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.


4. Data Source: Labor Market Information Division, California Economic Development Department, 2013
Private Foundations in San Diego

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 EMPLOYMENT

Nonprofit Sector Employment +11%
All Other Sector Employment +4%

TOTAL SAN DIEGO WAGE GROWTH

Nonprofit Sector Wages +29%
All Other Sector Wages +15%

SAN DIEGO NONPROFIT ORGANIZATIONS BY SUBSECTOR

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

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
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) Private Charities Filing IRS Forms 990 and 990-EZ (circa 2012)
Where Are the Nonprofit Jobs in San Diego?

Average Quarterly Employment by Subsector

<table>
<thead>
<tr>
<th>Subsector</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>International</td>
<td>332</td>
</tr>
<tr>
<td>Arts, Culture, and Humanities</td>
<td>2,607</td>
</tr>
<tr>
<td>Environment</td>
<td>3,209</td>
</tr>
<tr>
<td>Mutual, Public, and Societal Benefit</td>
<td>3,478</td>
</tr>
<tr>
<td>Religion Related</td>
<td>3,578</td>
</tr>
<tr>
<td>Human Services</td>
<td>21,156</td>
</tr>
<tr>
<td>Health (includes Hospitals)</td>
<td>31,043</td>
</tr>
<tr>
<td>Education (includes Higher Education)</td>
<td>40,100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>105,503</strong></td>
</tr>
</tbody>
</table>

Types of Nonprofit Jobs Advertised in 2014

<table>
<thead>
<tr>
<th>Type</th>
<th>Paid Jobs</th>
<th>Unpaid Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundraising</td>
<td>11%</td>
<td>30%</td>
</tr>
<tr>
<td>Grantmaking</td>
<td>3%</td>
<td>6%</td>
</tr>
<tr>
<td>Management</td>
<td>14%</td>
<td>3%</td>
</tr>
<tr>
<td>Program</td>
<td>43%</td>
<td>31%</td>
</tr>
<tr>
<td>Support</td>
<td>27%</td>
<td>27%</td>
</tr>
<tr>
<td>Technology</td>
<td>2%</td>
<td>3%</td>
</tr>
</tbody>
</table>

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 2015

How Are San Diego Nonprofits Performing Post-Recession?

San Diego Nonprofits Generating Surpluses

**Average Surplus Margin Ratio by Organization Type**

Surplus Margin = End of Year Surplus or Deficit ÷ Total Revenue

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

Revenues Sources of 501(c)(3) Public Charity Organizations

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

Revenue Sources Vary by Size of Nonprofit Organization

- **$50,000 and Below**
  - 32% of Total Organizations
- **$50,000 to $250,000**
  - 36% of Total Organizations
- **$250,000 to $1M**
  - 16% of Total Organizations
- **$1M to $10M**
  - 12% of Total Organizations
- **Above $10M**
  - 4% of Total Organizations

**Sources of Contributed Income**

- 56% Government Grants
- 39% Individuals, Corporations, and Foundations
- 5% Other

Data Source: CalNonprofits Data File (circa 2012)

“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?

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.

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.

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

**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).

**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.

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

- **5.3%**

**Average Paid Nonprofit Jobs Posted in 2014 per Quarter**

- **618**
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%

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?

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

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