

STATE OF THE SECTOR

2020 Report

North Texas Public Charities by the Numbers



C N M

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As the leading organization serving nonprofits in North Texas, CNM has an unmatched ability to aggregate insights about the state of the sector in this region. We believe COVID-19 will have a significant impact on the nonprofit sector, and believe it's important to update our definitive 2018 State of the Sector Report to look at the nonprofit landscape as it stands now and to serve as a baseline against which we plan to report on again post-pandemic to see how the sector has been affected longer term.

As you will see, our 2020 State of the Sector Report reveals a continuing trend of nonprofit growth in North Texas, even more so than in Texas and in the USA. Compared to 2016 data, there was approximately 20% growth among public charities (from 23,436 to 28,009 organizations), but only 4.6% with an operating budget of more than \$1M. There was growing demand for the services that these nonprofits provide, even before the Coronavirus, but **having more nonprofits has not translated into slowing the growth rate of community issues.**

There is hope! A few years ago, we launched strategic data and technology services and found many nonprofits were not collecting the right program data, if any at all. Of the roughly 70 nonprofits with which we worked, only 20% were gathering the right data. Moreover, many were challenged to interpret and act on it properly. As a result, their ability to serve the right people with the right services in the right way was significantly diminished. We believe this has been a major contributing factor to nonprofits being able to effectively and efficiently respond to social issues but now it can be addressed. Additionally, we changed the direction of our Strategic Consulting Services to provide data to nonprofits about regional and sector trends, and best practices, and to give them actionable, practical and strategic business insights for better community results.

We look forward to working with nonprofits and other community partners to make North Texas an even stronger community in the future.



Tina Weinfurter
President and CEO



ABOUT CNM

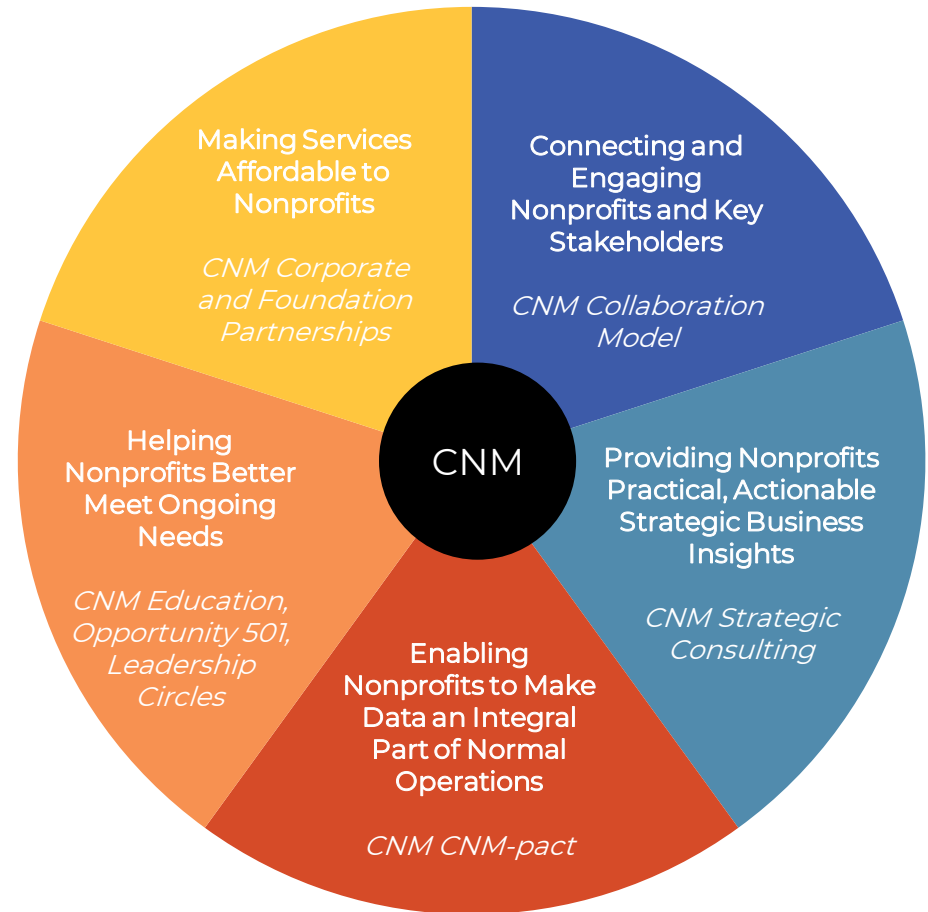
Vision

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

Mission

To strengthen communities by working with nonprofits and other stakeholders to focus on results through strategic management and data expertise and leading-edge technology.

How CNM Mission is Accomplished



EXECUTIVE SUMMARY

“Everything is bigger in Texas,” they say. In many ways, this is true for the nonprofit sector. Consider the following notable State of the Sector Report statistics to understand how.

- From 2016 to 2020, Texas and North Texas experienced greater growth in the number of public charities on a percentage basis compared to the United States.
- Overall, the Public Charity sector of North Texas grew by almost 20% from 2016 to 2020. Collin County outpaced other major counties of North Texas, growing by nearly 30%.
- The median assets of Public Charities in North Texas grew by almost 16% during the period between 2016-2020, as compared to 6% for the state of Texas.

Additionally, it is helpful to understand the makeup of the North Texas nonprofit sector.

- In North Texas, over 70% of Public Charities are made up of three mission spaces: Religion-Related (28%), Human Services (about 27%), and Education (Other than Higher Education) (16%).
- The majority (over 80%) of Public Charities in North Texas are not required to file 990 or 990EZ because they have income less than \$50,000 per year.
- Of the 5,943 North Texas Public Charities that did file a 990, 990EZ, or Group Return in 2020, approximately 95% reported income under \$1,000,000, with 62% under \$500,000.

These findings indicate that as the population in North Texas continues to increase, social issues grow and so does the need for more nonprofits. But to what extent are these nonprofits operating efficiently and effectively? Or is the nonprofit ecosystem the biggest reason for the continued significant growth of public charities in the region? CNM will be exploring these and other questions as we sharpen our focus on working with nonprofits and other stakeholders to get results for the community.

METHODOLOGY

TYPE OF ORGANIZATION

There are many forms of tax exempt organizations, including public charities, private foundations, business leagues, professional associations, fraternal societies, and many more. **The largest group of tax exempt organizations is identified as Public Charities pursuant to Internal Revenue Code section 501(c)(3).** This includes organizations engaged in the arts, education, health care, social services, religious-related services, and other charitable endeavors. Often, when nonprofits are discussed colloquially, we are referring to Public Charities. **Therefore, while the contributions of all tax exempt organizations are valuable for our society, for the purposes of this Report we will focus exclusively on Public Charities.** Additionally, this Report analyzes data on Public Charities by mission-space. While information is available for most Public Charities, there are some organizations for which this classification is unavailable. These organizations have been excluded solely from the mission-space analysis, causing the totals to be slightly lower than for the total Public Charity analysis.

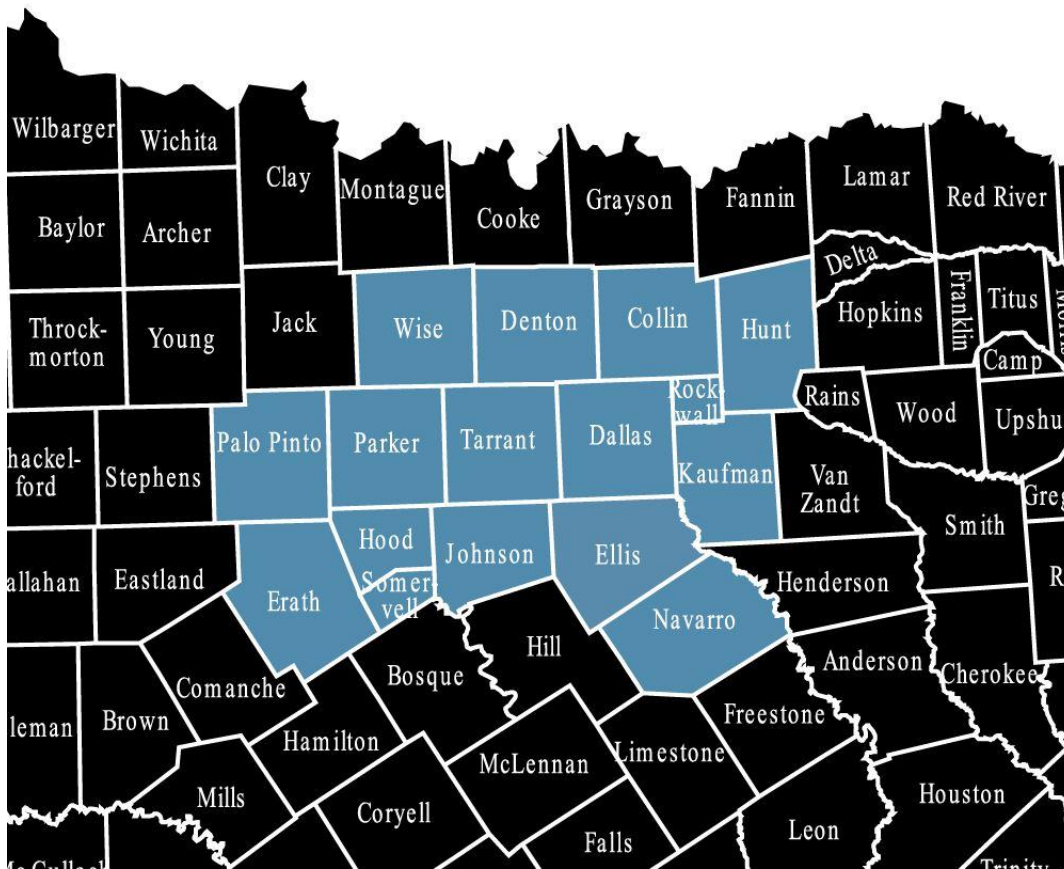
GEOGRAPHIC FOCUS AND SCOPE

The primary focus of this Report is on Public Charities in North Texas. However, to best understand these organizations, it is helpful to put them in context by comparing trends in North Texas to trends throughout Texas and across the United States. Further, we will highlight information regarding the North Texas Counties with the largest population of Public Charities: Dallas, Tarrant, Collin, and Denton Counties.

TIME FRAME

This Report updates the information contained CNM's State of the Sector: 2018 Report. In the 2018 Report, we considered available data for 2011 and 2016 to consider the trends for Public Charities across the region. Due to advances in technology and reporting with the IRS, this Report includes the most recently reported information, including information from the first half of 2020. **Therefore, this Report will analyze the 2016 information contained in the 2018 Report against 2020 data obtained from the IRS and the National Center for Charitable Statistics.**

NORTH TEXAS REGION



North Texas is the 16 county region making up the North Texas Council of Governments.

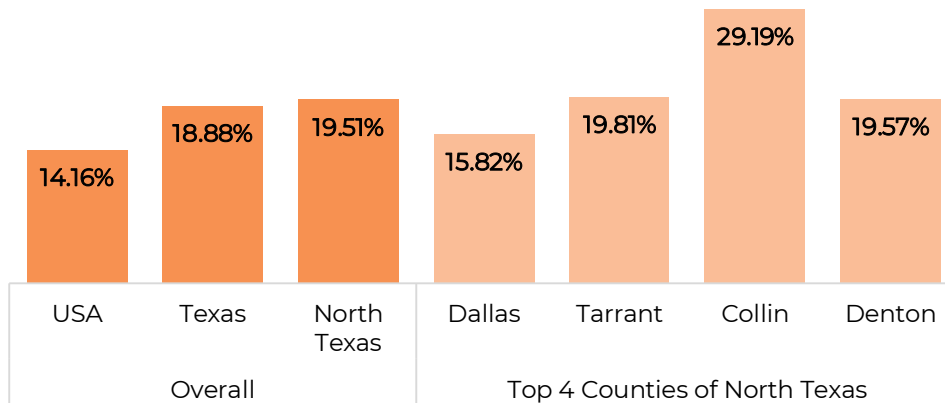
This includes: Collin, Dallas, Denton, Ellis, Erath, Hood, Hunt, Johnson, Kaufman, Navarro, Palo Pinto, Parker, Rockwall, Somervell, Tarrant, and Wise Counties.

PUBLIC CHARITIES BY THE NUMBERS

The period from 2016 to 2020 saw consistent growth in the number of 501(c)(3) Public Charities. All regions studied experienced a growth in the number of Public Charities serving the region.

Texas and North Texas experienced a greater rate of growth than the United States. Collin County outpaced other major counties of North Texas, with the numbers of public charities growing by nearly 30%.

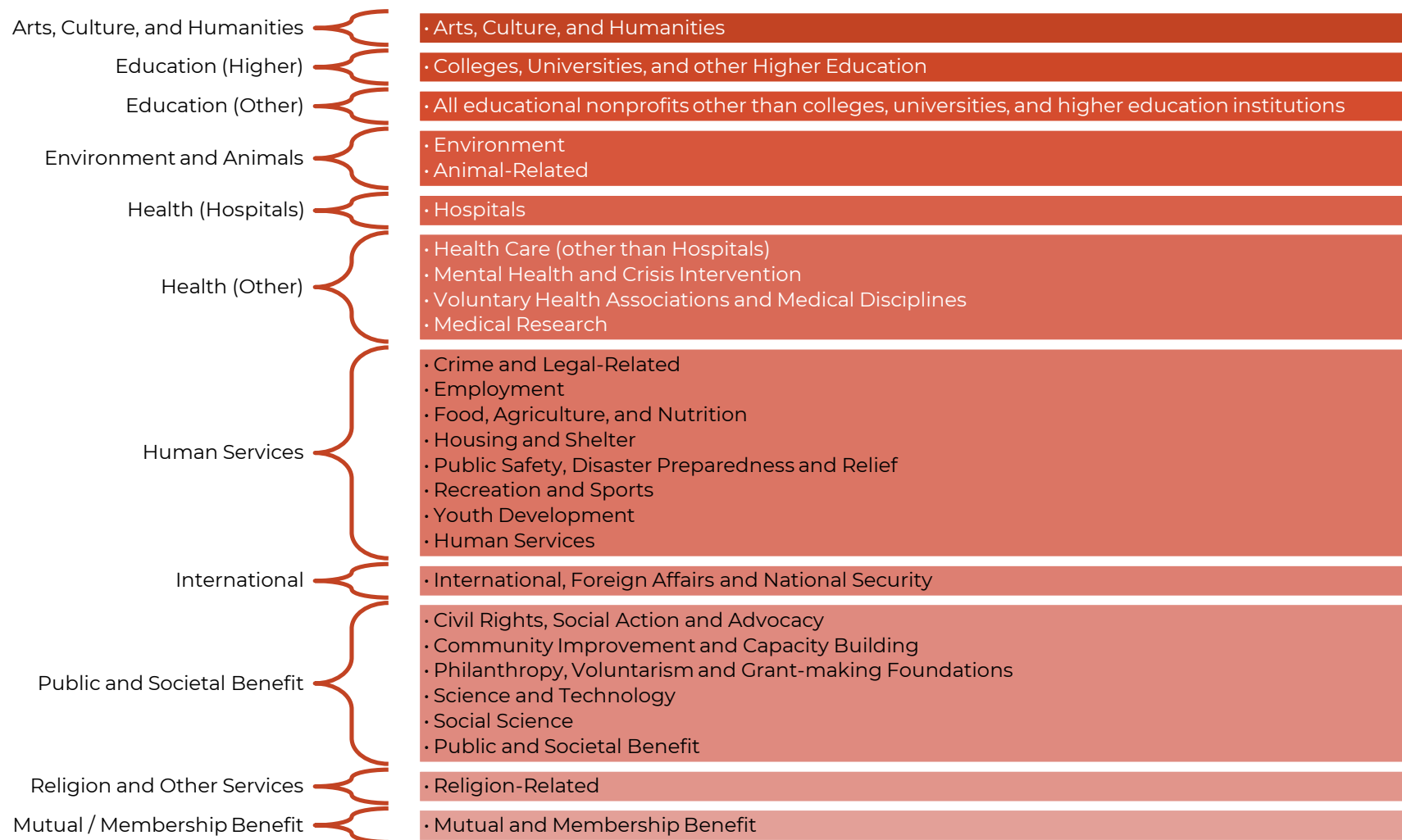
Percent Change in Number of Public Charities



NUMBER OF REGISTERED 501(C)(3) PUBLIC CHARITIES

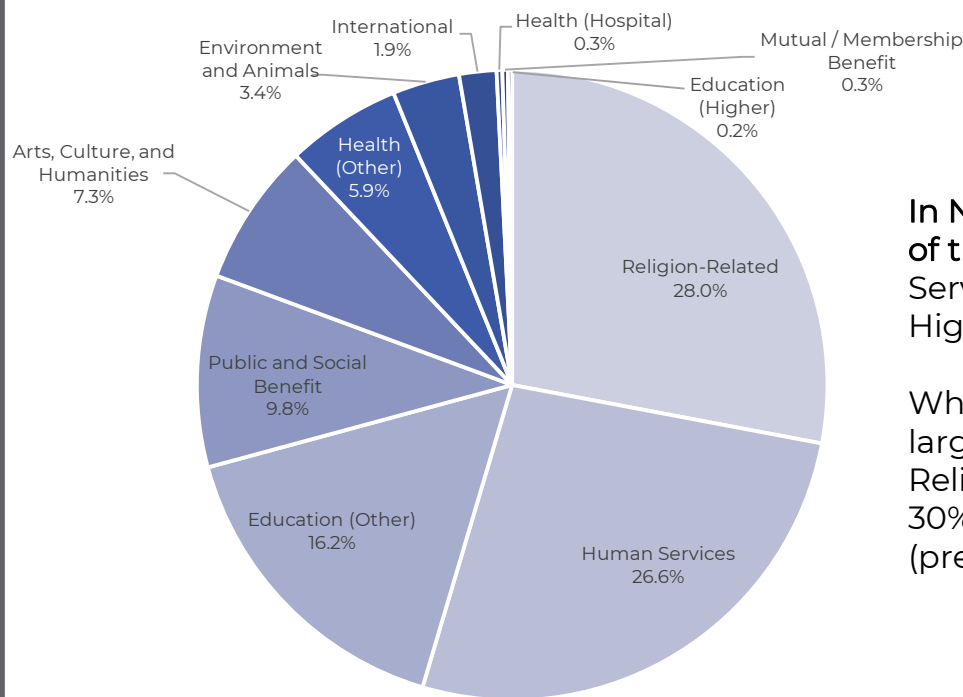
Region/ County	2016	2020	Percent Change
USA	1,108,652	1,265,643	14.16%
Texas	80,840	96,101	18.88%
North Texas	23,436	28,009	19.51%
Dallas	9,580	11,096	15.82%
Tarrant	5,811	6,962	19.81%
Collin	2,645	3,417	29.19%
Denton	2,243	2,682	19.57%
Ellis	559	709	26.83%
Johnson	490	600	22.45%
Kaufman	343	440	28.28%
Parker	348	435	25.00%
Rockwall	310	371	19.68%
Hunt	276	315	14.13%
Hood	200	254	27.00%
Wise	183	223	21.86%
Navarro	165	182	10.30%
Erath	138	150	8.70%
Palo Pinto	106	122	15.09%
Somervell	39	51	30.77%

DEFINITION OF MISSION SPACES



PUBLIC CHARITIES BY MISSION SPACE

Region	Arts, Culture, and Humanities	Education (Higher)	Education (Other)	Environment and Animals	Health (Hospital)	Health (Other)	Human Services	International	Mutual / Membership Benefit	Public and Social Benefit	Religion-Related	Grand Total
Collin County	280	4	644	112	9	170	878	72	4	338	795	3,306
Dallas County	785	26	1,525	300	41	756	2,879	208	40	1,166	2,988	10,714
Denton County	202	4	524	102	3	118	672	44	2	249	683	2,603
Tarrant County	478	19	1,114	211	18	381	1,684	153	18	639	2,052	6,767
North Texas	1,987	58	4,392	932	79	1,597	7,215	519	77	2,669	7,583	27,108
Texas	7,190	199	14,409	3,666	323	5,531	25,589	1,397	339	9,402	25,463	93,508
USA	115,456	4,943	174,653	63,674	5,741	84,834	336,761	20,991	4,289	134,447	293,818	1,239,607



In North Texas, over 70% of Public Charities are made up of three mission spaces: Religion-Related (28%), Human Services (about 27%), and Education (Other than Higher Education) (16%).

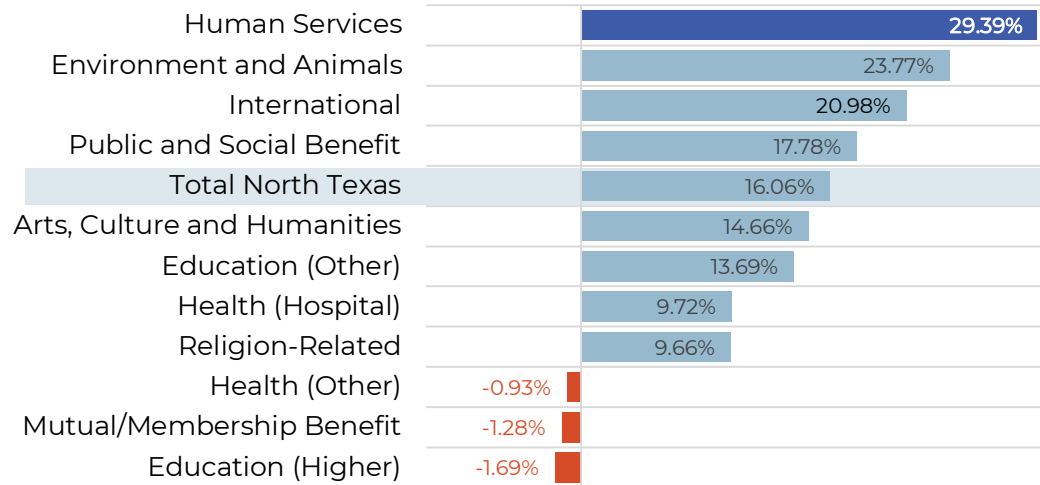
While Religion-Related organizations make up the largest portion of Public Charities, the share of Religious Public Charities is down from 2018 (previously 30%) while Human Services has increased since 2018 (previously 24%).

CHANGE IN NUMBER OF NORTH TEXAS PUBLIC CHARITIES BY MISSION SPACE

Overall, the Public Charity sector of North Texas grew by just over 16% for the period from 2016-2020.

The number of Human Services organizations in North Texas grew by nearly 30% for this period. North Texas also experienced an increase in the number of Environmental and International organizations.

The number of organizations serving Higher Education, Mutual/Membership Benefit, and Health (other than hospitals) experienced a contraction during this period.

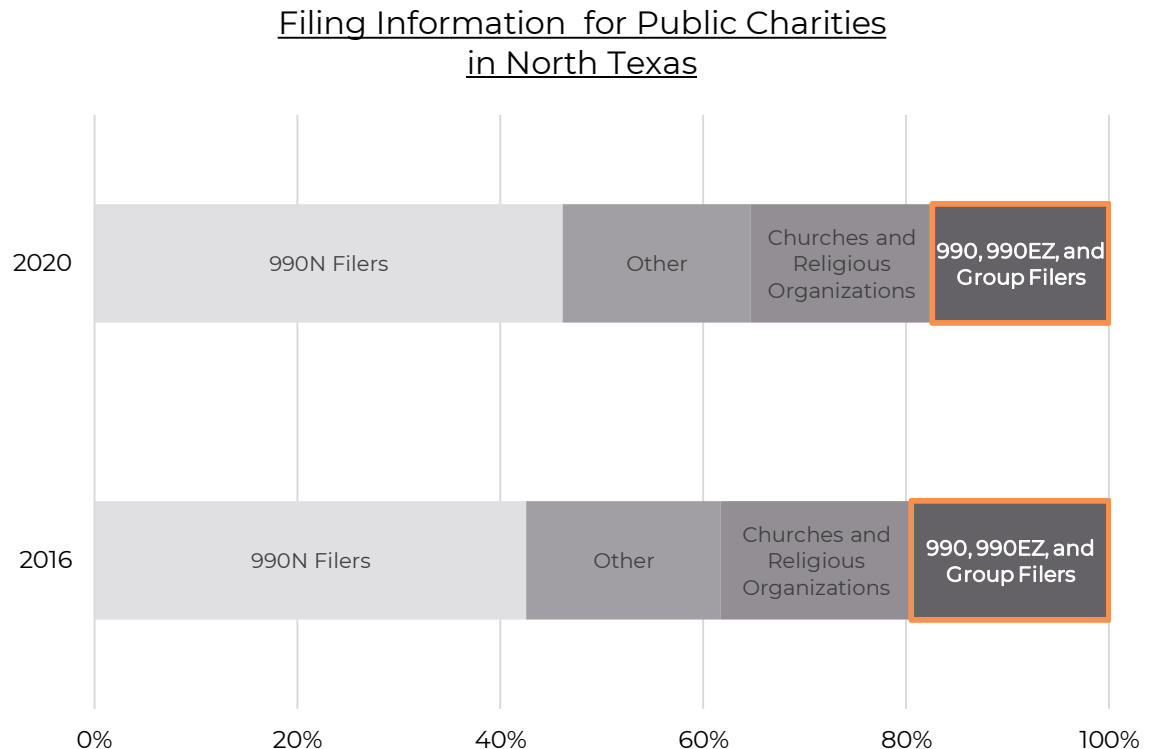


Mission Space	2016	2020	Change
Arts, Culture, and Humanities	1,733	1,987	14.66%
Education (Higher)	59	58	-1.69%
Education (Other)	3,863	4,392	13.69%
Environment and Animals	753	932	23.77%
Health (Hospitals)	72	79	9.72%
Health (Other)	1,612	1,597	-0.93%
Human Services	5,576	7,215	29.39%
International	429	519	20.98%
Mutual/Membership Benefit	78	77	-1.28%
Public and Social Benefit	2,266	2,669	17.78%
Religion-Related	6,915	7,583	9.66%
Total North Texas	23,356	27,108	16.06%

NORTH TEXAS PUBLIC CHARITIES FINANCIAL INFORMATION

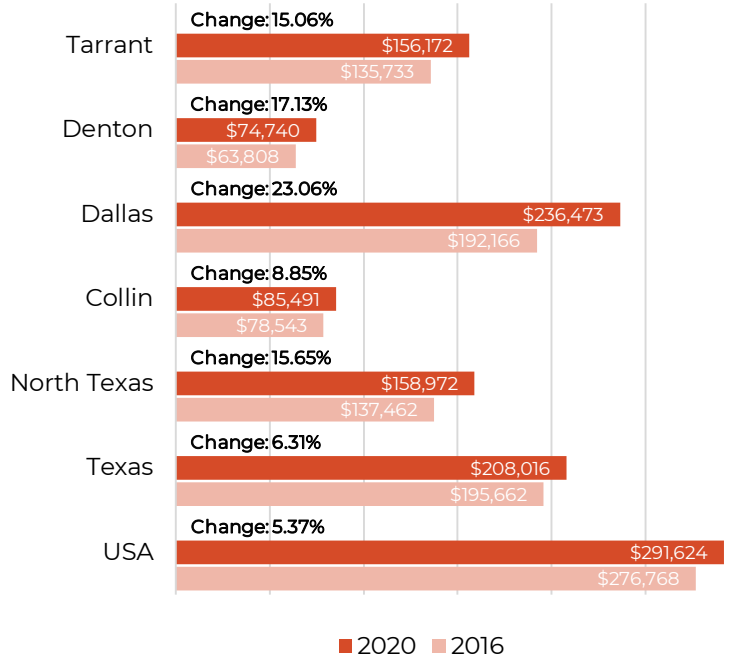
Financial information is reported to the IRS via tax returns. The majority (over 80%) of Public Charities in North Texas are not required to file 990 or 990EZ because they have income less than \$50,000 per year (46% of Public Charities in 2020), are a church or other religious organization (18% of Public Charities in 2020), or are exempt for other reasons (19%).

The remaining Public Charities filed IRS Form 990, 990EZ, or a Group Return. These returns provide the most robust and reliable publicly available financial information for Public Charities in North Texas. Therefore, the remainder of this report will focus solely on these organizations.

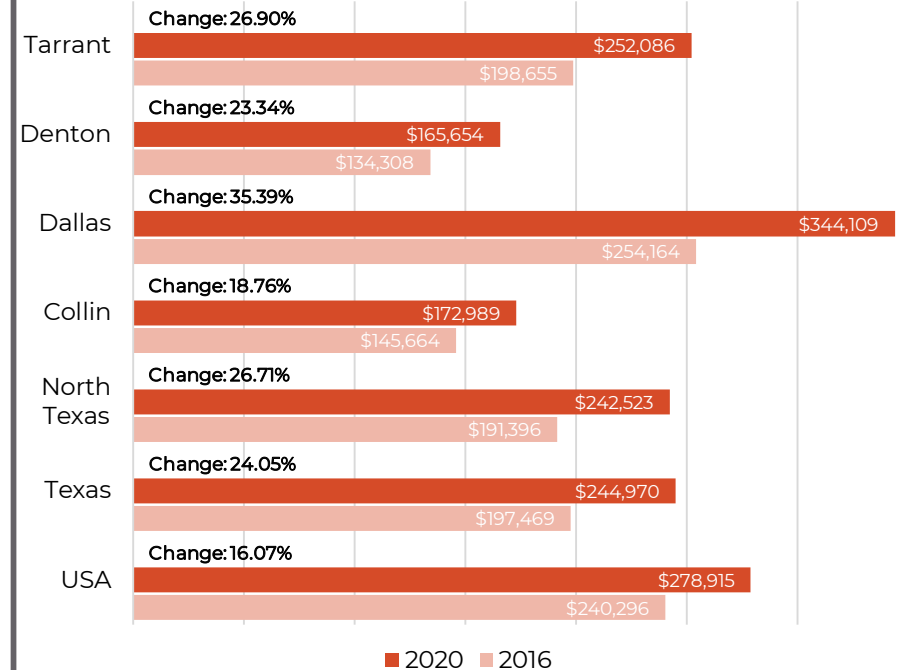


PUBLIC CHARITIES MEDIAN ASSETS AND REVENUE

Change in Median Assets (2016-2020)



Change in Median Revenue (2016-2020)



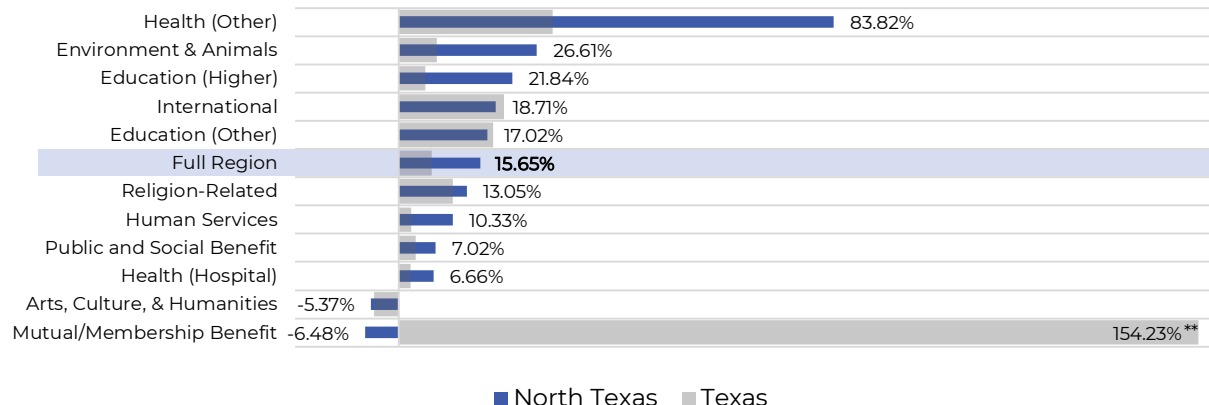
The median assets of Public Charities were greater in the United States as a whole than in Texas, North Texas, and the four major North Texas counties. However, the median assets grew at a faster rate in Texas, North Texas, and the four major North Texas counties.

Dallas County stands out among Public Charities, both for the growth experienced during the period from 2016-2020 and the amount of median revenue of Public Charities in the county.

NORTH TEXAS PUBLIC CHARITIES MEDIAN ASSETS BY MISSION SPACE

	North Texas				Texas				USA		
	2016	2020	Change		2016	2020	Change		2016	2020	Change
Arts, Culture, & Humanities	\$ 122,768	\$ 116,174	-5.37%		\$ 177,716	\$ 169,199	-4.79%		\$ 200,800	\$ 214,637	6.89%
Education (Higher)	\$ 5,562,266	\$ 6,776,820	21.84%		\$ 14,502,465	\$ 15,233,537	5.04%		\$ 28,965,781	\$ 31,441,907	8.55%
Education (Other)	\$ 83,777	\$ 98,039	17.02%		\$ 116,203	\$ 137,356	18.20%		\$ 201,494	\$ 224,348	11.34%
Environment & Animals	\$ 94,359	\$ 119,470	26.61%		\$ 146,328	\$ 157,007	7.30%		\$ 217,768	\$ 239,445	9.95%
Health (Hospital)	\$ 118,870,194	\$ 126,784,656	6.66%		\$ 15,380,696	\$ 15,731,012	2.28%		\$ 38,818,047	\$ 43,321,124	11.60%
Health (Other)	\$ 188,633	\$ 346,754	83.82%		\$ 344,985	\$ 447,151	29.61%		\$ 550,150	\$ 576,942	4.87%
Human Services	\$ 175,018	\$ 193,099	10.33%		\$ 223,716	\$ 228,921	2.33%		\$ 296,977	\$ 311,431	4.87%
International	\$ 86,843	\$ 103,092	18.71%		\$ 90,151	\$ 108,376	20.22%		\$ 135,650	\$ 152,634	12.52%
Mutual/Membership Benefit	\$ 272,362	\$ 254,703	-6.48%		\$ 293,140	\$ 45,247	154.23%		\$ 507,184	\$ 562,136	10.83%
Public and Social Benefit	\$ 211,047	\$ 225,857	7.02%		\$ 280,119	\$ 289,191	3.24%		\$ 308,596	\$ 322,366	4.46%
Religion-Related	\$ 91,160	\$ 103,052	13.05%		\$ 105,070	\$ 115,986	10.39%		\$ 123,767	\$ 135,609	9.57%
Full Region	\$ 137,462	\$ 158,972	15.65%		\$ 195,662	\$ 208,016	6.31%		\$ 276,768	\$ 291,624	5.37%

Change in Median Assets between 2016-2020
(North Texas and Texas)*



*Percentages refer to change in North Texas Median Assets **Mutual/Membership Benefit Growth in Texas

The median assets of Public Charities in North Texas grew by almost 16% during the period between 2016-2020, as compared to 6% for the state of Texas. It is worth noting that Health (Other) grew by nearly 84% in North Texas but only by about 30% across Texas and 5% across the United States. It is also worth noting that the median assets for Mutual/Membership Benefit grew significantly across Texas but *contracted* in North Texas.

NORTH TEXAS PUBLIC CHARITIES

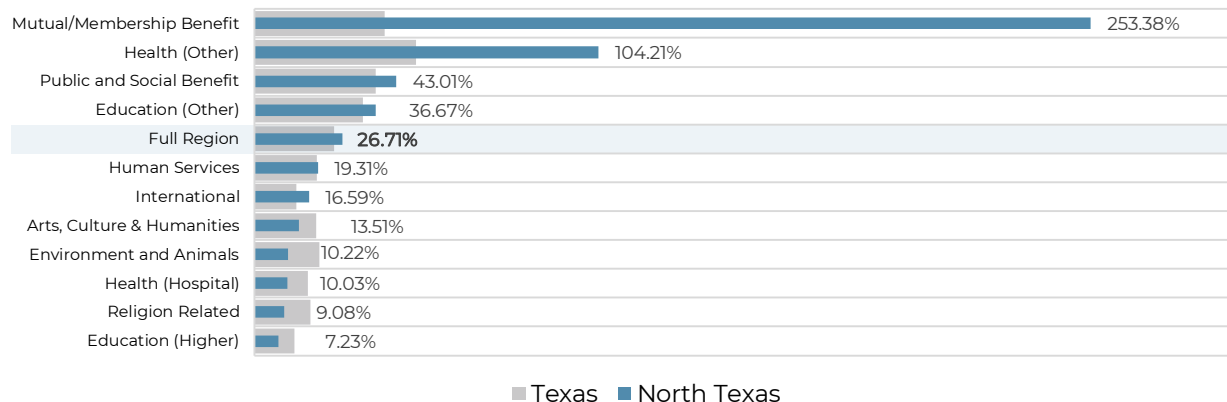
MEDIAN REVENUE BY MISSION SPACE

	North Texas		
	2016	2020	Change
Arts, Culture, & Humanities	\$ 170,622	\$ 193,676	13.51%
Education (Higher)	\$ 4,578,940	\$ 4,909,786	7.23%
Education (Other)	\$ 129,574	\$ 177,083	36.67%
Environment & Animals	\$ 163,510	\$ 180,225	10.22%
Health (Hospital)	\$ 115,531,457	\$ 27,122,606	10.03%
Health (Other)	\$ 241,079	\$ 492,307	104.21%
Human Services	\$ 235,885	\$ 281,434	19.31%
International	\$ 180,892	\$ 210,905	16.59%
Mutual/Membership Benefit	\$ 105,490	\$ 372,776	253.38%
Public & Social Benefit	\$ 197,518	\$ 282,470	43.01%
Religion-Related	\$ 184,948	\$ 201,749	9.08%
Full Region	\$ 191,396	\$ 242,523	26.71%

	Texas		
	2016	2020	Change
Arts, Culture, & Humanities	\$ 165,752	\$ 196,832	18.75%
Education (Higher)	\$ 5,338,523	\$ 5,984,594	12.10%
Education (Other)	\$ 143,074	\$ 190,122	32.88%
Environment & Animals	\$ 166,434	\$ 199,132	19.65%
Health (Hospital)	\$ 21,149,753	\$ 4,583,812	16.24%
Health (Other)	\$ 366,814	\$ 546,568	49.00%
Human Services	\$ 226,846	\$ 269,601	18.85%
International	\$ 180,422	\$ 203,337	12.70%
Mutual/Membership Benefit	\$ 189,474	\$ 264,172	39.42%
Public & Social Benefit	\$ 196,885	\$ 269,307	36.78%
Religion-Related	\$ 160,835	\$ 188,157	16.99%
Full Region	\$ 197,469	\$ 244,970	24.05%

	USA		
	2016	2020	Change
Arts, Culture, & Humanities	\$ 172,897	\$ 204,945	18.54%
Education (Higher)	\$ 6,815,545	\$ 19,810,788	17.81%
Education (Other)	\$ 89,340	\$ 239,578	26.53%
Environment & Animals	\$ 196,290	\$ 227,183	15.74%
Health (Hospital)	\$ 35,088,344	\$ 41,612,200	18.59%
Health (Other)	\$ 488,301	\$ 574,081	17.57%
Human Services	\$ 256,032	\$ 289,748	13.17%
International	\$ 231,999	\$ 260,099	12.11%
Mutual/Membership Benefit	\$ 193,691	\$ 268,862	38.81%
Public & Social Benefit	\$ 224,675	\$ 275,298	22.53%
Religion-Related	\$ 169,395	\$ 187,346	10.60%
Full Region	\$ 240,296	\$ 278,915	16.07%

Change in Median Revenue between 2016-2020
(North Texas and Texas)*



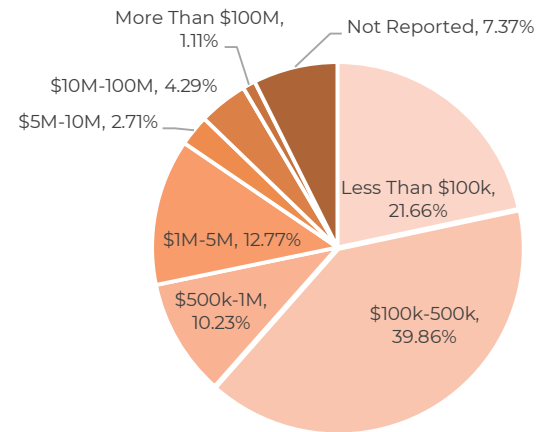
*Percentages refer to change in North Texas Median Revenue

The median revenue for Mutual/Membership Benefit in North Texas grew significantly during this period. However, some of this growth can be attributed to a limited number of Mutual/Membership Benefit charities in the region: several smaller Public Charities in this mission space no longer filed tax returns and therefore the median shifted. The growth experienced in the Health (Other) mission space, however, has a much larger number of organizations. Therefore, we can report that this sector experienced more growth in North Texas than throughout Texas generally.

NORTH TEXAS PUBLIC CHARITIES INCOME RANGE

990, 990EZ, and Group Filers	Range	2016	2020	Percent Change	2020 Percent Share
	Less Than \$100k	1,559	1,287	-17.45%	21.66%
	\$100k-500k	2,074	2,369	14.22%	39.86%
	\$500k-1M	508	608	19.69%	10.23%
	\$1M-5M	632	759	20.09%	12.77%
	\$5M-10M	143	161	12.59%	2.71%
	\$10M-100M	210	255	21.43%	4.29%
	More Than \$100M	42	66	57.14%	1.11%
	Not Reported	452	438	-3.10%	7.37%
	Total	5,620	5,943	5.75%	100.00%

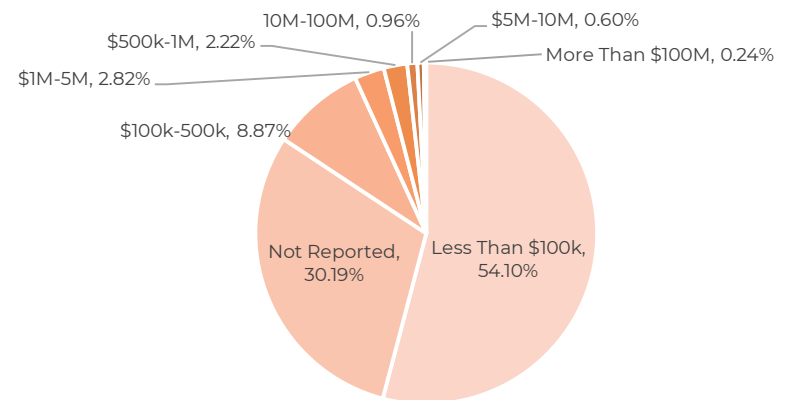
North Texas Public Charities: 990, 990EZ, and Group Filers Only



Of the 5,943 North Texas Public Charities that filed a 990, 990EZ, or Group Return, approximately 62% reported income under \$500,000.

As discussed on page 11, the analysis on this page focuses solely on Public Charities filing 990, 990EZ, or Group Returns. However, when all North Texas Public Charities are considered, only 7% of Public Charities report income greater \$500,000 and less than 5% report income greater than \$1,000,000.

All North Texas Public Charities



REFERENCES

2020 Data for this Report is compiled from:

- Urban Institute, National Center for Charitable Statistics. (2020). Internal Revenue Service, Exempt Organizations Business Master File. bmf.bm2004.csv. Available from: <http://nccs-data.urban.org>. Accessed May 12, 2020.
- Internal Revenue Service. “Exempt Organizations Business Master File Extracts.” <https://www.irs.gov/charities-non-profits/exempt-organizations-business-master-file-extract-eo-bmf>. Accessed June 5, 2020.

2016 Data for this Report is compiled from:

- Urban Institute, National Center for Charitable Statistics. (2016). Internal Revenue Service, Exempt Organizations Business Master File. bmf.bm1608.csv. Available from: <http://nccs-data.urban.org>. Accessed March 4, 2020.



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