

REPORT | 2023 EDITION

BUILT FOR TEXAS

Creating a More Connected & Resourced Future for our Nonprofit Sector

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BUILT FOR TEXAS

Creating a More Connected & Resourced Future for our Nonprofit Sector

Nicole Collier, MPSA

Research Associate
Center for Nonprofits & Philanthropy
The Bush School of Government & Public Service
Texas A&M University

Built For Texas | 2023 Edition

Texas Nonprofit Strong was created in 2020 when United Ways of Texas and OneStar joined forces to amplify voice of the Texas nonprofit sector, highlighting its contributions to local communities, its importance to the state's economy, and its vital role in civil society.

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CNP supports a vibrant nonprofit and philanthropic sector in Texas and beyond, through high quality research, professional outreach and engaged learning.



Preparing Leaders



**Strengthening
Organizations & Systems**











**Improving Understanding
& Scholarship**

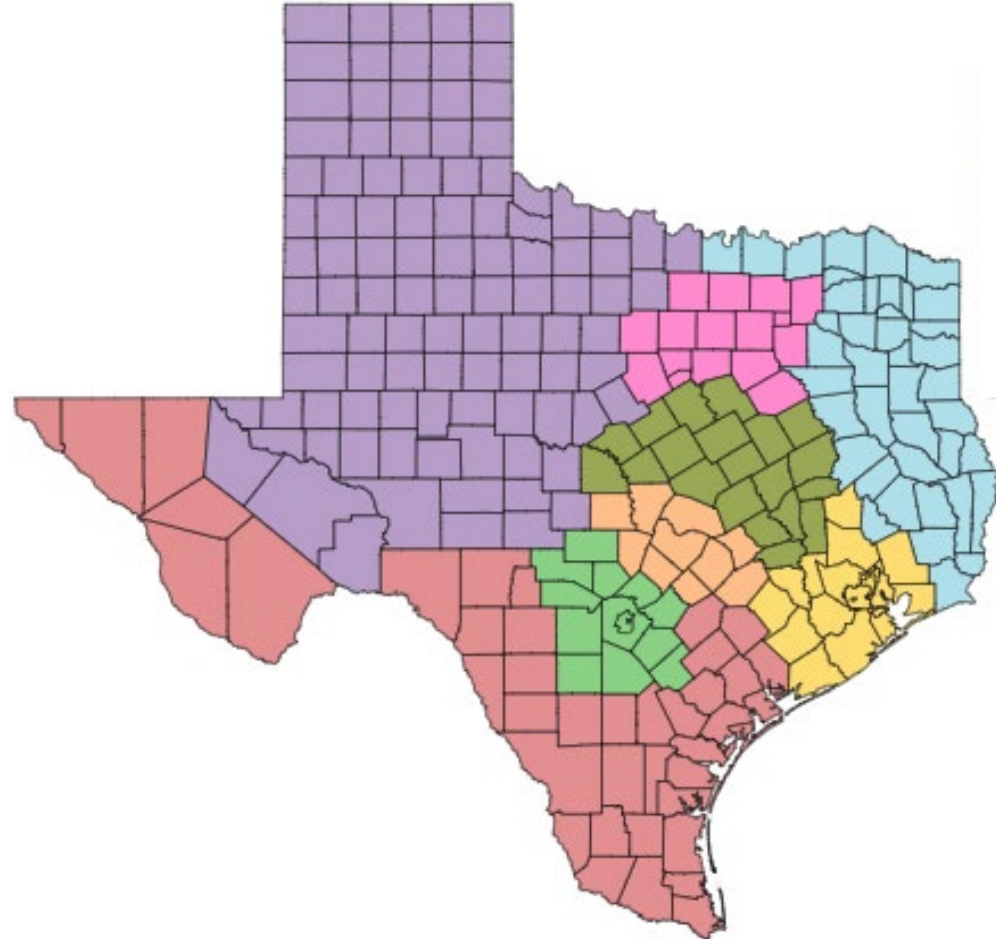
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Where are Nonprofits Located?

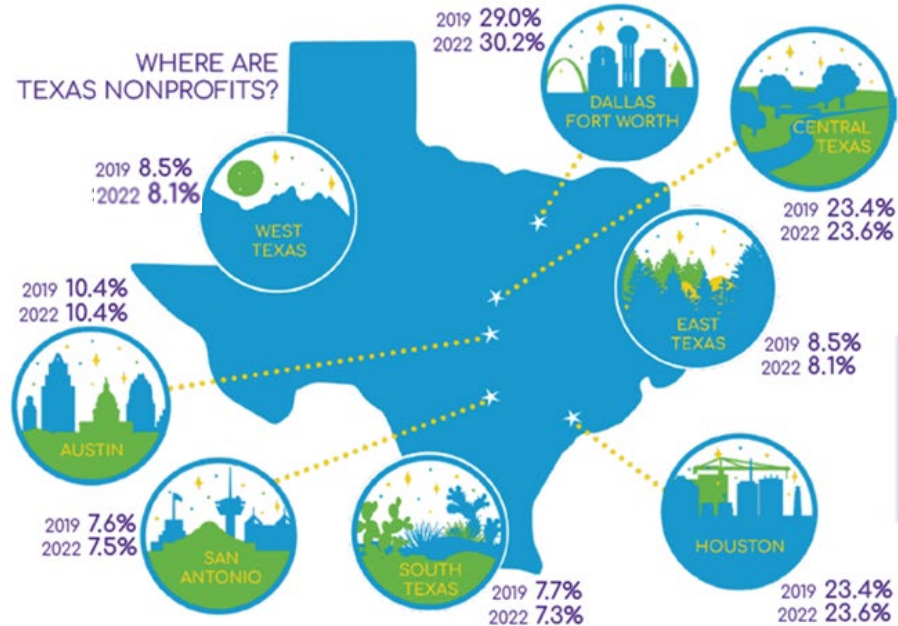
-  Dallas/ Fort Worth
-  Houston
-  San Antonio
-  Austin
-  South
-  West
-  East
-  Central



A More Connected and Resourced Future

Key Findings

- Growth of nonprofits across Texas
- Philanthropy continues to shrink
- Rural nonprofit challenges



There are more than
130,000 nonprofits
across the state of Texas.

The Texas nonprofit sector
grew by 22%
between 2015 and 2022.

What Types of Organizations Make Up the sector?

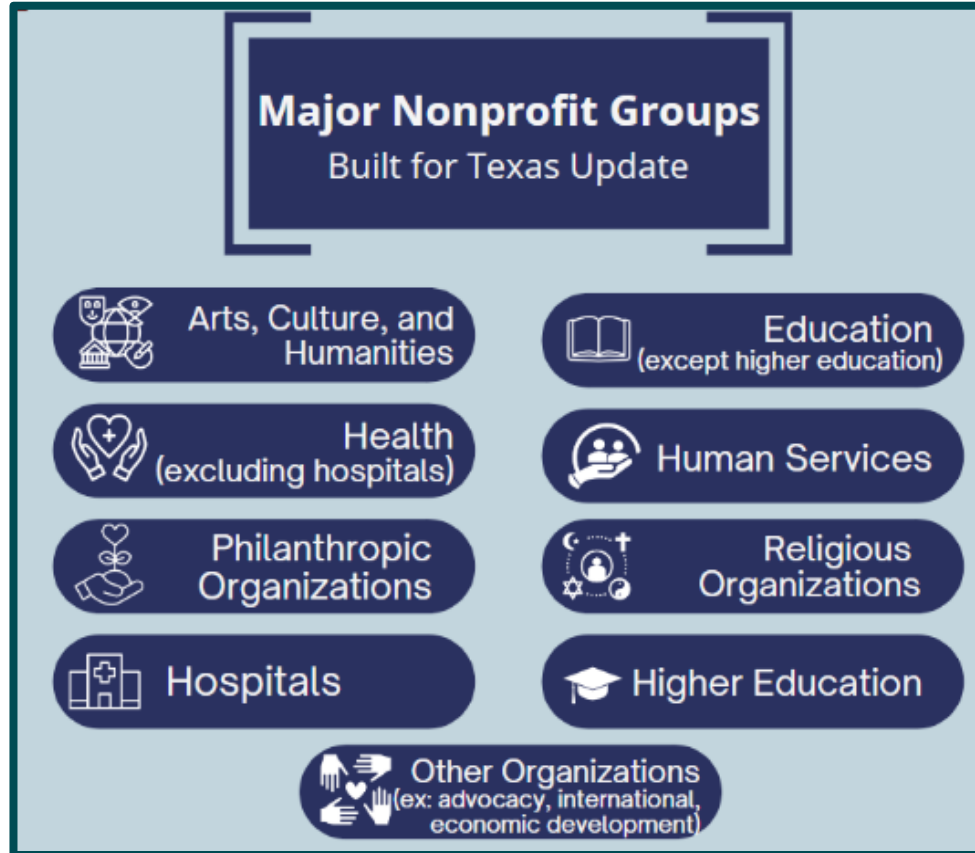
105,898 Public Charities (35% growth)

6,379 Private Foundations (1.5% growth)

21,873 501 “other” Organizations (3% **decrease**)



What Does the Nonprofit Sector Focus On?

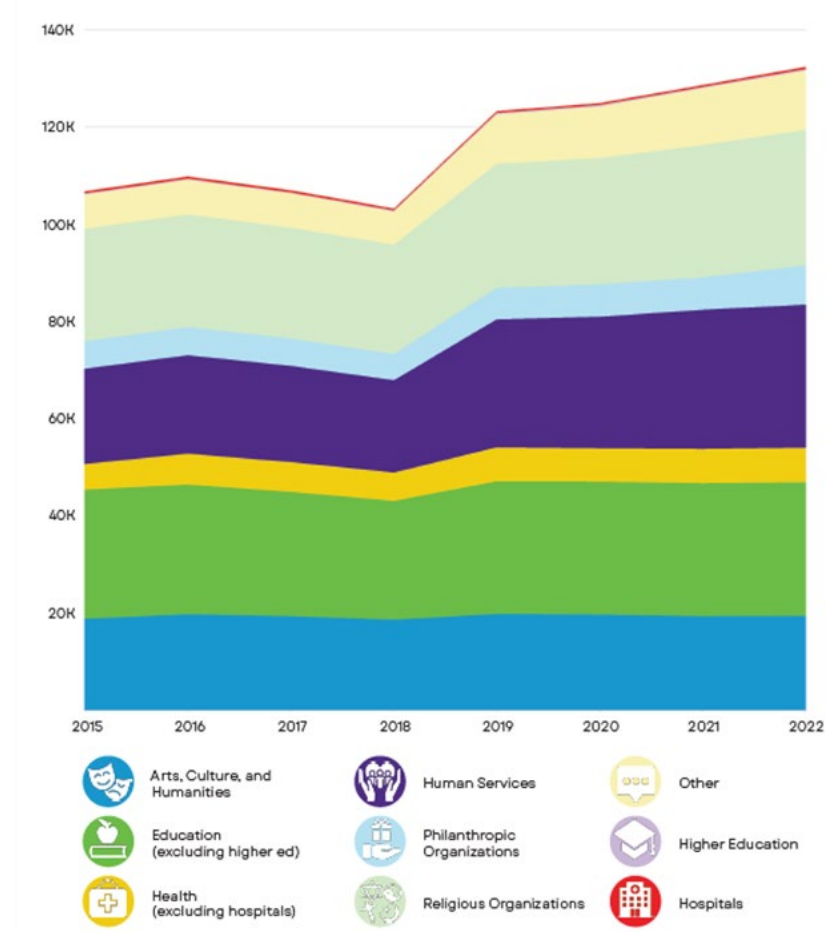


Texas Nonprofits by Focus Area

This graph displays an overview of the growth distribution of nonprofits by focus areas.

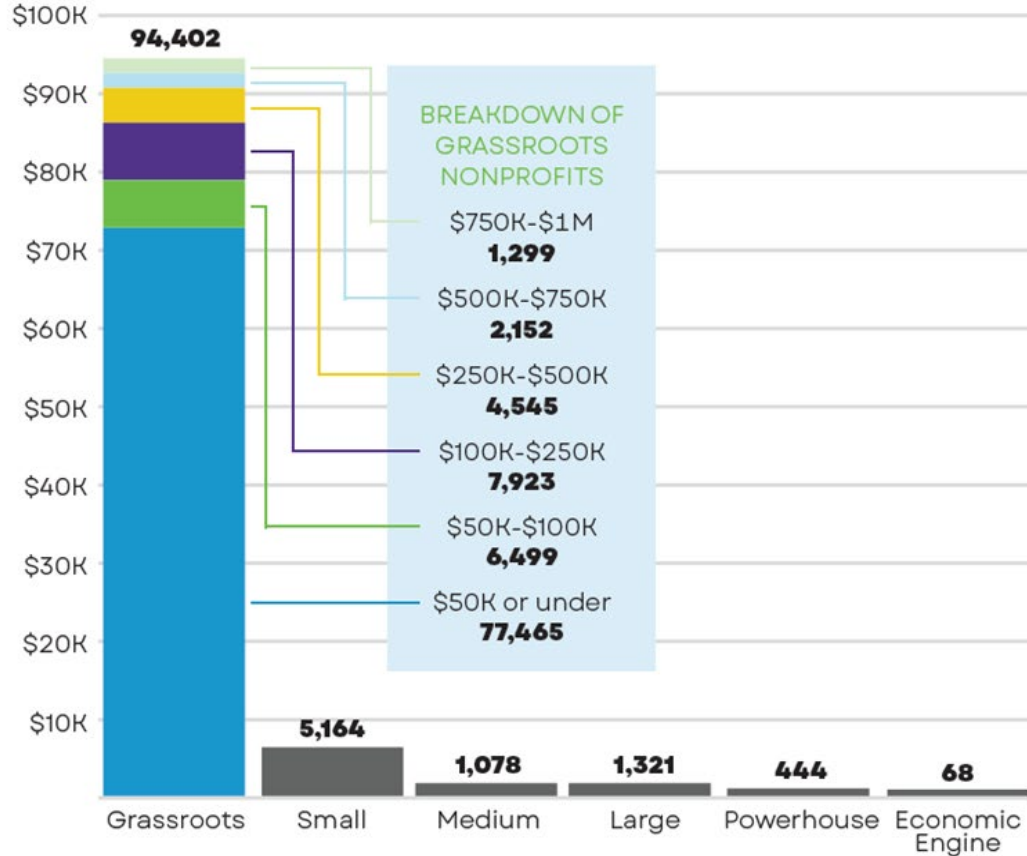
Certain areas, such as Arts, Culture, and Humanities, exhibit relatively stable trends with minimal growth fluctuations.

Conversely, other focus areas, notably Human Services, demonstrate more pronounced increases in growth.





TEXAS NONPROFITS BY BUDGET SIZE (2022)



GUIDESTAR CLASSIFICATIONS BY ANNUAL OPERATING BUDGETS

Grassroots

\$1 million and under

Small

\$1 million-\$5 million

Midsize

\$5 million-\$10 million

Large

\$10 million-\$50 million

Powerhouse

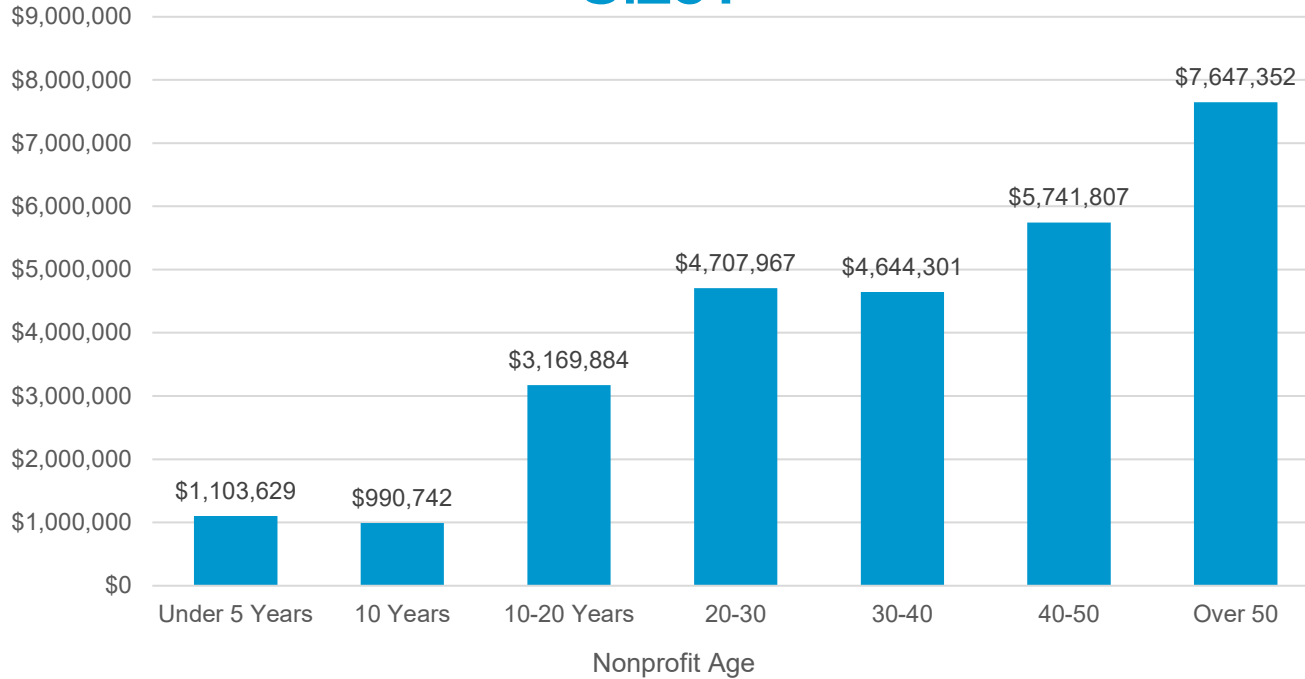
\$50 million-\$500 million

Economic Engine

Above \$500 million

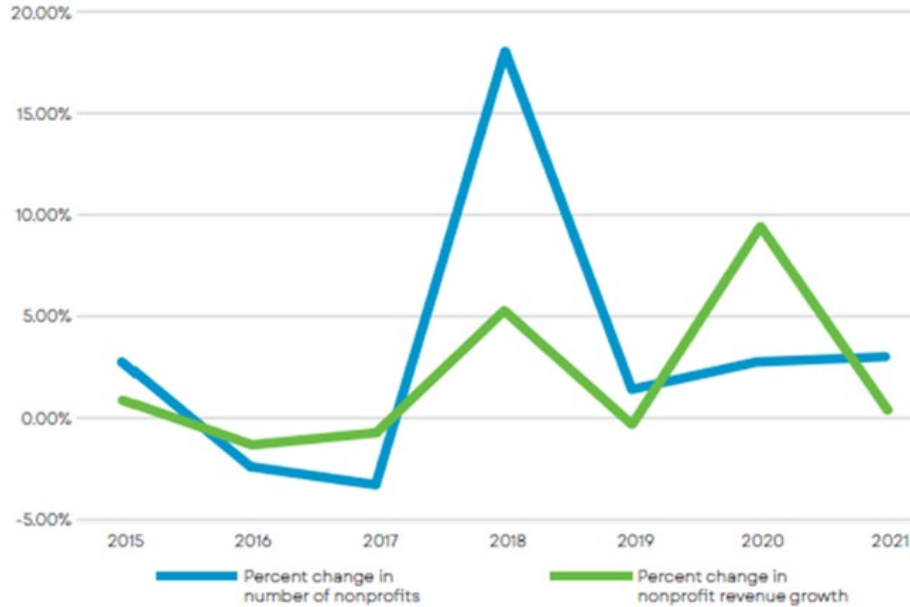


How Does Age Relate to Budget Size?





Growth of Texas Nonprofits vs. Revenue

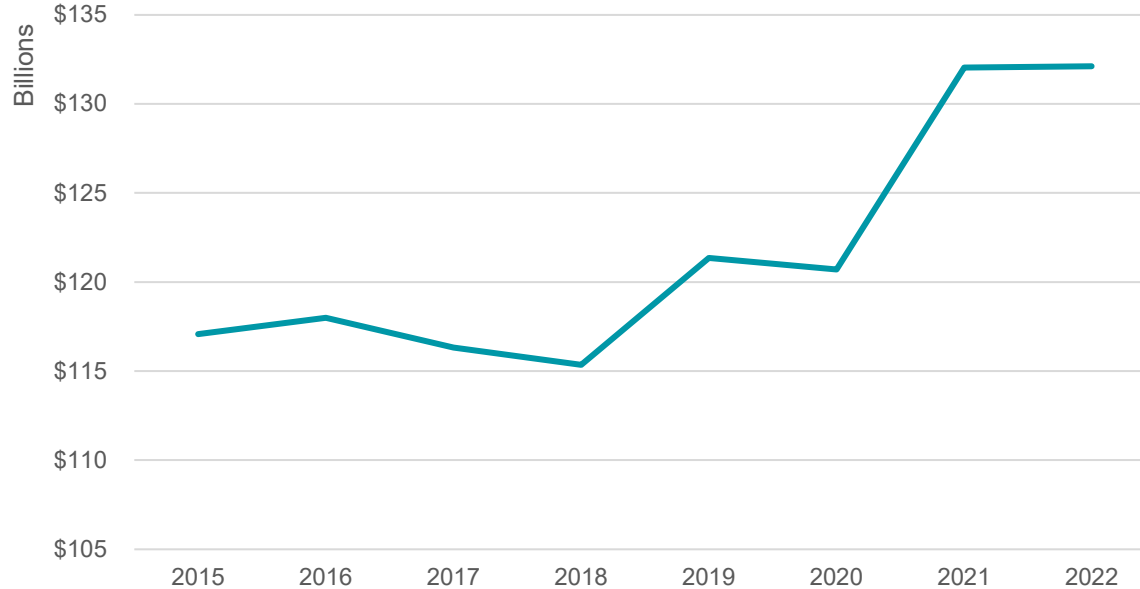


This graph illustrates the growth of the Texas nonprofit sector, which historically has not been matched by a corresponding increase in revenue. While support for nonprofits may surge in response to major events, such as Hurricane Harvey in 2018 or the COVID-19 pandemic in 2020, the rate of growth is insufficient to support the rapidly expanding nonprofit sector.

	Number of Texas nonprofits	Percent change in number of nonprofits	Revenue of Texas nonprofits	Percent change in revenue
2015	106,764	-	\$117,077,582,739	-
2016	109,806	2.85%	\$117,996,636,389	0.78%
2017	106,969	-2.58%	\$116,320,085,401	-1.42%
2018	103,222	-3.50%	\$115,355,594,924	-0.83%
2019	121,876	18.07%	\$121,343,358,717	5.19%
2020	123,384	1.24%	\$120,695,746,984	-0.53%
2021	126,690	2.68%	\$132,035,590,363	9.40%
2022	130,416	2.94%	\$132,115,924,058	0.06%



Total Nonprofit Revenue Over Time



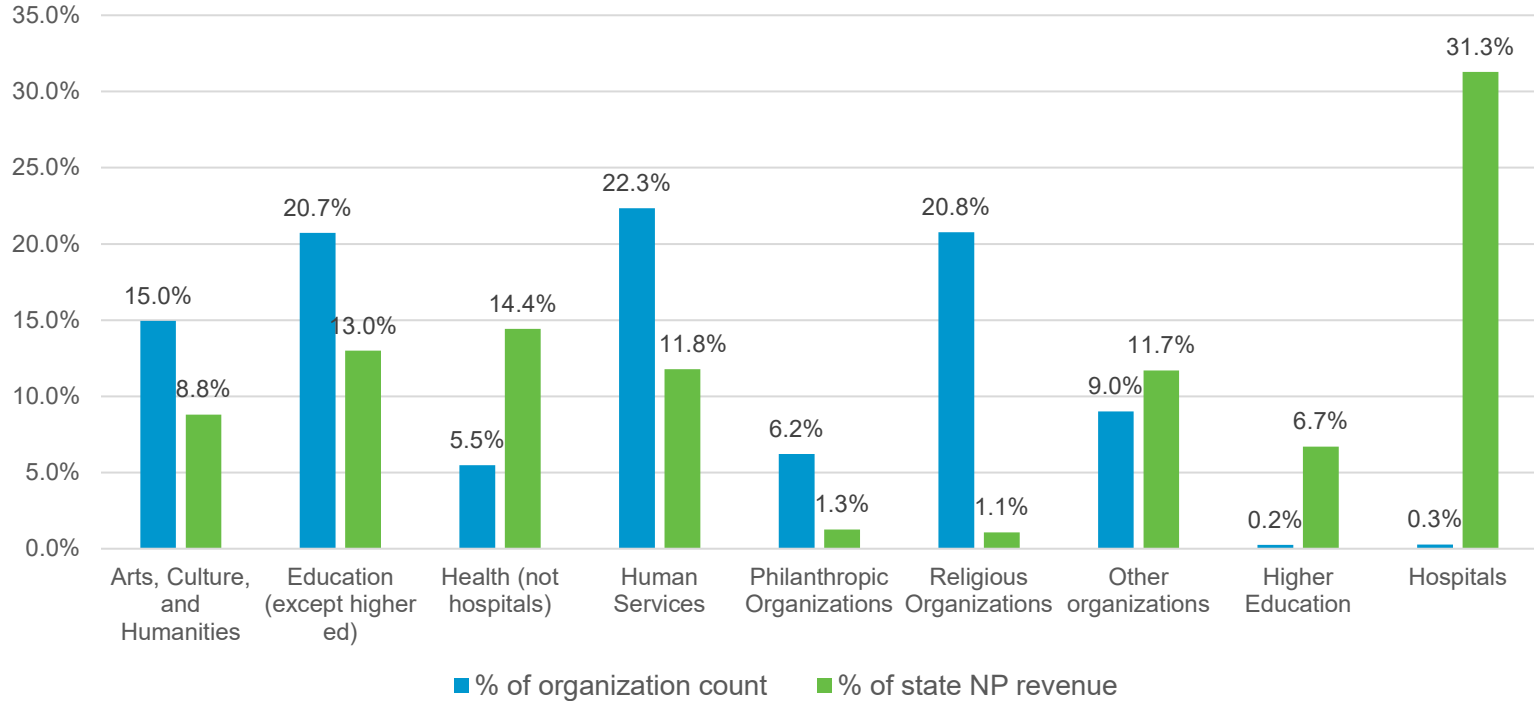
Revenue has grown by **13%** since 2015

Contributions (for Public Charities only) has only increased by **4%** (as of 2019)

keep in mind that the number of nonprofits has grown by **22%

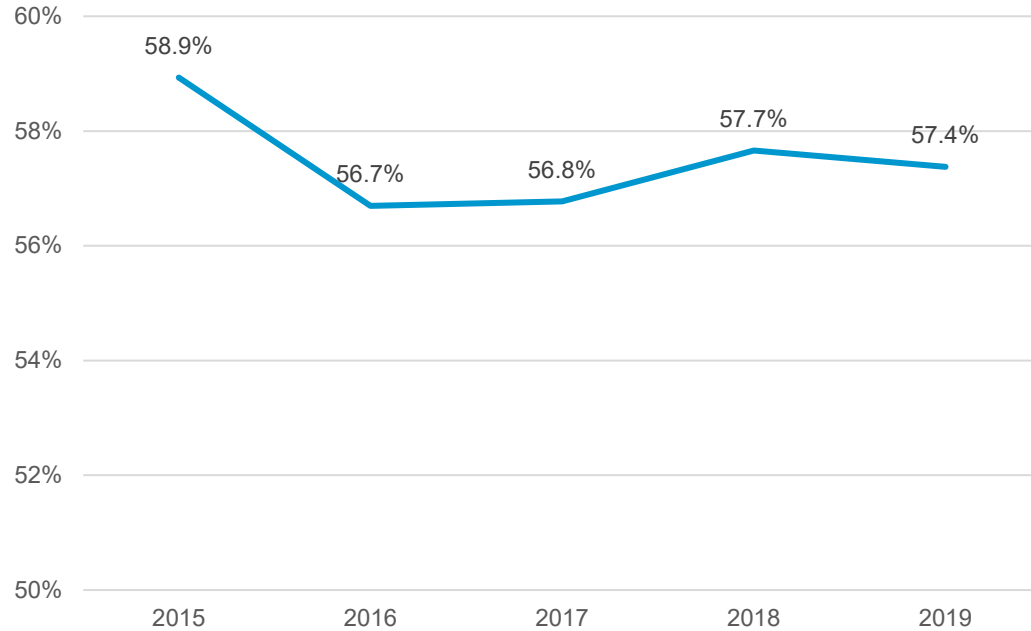


% of Total Revenue by Major Nonprofit Groups



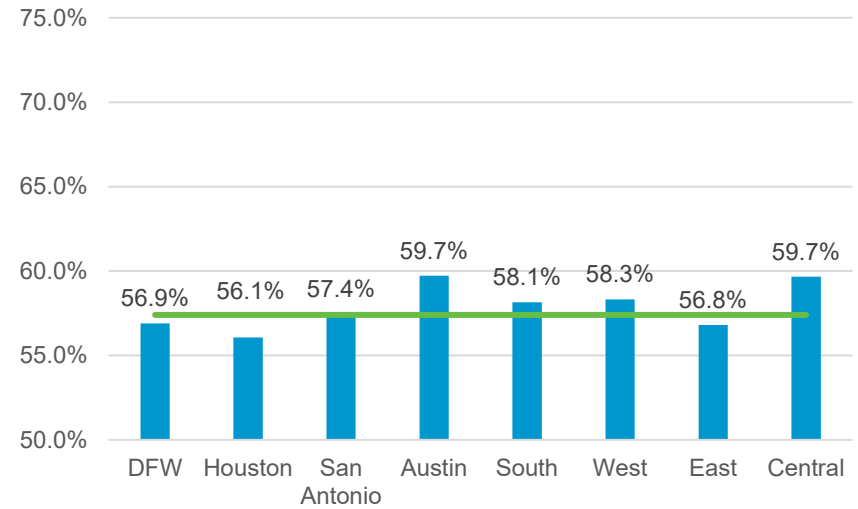
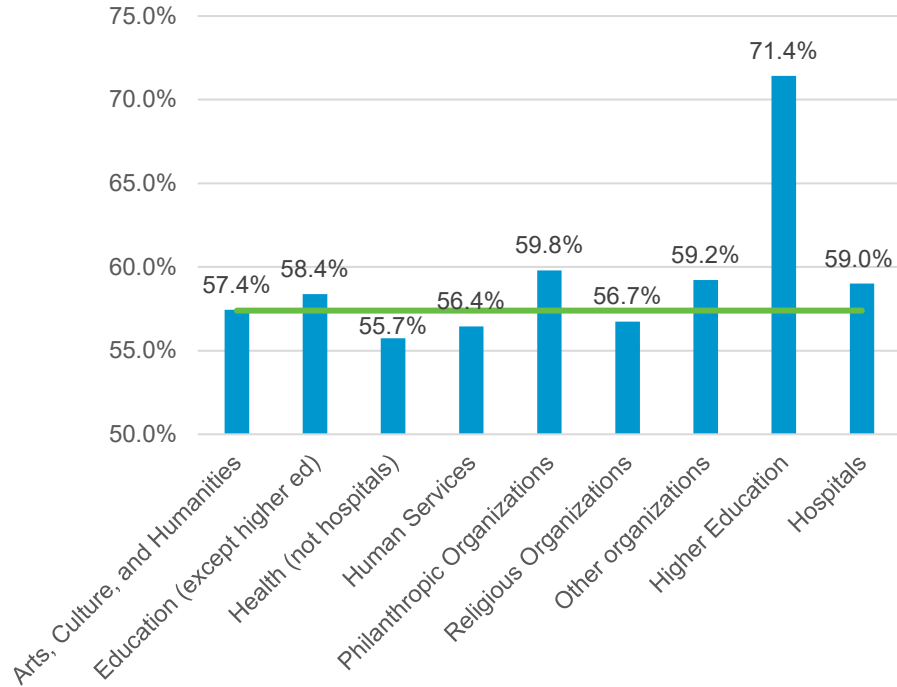


Financial Health (Public Charities Only)





How Does Profitability of Public Charities Vary by Type and Location? (2019)





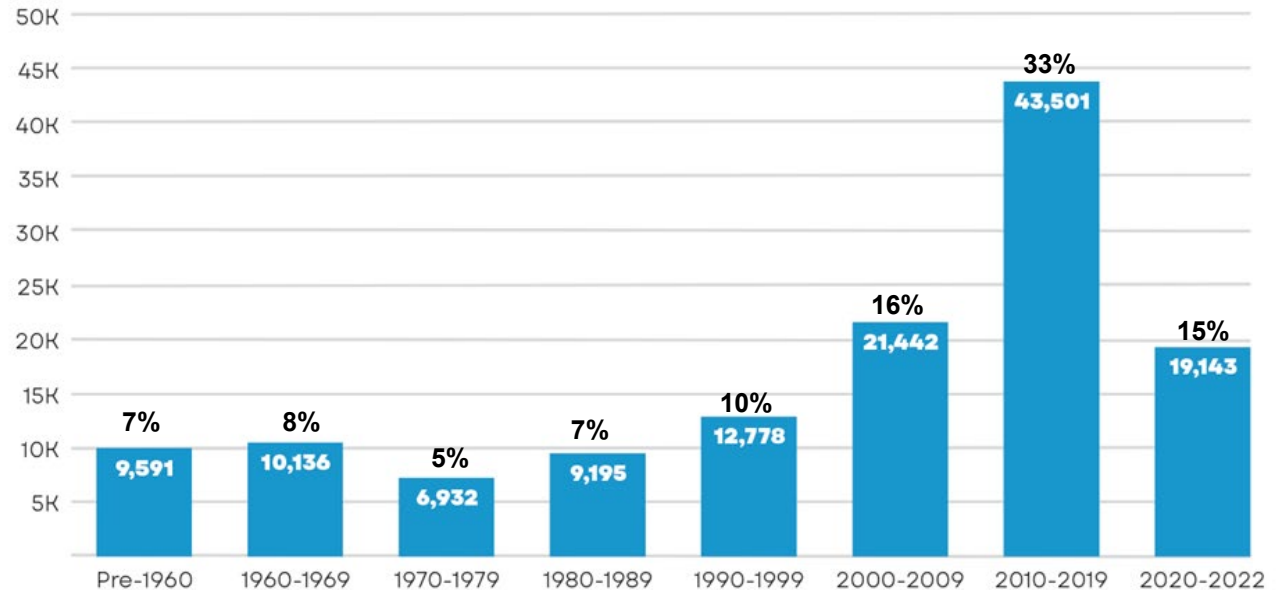
KEY FINDING

Nonprofits Keep Growing

Between the years of 2015 and 2022, the **nonprofit sector grew by 22%**.

The trend of more nonprofits being established each year continues, albeit now at a lessened pace.

NUMBER OF TEXAS NONPROFITS FOUNDED BY DECADE



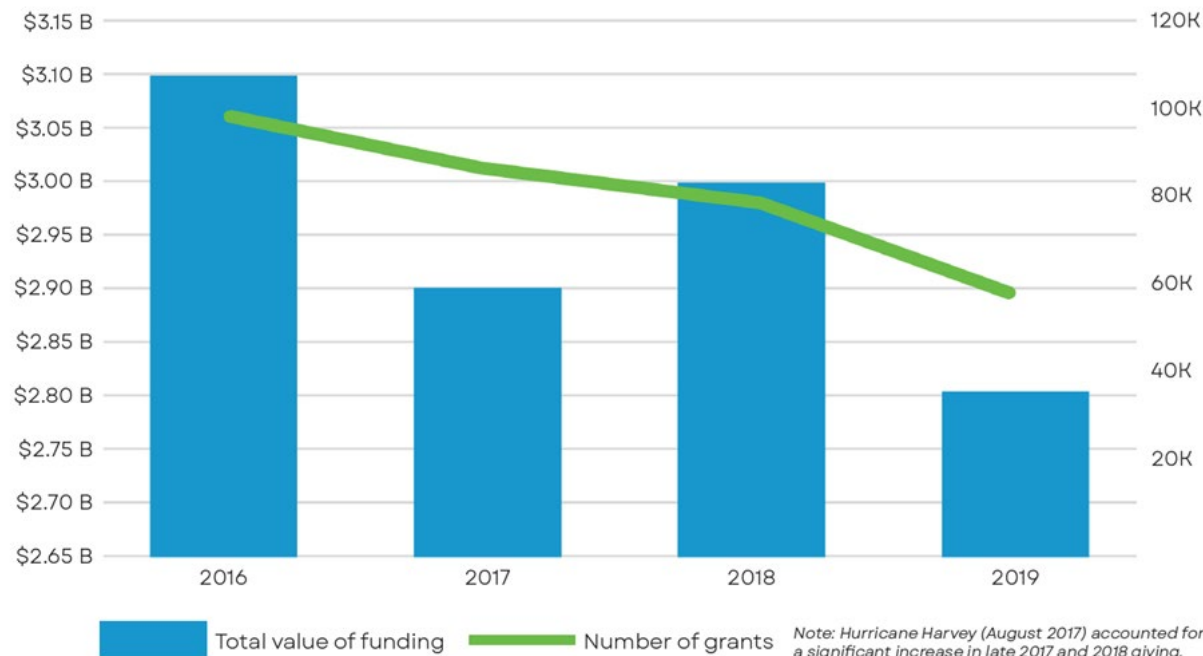


KEY FINDING

Philanthropy is Shrinking

Despite its 22% growth, the nonprofit sector's total revenue **grew by only 13% across the state**. Revenue growth varies greatly by region and by type of nonprofit.

GIVING OF TEXAS FOUNDATIONS





KEY FINDING

Rural Nonprofit Challenges

As of 2022, **1 in 5 nonprofits** in Texas are rural-based.

The greatest number of rural nonprofits are currently located in the **west region of Texas**.

For every dollar in revenue, the rural nonprofit sector receives **only nine cents**. While the rural nonprofit may have **more assets**, they receive **less incoming funding**.

THE TYPICAL NONPROFIT (2022)

	RURAL	URBAN
Age	15	17
Year Founded	2003	2004
Revenue	\$107,471	\$134,672
Assets	\$195,500	\$129,179



Take Action

Legislators & Elected Officials

- Familiarize yourself with nonprofits in your area, including their breadth of service.
- Become more involved with nonprofits is to create townhalls, whether during or outside of election season, and send invitations through your local nonprofit centers.

Philanthropy

- Funding advocacy is a way for foundations to promote change at the policy and deep systems level.
- Ensuring funding opportunities are inclusive and accessible for rural communities is vital to ensuring those outside of large cities are not overlooked.

Nonprofit & Social Sector Professionals

- When hosting convenings, whether virtual or in-person, make sure to set aside time for participants to get to know each other and share about their work.
- Invest time in sharing their stories and experiences and advocating for their needs.



Join the Advocacy Network

- **BUILD** the public's understanding of the important role of nonprofits
- **EDUCATE** nonprofit leaders to be better advocates, including through the tracking of state and federal legislation
- **ADVOCATE** on behalf of the entire nonprofit sector in Texas.

Email: ashley.harris@uwtexas.org

Our Policy Principles for 2023

- **Fund nonprofits as economic drivers** ensuring nonprofits can respond to community needs and adapt to changing environments to support the health, economic recovery, & resiliency of communities.
- **Address community needs through budget and spending** to strengthen communities and the Texas nonprofits that serve them.
- **Ensure reasonable and non-burdensome regulations and requirements.**
- **Leverage trusted community partners** as nonprofits are trusted members of their communities and have been providing increasing amounts of essential supports to Texans.
- **Promote volunteerism, giving back, and civic engagement** to support the common good.
- **Strengthen the operational capacity and technological capabilities of our state's information and referral systems** that connect Texans to critical supports and other services provided by nonprofits.

STAY CONNECTED

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TEXAS NONPROFIT STRONG

Powered by OneStar & United Ways of Texas

A statewide resource hub for nonprofits to connect, learn, and advocate for the power and impact of the sector.



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