

IMPACT OF AMERICA'S Nonprofit Sector



Nonprofit organizations address pressing challenges every day and lift up people and communities in need. Whether they provide housing, nutrition, spiritual and artistic inspiration, disaster relief, or any other critical services, nonprofit employers need more support to serve more people and do more good.

The Nonprofit Sector Is a Major Employer and Contributes to a Strong U.S. Economy

- The nation's 1.8 million nonprofits¹ contributed an estimated \$1.4 trillion to the national economy in 2022, comprising 5.6% of GDP.²
- Nonprofits employ nearly 12.5 million paid workers, over 10% of the private workforce. This constitutes the third largest private sector workforce in the country.⁴
- The nonprofit sector annually pays over \$670 billion in wages⁵ and \$65 billion in federal payroll taxes.⁶

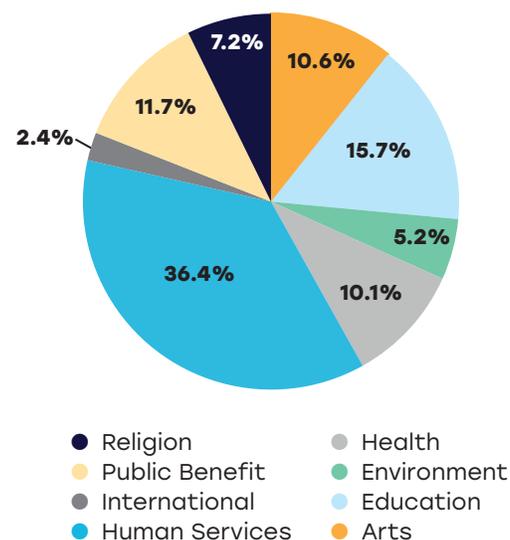
Challenges Facing Nonprofits Today

- **Nonprofits are struggling to maintain a sufficient workforce.** 48.5% of nonprofits reported increasing staff workloads to meet rising demands for services.¹² 73% of nonprofits say long-term financial sustainability is a top challenge, and 55% struggled to employ enough staff.¹³
- **Charitable giving is decreasing.** Total charitable giving fell in 2022 for only the fourth time in the last 40 years¹⁴ and the number of donors decreased 10%, marking the second consecutive year with significantly decreased donor participation.¹⁵
- **Volunteerism is on the decline.** 46.8% of nonprofit leaders say recruiting sufficient volunteers is a big problem for their organization.¹⁶
- **Government funding structures limit impact.** Nearly half of organizations experience limitations due to the percentage of government grant and contract funds that can be used for program or administration costs.¹⁷

Government Counts on Nonprofits to Deliver Critical Services in American Communities

- Nonprofits and small businesses are the only institutions trusted by a majority of the American public.⁷
- In times of crisis, nonprofits are on the frontlines. 71% of nonprofits saw an increase in service demand during the pandemic.⁸
- Boys & Girls Clubs of America serves over 3 million young people each year and operates over 5,000 clubs, including more than 1,100 in rural areas of the United States.⁹
- Catholic Charities provided over 38,000 permanent housing units for families, seniors, veterans, and others in 2022.¹⁰
- National Association of Free & Charitable Clinics served 1.7 million patients in 1,400 clinics and pharmacies in 2022.¹¹

% of Nonprofit Organizations by Service Area (2022)¹⁸



Sources

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