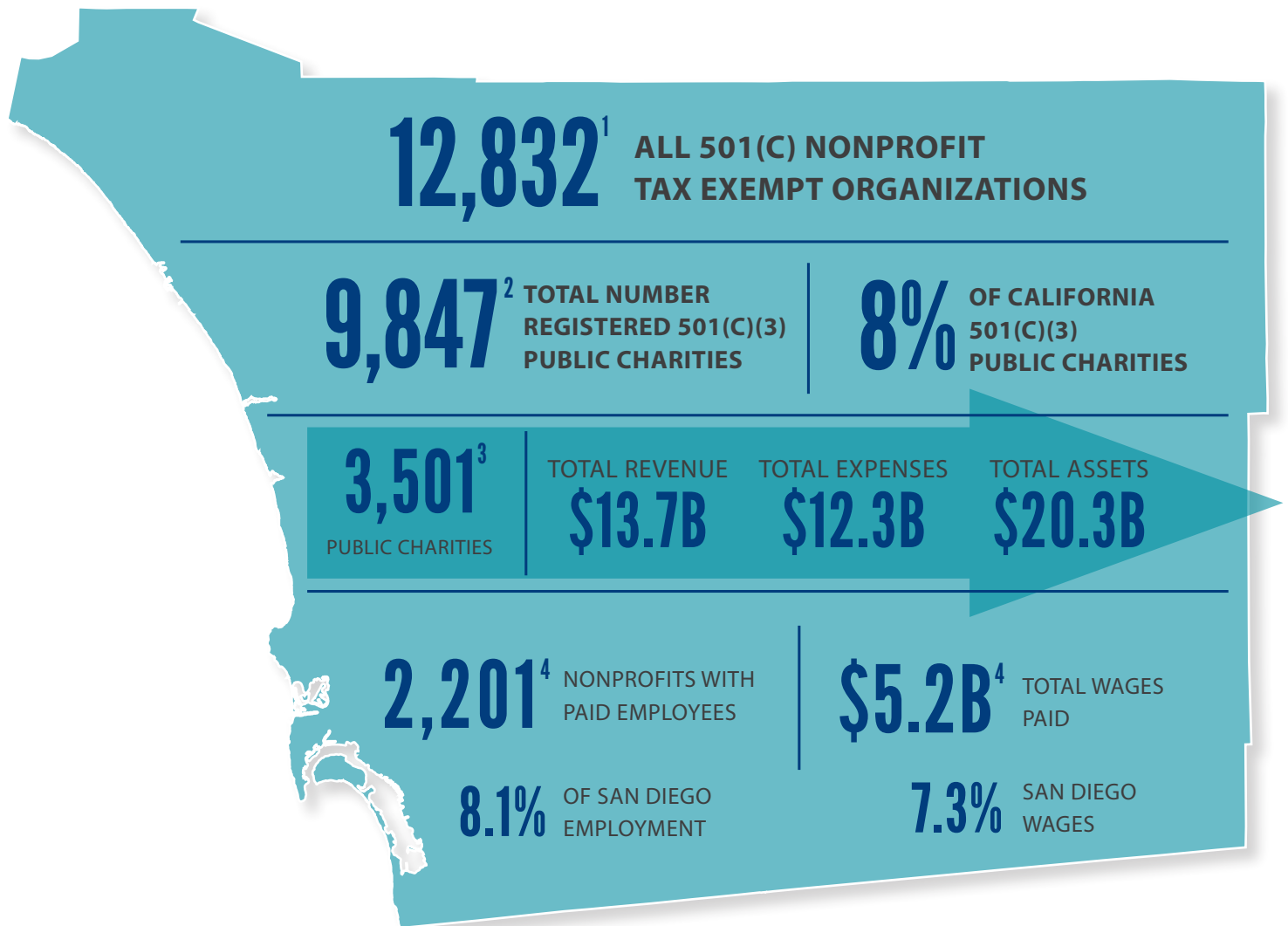
SCHOOL OF LEADERSHIP AND EDUCATION SCIENCES

Caster Family Center for Nonprofit and Philanthropic Research

San Diego Nonprofits: What is the Economic Impact?

For nearly a decade, The Caster Family Center for Nonprofit and Philanthropic Research (Caster Center) has gathered and analyzed data to tell the story of San Diego's diverse, growing, and influential nonprofit and philanthropic sector.

This year's State of Nonprofits and Philanthropy report documents the increased economic impact of the sector as revenue, assets, and employment continue to grow. Furthermore, our State of Nonprofit Quarterly Index (SONP) and survey data from nonprofit leaders indicate that, overall, the sector is moving in a positive direction.



SAN DIEGO COUNTY

1 Data Source: National Center for Charitable Statistics, Urban Institute, Business Master Files, May 2015

2 Data Source: National Center for Charitable Statistics, Urban Institute, Core Files, 2012

3 Data Source: National Center for Charitable Statistics, Urban Institute, 501(c)(3) Public Charities Filing IRS Forms 990 and 990-EZ (circa 2012)

4 Data Source: Labor Market Information Division, California Economic Development Department, 2013



Private Foundations in San Diego⁵

756 TOTAL NUMBER OF PRIVATE FOUNDATIONS

62 ORGANIZATIONS WITH PAID STAFF

241 EMPLOYEES

TOTAL REVENUE
\$578.7M

TOTAL EXPENSES
\$323.5M

TOTAL ASSETS
\$2,769.5M

GRANTS DISTRIBUTED
\$263.2M

AVERAGE QUARTERLY GROWTH IN SAN DIEGO EMPLOYMENT⁶ 2009 vs 2013



TOTAL SAN DIEGO WAGE GROWTH 2009 vs 2013



SAN DIEGO NONPROFIT ORGANIZATIONS BY SUBSECTOR⁷

Subsector	Total Number	% of Total	Total Revenue (in Millions)	% of Total	Assets (in Millions)	% of Total
Arts, Culture, Humanities	429	12.3%	\$273.4	2.0%	\$762.8	3.7%
Higher Education	15	0.4%	\$820.4	6.0%	\$1,919.0	9.4%
Education, Other	746	21.3%	\$1,067.2	7.8%	\$2,354.0	11.6%
Environment	197	5.6%	\$408.4	3.0%	\$600.9	3.0%
Hospitals	9	0.3%	\$6,176.7	45.1%	\$7,552.3	37.3%
Health, Other	358	10.2%	\$1,888.7	13.8%	\$2,467.1	12.2%
Human Services	1,162	33.2%	\$1,965.1	14.3%	\$2,344.0	11.6%
International	122	3.5%	\$152.8	1.1%	\$80.6	0.4%
Mutual, Public, & Societal Benefit	463	13.2%	\$943.9	6.9%	\$2,181.1	10.8%
TOTAL	3,501	100.0%	\$13,696.6	100.0%	\$20,261.8	100.0%

⁵ Data Sources: National Center for Charitable Statistics, Urban Institute, 501(c)(3) Private Foundations Filing IRS Form 990-PF (circa 2012) and Labor Market Information Division, California Economic Development Department, 2013

Note: Does not include community foundations, which are registered as Public Charities

⁶ Data Source: Labor Market Information Division, California Economic Development Department, 2013

⁷ Data Source: National Center for Charitable Statistics, Urban Institute, 501(c)(3) Public Charities Filing IRS Forms 990 and 990-EZ (circa 2012)

Where Are the Nonprofit Jobs in San Diego?

Average Quarterly Employment by Subsector⁸

International	332
Arts, Culture, and Humanities	2,607
Environment	3,209
Mutual, Public, and Societal Benefit	3,478
Religion Related	3,578
Human Services	21,156
Health (includes Hospitals)	31,043
Education (includes Higher Education)	40,100
TOTAL	105,503

Types of Nonprofit Jobs Advertised in 2014⁹

PAID JOBS IN 2014		UNPAID JOBS IN 2014 <i>(Internships and volunteer opportunities)</i>	
Fundraising	11%	Fundraising	30%
Grantmaking	3%	Grantmaking	6%
Management	14%	Management	3%
Program	43%	Program	31%
Support	27%	Support	27%
Technology	2%	Technology	3%



53% of Nonprofit Leaders Plan to Hire for Newly-Created Positions in 2015

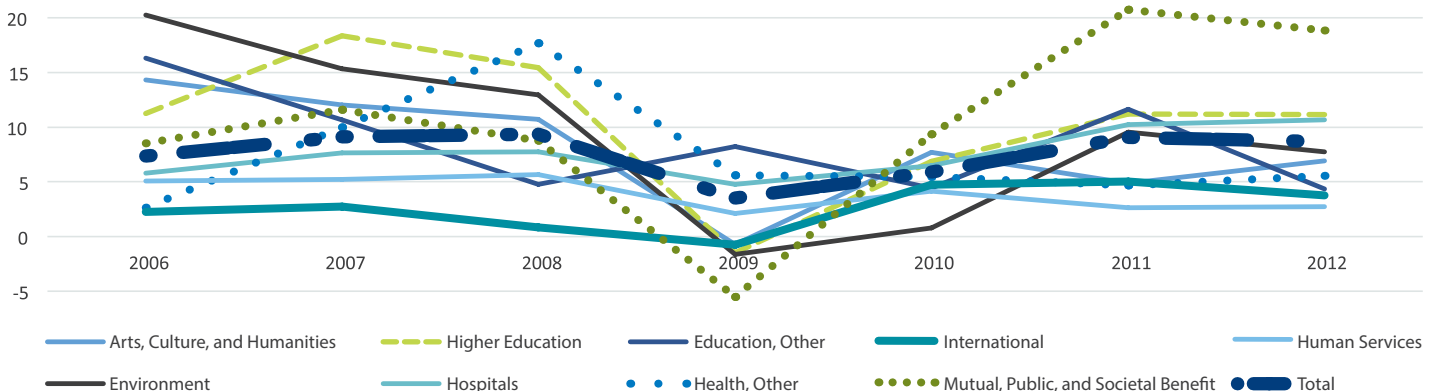


17% of Nonprofit Leaders Plan to Eliminate At Least One Existing Position in 2015¹⁰

How Are San Diego Nonprofits Performing Post-Recession?

San Diego Nonprofits Generating Surpluses

AVERAGE SURPLUS MARGIN RATIO BY ORGANIZATION TYPE¹¹
 Surplus Margin = End of Year Surplus or Deficit ÷ Total Revenue



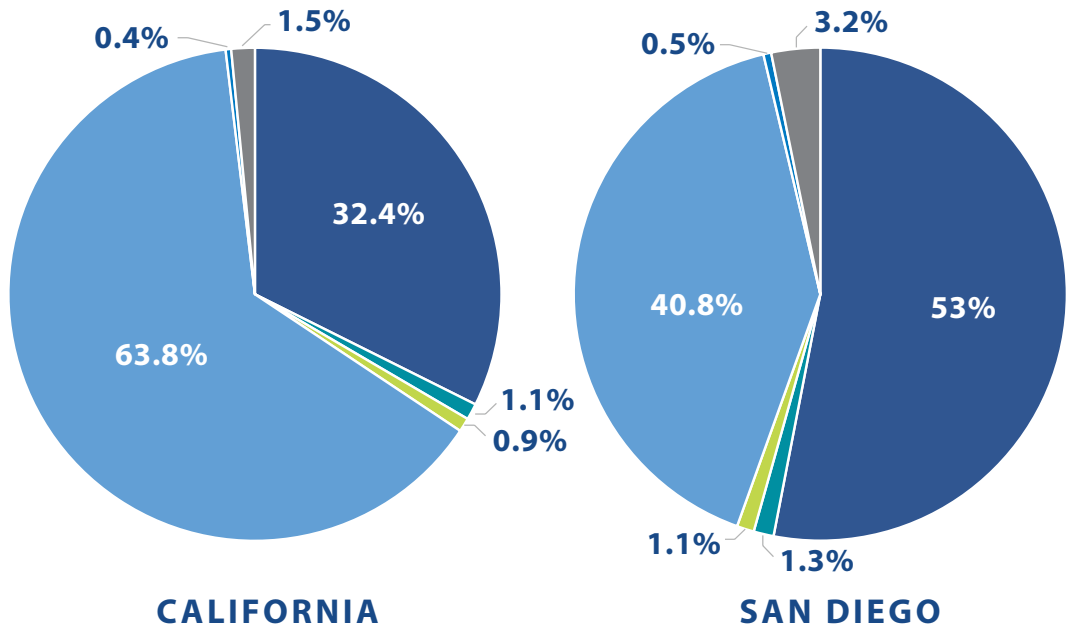
8 Data Source: Labor Market Information Division, California Economic Development Department, 2013
 9 Data Source: www.npworks.org (Nonprofit Management Solutions)
 10 Data Source: Caster Center for Nonprofit and Philanthropic Research 2015: *Nonprofit Leadership Survey*
 11 Data Source: NCCS Core Files (circa 2006-2012)

How do San Diego Nonprofits Generate Revenue?

San Diego Nonprofits Receive a Greater Proportion of Contributions than California Nonprofits¹²

REVENUE SOURCES OF 501(C)(3) PUBLIC CHARITY ORGANIZATIONS *Excludes Hospitals and Higher Education*

- Contributions
- Program Revenue
- Special Events
- Investment Income
- Sale of Assets
- Other Income



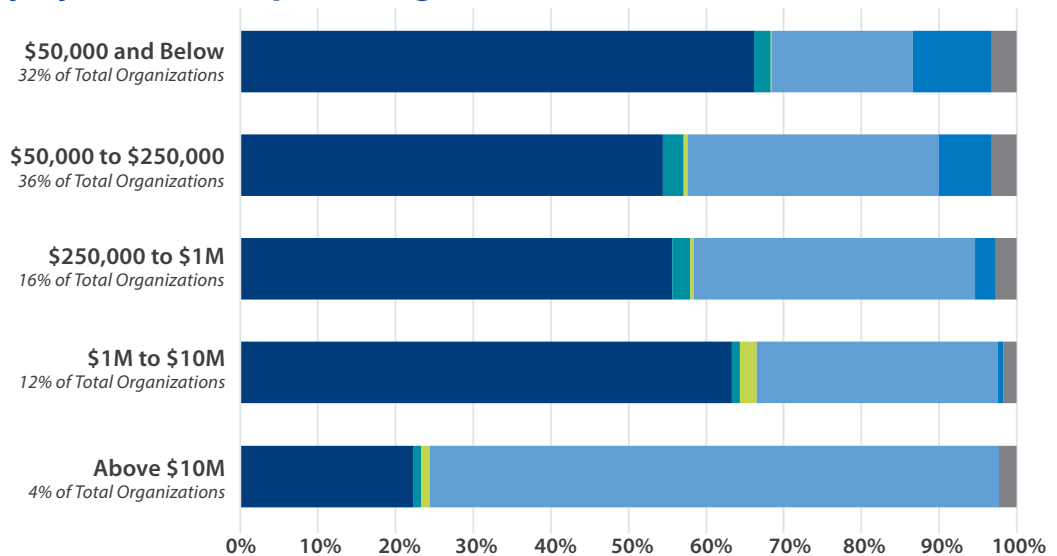
SOURCES OF CONTRIBUTED INCOME



Revenue Sources Vary by Size of Nonprofit Organization

REVENUE SOURCES BY OPERATING BUDGET SIZE

- Contributions
- Program Revenue
- Special Events
- Investment Income
- Sale of Assets
- Other Income



¹² Data Source: CalNonprofits Data File (circa 2012)

¹³ "Other" Includes: Federated Campaigns, Membership Contributions, Fundraising Event Contributions, and Support from Related Organizations

What is the Health and Well-Being of the Nonprofit Sector in San Diego?

SAN DIEGO

STATE OF NONPROFITS

QUARTERLY INDEX

Since its inception in 2011, the Caster Center's State of Nonprofits Quarterly Index (SONP) has charted the economic health

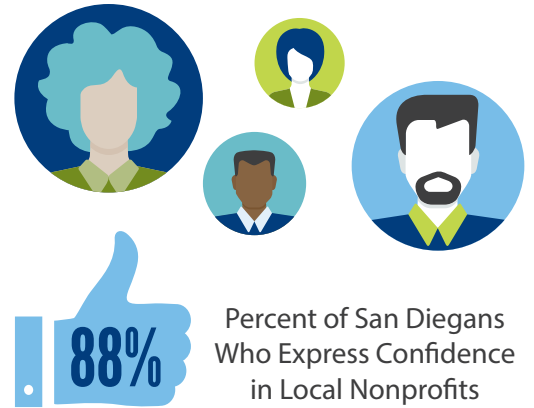
of nonprofits in San Diego. Published quarterly, the SONP tracks six distinct indicators important to the vitality of the San Diego nonprofit sector. The data provided here represent the average of four quarters in 2014.

To learn more about the SONP and our Trend Reporters, please visit our website at stateofnonprofits.org



PUBLIC CONFIDENCE

Public confidence in the nonprofit sector is vital to the sector's existence and sustainability. The SONP consistently finds that at least eight out of ten San Diegans say they have confidence in local nonprofits.



INDIVIDUAL GIVING

Charitable giving in San Diego remains fairly steady, with approximately one-half of households making monetary contributions to local nonprofits.



49%
of Households
Gave Monetary Donations
to a San Diego Nonprofit
in 2014

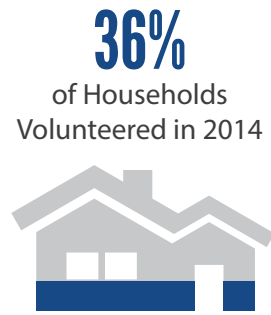


Average Dollars Given
per Household in 2014
per Quarter



VOLUNTEERISM

In 2014, slightly more than one-third of San Diego households volunteered for a local nonprofit, and spent the equivalent of four days volunteering throughout the year.



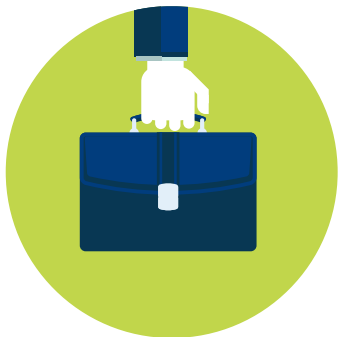
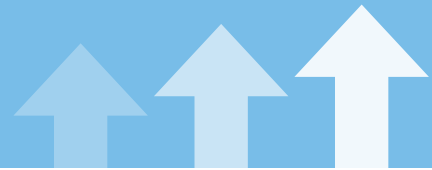
23 HOURS
Average Volunteer
Hours per Household
in 2014 per Quarter

DEMAND FOR SERVICES

The SONP utilizes data from 2-1-1 San Diego – a local nonprofit that connects people with community, health, and disaster services – to track demand for vital human services throughout the county. In 2014, demand for food and housing services declined slightly, while demand for income and employment support services increased.



The SONP indicates the San Diego nonprofit sector is moving in a positive direction.



EMPLOYMENT/NONPROFIT JOB POSTINGS

The nonprofit sector has been leading the economy in terms of job growth, both locally and nationally. In 2014, there were a total of 2,470 paid positions and 472 unpaid positions posted on NPWorks.org (hosted by Nonprofit Management Solutions).



618 Average Paid Nonprofit Jobs
Posted in 2014 per Quarter

COUNTY UNEMPLOYMENT

The unemployment rate provides data about the economic status of San Diego's total population. It serves as an indicator of charitable giving capacity and demand for nonprofit social services, among other things. Overall, the unemployment rate in San Diego has decreased consistently since the inception of the Index.

5.3%
Unemployment Rate in
San Diego County
(as of February 2015)

San Diego Nonprofits: What Does the Future Look Like?

NONPROFIT LEADERS TELL US THAT...¹⁴



THE GENERAL ECONOMIC HEALTH OF THEIR ORGANIZATION IS:

Very/Somewhat Weak	20%
Moderate	27%
Very/Somewhat Strong	53%



THE FUNDRAISING AND REVENUE GENERATION OUTLOOK FOR THEIR ORGANIZATION IS:

Very/Somewhat Weak	20%
Moderate	37%
Very/Somewhat Strong	42%
Don't Know	1%



NONPROFIT ORGANIZATIONS IN SAN DIEGO ARE MOVING IN THE RIGHT DIRECTION

Disagree	8%
Neither Disagree or Agree	33%
Agree	52%
Don't know	7%



¹⁴ Data Source: Caster Center for Nonprofit and Philanthropic Research 2015: *Nonprofit Leadership Survey*



LOOKING FORWARD

Our 2015 *Nonprofit Leadership Survey* identified several trends that raise the following important questions for the future of San Diego's nonprofit and philanthropic sector:

- Solving community problems requires effective, cross-sector (collective impact) oriented approaches. What can be done to create meaningful collaboration for *true* collective action?
- Innovative solutions come from both small and large organizations, yet grantmakers tend to fund larger organizations. How can we create a system where new ideas can be tested regardless of who proposes them?
- An increasing number of foundations are providing general operating funds. However, nonprofit leaders and board members remain focused on immediate fundraising needs. How can we generate more flexible and sustainable capital that will stabilize operations and allow leaders to plan more strategically to address the needs of an evolving San Diego region?

SPONSORS

We recognize and thank our SONP and annual report sponsors:



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