



CNM

THE STATE OF THE SECTOR

2018 REPORT

North Texas Public Charities by the Numbers

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As needs grow in North Texas, so do the number of nonprofits. Unfortunately, having more nonprofits has not translated into slowing the growth of most issues in our community. This raises questions about the current nonprofit ecosystem, what's working and not working, and what changes are needed for these organizations and other stakeholders to operate more efficiently and effectively to better address increasing demand.

As a first step to build awareness about this community dynamic, we decided to update a report CNM generated over five years ago entitled *The State of the Nonprofit Sector 2012* which provided statistics about the number of nonprofits in North Texas as well as giving trends among foundations. The 2018 report is primarily focused on the number of public charities by county, area of service, and size by assets and income. For most categories, these statistics are compared to 2011 data to show the degree of growth. As you will see, the numbers are staggering with approximately 26% growth among public charities since 2012 (from 18,607 to 23,436 organizations) and with only 5% having an operating budget of more than \$1M.

With this report, we present the statistics but we won't stop there. Starting this summer, we will be launching a new series of articles designed to provide a greater understanding of the challenges and contributing factors, and offer ideas to slow the rate of growth of issues in our community. On an ongoing basis, we will also be updating the statistics annually in January starting in 2019.

We look forward to partnering with you for a stronger community.

Tina K. Weinfurther

CNM President and CEO

TYPE OF
ORGANIZATIONS

GEOGRAPHIC FOCUS
AND SCOPE

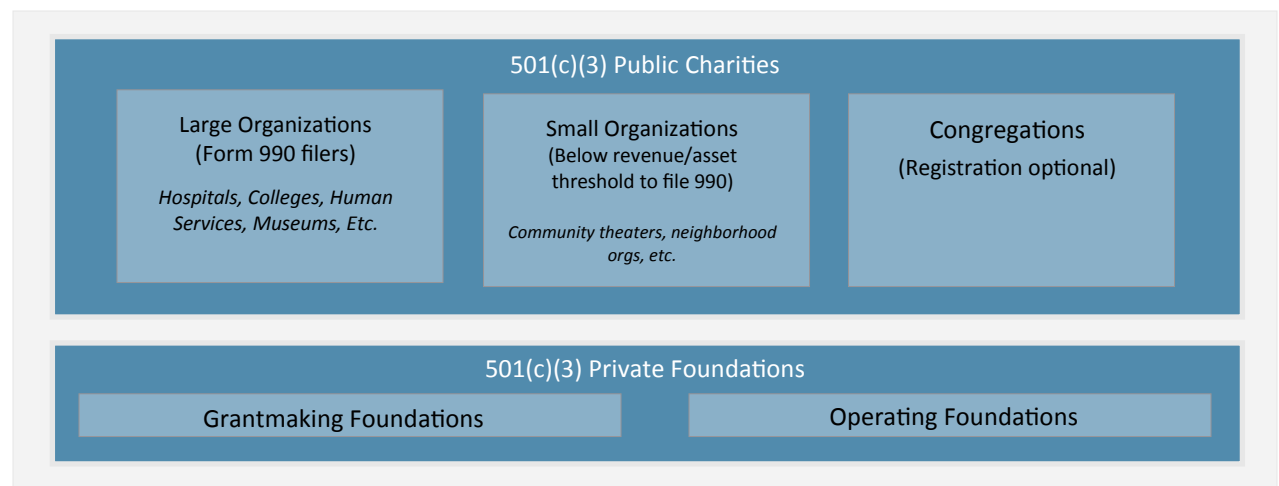
TIMEFRAME

METHODOLOGY

We identified public charities by referring to the Internal Revenue Code which specifies more than 30 different types of tax exempt organizations. The largest group is 501(c)(3) public charities, and includes organizations in arts, education, healthcare, and social services as well as community foundations, universities, and hospitals. The tax-exempt sector also includes a variety of other groups identified as nonprofits such as labor unions, business and professional associations, fraternal societies, state chartered credit unions, and many more. However, for purposes of the statistics referenced in this report, we are focused on nonprofits that are 501(c)(3) public charities only as defined in the chart below.

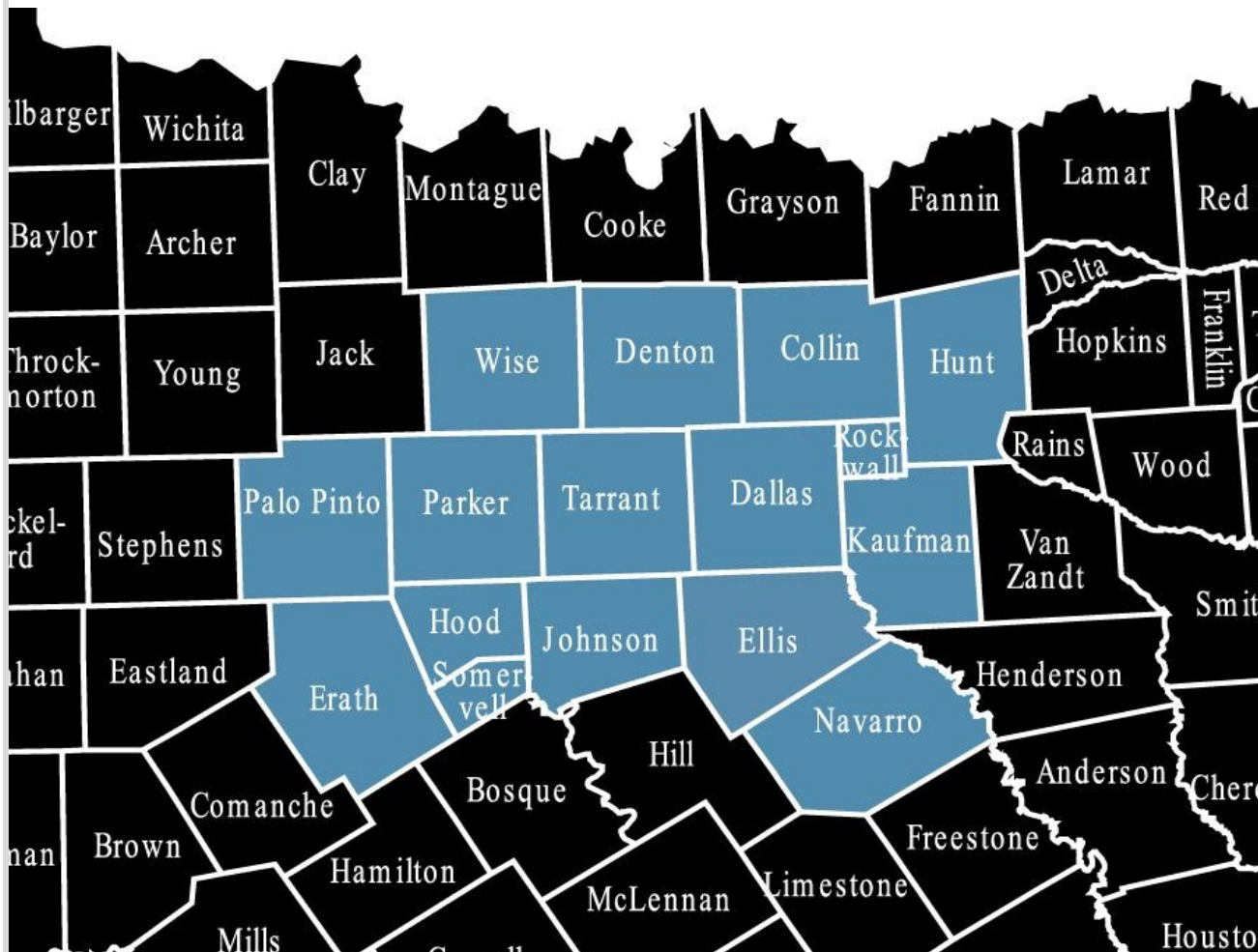
The primary focus of this report is the number of public charities in North Texas, by county, for the following categories: total registered, areas of service, and amount of assets and income. To put this information into context, comparisons are made to public charities in Texas for these categories, and in the case of total registered, data for US nonprofits is also presented. Additionally, statistics are provided about public charities by income range but only for Texas since that was the only data available.

To show trends, numbers for most categories are reported for both 2011 and 2016, with 2016 being the most recent data available. Per accounting convention, negative values are expressed in parenthesis.



North Texas is defined by a region, a sixteen county grouping that makes up the North Central Texas Council of Governments: Collin, Dallas, Denton, Ellis, Erath, Hood, Hunt, Johnson, Kaufman, Navarro, Palo Pinto, Parker, Rockwall, Somervell, Tarrant, and Wise.²

Figure 2. North Texas Counties



NORTH TEXAS = 16 COUNTIES

Grouping per North Central
Texas Council of Governments

REGISTERED NONPROFITS AND PUBLIC CHARITIES: US, TEXAS, AND NORTH TEXAS COUNTIES

According to the 2016 data, there are 23,436 registered 501(c)(3) public charities in the 16 counties that make up North Texas, up from 18,607 in 2011. The number of public charities in North Texas has grown almost 26% since 2011, outpacing the rest of the state in its growth of nonprofit organizations.³ It should be noted that this growth occurred despite the fact that between 2011 and 2016, 15,816 501(c)(3) organizations in the entirety of Texas had their nonprofit tax statuses automatically revoked by the Internal Revenue Service (IRS).⁴

Across the country, the number of nonprofits has jumped since 2011. Nationally, more than 1.58 million nonprofit organizations are registered with the IRS, up about 9% from five years previous.⁵

Of the 16 counties of North Texas, Dallas continues to have the most registered nonprofits with almost 43%, followed by Tarrant County at 25%. The number of nonprofits and public charities is growing faster in North Texas than in the rest of the state, and faster in Texas than the national average.⁶

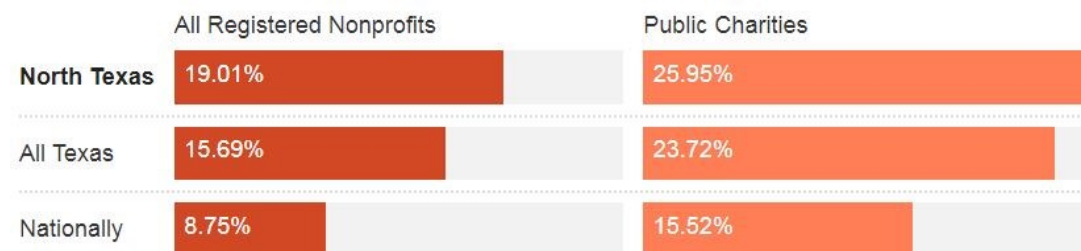
23,436

Number of public charities in North Texas in 2016.

▲ 26%

Growth in number of North Texas public charities since 2011.

Figure 3. Growth Rate for Number of Nonprofit Organizations and Public Charities ⁷



43%

North Texas public charities that reside in Dallas county in 2016.

75%

Nonprofit organizations in North Texas that are public charities in 2016.

▲ 48%

Growth in number of public charities in **Hood** county since 2011.

In 2011, public charities represented about 69% of registered nonprofit organizations in Texas. In 2016, that segment grew to 75%. In North Texas, public charities represented 71% of all registered nonprofits in 2011 and 75% in 2016. In North Texas, Hood County has had the largest spurt in growth in the number of public charities at just over 48% growth in 5 years, followed by Collin, Ellis, and Kaufman counties.⁸

Figure 4. Top Five North Texas Counties, by Number of Public Charities in 2016⁹

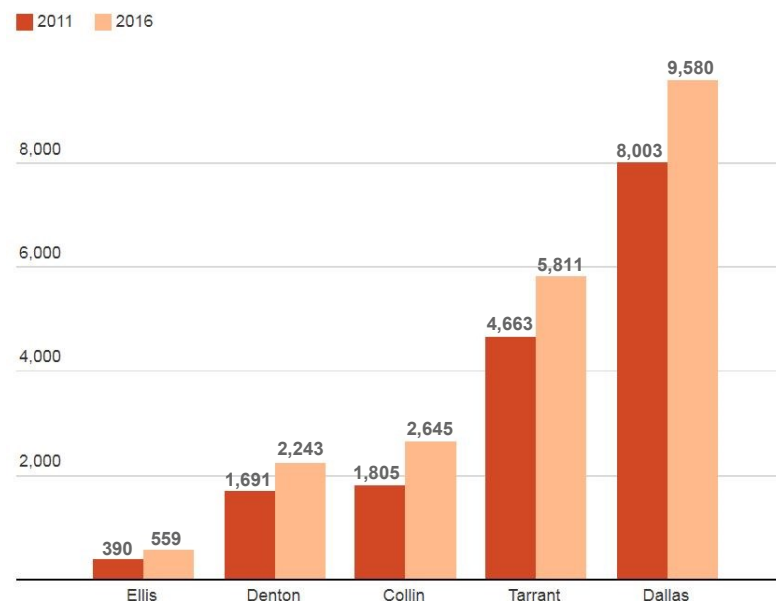


Table 1. Growth of Registered Nonprofit Organizations and Public Charities¹⁰

County	Number of Registered 501(c)(3) Nonprofit Organizations			Number of Registered 501(c)(3) Public Charities		
	2011	2016	Percent Change	2011	2016	Percent Change
Collin	2,289	3,176	38.75	1,805	2,645	46.54
Dallas	11,461	13,305	16.09	8,003	9,580	19.71
Denton	2,086	2,689	28.91	1,691	2,243	32.64
Ellis	525	696	32.57	390	559	43.33
Erath	189	212	12.17	106	138	30.19
Hood	218	279	27.98	135	200	48.15
Hunt	327	381	16.51	207	276	33.33
Johnson	541	611	12.94	400	490	22.50
Kaufman	355	465	30.99	246	343	39.43
Navarro	258	255	(1.16)	161	165	2.48
Palo Pinto	155	166	7.10	95	106	11.58
Parker	423	473	11.82	291	348	19.59
Rockwall	290	373	28.62	234	310	32.48
Somervell	51	58	13.73	37	39	5.41
Tarrant	6,880	7,857	14.20	4,663	5,811	24.62
Wise	197	238	20.81	143	183	27.97
North TX Total	26,245	31,234	19.01	18,607	23,436	25.95
All TX Total	94,908	109,797	15.69	65,341	80,840	23.72

RELIGION-RELATED, HUMAN SERVICES, AND EDUCATION

NTEE categories with the most public charities in North Texas

AREAS OF SERVICE OF PUBLIC CHARITIES: TEXAS AND NORTH TEXAS COUNTIES

Public charities in the United States serve a diverse range of missions. In North Texas, the majority of these public charities work in religion-related, human services and education mission spaces. These organizations are coded according to the NTEE (also known as the National Taxonomy of Exempt Entities) classification system, into 26 major groups under 10 “broad” categories.¹¹

Table 2. NTEE Classification System ¹²

Broad Category	Major Groups Under Broad Category	Definitions of Major Groups
I. Arts, Culture, and Humanities	A	A – Arts, Culture, and Humanities
II. Education	B	B – Education
III. Environment and Animals	C, D	C – Environment D – Animal-Related
IV. Health	E, F, G, H	E – Health Care F – Mental Health and Crisis Intervention G – Voluntary Health Associations & Medical Disciplines H – Medical Research
V. Human Services	I, J, K, L, M, N, O, P	I – Crime & Legal-Related J – Employment K – Food, Agriculture & Nutrition L – Housing and Shelter M – Public Safety, Disaster Preparedness & Relief N – Recreation & Sports O – Youth Development P – Human Services
VI. International, Foreign Affairs	Q	Q – International, Foreign Affairs & National Security
VII. Public, Societal Benefit	R, S, T, U, V, W	R – Civil Rights, Social Action & Advocacy S – Community Improvement & Capacity Building T – Philanthropy, Voluntarism & Grantmaking Foundations U – Science & Technology V – Social Science W – Public & Societal Benefit
VIII. Religion Related	X	X – Religion-Related
IX. Mutual/Membership Benefit	Y	Y – Mutual & Membership Benefit
X. Unknown, Unclassified	Z	Z – Unknown

Table 3. North Texas Public Charities by Broad NTEE Category¹³

County	Arts, Culture, Humanities	Health (Hospitals)	Health (Other)	Environment	International	Human Services	Religion & Other Services	Education (Other)	Education (Higher)	Public & Societal Benefit	Mutual Benefit	Total*
Collin	218	10	134	91	65	627	698	519	3	269	3	2,637
Dallas	710	41	909	247	171	2,216	2,752	1,416	31	1,004	41	9,538
Denton	165	1	104	87	42	528	625	484	3	200	2	2,241
Ellis	32	0	21	20	7	142	207	88	1	35	4	557
Erath	8	1	9	4	1	51	35	19	0	10	0	138
Hood	20	0	10	15	1	64	36	34	0	18	2	200
Hunt	23	0	9	11	2	77	83	41	1	27	2	276
Johnson	29	2	27	22	4	131	163	76	1	33	2	490
Kaufman	24	2	16	28	2	105	93	53	1	17	1	342
Navarro	15	0	3	4	1	58	49	21	0	13	0	164
Palo Pinto	13	0	6	5	2	37	24	8	0	10	1	106
Parker	20	0	14	25	6	100	109	46	0	27	1	348
Rockwall	25	0	11	6	7	69	109	57	0	25	1	310
Somervell	3	0	2	2	0	10	6	9	0	7	0	39
Tarrant	418	14	325	174	118	1,312	1,864	970	18	557	17	5,787
Wise	10	1	12	12	0	49	62	22	0	14	1	183
North TX Total	1,733	72	1,612	753	429	5,576	6,915	3,863	59	2,266	78	23,356
All TX Total	6,335	315	5,060	2,980	1,187	20,856	22,965	12,387	188	7,960	323	80,556

*This total does not reflect organizations designated as "Unknown."

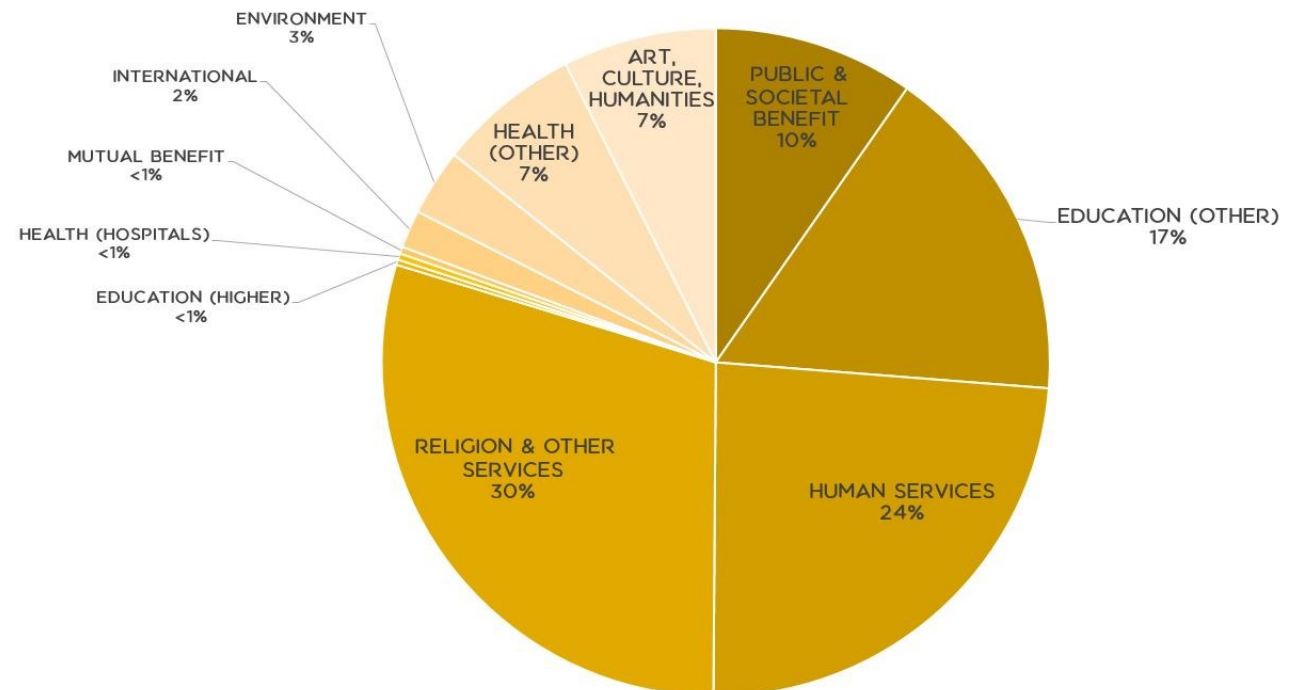


Figure 5. North Texas Public Charities by Broad NTEE Category¹⁴

ASSETS OF PUBLIC CHARITIES: TEXAS AND NORTH TEXAS COUNTIES

The total assets generated by all public charities in North Texas in 2016 was close to \$60.7 billion. North Texas has outpaced the rest of the state, growing just over 70% in assets since August 2011, while the rest of the state has shown about 40% growth. Across North Texas though, this growth has been uneven.¹⁵

Table 4. Asset Growth of North Texas Public Charities, Rounded to Nearest Dollar ¹⁶

County	2011	2016	Percent Growth
Collin	\$1,052,195,151	\$1,900,539,147	80.63
Dallas	\$23,739,885,371	\$40,477,129,301	70.50
Denton	\$519,782,995	\$1,094,638,294	110.60
Ellis	\$43,474,465	\$202,975,148	366.88
Erath	\$69,675,341	\$69,766,556	0.13
Hood	\$62,282,020	\$55,593,651	(10.74)
Hunt	\$43,790,347	\$56,323,903	28.62
Johnson	\$96,140,622	\$252,029,286	162.15
Kaufman	\$28,576,217	\$41,552,417	45.41
Navarro	\$33,992,710	\$34,765,803	2.27
Palo Pinto	\$5,936,356	\$12,687,515	113.73
Parker	\$72,929,610	\$74,970,720	2.80
Rockwall	\$18,975,458	\$63,554,790	234.93
Somervell	\$29,249,995	\$22,813,780	(22.00)
Tarrant	\$9,740,687,000	\$16,285,069,019	67.19
Wise	\$5,942,286	\$6,885,172	15.87
North TX Total	\$35,563,515,944	\$60,651,294,502	70.54
All TX Total	\$125,779,377,177	\$175,564,658,130	39.58

▲ 367%

Growth of public charity assets
in Ellis County since 2011.

\$60.7B

Total assets of public charities in
North Texas in 2016.

▲ 70.5%

Growth of assets for public
charities in all of North Texas
since 2011.

\$26.7B

Total income generated by all public charities in North Texas in 2016.

▲ 51%

Growth in income for North Texas public charities since 2011.

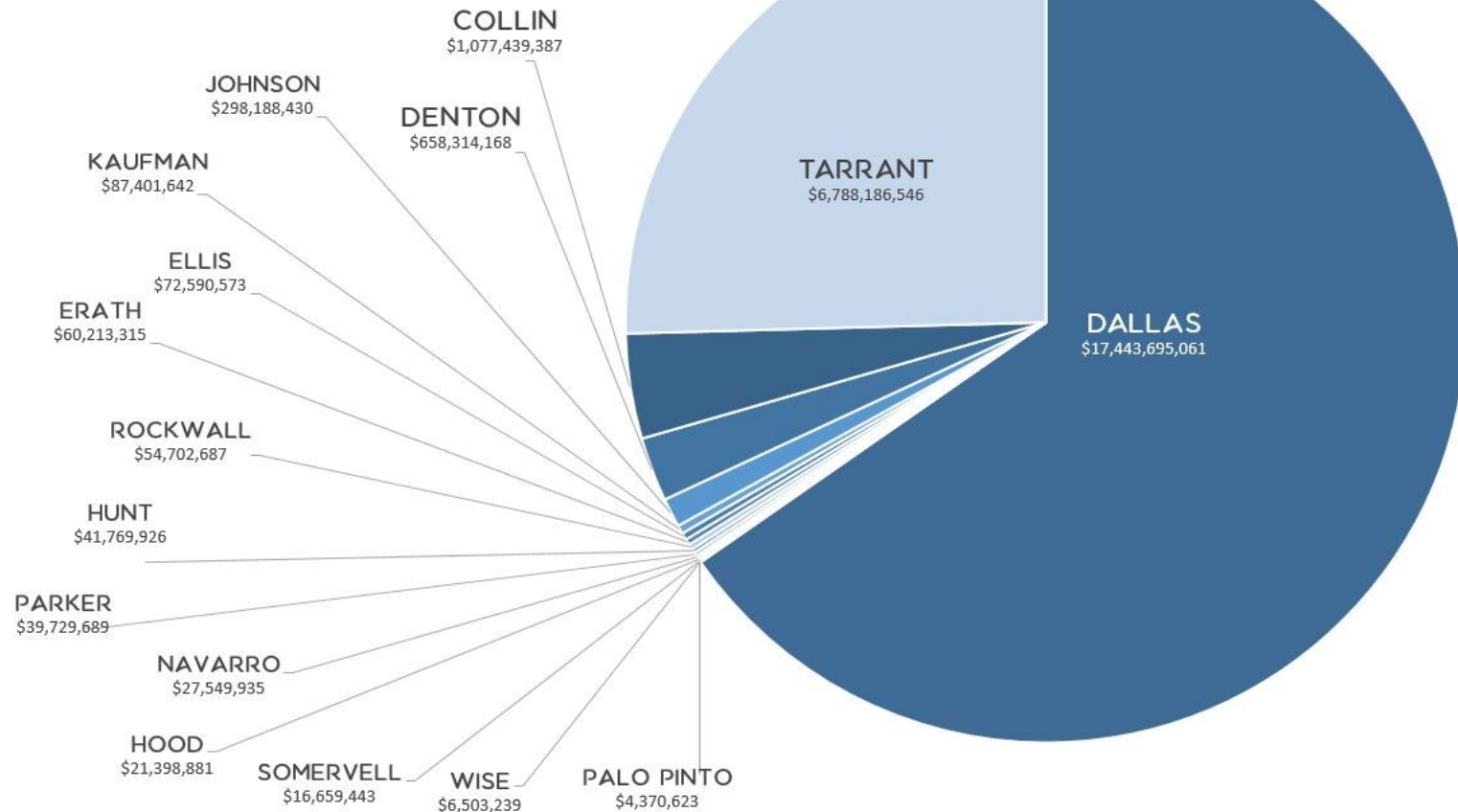
INCOME OF PUBLIC CHARITIES: TEXAS AND NORTH TEXAS COUNTIES

The total income generated by all public charities in North Texas in 2016 was \$26.7 billion. North Texas has outpaced the rest of the state, growing just over 50% in revenue since 2011, while the rest of the state has shown about 34% growth. Across North Texas though, similar to assets, this growth has been uneven.¹⁷

Table 5. Total Income for Public Charities by County, Rounded to Nearest Dollar¹⁸

County	2011	2016	Percent Growth
Collin	\$750,172,649	\$1,077,439,387	43.63
Dallas	\$11,556,952,474	\$17,443,695,061	50.94
Denton	\$393,404,610	\$658,314,168	67.34
Ellis	\$22,778,270	\$72,590,573	218.68
Erath	\$49,183,318	\$60,213,315	22.43
Hood	\$32,329,381	\$21,398,881	(33.81)
Hunt	\$21,292,842	\$41,769,926	96.17
Johnson	\$100,849,853	\$298,188,430	195.68
Kaufman	\$62,973,824	\$87,401,642	38.79
Navarro	\$23,895,897	\$27,549,935	15.29
Palo Pinto	\$3,279,217	\$4,370,623	33.28
Parker	\$78,178,570	\$39,729,689	(49.18)
Rockwall	\$12,195,967	\$54,702,687	348.53
Somervell	\$14,756,547	\$16,659,443	12.90
Tarrant	\$4,583,164,526	\$6,788,186,546	48.11
Wise	\$9,601,311	\$6,503,239	(32.27)
North TX Total	\$17,715,009,256	\$26,698,713,545	50.71
All TX Total	\$58,542,894,960	\$78,475,402,918	34.05

Figure 6. Total Income for Public Charities by County (2016) ¹⁹



65%

Total income for North Texas public charities residing in **Dallas** county.

25%

Total income for North Texas public charities residing in **Tarrant** county.

4%

Total income for North Texas public charities residing in **Collin** county.

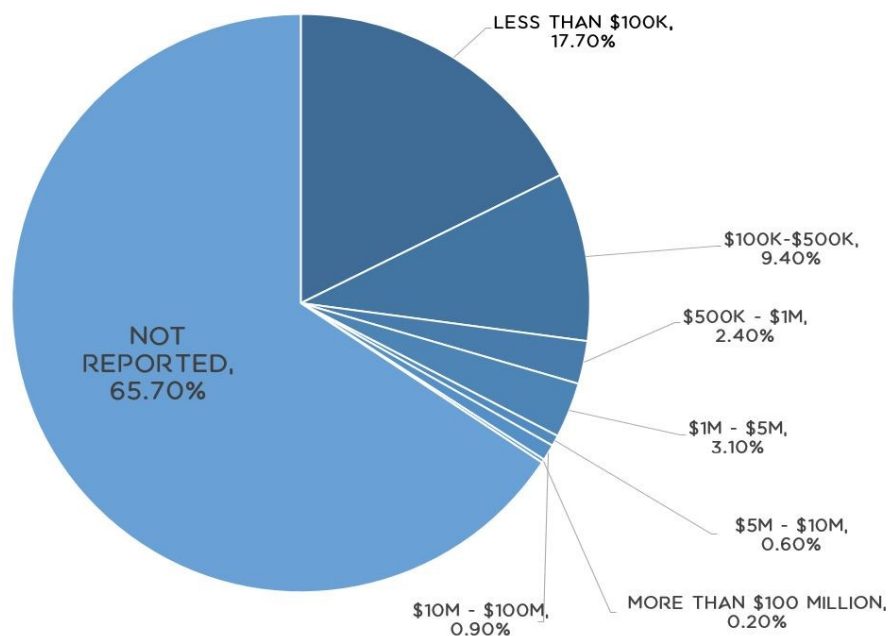
INCOME RANGE OF PUBLIC CHARITIES: TEXAS

Approximately 95% of all public charities in Texas had an operating budget less than \$1 million both in 2011 and 2016. While there was almost a 60% drop of about 20,000 public charities reporting less than \$100,000 in operating revenue from 2011 to 2016, there was growth in all other income ranges. It is interesting to note that an additional 33,000 public charities did not report income at all in 2016 compared to 2011.²⁰

Table 6. All Public Charities in Texas by Income Range²¹

Income Range	2011	2016	2016 Percent Share	Percent Change
Less Than \$100K	34,386	14,271	17.70	(58.50)
\$100K-\$500K	6,405	7,633	9.40	19.17
\$500K - \$1M	1,603	1,945	2.40	21.33
\$1M- \$5M	2,112	2,482	3.10	17.52
\$5M- \$10M	453	534	0.60	17.88
\$10M- \$100M	537	729	0.90	35.75
More than \$100M	93	125	0.20	34.41
Not Reported	19,752	53,121	65.70	168.94
Total	65,341	80,840	100.00	23.72

Figure 7. All Texas Public Charities by Income Range²²



95%

Texas public charities with an annual operating budget of less than \$1M, or not reporting income.

65.7%

Texas public charities not reporting income.

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⁷ Ibid.

⁸ Ibid.

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¹⁰ Ibid.

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¹³ Internal Revenue Service, Exempt Organizations Business Master File (BMF 08/2016 501c3). The Urban Institute, National Center for Charitable Statistics, <http://nccs.urban.org/>

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¹⁵ Internal Revenue Service, Exempt Organizations Business Master File (BMF 08/2011 501c3). The Urban Institute, National Center for Charitable Statistics, <http://nccs.urban.org/>

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ABOUT

For more than 35 years, CNM has helped strengthen nonprofits by offering affordable education and management consulting services. We broadened our mission in early 2015 to strengthen communities by engaging nonprofits on every level, giving them expertise and tools they need to succeed, and fostering cooperation with business, foundations and government entities in a way that produces meaningful results.

CNM MISSION

To strengthen communities by connecting and engaging nonprofits and other stakeholders through thought leadership, management expertise and outcomes technology

CNM VISION

Communities thrive through committed stakeholders equipped to tackle issues in a meaningful way

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