INDUSTRY REPORT

US Nonprofit Sector

NAICS: 624, 712, 813

SIC: 8322, 8331, 8351, 8399, 8412, 8422, 8641, 8661, 8699

prepared August 3rd, 2026

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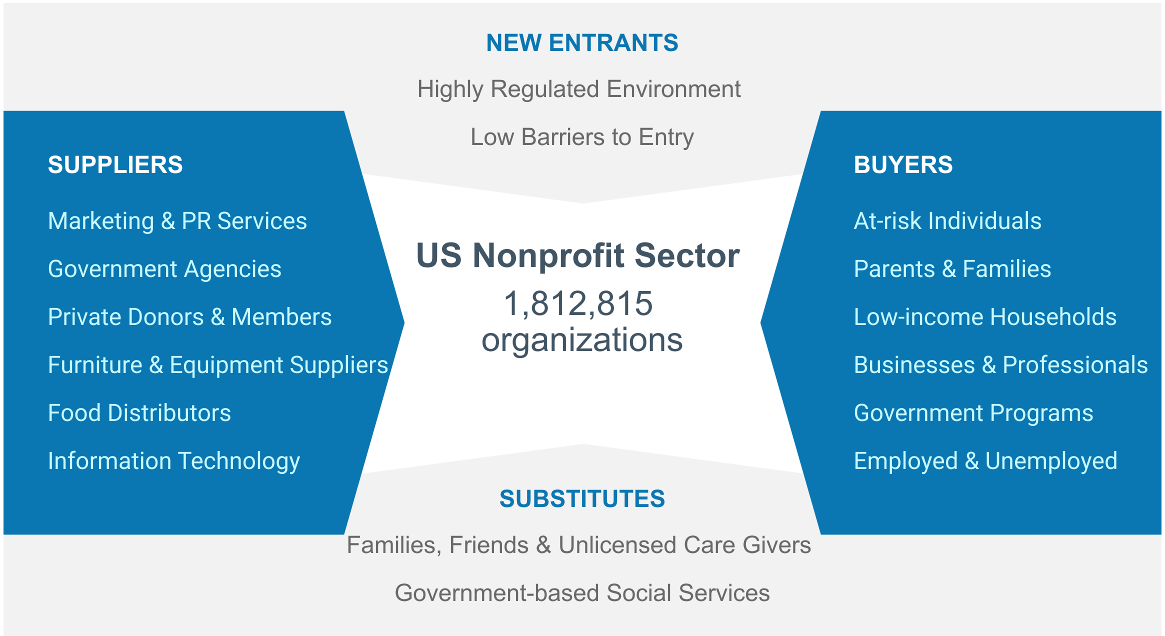
Current Conditions

Recent Developments

Jul 10, 2026 -- Liability Insurance Costs Increase

- The Connecticut Insurance Department is seeking a consultant to study whether the state should create a risk pool or captive insurance company to help nonprofits cope with rising liability insurance costs, according to the Hartford Business Journal. Insurance brokerage Risk Strategies, in its 2025 market outlook, forecast rate increases of 15% to 20% on abuse and professional liability lines for nonprofit and human services organizations, and 20% to 30% on umbrella coverage, with carriers reluctant to offer umbrella limits above $5 million. The Nonprofit Liability, Property & Casualty Insurance Working Group heard testimony in February 2026 that the problem is largely structural, driven by rising claim severity, reduced insurer capacity, reinsurance pressures, and third-party litigation funding. Some providers described being pushed into secondary markets or hit with major premium spikes after a single large claim.
- About 73% of nonprofits report an increased demand for services in 2026, according to Nonprofit Quarterly. Levels this high haven't been seen since the coronavirus pandemic. Some 66% of nonprofit leaders express deep concern about their organization’s financial stability as it becomes increasingly difficult to secure grants. About 30% of nonprofits have experienced a staffing reduction in 2026.
- US non-profit organizations eliminated tens of thousands of jobs in 2025, according to The Financial Times. Federal grant reductions or eliminations and a decrease in donations have driven the staffing cuts. The sector accounts for 10% of private payrolls, compared to 8% for manufacturing, according to the US Department of Labor. More than 300,000 non-profits employ 12.8 million US workers.
- Nonprofit industry revenue is forecast to increase at a 5.46% compounded annual rate from 2026 to 2030, faster than the growth of the overall economy, according to Inforum and the Interindustry Economic Research Fund, Inc. Nonprofits generate revenue through membership dues, subscriptions, fees for services, sales of branded products, advertising, grants, contracts, donations, fundraising, and investments. Cash flow can be seasonal with greater giving in the fourth quarter and more membership renewals in the first quarter. Social assistance revenue and revenue at museums, zoos, and parks increased 16.42% year over year and 2.63% quarter over quarter during the fourth quarter of 2025, according to the US Census Bureau.

Sector Structure



The nonprofit sector is comprised of 1.8 million organizations that employ 12.5 million workers and generate $3.7 trillion in annual revenue, according to Candid.

- Data from Candid on the nonprofit sector are based on organizations registered with the IRS as tax exempt under the 501(c) section of the IRS Code and includes both organizations with employees and those without employees.
- Nonprofits are not a separate sector as classified by the Census Bureau. The following industry categories are predominantly composed of nonprofit organizations: individual and family services; community food, housing, and relief services; vocational rehabilitation services; child day care services; museums, historical sites, and similar institutions; religious organizations; grantmaking and giving services; social advocacy organizations; civic and social organizations; and business, professional, labor, political, and similar organizations.
- The predominantly nonprofit industry categories reported by the Census Bureau represent 5.9% of the nation's Gross Domestic Product (GDP) and employ 4.8% of the country's workers.
- The sector is highly fragmented, according to Census Bureau data. The 50 largest social assistance firms account for 13% of the subsector's revenue. The 50 largest religious, grantmaking, civic, professional, and similar organizations represent 18% of that subsector's revenue. Within the museums, historical sites, and similar institutions subsector, the 50 largest firms account for 35% of its revenue.
- The nonprofit sector includes employer firms and owner-operated establishments with no employees. The owners of nonemployer firms typically perform the work or use volunteer or contract labor.

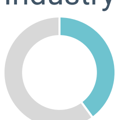
US Nonprofit Sector Subsectors

The following data is from the Census Bureau for industry categories that are predominantly composed of nonprofit organizations and includes organizations with employees.

SUBSECTOR	NO. FIRMS	AVG. REVENUE PER FIRM ($K)	AVG. NO. OF EMPLOYEES / FIRM	AVG. REVENUE / EMPLOYEE ($K)
Individual & Family Services *(NAICS: 6241)*	68,697	$2,175	28	$79
Community Food, Housing & Relief Services *(NAICS: 6242)*	11,494	$4,410	19	$227
Vocational Rehabilitation Services *(NAICS: 6243)*	3,949	$4,124	55	$75
Child Day Care Services *(NAICS: 6244)*	61,477	$925	14	$65
Museums, Historical Sites & Similar Institutions *(NAICS: 7121)*	7,405	$2,984	16	$184
Religious Organizations *(NAICS: 8131)*	184,723	$ -	8	$ -
Grantmaking and Giving Services *(NAICS: 8132)*	19,798	$8,984	10	$923
Social Advocacy Organizations *(NAICS: 8133)*	16,792	$3,018	11	$271
Civic and Social Organizations *(NAICS: 8134)*	23,008	$1,012	7	$139
Business, Professional, Labor, Political, and Similar Organizations *(NAICS: 8139)*	53,899	$1,695	8	$202
Total	**451,242**	**$3,259**	**19**	**$241**

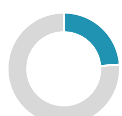
Source: Census Bureau

Industry Demographics



Female Owned

39.9%



Minority Owned

23.8%

Veteran Owned

1.8%

Source: Census Bureau

Sector Profits and Operations

Profit Drivers

Successful Fundraising from Private Donors and Foundations

Many nonprofit organizations rely on donations from individuals, businesses, and foundations for a substantial portion of their annual revenue. Establishing and maintaining strong relationships with major donors is a key role for organization executives. Transparent reporting of the usage of funds and results achieved can also help recruit and retain donors. Nonprofits also invest in fundraising events, advertising, and digital marketing to grow donations.

Growing Membership Dues and Client Fees

Besides donations, nonprofits also rely on membership dues, event fees, merchandise sales, and fees charged to clients for services to fund their operations. Membership dues can provide a steady and reliable funding source, providing the organization attains a high member retention rate. Expanding the services offered to members and clients can help in retention and growing client fees. However, organizations serving low-income clients may have difficulty increasing client fees.

Streamlining Operations to Reduce Overhead

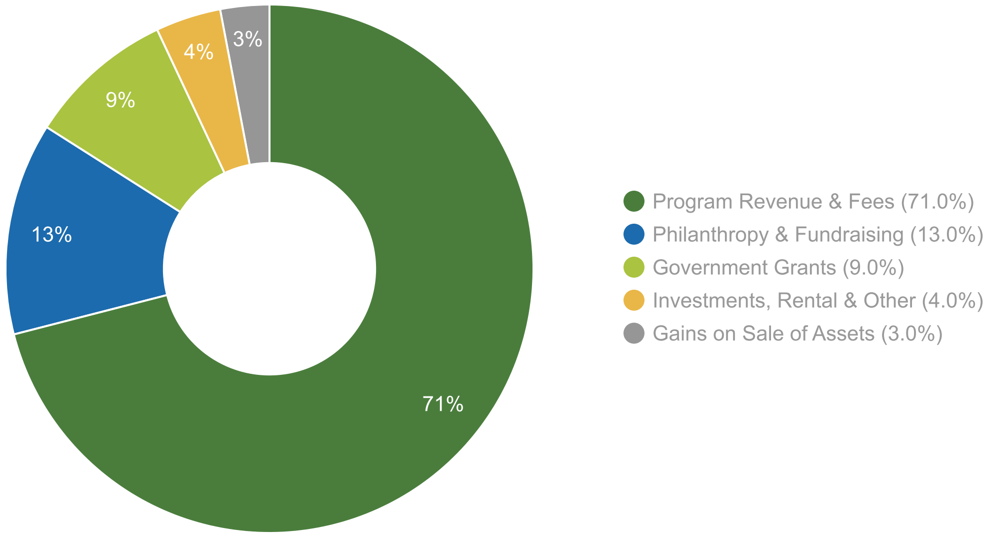
Nonprofit organizations try to keep a low overhead rate to increase money available to serve clients and demonstrate good stewardship of donated funds. Organizations typically rely heavily on volunteers to reduce staffing costs. They may also invest in information systems to automate client and donor management, volunteer scheduling, financial accounting and reporting, and other administrative processes.

Products and Operations

Nonprofit organizations provide services to and promote the interests of their communities, donors, members, and industries.

- Sources of revenue include public and private contributions and grants, membership fees, events (seminars, conferences, trade shows), investment income, training and educational services, advertising, publications and merchandise sales.
- Firms typically employ managers and specialized staff, but may rely heavily on volunteers to provide services. The level of volunteers' experience can vary significantly. Some roles require formal education, extensive training or specific expertise. Other roles, such as serving food in a soup kitchen or manning phones during a fundraising drive, can be filled by volunteers with no experience and little guidance.
- Nonprofit firms, generally classified as 501(c), are exempt from federal taxation.
- Most nonprofits have a website that accepts online donations and provides information for volunteering.

FUNDING SOURCES FOR NONPROFITS



Source: Candid

The social services subsector includes individual and family services, community food and housing services, emergency and other relief, vocational rehabilitation, and child day care services. Operations vary depending on the type of client served and services offered. These nonprofits serve children, youth, seniors, the disabled, the underprivileged, disaster and abuse victims, ex-offenders, substance abusers, and people seeking counseling and vocational training. Firms operate crisis centers and hotlines, homeless shelters, soup kitchens and food pantries, and youth and senior centers. Services include youth foster and adoption, outreach programs, senior companion and adult day care, nonmedical homecare, delivery services, counseling, mentoring, rehabilitation, family mediation, legal services, parenting support and relocation services.

Social services firms are highly dependent on government contracts, grants, and contributions from private organizations and individuals to fund their operations. Winning contracts and grants from government agencies or philanthropic organizations usually requires submitting a formal proposal and bid for delivering services.

Marketing activities are primarily focused on volunteer and member recruitment and fundraising. Nonprofits operate websites and use social media and advertising to communicate and publicize their missions.

This subsegment includes museums, historical sites, zoos, botanical gardens and nature parks. These nonprofits focus on the preservation and exhibition of sites, objects, animals, nature, culture, science and history. Museums and zoos often use traveling exhibits and animal trading programs in which collections or animals move from location to location in order to share the cost of curation and acquisition and to add new attractions to the location.

In addition to the sector's traditional revenue, these nonprofits may earn funds through admissions, tours, retail centers, lodging, and restaurants. Memberships are typically charged annually and provide perks such as discounts on merchandise and priority admission to special exhibits and events.

Marketing and promotional vehicles include television, radio, print, and newspaper advertising; direct mail; and Internet/email programs. Websites complement marketing programs by featuring regular and special exhibits.

This subsegment includes religious institutions, grantmaking and giving services, human rights organizations, environmental and conservation groups, wildlife organizations, civic and social organizations, business associations, professional organizations, labor unions and organizations, and political organizations.

These organizations typically operate using a membership model. Membership may be open or by invitation only. Referrals and word of mouth are important methods of recruiting new members. Most organizations run programs to increase participation and membership retention.

Religious institutions include churches, synagogues, mosques, temples, and other worship facilities. These organizations may also operate schools and healthcare facilities, which can provide additional sources of revenue. Some of these schools and healthcare facilities offer low- or no-cost education and health services in which costs are covered by charitable donations and grants.

Grantmaking and giving services are classified by their source of funding: public, private, community, family, independent, or corporate. The vast majority are private, independent foundations that are funded by an endowment from a single source. Foundations award grants based on the preferences of the foundation managers and grantors and typically have defined boundaries or areas of focus, such as a certain geographic region or philanthropic interest. A foundation may review thousands of grant applications each year. Staff require a broad range of skills, including the ability to manage donor relations, human resources, and community relations.

Environmental, conservation and wildlife organizations promote the preservation and protection of the environment and wildlife regarding issues of clean air and water, global warming, natural resource development and conservation, and protection of endangered species and their habitats. The subsector also includes humane societies, which focus primarily on the treatment of domesticated animals. These organizations are actively involved in influencing regulations and corporate activities that impact the environment, conservation of resources, and wildlife protection.

Business, professional and labor organizations focus on industry and related workforce development and employment rights. Civic, social and political organizations focus on the development of community and social interests, citizen and voter engagement, and matters related to human rights and regulation. National organizations such as scouting and fraternities operate through local and regional chapters.

Sector Trends

Privatization of Social Services

Efforts to reduce government spending have spurred interest in outsourcing social services delivery to non-profit organizations and for-profit firms. These efforts are opposed by unions for public employees and have had mixed results in terms of promised cost savings and quality improvements. The latest privatization focus is "pay-for-success" programs where the government sets specific goals to be achieved and private investors and philanthropic organizations finance the work of non-profits to deliver services on behalf of the government. The investors receive "success payments" only if the desired results are achieved. A growing number of states are considering or developing pay-for-success programs.

Growing Elderly Population

Demand for services for the elderly is projected to grow as the US population ages. Due to the aging of the Baby Boomers, by 2030 more than 20% of US residents are projected to be aged 65 and over. The number of US residents aged 65 and older is projected to grow from 56 million in 2020 to 73 million in 2030 and 85 million in 2050. The elderly population in the US is also forecast to become more ethnically and culturally diverse in the coming decades.

Changing Family Structure

The changing nature of families and households affects both demand for social services and strategies for delivering those services. There were 39.7 million one-person households in 2025, accounting for 29% of all households, up from 20% in 1975. The portion of householders age 65 and older rose from 1 in 5 in 1975 to over 1 in 4 in 2025. The percentage of families with their own children under age 18 in the household decreased from 54% in 1975 to 39% in 2025. More than half (58%) of adults ages 18 to 24 lived in their parental home in 2025, compared to 16% of adults ages 25 to 34.

Civic and Social Engagement Indicators

Some indicators point to a decrease in civic and social engagement in the US while others remain stable, according to the National Conference on Citizenship and the Corporation for National & Community Service. The national volunteer rate peaked at 30% in 2018 but decreased to 25% of in 2023, according to USAFacts. Civic and social engagement can vary widely between markets. State rates of informal volunteering in 2023 ranged from around 46% to 68% while formal volunteering rates hovered between 19% and 47%. The value of a volunteer hour reached $34.79 in 2025, according to Independent Sector.

Online Marketing

Nonprofit organizations have embraced online marketing tools to communicate with potential donors and volunteers. Nearly all have a website that provides information on their mission, current activities and needs, how to volunteer, and how to donate. They send out regular emails to past volunteers and donors and accept donations online. Many are also using social media to stay in touch with volunteers and donors and promote upcoming events and activities.

Crowdfunding Generates Revenue

Many organizations have turned to crowdfunding and other technology-based programs to help generate revenue. Crowdfunding solicits small donations from a large number of people with common interests. Some organizations used Kickstarter to raise funds for start-ups, collections and acquisitions. Organizations have implemented mobile giving campaigns through text messaging and offered freebies and other incentives for small donations. “Micro-giving” allows organizations to develop relationships with less affluent consumers and nurture ongoing support.

Declining Membership Drives Mergers

Some large organizations have taken to merging neighboring chapters or facilities to avoid having to shut down operations within a weak market. While a merger can create stability within a local chapter or facility, the overall membership or client base sometimes decreases as a result. The newly merged organization typically has greater capabilities and cash flow than either original chapter or facility, individually. Realignment can also pair weaker operations with stronger ones to improve the performance of the weaker operation.

Spending on Political Activities

Labor unions, social advocacy groups, trade associations, and political organizations play an important role in elections. Financial support is provided through PACs, and individual members and affiliates also contribute to political campaigns. Funds are often used for political activity and expenses, such as polling fees and campaigns to educate and persuade members and citizens to vote for group-endorsed candidates. Over 260 labor groups raised almost $190 million for PAC activities, over 700 trade groups raised almost $84 million, and over 290 membership organizations raised $73 million in 2023, according to the Federal Election Committee (FEC).

Sector Challenges

Managing Through Weak Economic Conditions

Nonprofit organizations often face demand that exceeds supply. Demand for services rises when the economy is weak and unemployment is high. At the same time that demand rises, a weak economy may also reduce private donations. This leaves nonprofits with the dilemma of serving more people with less resources. To cut costs, groups may reduce staff, eliminate programs, or delay large projects.

Reliance on Donations

Many nonprofits rely heavily on private contributions from individuals, corporations, and philanthropic organizations. Nonprofits may be highly dependent on a few local businesses or individuals for a high percentage of their funding. Loss of a key donor may be difficult for an organization to make up in the short term, causing budget shortfalls. Leaders of nonprofit organizations spend a large amount of their time maintaining relationships with existing donors and courting new ones. Sources of contributions include government grants, individuals, corporations, foundations, and bequests. Changes in tax policies can also affect contributions.

Dependence on Government Funding

Organizations may rely on government grants or contracts for a large part of their annual revenue. Reductions in federal and local government budgets can lead to cutbacks in support for nonprofit services. Federal funding is typically administered through state and local government agencies, and organizations often compete for limited funds with other nonprofits. Organizations often find themselves in limbo, not knowing how much state money to expect or how long it will take lawmakers to make funding decisions. Cutbacks in funding typically coincide with increased demand for services due to weak economic conditions.

Retaining Staff and Volunteers

Nonprofit organizations can be highly dependent on volunteers for many staff positions and for carrying out their work. Organizations typically have a volunteer coordinator on staff responsible for recruiting and scheduling individuals and groups for one-time or ongoing service. Besides reducing labor costs, volunteers help in building community awareness and soliciting donations. However, reliance on volunteers makes manpower planning more difficult and can affect the quality of services delivered if they are not properly trained and supervised. Staff and volunteer turnover and “no shows” disrupt continuity with clients and the management of projects and operations. Finding volunteers willing to take on leadership roles can be a challenge, since positions usually require significant time commitments. Burnout is common and turnover is high. In some cases, staff pay is low.

Lack of Financial Management Experience

Nonprofits may be started by individuals with a passion to serve, but with little financial management experience. They typically grow by recruiting volunteers with similar passions and by focusing on serving their clients’ needs. However, their operations may hit a wall due to a lack of sound financial controls and discipline. Poor financial controls can lead to problems of budget shortfalls, improper spending, and embezzlement of funds. Besides causing cash flow issues, a lack of financial accountability can also deter potential donors. Nonprofits frequently fail to invest sufficient funds into administrative functions and infrastructure, such as information systems, in efforts to show that a high percentage of funding is spent directly on programs and services. Underspending or underreporting of indirect costs sets unrealistic expectations among donors of how much should be spent on overhead.

Slow-growing Membership

Nonprofits may face flat or declining membership, challenging organizations to discover innovative ways to attract new members. Because most groups operate locally, demographic and employment trends in a particular market can greatly affect membership. Population shifts as a result of high unemployment can affect the stability of communities and result in decreased participation. Organizations may also struggle to attract young people to replace senior members that leave. Declining memberships reduce cash flow, which affect the number and types of programs an organization can offer. Organizations without programs that engage many types of people may face shrinking membership. Busy lifestyles and job demands often leave little time for extra-curricular activities, such as joining a nonprofit or volunteering.

Misconduct Among Staff

While every business is at risk for crime or questionable behavior from within, illegal or controversial activity in nonprofit organizations can be exceptionally damaging due to the level of trust established with members and the community. Actions seen as discriminatory have received much negative attention and press coverage and can affect public perception, contributions, and membership. Well-publicized incidents of misconduct and bribery have tarnished the practice of lobbying, leading to increased scrutiny and regulation of this activity. Nonprofits may operate more cautiously and enact safeguarding procedures to prevent crime, illicit behavior, or financial misconduct. Organizations may perform background checks on volunteers working directly with children or other clients vulnerable to abuse.

Competition for Services

Nonprofit organizations compete with public and private programs and among themselves for a variety of revenue-generating services. Similar training or certification programs offered by multiple associations can cause confusion among members and diminish credibility. Nonprofit childcare programs offered by churches and public schools systems compete with for-profit providers and family members that provide free care. Competition for services has become especially problematic as organizations rely more on non-dues programs for revenue.

Geographic Breakdown

Data provided for the US Nonprofit Sector. (Bureau of Labor Statistics, Q4-2025)

STATE	NUMBER OF ESTABLISHMENTS	% OF TOTAL US ESTABLISHMENTS	ANNUAL CHANGE Q4-2024 VS. Q4-2025	% CHANGE Q4-2024 VS. Q4-2025
Alabama	12406	0.8%	1543	14.2%
Alaska	1379	0.1%	-43	-3.0%
Arizona	5678	0.4%	-61	-1.1%
Arkansas	6830	0.5%	287	4.4%
California	787836	52.9%	47475	6.4%
Colorado	10915	0.7%	1017	10.3%
Connecticut	15636	1.1%	2182	16.2%
Delaware	4176	0.3%	276	7.1%
Florida	37568	2.5%	1950	5.5%
Georgia	11411	0.8%	-257	-2.2%
Hawaii	4656	0.3%	110	2.4%
Idaho	4374	0.3%	160	3.8%
Illinois	18363	1.2%	-1120	-5.7%
Indiana	6981	0.5%	288	4.3%
Iowa	7326	0.5%	-18	-0.2%
Kansas	7005	0.5%	182	2.7%
Kentucky	15826	1.1%	706	4.7%
Louisiana	7430	0.5%	429	6.1%
Maine	2528	0.2%	-4	-0.2%
Maryland	10304	0.7%	363	3.7%
Massachusetts	65523	4.4%	3920	6.4%
Michigan	21858	1.5%	439	2.0%
Minnesota	19773	1.3%	1157	6.2%
Mississippi	2811	0.2%	93	3.4%
Missouri	61187	4.1%	5442	9.8%
Montana	3565	0.2%	-162	-4.3%

Nebraska	3939	0.3%	-1141	-22.5%
Nevada	2137	0.1%	2	0.1%
New Hampshire	2301	0.2%	-18	-0.8%
New Jersey	45453	3.1%	2974	7.0%
New Mexico	8635	0.6%	506	6.2%
New York	31672	2.1%	453	1.5%
North Carolina	16804	1.1%	734	4.6%
North Dakota	2055	0.1%	183	9.8%
Ohio	15500	1.0%	833	5.7%
Oklahoma	4307	0.3%	41	1.0%
Oregon	14284	1.0%	-1773	-11.0%
Pennsylvania	30399	2.0%	514	1.7%
Rhode Island	4310	0.3%	133	3.2%
South Carolina	9093	0.6%	259	2.9%
South Dakota	1428	0.1%	23	1.6%
Tennessee	9190	0.6%	-1332	-12.7%
Texas	36020	2.4%	-242	-0.7%
Utah	5616	0.4%	-70	-1.2%
Vermont	1714	0.1%	80	4.9%
Virginia	35674	2.4%	949	2.7%
Washington	14931	1.0%	662	4.6%
West Virginia	6409	0.4%	59	0.9%
Wisconsin	31123	2.1%	1144	3.8%
Wyoming	2432	0.2%	-12	-0.5%
United States	**1488771**	**100.0**	**71315**	**5.0%**

Source: Bureau of Labor Statistics

Global Perspective

Global Market Size

Together, the world's non-governmental organizations (NGO) and charitable organizations have a market value of about $291 billion and are expected to experience average annual growth of 7.6% through 2026, reaching a value of more than $390 billion, according to The Business Research Company. Asia Pacific is the largest regional market with a 38% share, followed by North America. Asia Pacific is also the fastest-growing regional market and is forecast to rise 8.1% per year through 2025; the Middle East is the second-fastest-growing market and will see average annual growth of 7.3%.

Large Companies

COMPANY	HOME COUNTRY
The Bill & Melinda Gates Foundation	US
BRAC International	The Netherlands
The Charities Aid Foundation	UK
The Global Fund	Switzerland
The International Chamber of Commerce	France
The International Committee of the Red Cross	Switzerland
Médecins Sans Frontières	Switzerland
Oxfam International	Kenya
United Way	US
YMCA	Switzerland

Key Global Trends

Pandemic Reshuffled Global Giving Patterns – The pandemic caused a shake-up in worldwide charitable giving and volunteering patterns, according to the Charities Aid Foundation's (CAF) 2021 World Giving Index. While people remained willing to give, lockdowns and other restrictions disrupted several giving channels, such as sponsored events, retail-based charities, and in-person volunteering opportunities. On a global basis, monetary donations in 2020 reached their highest level in five years, but volunteering was flat. Several countries that regularly rank among the most generous in the CAF World Giving Index saw their giving levels drop significantly in 2020, including the US, Canada, Ireland, and the Netherlands. Due to a strong culture of faith-based giving, Indonesia topped the World Giving Index. Faith also helped drive giving in other top-10-ranked countries, including Kenya, Nigeria, and Ghana. Giving levels also remained strong in Australia and New Zealand.

NGOs Aid in Equitable Vaccine Distribution – NGOs and nonprofit organizations worldwide have offered aid during the pandemic, such as food and financial assistance and healthcare services, including vaccine distribution. Wealthier nations have had better access to pandemic-related healthcare services – including vaccines – and the COVAX initiative was set up to ensure vaccine access for lower-income countries. COVAX is co-led by the Global Alliance for Vaccines and Immunizations (GAVI), the Coalition for Epidemic Preparedness Innovations (CEPI), and the World Health Organization (WHO). UNICEF has worked closely with COVAX for the procurement, distribution, and storage of vaccines. Through the GAVI COVAX Advance Market Commitment, by early 2022, more than 1 billion doses had been distributed in 105 countries. Over 95% of doses were sent to lower-income countries, and about 45% were distributed in Africa.

Corporate Responsibility Efforts Benefit Nonprofits – NGOs and nonprofits focused on environmental or social issues can benefit as more companies adopt corporate social responsibility (CSR) agendas. Governments, consumers, and other stakeholders increasingly expect corporations to do business in ways that are good for society and the environment. Through philanthropy and facilitating team member volunteering opportunities, a firm's CSR program can benefit society and create a positive brand image. To measure a CSR program, companies use environment, social, and governance (ESG) metrics to report successes in social and sustainability goals to shareholders, governments, and consumers. However, ESG reporting is often too incomplete and inconsistent to be reliable. To provide better consistency in benchmarking, some countries – including European Union member states, the UK, China, and Australia - require some types of ESG disclosures. Formal adoption of ESG standards has gotten less traction in the US.

Sector Indicators and Drivers

Revenue and Demand Drivers

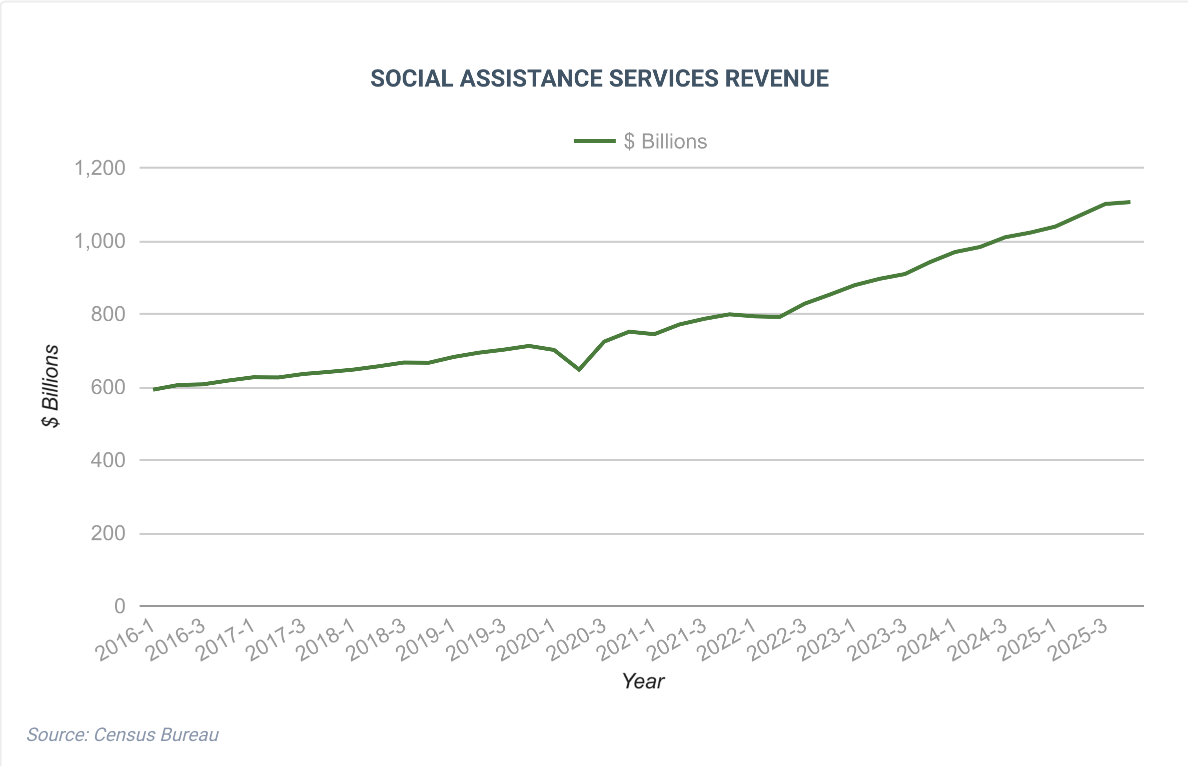
Personal income rose from a year ago

Seasonally adjusted annual rate for personal income was $26,661 billion in February, a 3.72% change compared to a year ago and a -0.07% change from the previous month, according to the latest data from the Bureau of Economic Analysis.

Source: Bureau of Economic Analysis

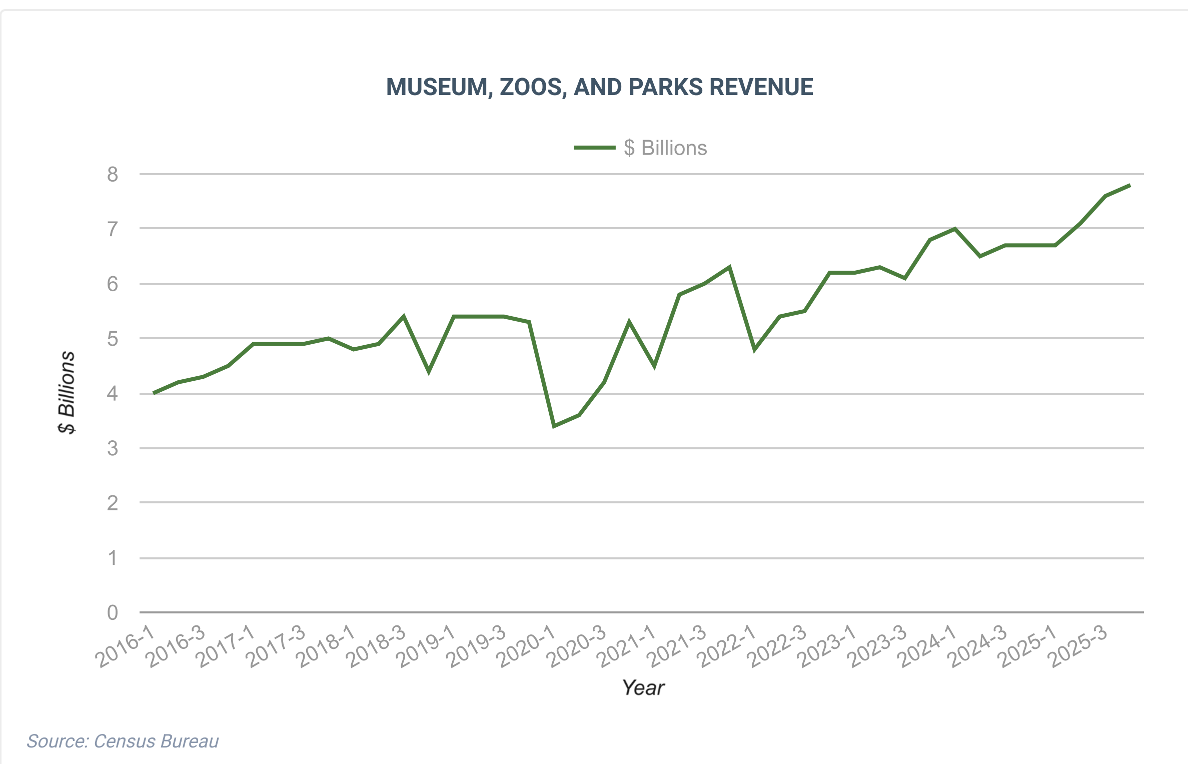
Social assistance services revenue rose from a year ago

Seasonally adjusted revenue for social assistance services was $1.1 billion in Q4, a 8.18% change compared to a year ago and a 0.46% change from the previous quarter, according to the latest data from the Census Bureau.



Museums, zoos, and parks revenue rose from a year ago

Seasonally adjusted revenue for museums, zoos, and parks was $0.0 billion in Q4, a 16.42% change compared to a year ago and a 2.63% change from the previous quarter, according to the latest data from the Census Bureau.



Financial Benchmarks

Cash Flow Management

Nonprofits generate revenue through membership dues, subscriptions, fees for services, sales of branded products, advertising, grants, contracts, donations, fundraising and investments. Cash flow can be seasonal with greater giving in the fourth quarter and more membership renewals in the first quarter.

Maintaining and growing membership and donor bases support long-term cash flow. The formula used to calculate membership dues varies by organization, and they may also charge a one-time initiation fee or periodic assessments to cover special programs. Dues and service payments are collected annually or quarterly (membership dues, subscriptions), monthly or weekly (unions, childcare, food banks), daily (shelters), or at time of service (individual and family services, museums) depending on the type of organization. Automatic paycheck deduction programs, auto-drafting and electronic payments, auto-renewal options and credit card processing are important to receiving payment and maintaining steady cash flow.

Nonprofits also raise funds through sponsored events (conferences, seminars, trade shows), the sale of branded merchandise and publications (research reports, magazines and journal subscriptions, books) and through fees for services (education, certification, licensing, legal, accounting, advertising).

Revenue from private or public grants and contributions may be unrestricted, temporarily restricted, or permanently restricted to a particular purpose or timeframe. Permanently restricted funds act as an endowment, where the organization uses the interest and investment returns from the contribution to fund its operations. However, economic recessions and low interest rates can reduce investment returns and hurt cash flow. Older organizations may have significant investment portfolios. Grants may restrict the percentage of the funds that can be spent on overhead costs versus direct program costs. Some federal grants require the organization to provide matching funds.

Cash flow from contributions can be uneven throughout the year, depending on the timing of grants from government agencies and private organizations, and the use of fundraising. Donations from individuals and businesses as well as distributions of grants typically peak in the fourth quarter to take advantage of tax deductions. Fundraising metrics include the number of donors, average donation amount, repeat versus new donors, and restricted versus unrestricted funds. The ratio of the amount spent on fundraising efforts compared to the amount raised indicates the effectiveness of fundraising programs.

Membership growth and retention are good indicators of an organization's financial health and sustainability. Retention helps maintain a solid foundation, while a steady flow of new members generates growth. Declining membership numbers affect revenue and an organization's effectiveness in executing programming and soliciting donations. As a result, organizations track the costs of acquiring new members and retention rates for current members.

Given their high dependence on private and government donations, organizations strive to show fiscal responsibility by accurately tracking and transparently reporting revenues and expenses. Groups typically produce an annual report detailing income and expenses and highlighting programs and accomplishments.

Labor tends to be the largest expense for nonprofit organizations. While many nonprofits rely heavily on volunteers for labor, some require trained staff for the care of animals, children, seniors, and those with disabilities, mental illness, or substance addictions.

Other metrics include average donation amount, number of volunteers and their hours, number of visitors or clients served, average revenue and cost per visitor or client, and average number and size of grants.

Cash Management Challenges

Uneven Cash Flow Due to the Timing of Fundraising

Nonprofit organizations face uneven cash flow due to the timing of private donations, government grants, and fundraising activities. Donations from individuals and businesses as well as distributions of grants typically peak in the fourth quarter to take advantage of tax deductions and annual budgets. Fundraising campaigns and events, such as conferences and seminars, can create temporary revenue spikes and are used to increase funding prior to the fourth quarter.

Cancellation of In-person Events

Many nonprofits rely heavily on in-person events to generate fees and merchandise sales, as well as help retain members and attract new members. The cancellation of in-person events during the pandemic caused revenue reductions for many nonprofits, even when replaced by virtual events. Some organizations also saw a drop in membership dues and donations due to the absence of in-person events.

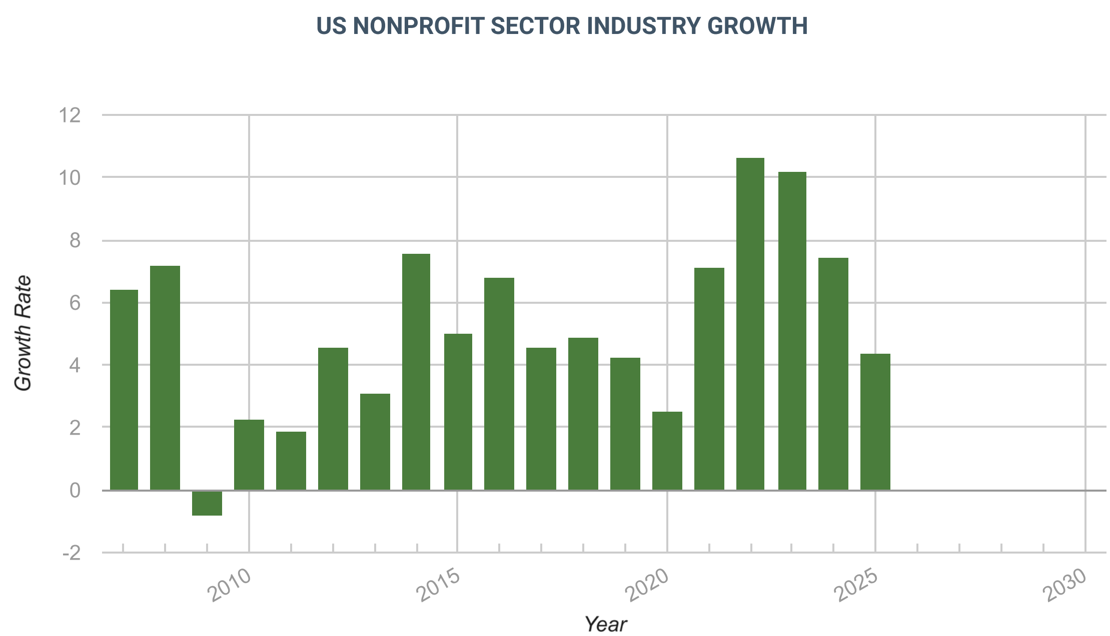
Efficiently Collecting from Customers and Donors and Paying Suppliers

Nonprofit organizations rely on timely collection and processing of payments for fees and dues and payments to suppliers to optimize their cash flow. They also seek to provide multiple ways for individuals and businesses to conveniently make donations. Efficient handling of payments and donations is important for maintaining both cash flow and the financial integrity of the organization.

Sector Forecast

Based on forecasts stated in nominal dollars, sales for the US nonprofit industry are forecast to grow at a 5.46% compounded annual rate from 2026 to 2030, faster than the growth of the overall economy.

Last Update: January 2026



Source: Interindustry Economic Research Fund, Inc.

Vertical IQ forecasts are based on the Inforum inter-industry economic model of the US economy. Inforum forecasts were prepared by the Interindustry Economic Research Fund, Inc.

Forecast Outlook

Projections indicate slow but steady economic growth in the coming years, with inflation-adjusted GDP rising about 1.8% in 2026 and 2.1% in 2027. PCE growth may slow to 1.8% in 2026 and grow 2.1% in 2027, while nonresidential fixed investment gains about 2.1% in 2026 and 3.0% in 2027. The unemployment rate may climb from approximately 4.2% in 2025 to 4.5% in 2026 and 4.3% in 2027. In the longer run, real GDP will rise with growth of the labor force and labor productivity. However, the rate of labor force growth is likely to diminish, barring immigration reform that allows greater numbers. Adjustments forced by the pandemic, together with new technologies such as artificial intelligence and 3-D printing, could boost labor productivity. Greater productivity gains and higher immigration could support stronger growth of real GDP than currently is projected. GDP inflation could rise to 2.7% in 2026 and slow to 2.2% in 2027, with nearly identical rates for PCE inflation, but further increases in tariffs and decreases in immigrant labor supplies could push price levels higher and delay improvement of inflation. Real disposable income may gain about 1.7% in 2026 and 2.2% in 2027, with slow rise of employment and higher consumption prices both acting to limit expansion of real income. Additional weakening in labor markets would give the Federal Reserve opportunity to reduce policy interest rates further, though continuation of elevated inflation rates would slow the process. Already-elevated policy uncertainty rose further following the 2024 elections and the start of the new presidential administration, leaving the economic outlook particularly unclear. Although consensus forecasts briefly indicated an elevated likelihood of recession in the coming year, at around 40% in July 2025, optimism among economic forecasters improved and the consensus decreased to 35% in December.

After near-record lows in 2025, improving consumer sentiment in the forecast period bodes well for Other Services industries. Following a drop in real disposable income in 2022, rising employment, higher wages, and lower inflation supported strong real income growth. Real disposable income in 2026 and following years could be supported by continuing healthy nominal wage growth and lower inflation rates following adjustments related to tariffs. However, tighter immigration controls will limit growth of the population and numbers of workers, and to some degree this will limit growth of household income. High interest rates reduce demand by raising the costs of debt-financed spending. While this typically affects vehicle sales and residential construction in particular, it also raises costs for credit card purchases and a variety of other commerce. Substantial deleveraging of households continued for years during and after the Great Recession, and debt service payments remain low relative to household income. Defaults have risen somewhat for consumer and credit card loans, though default rates remain low relative to norms prior to the Great Recession. Further reduction of policy interest rates potentially could help by lowering costs for some borrowers, though vehicle financing and mortgage interest rates are determined by market forces and might fall more slowly. Subsiding inflation and greater stability of economic policy ultimately will support growth of personal consumption and residential construction spending in years ahead. Still, tighter immigration policy could limit expansion of the labor supply and job growth, and a consequently smaller population implies lower levels of consumer spending. Substantially higher tariffs on consumer goods could be particularly painful for households, and real income could suffer if average prices rise.

Many nonprofit organizations in these and other industries depend heavily on the availability of foreign-born workers, and both native and foreign-born people require the repair and other services that these organizations provide. It remains to be seen how domestic policy will affect these sectors. Changes in workday routines during the pandemic led to changes in spending habits for those who are employed, for example, eating at home instead of in delis and restaurants. In addition to changes for those who are working, changes may be seen for those who chose to retire or otherwise did not return to work. Labor force participation fell for people aged 55 years and above, and participation remains lower; this might imply a greater inclination to eat at home, but it also suggests additional time to enjoy travel and leisure activities. As the Baby Boom generation retires, these shifts will continue to unfold, potentially driving demand for accommodation and food services higher as leisure opportunities increase for this large segment of the population.

Recent Trends

Moderately strong US economic expansion over several years was interrupted by policy disruptions that produced a small contraction in Q1 2025. Still, the widely anticipated mild recession never materialized, and the economy has remained resilient despite elevated uncertainty following the November 2024 elections and early months of President Trump's second term. Growth continued in the face of sharply higher interest rates, tightening trade and immigration policies, and retaliatory tariffs, with real GDP rising about 2.0% in 2025 despite a brief 0.6% SAAR decline in Q1. Labor markets weakened somewhat but remained relatively tight, with unemployment averaging about 4.2% in 2025 and payroll employment exceeding pre pandemic levels by 7.3 million, though job growth slowed markedly amid constrained labor supply and softer demand. GDP inflation, while subsiding from pandemic-era peaks, remained volatile and elevated near 2.7% in 2025, with new tariffs threatening renewed price pressures even as the Federal Reserve cut policy rates by 175 basis points between September 2024 and December 2025. Heightened policy uncertainty, higher trade barriers, and reduced immigration are expected to raise production costs, strain certain industries, and weigh on real household incomes, leaving the near-term economic outlook uncertain. Still, 2025 passed without development of recession that many economists feared, though labor markets gradually weakened and other signs of strain persist.

Activity at many nonprofit institutions that serve households dipped as the pandemic took hold, but overall real activity levels generally recovered by 2021; by Q3 2025, real gross output rose 12.5% from Q4 2019 levels. These nonprofit institutions include many in the other services and related industries including religious, civic, grantmaking, and professional organizations, together with nonprofit organizations in the health care, social, arts, recreation, and education industries. Receipts earned from sales of goods and services by nonprofit organizations initially dropped by greater amounts, but these also recovered in 2021; inflation-adjusted receipts gained 17.4% between Q4 2019 and Q2 2025. Within the nonprofit sector, performance varied widely, with some suffering greater decline and recovering more slowly. For example, social advocacy organizations initially saw small declines during the pandemic but saw real gross output rise 36.0% by Q3 2025, while professional advocacy organizations realized strong gains early in the pandemic, but recently they subsided to a level 0.2% below the Q4 2019 level. Foundations and grantmaking institutions saw far greater losses in 2020, though inflation-adjusted output was up 27.5% in Q3 2025. Religious organizations saw moderate declines in 2020 and beyond. Total gross output of nonprofit institutions gained 4.1% in 2024 and, more recently, 6.8% SAAR growth in Q3 2025.

Macroeconomic Indicators

	History					Forecast				
	2021	**2022**	**2023**	**2024**	**2025**	***2026***	***2027***	***2028***	***2029***	***2030***
Nominal, Annual Growth Rates										
GDP	11.0	9.8	6.7	5.3	4.8	*4.6*	*4.4*	*4.2*	*4.1*	*4.1*
Personal Consumption	13.3	9.7	6.5	5.6	5.2	*4.6*	*4.3*	*4.2*	*4.1*	*4.1*
Nonresidential Fixed Investment	7.4	12.9	10.7	4.3	5.9	*4.0*	*4.3*	*3.9*	*4.0*	*4.0*
Structures	0.5	20.3	22.7	0.9	-0.8	*3.9*	*4.0*	*4.6*	*4.4*	*4.5*
Equipment	7.5	9.1	7.6	5.7	9.6	*4.0*	*4.4*	*3.2*	*3.8*	*3.9*
Intellectual Property	11.2	12.7	7.1	5.2	6.3	*4.1*	*4.3*	*4.1*	*3.9*	*3.8*
Residential Investment	23.0	4.1	-5.5	6.2	1.2	*3.8*	*5.7*	*5.7*	*5.7*	*5.3*
Exports	18.7	18.2	1.2	4.6	2.6	*2.9*	*3.9*	*4.7*	*5.2*	*5.0*
Imports	22.8	16.3	-2.9	6.6	4.3	*-0.5*	*3.1*	*4.4*	*4.4*	*4.2*
Government Consumption & Investment	5.2	5.9	6.3	6.3	4.6	*3.4*	*3.2*	*2.9*	*3.0*	*3.0*
Quantities, Annual Growth Rates										
GDP	6.2	2.5	2.9	2.8	2.0	*1.8*	*2.1*	*2.0*	*2.0*	*2.0*
Personal Consumption	8.8	3.0	2.6	2.9	2.5	*1.8*	*2.1*	*2.1*	*2.1*	*2.1*
Nonresidential Fixed Investment	6.2	6.5	7.3	2.9	3.8	*2.1*	*3.0*	*2.9*	*3.0*	*3.0*
Structures	-2.7	3.5	16.7	1.1	-4.3	*0.2*	*0.9*	*2.0*	*1.9*	*2.0*
Equipment	7.1	2.8	2.9	3.5	7.7	*2.1*	*3.6*	*2.8*	*3.4*	*3.4*
Intellectual Property	10.4	11.7	6.2	3.5	5.0	*3.0*	*3.5*	*3.5*	*3.3*	*3.3*
Residential Investment	10.6	-8.1	-7.8	3.2	-1.4	*0.6*	*2.9*	*3.3*	*3.4*	*3.1*
Exports	6.5	7.6	2.8	3.6	0.9	*0.9*	*2.2*	*3.1*	*3.6*	*3.4*

Imports	14.6	8.5	-0.9	5.8	3.2	*-2.1*	*1.7*	*2.9*	*2.9*	*2.7*
Government Consumption & Investment	-0.1	-1.2	3.5	3.8	1.2	*0.1*	*0.3*	*0.3*	*0.4*	*0.3*
Prices, Annual Growth Rates										
GDP	4.6	7.1	3.7	2.5	2.7	*2.7*	*2.2*	*2.1*	*2.1*	*2.1*
Personal Consumption	4.1	6.6	3.8	2.6	2.7	*2.8*	*2.2*	*2.0*	*2.0*	*2.0*
Labor and Income										
Real Disposable Income Growth	3.9	-5.6	5.7	2.9	1.8	*1.7*	*2.2*	*2.1*	*2.2*	*2.2*
Employment Growth	3.2	3.5	1.7	1.3	0.7	*0.4*	*0.8*	*0.4*	*0.3*	*0.2*
Unemployment Growth	5.3	3.6	3.6	4.0	4.2	*4.5*	*4.3*	*4.1*	*4.1*	*4.1*
Interest Rates										
Treasury Bills, 3-Month	0.0	2.0	5.1	5.0	4.1	*3.5*	*3.1*	*3.1*	*3.1*	*3.1*
Treasury Bonds, 10-Year	1.4	3.0	4.0	4.2	4.3	*4.1*	*4.0*	*4.0*	*4.0*	*4.0*

Sector Components

- Social Assistance
- Museums, Historical Sites & Similar Institutions
- Religious, Grantmaking, Civic, Professional, and Similar Organizations

Forecast Drivers

- Disposable Income
- Unemployment Rate
- Government Funding

The Inforum LIFT Model

LIFT (Long-term Interindustry Forecasting Tool) is an interindustry-macro (IM) model of the U.S. economy. The model incorporates annual economic and demographic data from government statistical agencies, and relationships among the data are employed to simulate and to project economic developments. It is useful for forecasting and for addressing questions that involve interactions between industries and the interplay between industry and the macro economy.

The LIFT model provides historical data and forecasts for:

- **Sectoral detail** (121 commodities, 71 industries, 83 consumption categories) - Output, employment, value added, personal consumption, residential and nonresidential investment, government expenditures, exports, imports, and more.
- **Macroeconomic variables** - GDP, net exports, inflation, population, unemployment rate, household income, and more.

LIFT employs a "bottom-up" approach to macroeconomic modeling. This structure supports analysis of how changes in one industry, such as increased productivity or changing international trade patterns, affect related sectors and the aggregate quantities. In this way, the model works like the actual economy, building the macroeconomic totals from details of industry activity.

The model is well-suited to the exploration of policy questions or analysis where both industry and macroeconomic behavior are important. The model has been used to identify impacts of tax policies, tariffs and free trade agreements, carbon taxes or cap and trade programs, infrastructure improvements, electrification of the vehicle fleet, port closures and other disruptions, immigration, defense spending cuts, health care finance, deficit reduction, and many other scenarios.

Capital and Foreign Investment

Projects that require capital financing include the purchase of property, buildings, equipment, vehicles, furnishings, fixtures, technology and information systems, as well as facility renovations and expansions. Capital purchases are usually funded through private contributions by large donors, capital campaigns targeted for specific purchases, government grants and bonds, and mortgages or term loans from banks. Public/private partnerships have also invested in nonprofit capital initiatives. Large projects may be completed in phases, with organizations raising funds and/or obtaining financing for each step. Organizations may seek donations of needed equipment from local businesses.

Some segments of the nonprofit sector are less capital intensive than others, but all require a base of operations. Most nonprofits own or rent an office, commercial space, or warehouse in which they conduct business. Organizations may have a small fleet of vehicles for transporting donated goods, inventory and people. Vehicles are typically box vans, school buses and passenger vans.

Some facilities are highly specialized, such as childcare centers, churches and museums and require investment in items such as playground equipment and fencing, seating for masses and audio/video systems, and exhibits (fish tanks, animal enclosures, and interactive displays). Soup kitchens, childcare centers and many churches have full-service kitchens equipped with commercial appliances. Community housing providers purchase furnishings including beds, tables, chairs, kitchen equipment, laundry equipment, lockers, metal detectors, and office and conference room furniture.

Information systems are typically PC-based and include accounting, payroll, inventory management and volunteer scheduling applications. Organizations often rely on volunteers for website design and maintenance and general IT support.

Foreign Investment

The US is an attractive market for foreign investors, but the nonprofit sector is not a major target. Foreign direct investment (FDI) in the nonprofit sector represents less than 1% of total FDI in the US. Foreign investors use their funds to acquire US firms, finance the establishment of new firms and expand existing operations. Foreign spending to develop new companies from the ground up or to expand existing businesses is called greenfield investment. Within the nonprofit sector, outflows from foreign direct investment have increased slightly for museums, historic sites, and similar institutions and have been steady for religious, grantmaking, civic, professional and similar organizations in recent years.

Executive Talking Points

Chief Executive Officer (CEO)

Defining and Communicating the Organization Mission

A key role for the head of a nonprofit organization is defining its mission and communicating it in a way that energizes staff, donors, volunteers, clients, and other stakeholders. Changes in client needs, the community, regulations, and technology may require updates to the organization's mission and how it is delivered. Any changes to the mission must be effectively communicated to stakeholders to build positive momentum for the organization.

- *Question: How do you effectively communicate the organization's mission to stakeholders?*
- *Question: How has your mission evolved over the last five years?*

Developing and Maintaining Donor Relationships

Nonprofits often rely on a small number of private donors or government agencies for a large portion of their funding. Developing these funding sources and maintaining strong relationships with them can be critical to the ongoing viability of the organization. Leaders often use seats on the management board or an advisory board to cultivate relationships with key donors and government agencies.

- *Question: How dependent is your organization on your top donors or government funding sources?*
- *Question: How do you nurture strong relationships with key donors and government agencies?*

Chief Financial Officer (CFO)

Managing Uneven Cash Flow

Charitable organizations receive a majority of donations in the fourth quarter of the year and may rely on financial services during periods when giving is low. For membership organizations, retention helps maintain a solid financial foundation. Accepting cash, check, credit card and electronic payments makes it easy for individuals, businesses, foundations and agencies to pay dues and make contributions. Groups may plan fundraising and pay-to-access events during their slow periods to boost cash flow.

- *Question: How much does your cash flow fluctuate during the year?*
- *Question: How do you fund operational expenses during periods of lower cash flow?*

Ensuring Strong Financial Controls

Nonprofit organizations are working to make financials and procedures more transparent to avoid allegations of misconduct and liability lawsuits. Greater public scrutiny has uncovered wrongdoing within the sector, which is rife with stories of fraud, embezzlement, exorbitant salaries for directors, and misuse of funds (private jets, mansions, vacations). These instances damage the reputation of organizations and can result in their downfall as well as prosecution of perpetrators, jail sentences, restitution, fines, and greater regulatory oversight.

- *Question: What financial controls have you put in place to prevent fraud and misuse of funds?*
- *Question: What do you see as the greatest financial risk for the organization?*

Chief Information Officer (CIO)

Leveraging Technology to Improve Efficiency

Nonprofits use technology to connect with stakeholders, solicit funding, manage daily operations, and communicate their purpose and objectives. Efficient use of technology can improve stakeholder engagement, grow donations, and help organizations reach a targeted base. Computers and software programs aid staff in tracking and assessing clients, volunteers, donations, inventory, programming, advertising efforts. Uncovering errors and inefficiencies can speed corrections and drive improvements in services and operations.

- *Question: How effectively are you using technology to improve your operations?*
- *Question: What technology investments do you expect to make over the next few years?*

Ensuring Data Security

Nonprofits hold sensitive information, such as the personal and financial information of clients, members and donors. Breaches in data security can lead to financial losses, as well as damage to the organization’s reputation. Donors, clients or members that don’t feel their funds or information (personal or business) are secure may leave the organization. Poor PR and word-of-mouth advertising can also hurt efforts to attract new clients, members or donors.

- *Question: Have you had any breaches of organization data?*
- *Question: What steps do you take to ensure data security?*

VP of Operations

Delivering Timely and Effective Services

The types of programs nonprofit organizations offer vary depending on the interests of members and needs of clients. Declines in membership numbers, staffing and donations affect an organization's ability to execute programming and services in a timely and effective manner. Organizations with well executed services are better able to attract members, volunteers, staff, donors and clients; serve them and the community more effectively; and meet objectives.

- *Question: How do you measure the effectiveness of the services you deliver?*
- *Question: What trends are you seeing in the timeliness and effectiveness of your services?*

Managing Successful Fundraising Campaigns

Nonprofits often rely on fundraising activities to support programming and services. Fundraising campaigns can involve soliciting donations from individuals or businesses, hosting special events, or selling merchandise or subscriptions. Programs associated with charitable or social causes may also be eligible for government grants or funding. Nonprofits that keep costs low are able to use a greater percentage of funds raised for services.

- *Question: What are your most effective fundraising activities?*
- *Question: How much of your fundraising comes from new donors each year?*

VP of Sales and Marketing

Enhancing Relationships with Members and the Community

Effective communications with members, donors, volunteers, and the local community are critical to the ongoing success of nonprofit organizations. Building long-term relationships with these stakeholders creates stability for the organization and it is more cost effective to retain existing members and donors than it is to recruit new ones. Satisfied stakeholders are more likely to spread positive word-of-mouth advertising and encourage others to join or volunteer. Soliciting and using suggestions and feedback can serve as a way to gauge commitment and satisfaction.

- *Question: What are you doing to enhance your relationships with existing members, volunteers, and donors?*
- *Question: How do you assess the level of satisfaction among these stakeholders?*

Leveraging Digital Marketing

Nonprofit organizations are increasingly using digital marketing tools to communicate with potential donors and volunteers. Besides having a website to communicate their mission, events, and volunteer opportunities, they send out regular emails and electronic newsletters to past volunteers and donors and accept donations online. Many are also using social media to stay in touch with volunteers and donors and reach younger members of the community. Some are starting to accept cryptocurrencies for donations.

- *Question: What role does digital marketing play in your communication with members, volunteers and donors?*
- *Question: How effective has social media been in helping you to reach younger volunteers and donors?*

VP of Human Resources

Hiring and Retaining Skilled Workers

Nonprofit organizations typically rely on a small staff of skilled workers to develop directives and manage operations, and large numbers of volunteers to execute the directives and low-skilled tasks. Skilled workers may be volunteers with experience in an industry or service, who act as consultants or provide high-level services. The loss of a key professional can leave an organization floundering until a replacement is found. Retaining skilled staff can be challenging as pay is often low, and stress can be high.

- *Question: What issues do you encounter in hiring and retaining skilled employees?*
- *Question: What benefits do you provide to help retain key workers?*

Attracting and Retaining Volunteer Staff

Nonprofit organizations typically rely heavily on volunteers to carry out their mission and control costs. Volunteers are also a source of contributions and help in building relationships with the local community. Organizations seek to build long-term relationships with volunteers, as high volunteer turnover adds to training costs and disrupts the delivery of services to clients. Attracting new volunteers has often relied on word-of-mouth marketing by existing volunteers, but organizations are increasing the use of social media and local marketing to build awareness of their mission and volunteer opportunities. Retaining volunteers relies on providing meaningful work, flexible scheduling of work, and recognition and appreciation of their contributions.

- *Question: How important are volunteers to your organization?*
- *Question: What challenges do you face in attracting and retaining volunteers?*

Sector Terms

501(c)

IRS code for a non-profit organization

Agency Service Fee

Money collected by a food bank from partner agencies to help cover the cost of food provided. Also known as a "shared maintenance fee"

Agency Shop

Workplace where workers are not required to join a union, but must pay a fee for union services

Capital Campaign

Long-term fundraising drive to raise capital for a large project, typically a building

Change in Net Assets

Measure used by non-profit organizations for total revenue minus total expenses. Equivalent to Net Income measure used by for-profit firms

Chapter

Local arm of a national organization

Closed Shop

Workplace where all workers must be union members, outlawed by the Taft Hartley Act in 1947

CoC

Continuum of Care, regional or local planning bodies that coordinate funding and disburse funds to local community housing providers. CoCs include emergency, transitional, permanent, and permanent supportive housing providers

Dry/Wet Shelter

Dry shelter requires guests to abstain from drugs and alcohol. Wet shelter allows guests with alcohol and substance abuse problems and provides recovery services

Earned Income

Revenue generated from operations, excluding any donations or grants

Emergency Housing

Short-term shelters that serve victims of domestic violence, sexual assault, or child abuse and temporary residential shelters that serve the homeless, runaway youth, and patients and families in medical crisis

Food Insecurity

Food insecurity is defined by the USDA as lack of access to “enough food for an active, healthy life.”

Fraternal Organization

Social organization based on common interests and mutually beneficial purposes. Some fraternal organizations limit membership to men

Gift In Kind

Charitable giving that involves goods or services rather than funds

LM-2

Financial statement that discloses a wide variety of detailed union information, including revenue, expenses, and membership

Open Shop

Workplace where workers are not required to join a union

Pay-for-Success Programs

When governments outsource social services to non-profits and the work is financed by private investors or philanthropic organizations, who only receive “success payments” for their investment if specific results are achieved

Permanently Restricted Funds

Contributions that cannot be spent by an organization, but must be invested so interest and investment returns help support the organization

PHA

Public housing authorities, manage government-subsidized housing projects

PILOT

Payments in lieu of taxes, government efforts to elicit payment from non-profits

Provenance

The history of ownership for a painting or item of historical significance

Restricted Gift

Donation with restrictions governing use

Retention

Measure of the number of members that renew memberships

Spillover

When a non-union employer adopts an employment practice used by unionized employers

Supportive Housing

Housing that provides living arrangements for individuals with a disability or circumstance that leaves them unable to live independently without care, supervision, or assistance with activities of daily living

Temporarily Restricted Funds

Contributions that are limited to funding a specific program or activity or for a particular time period

Union Shop

Workplace where all new employees must join the union within a specified period of time

Web Links

[Nonprofit Quarterly]

News and trends on non-profits, including civic groups

[National Council of Nonprofits]

Trends, resources and advocacy

[The NonProfit Times]

News and reports

[Alliance for Strong Families and Communities]

News and issues from nonprofit membership association

[Administration for Children and Families]

Statistics and research on child welfare

[Pew Forum on Religion & Public Life]

Surveys and trends on religious issues

[AmeriCorps]

News, trends, and statistics

[National Conference on Citizenship]

News, trends, and statistics on civic engagement

[The Center for Information and Research on Civic Learning and Engagement]

News, trends, studies, and statistics on civic and political engagement of young Americans

[American Society of Association Executives (ASAE)]

News, trends, and statistics from industry trade association

[National Labor Relations Board]

Regulation enforcement and investigations

[American Alliance of Museums]

News, trends, statistics, and studies from industry association

[Association of Zoos and Aquariums]

News, trends, statistics, and studies from industry association

[National Park Service]

News and events related to national parks

USDA - Hunger Relief Organizations

Overview of government and private food programs

Food Research and Action Center (FRAC)

Anti-hunger lobbying organization

National Low Income Housing Coalition

News and trends in low income housing and homelessness

Related Profiles

US Accommodation and Food Services Sector
NAICS: 72 SIC: 58, 70

US Administrative and Waste Management Services Sector
NAICS: 56 SIC: 49, 73, 86, 87

US Agriculture, Forestry and Fishing Sector
NAICS: 11 SIC: 01, 02, 07, 08, 09

US Construction Sector
NAICS: 23 SIC: 15, 16,17

US Educational Services Sector
NAICS: 61 SIC: 82

US Finance and Insurance Sector
NAICS: 52 SIC: 60, 61, 62, 63, 64, 67

US Healthcare Sector
NAICS: 62 SIC: 80

US Information Sector
NAICS: 51 SIC: 48

US Manufacturing Sector
NAICS: 31-33 SIC: 20-39

US Mining and Energy Extraction Sector
NAICS: 21 SIC: 10, 12, 13, 14

US Product Rental and Leasing Sector
NAICS: 532 SIC: Misc

US Professional and Technical Services Sector
NAICS: 54 SIC: 72, 73, 81, 87, 89

US Real Estate Sector
NAICS: 531 SIC: 65

US Retail Sector
NAICS: 44, 45 SIC: 52, 53, 54, 55, 56, 57, 59

US Transportation and Warehousing Sector
NAICS: 48 SIC: 40, 41, 42, 44, 45, 47

US Wholesale Sector
NAICS: 42 SIC: 50, 51

Quarterly Insight

2nd Quarter 2026

Demand Increases

About 73% of nonprofits report an increased demand for services in 2026, according to Nonprofit Quarterly. Levels this high haven't been seen since the coronavirus pandemic. Some 66% of nonprofit leaders express deep concern about their organization’s financial stability as it becomes increasingly difficult to secure grants. About 30% of nonprofits have experienced a staffing reduction in 2026.

1st Quarter 2026

Nonprofits Prepare For ACA Subsidies Expiration

Nonprofit organizations are preparing to assist those with Affordable Care Act (ACA) marketplace health insurance plans who see significant increases in their monthly premiums, according to the Kaiser Family Foundation. More than 20 million people in the US face sharply higher health insurance costs as of January 1, 2026, due to the expiration of enhanced tax credits that helped ACA enrollees. A Franklin County, OH, nonprofit that provides free prescription medication to residents in need is one of the organizations preparing for a potential demand increase. The Charitable Pharmacy served close to 1,700 people in Franklin County in 2025, dispensing more than $10 million worth of prescriptions, according to its annual report. Dr. Taylor Reed, the pharmacy's executive director, said that he has seen the need among people unable to afford their medicine change year over year. He said that he worries about the impact higher health insurance costs could have. More than 100,000 Ohioans are expected to stop buying health insurance in 2026 if costs increase, according to Health Policy Institute of Ohio.

4th Quarter 2025

Funding Cuts Prompt Consideration Of Mergers

The Trump administration has made significant funding cuts for shelter, emergency food, AmeriCorps, and other programs but the deepest cuts are expected to hit by 2026 and 2027, according to the Center for an Urban Future. That’s when cuts to homeless housing programs will kick in and when new work requirements to qualify for Medicaid become active. Many of the 22 nonprofit organizations surveyed by the Center for an Urban Future said that almost a third of their budgets come from federal dollars, and for some the proportion can be as high as 50%. Some organizations are opting out of applying for certain grants because of new federal requirements that they can’t agree to, such as barring helping undocumented people, according to the Center for an Urban Future.

3rd Quarter 2025

Billionaires Show Strong Support For Education, Medical Research

Billionaires have publicly donated or pledged to give about $185 billion since 2015, according to Altrata, according to the Wall Street Journal. Top causes include education and medical research. Billionaires gave $90 billion to those two in the past 10 years. One of the most popular recipients outside of education and medical research is the Central Park Conservancy in New York, which received donations from 89 billionaires worth about

$100 million. Johns Hopkins University received $7.5 billion from close to 30 billionaires, but most of it came from Michael Bloomberg, who gave more than $5 billion.

2nd Quarter 2025

Federal Proposal To Increase Taxes On Investment Income Advances

The One Big Beautiful Bill Act reconciliation bill passed by the US House of Representatives includes a proposal to increase taxes on investment income at the nation’s foundations and universities, according to The Chronicle of Philanthropy. The excise tax on endowment income at foundations would stay at 1.39% for foundations with $50 million in assets or less, but it would double to 2.78% for foundations with assets of $50 million to $250 million. Foundations with assets of $250 million to $5 billion would pay 5%, and foundations with $5 billion or more would pay 10%.

1st Quarter 2025

Sector Faces Three Key Challenges

Nonprofits face three significant, arguably unprecedented, challenges, according to Nonprofit Quarterly (NQ). Decreasing rates of giving to nonprofits, widespread staff burnout, and an increasing effort to target nonprofits based on their missions and values are key threats. A campaign to help educate Americans about the value of the nonprofit sector is likely to help ease some of the challenges, according to NQ.

4th Quarter 2024

Proposal may Allow Targeting Of Nonprofits

The Stop Terror-Financing and Tax Penalties on American Hostages Act passed by the US House of Representatives would give the US Treasury Department nearly unfettered ability to revoke the tax-exempt status of nonprofits, according to MSNBC. The first iteration of this legislation emerged during campus protests this year that were related to conflict in the Middle East, MSNBC notes. Student aid could be substantially reduced, according to MSNBC, creating greater disparities among the student body by making enrollment even more prohibitive for poor students. Religious institutions could also face challenges, MSNBC said.

3rd Quarter 2024

Industry Leaders Are Optimistic

Nearly all (99%) of nonprofit leaders are either “completely” or “cautiously” optimistic about their financial viability, according to the State of Associations, an inaugural study from accounting and consulting firm Wipfli. Five in six reported being in a better financial situation today than they were five years ago. Nearly eight in 10 (77%) said their financial viability is equal to or better where it was a year ago. Among the largest organizations (those with annual revenue in excess of $500 million) that positivity level jumped to 84%. Regardless of size, 89% believe their financial resources are effectively managed, and 85% have long-term financial sustainability plans in place.