

Sector of Impact II

Economic Impact of Nonprofits in Miami-Dade County
2006 Edition



When analysts put together economic impact studies surveying our local economy and industry sectors, rarely is the nonprofit sector included or even mentioned. Our recently updated Sector of Impact study concludes that Miami-Dade's nonprofit sector directly impacts the local economy in a number of positive ways. By comparing the nonprofit sector with other areas of commerce and industry, we demonstrate this sector's influence way beyond its traditional role as provider of needed services. Contributing to the overall health of our economy, nonprofits serve as consumers of product, employers and vendors, a vibrant taxpaying workforce, a network of community leaders, policy makers and businesses. Along the way this study focuses on a different direction and, as a result, tells a compelling story of one of our community's most often overlooked "economic engines." We share this information to demonstrate how our nonprofit sector is indeed serving as a sector of impact.

Ruth Shack, President, Dade Community Foundation

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November 1, 2006

Frank R. Nero

Dear Reader:

The Beacon Council is pleased to be a partner in the update to the Sector of Impact report published by Dade Community Foundation.

This report demonstrates that the nonprofit sector in Miami-Dade County has grown since the first report was prepared in 2002 and continues to be a significant component of our local economy. Over 7,000 nonprofit organizations call Miami-Dade County home. The number of 501(c)(3) organizations has grown from 1,100 in 2002 to over 1,700 in 2006.

The growth of the nonprofit sector in Miami-Dade County is also reflected at the national level. This growth has led to greater career opportunities for individuals trained in a wide range of professions and is also opening the door for individuals who specialize in nonprofit management. Furthermore, these organizations bring in private and public funds from outside of Miami-Dade County through foundation grants, government grants and private donations.

In addition to the economic activity generated by our local nonprofit sector, this sector adds a dimension to our local economy that improves our quality of life. Our quality of life is a critical component to the Beacon Council's mission of business retention and expansion and our quality of life depends, to a great extent on our nonprofit sector.

As in 2002, we support Dade Community Foundation's effort to report this information to the community. Our nonprofit sector deserves the attention of the business community not only as a means of giving back to the community by way of charitable contributions, but as a means of investing in our community to maintain our quality of life.

Sincerely,

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CEO and President

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Purpose & Profile of the Nonprofit Sector

The Sector of Impact was first issued in the Fall of 2002 for the purpose of putting the nonprofit sector of the economy in the proper context of the local economy of Miami-Dade County and estimating the value of the business activity that occurs in this sector. Four years later, Dade Community Foundation has updated the data to reflect the current impact of this economic sector. The nonprofit sector continues to represent a significant, dynamic and growing part of the local economy in terms of its size, revenue generation and employment.

This Sector of Impact update reflects new as well as updated information from the original report, and based on the updated research, the nonprofit sector in Miami-Dade County has grown since our first review. The diversity of the sector includes local hospitals, educational institutions, museums and performing arts organizations and many other organizations and institutions that contribute to the quality of life of our community. While data for the 2002 report was limited to 501(c)(3) public charities, new data now captures additional information and this report includes the broader picture of the total number of registered nonprofit organizations in Miami-Dade County. The registered nonprofits encompass the following three categories:

- 501(c)(3) public charities include most nonprofit organizations involved in the arts, education, health care, human services, community service, and community foundations, etc.
- 501(c)(3) private foundations are primarily (but not exclusively) private grantmaking organizations.
- Other exempt organizations registered with the IRS include trade unions, business leagues, social and recreational clubs, and veterans associations classified under varying sections of the IRS code.

In Miami-Dade County, as of May 2006, the number of registered nonprofit organizations was 7,354. To put this number into the context of the total number of corporations in Miami-Dade County, the registered nonprofits represent about 9% of the 83,000 corporations.

Project Methodology

This update reflects information from many of the same sources used for the original 2002 report, especially Internet research. As with the original report, in the course of gathering information, the consultant researched economic and employment statistical records that are contained in State and Federal websites such as the State of Florida Agency on Workforce Innovation, Department of Employment Statistics, United States Census Bureau and the Department of Labor. This update also includes Dun and Bradstreet data.

The first and foremost source of data for the update is the National Center for Charitable Statistics (NCCS). NCCS is the national repository of data on the nonprofit sector in the United States. Its mission is to develop and disseminate high quality data on nonprofit organizations and their activities for use in research on the relationships between the nonprofit sector, government, the commercial sector, and the broader civil society. The NCCS database provided the data regarding the number of 501(c)(3) corporations filed with the Internal Revenue Service as well as Gross Receipts and Assets reported to the IRS.

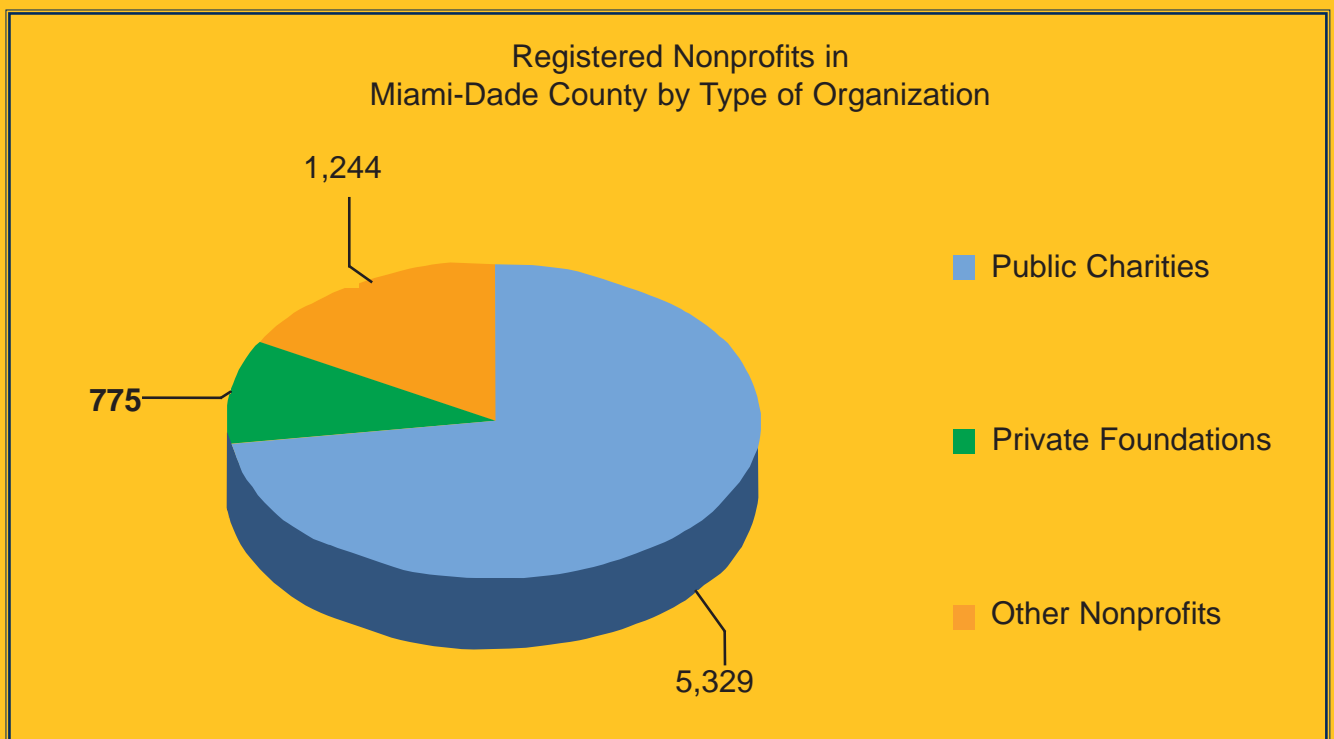
Dade Community Foundation is please to again partner with The Beacon Council, Miami-Dade's Official Economic Development Organizations. For this update, The Beacon Council not only provided guidance in the data analysis, the Research Department participated in the data collection process, specifically in the determination of employment estimates.

Number of Registered Nonprofits in Miami-Dade County

Description	1999	2002	2006	Increase in
				2006 vs. 1999
Arts, Culture, and Humanities	272	333	377	105
Education	324	378	434	110
Education, Higher	12	11	16	4
Environment	67	87	91	24
Health	226	284	311	85
Hospitals	26	28	25	-1
Human Services	726	933	1764	1038
International	42	70	130	88
Mutual Benefit	13	15	18	5
Public and Societal Benefit	477	614	684	207
Religion	405	560	709	304
Unknown	3081	3017	2795	-286
TOTAL	5671	6330	7354	1683

Summary & Highlights

- The nonprofit sector continues to be a sector that is growing. This is true on a national level as well. As of May 2006, Miami-Dade has a total of 7,354 registered nonprofits - a 16% increase over the 6,330 registered nonprofits reported in 2002 and up 30% over the 5,671 reported in 1999.
- Almost 9% of all the corporations in Miami-Dade County are classified as nonprofits.
- The greatest growth since 1999 occurred in the area of Human Services.
- Miami-Dade County's total registered nonprofit organizations number 7,354. This represents 11.5% of the registered nonprofit organizations for the State of Florida, making Miami-Dade the county with the largest percentage of such organizations.
- Total value of assets reported by all registered nonprofits in Miami-Dade to the IRS as of May 2006 is \$14,349,411,942. This represents a 74% increase over the assets reported in 1999 (\$8,237,103,581) and 58% increase over the assets reported in 2002 (\$9,083,957,643).
- Gross receipts for all registered nonprofits in Miami-Dade reported to the IRS as of May, 2006 is \$12,587,595,904. This represents 15.5% of the total gross receipts reported statewide.
- Based on data drawn from the 2002 Economic Census as well as current information on the current number of nonprofits registered in Miami-Dade County, it is estimated that the nonprofit sector accounts for approximately 76,741 jobs in Miami-Dade County.
- The category of 501(c)(3) public charities with the highest annual gross receipts is Hospitals with \$2,776,171,886.
- The category of 501(c)(3) public charities with the highest number of firms is Human Services with 540 firms.
- The category of 501(c)(3) public charities with the highest value of asset reported to the IRS is Hospitals with \$2,918,188,541.



Focus on 501(c)(3) Public Charities

The data used in this section of the report focuses on 501(c)(3) public charities. The data looks at the number that registered as 501(c)(3)s and analyzes revenue information of the smaller subset of those that file tax returns with the Internal Revenue Service (IRS). It must be noted that approximately two-thirds of the organizations that are registered with the IRS do NOT file a tax return for a variety of reasons. Congregations and some other religious organizations as well as organizations with less than \$25,000 in gross receipts are in this category that do not file returns.

Miami-Dade County, All

Includes most **nonprofit** organizations involved in the arts, education, health care, human services, and community service, as well as many others.

Number of Registered Firms:	5,329
No. of Organizations Filing Form 990:	1,734
Gross Receipts Reported on Form 990:	\$8,134,608,217
Assets Reported on Form 990:	\$9,047,309,694

Miami-Dade County, Arts

Private **nonprofit** organizations whose primary purpose is to promote appreciation for and enjoyment and understanding of arts, culture, and humanities.

Number of Registered Firms:	459
No. of Organizations Filing Form 990:	232
Gross Receipts Reported on Form 990:	\$201,718,881
Assets Reported on Form 990:	\$294,838,894

Miami-Dade County, Education

Private **nonprofit** organizations whose primary purpose is to promote primary and secondary education. This category includes libraries.

Number of Registered Firms:	924
No. of Organizations Filing Form 990:	240
Gross Receipts Reported on Form 990:	\$452,972,547
Assets Reported on Form 990:	\$529,488,256

Miami-Dade County, Environment and Animals

Private **nonprofit** organizations whose primary purpose is to promote environment, pollution abatement and control, natural resources conservation and protection, botanical, horticultural and landscape services, environmental beautification, environmental education, and animal related organizations including advocacy, protection and welfare, wildlife preservation, veterinary services, and zoos and aquariums.

Number of Registered Firms:	113
No. of Organizations Filing Form 990:	46
Gross Receipts Reported on Form 990:	\$37,885,829
Assets Reported on Form 990:	\$69,242,179

Miami-Dade County, Higher Education

Private **nonprofit** organizations whose primary purpose is to promote higher education, including two-year and undergraduate colleges, universities, graduate and professional schools, and adult education.

Number of Registered Firms:	13
No. of Organizations Filing Form 990:	9
Gross Receipts Reported on Form 990:	\$2,121,851,657
Assets Reported on Form 990:	\$2,412,875,864

Miami-Dade County, Health

private **nonprofit** organizations whose primary purpose is to promote health care, public health, nursing care, mental health and crisis intervention, substance abuse dependency, prevention and treatment, diseases, disorders and medical disciplines and medical research.

Number of Registered Firms:	378
No. of Organizations Filing Form 990:	204
Gross Receipts Reported on Form 990:	\$1,038,621,539
Assets Reported on Form 990:	\$ 768,945,077

Focus on 501(c)(3) Public Charities

In 2002, the Sector of Impact report indicated that based on 1999 data, Miami-Dade County had 1,102 public charities (501 (c)(3) registered in Miami-Dade County that filed 990 tax returns, as of May 2006, that number has increased to 1,734. This section shows the distribution of organization by categories. Also included in this total number are 126 private nonprofit organizations - 22 of which filed 990s - that are not associated with any of the listed categories, with total receipts reported of \$10,967,998 and assets of \$4,623,669.

Miami-Dade County, Hospitals

Private **nonprofit** organizations whose primary purpose is to operate community health systems, general hospitals, specialty hospitals, group health practices and community clinics.

Number of Registered Firms:	13
No. of Organizations Filing Form 990:	10
Gross Receipts Reported on Form 990:	\$2,776,171,886
Assets Reported on Form 990:	\$2,918,188,541

Miami-Dade County, Human Services

Private **nonprofit** organizations whose primary purpose is to promote legal and crime-related, employment, food, agriculture and nutrition, housing and shelter, public safety, disaster preparedness and relief, recreation and sports, youth development and human services.

Number of Registered Firms:	1,247
No. of Organizations Filing Form 990:	540
Gross Receipts Reported on Form 990:	\$908,026,546
Assets Reported on Form 990:	\$960,289,908

Miami-Dade County, International

Private **nonprofit** organizations whose primary purpose is to promote international, foreign affairs, and national security.

Number of Registered Firms:	148
No. of Organizations Filing Form 990:	77
Gross Receipts Reported on Form 990:	\$134,526,707
Assets Reported on Form 990:	\$94,711,198

Miami-Dade County, Mutual Benefit

Private **nonprofit** organizations whose primary purpose is to operate for the benefit of their members including insurance providers, pension plans, retirement funds, fraternal societies, and cemeteries.

Number of Registered Firms:	11
No. of Organizations Filing Form 990:	3
Gross Receipts Reported on Form 990:	\$15,284,106
Assets Reported on Form 990:	\$15,015,497

Miami-Dade County, Public Benefit

Private **nonprofit** organizations whose primary purpose is to promote civil rights, social action and advocacy, community improvement and capacity building, philanthropy, volunteerism and grant making organizations, science and technology, social science and public and societal benefits

Number of Registered Firms:	512
No. of Organizations Filing Form 990:	232
Gross Receipts Reported on Form 990:	\$397,028,020
Assets Reported on Form 990:	\$942,990,646

Miami-Dade County, Religion

Private **nonprofit** organizations that are religious organizations, religious media, and interfaith coalitions.

Number of Registered Firms:	1,385
No. of Organizations Filing Form 990:	204
Gross Receipts Reported on Form 990:	\$39,552,501
Assets Reported on Form 990:	\$36,100,145

FOCUS

ON 501(C)(3) PUBLIC CHARITIES

501(c)(3) Public Charities ranked by Number of Organizations filing with the IRS:

<u>Category of Organization</u>	<u>No. of Organizations</u>
Human Services	540
Educations	240
Arts	232
Public Benefit	232
Health	204
Religion	119
International	77
Environment	46
Mutual Benefit and Unknown	25
Hospitals	10
Higher Education	9

501(c)(3) Public Charities ranked by Gross Receipts Reported to the IRS

<u>Category of Organization</u>	<u>Gross Receipts</u>
Hospitals	\$2,776,171,886
Higher Education	2,412,875,684
Health	1,038,621,539
Human Services	908,026,546
Education	452,972,547
Public Benefit	397,028,020
Arts	201,718,881
International	134,526,707
Religion	39,552,501
Environment	37,885,829
Mutual Benefit and Unknown	26,252,104

501(c)(3) Public Charities ranked by Assets Reported to the IRS

<u>Category of Organization</u>	<u>Assets</u>
Hospitals	\$2,918,188,541
Higher Education	2,412,875,684
Human Services	960,289,908
Public Benefit	942,990,646
Health	768,945,077
Education	529,488,256
Arts	294,838,894
International	94,711,198
Environment	69,242,179
Religion	36,100,145
Mutual Benefit and Unknown	19,639,166

COMPARISONS

TOP 25 EMPLOYERS IN MIAMI-DADE COUNTY

The top 25 private and nonprofit institutions in Miami-Dade County employ a total of 96,143 employees. The five nonprofit companies listed below employ a total of 28,976 or 30% of the total. Compared to the 2002 Sector of Impact report, these companies have either retained their ranking or moved up in rank, as is the case with Mercy Hospital, which moved from 25th place in 2002 to 13th place in 2006. In terms of employment, these nonprofits have moved up in ranking and the number of employees has increased from 22,330 to the current number of 28,976.

<u>Company</u>	<u>Rank</u>	<u>No. of Employers</u>
Baptist Hospital	2	10,826
University of Miami	3	9,874
Mount Sinai Medical Center	11	3,264
Miami Children's Hospital	12	2,600
Mercy Hospital	13	2,412

Employment in Nonprofit Sector

The number of nonprofits exceeds the number of firms associated with other local industries that are considered drivers of our local economy. This information is based on the 2002 Economic Census compiled by the U.S. Census Bureau.

Number of Establishments

Retail trade	10,113
Professional Services	9,660
All Nonprofits	6,330
Hotel & Restaurant	3,935
Manufacturing	2,608
Information Technology	1,353

Ranking by Annual Payroll

Professional Services	\$2,905,134,000
Wholesale trade	2,638,935,000
Retail trade	2,320,062,000
All Nonprofits	2,204,465,000
Manufacturing	1,596,870,000
Hotel & Restaurant	1,186,134,000

Number of Employees

Retail trade	110,975
Hotel & Restaurant	81,610
All Nonprofits	76,741
Professional Services	55,525
Manufacturing	50,316
Information Technology	26,544

EMPLOYMENT IN THE NONPROFIT SECTOR

Based on data drawn from the 2002 Economic Census as well as current information on the current number of nonprofits registered in Miami-Dade County, it is estimated that the nonprofit sector accounts for approximately 76,741 jobs in Miami-Dade County. This is an increase of 15,258 jobs over a 5-year period.

Due to the diversity of the nonprofit sector — with organizations ranging from Arts to Zoos — the employment is equally as diverse. Employment data is reported by job classification and is not sorted on the basis of nonprofit versus for profit organizations. In February of 2005, the Johns Hopkins University Center Institute for Policy Studies reported the following observations regarding nonprofit employment:

- Nonprofit employment is much larger than expected and much more widely dispersed, outdistancing many major industries in its contribution to state employment and payrolls;
- Nonprofit employment is dynamic, growing more rapidly than overall employment; and
- Nonprofit wages actually exceed for-profit wages in many of the fields where both sectors operate.

Nonprofit organizations in Greater Miami provide a wealth of employment options for people with a wide range of skills, the chance to put their talents and passion to work toward improving the quality of life in Miami-Dade County. This report is intended to broaden our thinking about the role of the nonprofit sector. The pairing of some of the occupations the state uses to track labor statistics and examples of nonprofits provides a snapshot of the variety of employment opportunities and the diversity of organizations that provide them.

16. Conveyor Operator	Daily Bread Food Bank
17. Cook	Community Partnership/Homeless
18. Counselor/Psychologist	Children's Bereavement Center
19. Credit Analyst	Consumer Credit Counseling Services
20. Desktop Publisher	The Wolfsonian
21. Dishwasher	Miami Children's Hospital
22. Economist	Beacon Council
23. Education Administrator	PACE Center for Girls
24. Education Specialist	Center for Independent Living
25. Electrician	Baptist Hospital
26. Employment Specialist	Camillus House
27. Exhibit Designer	Miami Children's Museum
28. Film and Video Editor	Independent Feature Project
29. Financial Manager	ACLU Foundation
30. Fine Artist	ArtCenter/South Florida
31. Gardner	Kamong
32. General Practitioner/MD	Dr. Rafael A. Penalver Clinic
33. Health Diagnosing Practitioner	Abundant Life Health & Fitness Center
34. Health Educator	Abriendo Puertas
35. Historian	Bay of Pigs Museum
36. Image Consultant	Suited for Success
37. Interpreter/Translator	Florida Immigrant Advocacy Center
38. Lawyer	HIV Education & Law Project
39. Loan Consultant	Micro Business USA
40. Mail Clerk	Miami-Dade Community College
41. Medical Billing Clerk	North Dade Health Center
42. Mental Health Worker	New Horizons Community Center
43. Microbiologist	Florida International University
44. Music Director/Composer	New World Symphony
45. Non-farm Animal Caretaker	Humane Society
46. Nurse Practitioner	Anna Pierre Health Education Center
47. Nursery Laborer	Log Cabin Nursery
48. Paralegal	Legal Services of Greater Miami
49. Pediatrician	Jefferson Reeves Health Center
50. Personal & Home Care Aide	United Home Care Services
51. Pharmacist	Miami Beach Community Health Ctr
52. Phone Operator	Switchboard of Miami
53. Physician	Mt. Sinai Medical Center
54. Plumber	Project Teamwork
55. Postsecondary Teacher	St. Thomas Univ. School of Law
56. Preschool Teacher	Le Jardin Community Center
57. Real Estate	Trust for Public Land
58. Retail Salesperson	Douglas Gardens Thrift Shops
59. Seamstress	Miami City Ballet
60. Security Guard	Agape Women's Center
61. Set & Exhibit Designer	Florida Grand Opera
62. Shipping/Receiving Clerk	Salvation Army
63. Sound Engineering Technician	WDNA Community Public Radio
64. Tour Guide/Escort	Holocaust Memorial Center
65. Urban & Regional Planner	Collins Center
66. Veterinarian	Adopt-a-Pet

Occupation	Nonprofit Example
1. Accountant	United Cerebral Palsy Assoc.
2. Advocate/Organizer	Miami Workers Center
3. Art Director	Miami Art Museum
4. Athletic Trainer	Greater Miami Tennis Foundation
5. Atmospheric Space Scientist	Miami Museum of Science
6. Audio-Visual Specialist	Black Archives of South Florida
7. Baker	Johnson & Wales University
8. Botanist	Fairchild Tropical Gardens
9. Business Teacher	Junior Achievement
10. Chief Financial Officer	American Red Cross
11. Chief Operations Manager	Children's Home Society
12. Child Care Worker	YWCA of Greater Miami
13. Clergy	Haitian Pastors United in Christ
14. Conservationist/Environmentalist	Audubon of Florida
15. Construction Laborer	Habitat for Humanity

Conclusion

The Nonprofit Sector continues to thrive and grow in terms of its size, scope, social and economic impact, and the range of opportunities it provides for employment within the Greater Miami community.

- Many individuals who have significant roles in Miami-Dade's community leadership are employed in the nonprofit sector.
- The nonprofit sector is as diverse in the professions and trades it employs as it is in the activities that comprise the sector.
- Nonprofit organizations hire a wide variety of trades and professions.
- Employment opportunities in the nonprofit sector are growing.

Nonprofit organizations hire doctors, lawyers, accountants, professional administrators, teachers, computer specialists and many more. They hire skilled and unskilled laborers, those with experience and those just beginning their careers, professionals with a specific specialty and workers who can perform numerous tasks. The range of professions and talent in the nonprofit sector points to the varied opportunities that exist for individuals who earned advanced degrees. This diversity also provides options for those individuals who have not had the opportunity of higher education by providing the means to gain employment skills and on the job training by volunteering or taking entry jobs with nonprofit entities.

It must be noted the nonprofit sector takes risks in its employment practices for the benefit, in many cases, of those individuals who are served by the sector. It is not uncommon to find employees of a nonprofit organization to have actually been clients of the organization. This characteristic of the nonprofit sector provides many with the opportunity to gain the skills and experience necessary to succeed in the workforce.

The nonprofit sector depends on individuals who are not only well trained but committed to serving the community. It is the combination of training and community commitment that brings critical care and services to those who cannot find support elsewhere. This combination also guarantees our nonprofits will continue to serve as a force for good and as a sector of impact.

A Word About this Report

The genesis of this report occurred during the Mayor's Economic Summit in January 2002, especially its Nonprofit workshop. A recommendation calling for the completion of an economic impact study report on the nonprofit sector similar in scope to the reports compiled for other industries was a priority identified by the participants. As a result, Dade Community Foundation partnered with the Beacon Council, Miami-Dade's official economic development organization, in order to gather the necessary data, and the Foundation contracted with the Consulting Group of South Florida, Inc. to compile the information. This update demonstrates a continued commitment to understand and promote this sector of our economy.

Internet research — including review of economic and employment statistical records contained in State and Federal web sites as well as information compiled by the National Center for Charitable Statistics (NCCS) — permitted the gathering of high quality data on nonprofit organizations and their activities. It should be noted that the NCCS database of 2006 Internal Revenue Service Forms 990 filed annually by nonprofit organizations is the primary basis for the data in this report. Furthermore, data was used from the 2005-2006 Miami Business Profile and the U.S. Economic Census dated 2002. Census information is updated every five years, with the next update commencing in December 2007. Due to the lack of readily available data regarding the nonprofit sector, this report is based on a variety of sources that have been compiled over the last five years.

Diversity of Nonprofit Sector

Arts, Culture and Humanities

Civil Rights, Social Action, Advocacy

Community Improvement, Capacity Building

Crime, Legal Related

Educational Institutions and Related Activities

Employment, Job Related

Environmental Quality, Protection and Beautification

Food, Agriculture, and Nutrition

Health Care Related

Housing, Shelter

Human Services - Multipurpose

International, Foreign Affairs, and National Security

Mutual Membership Benefit Organizations

Philanthropy, Voluntarism and Grantmaking Foundations

Public, Society Benefit-Multipurpose and Other

Public Safety, Disaster Preparedness and Relief

Recreation, Sports, Leisure, Athletics

Religion Related, Spiritual Development

Science and Technology Research Institutes, Services

Social Science Research Institutes, Services

Veterinary Science, Animal Care

Youth Development

and many more.