



TOPLINE MESSAGES

Messages & Key Statistics

During your meetings, we encourage you to use the following messages and key statistics relating to the nonprofit sector. These are meant to remind legislators about the importance of nonprofits to our economy, our communities, and our families here in Washington. We have also included some of the most relevant and latest data related to our sector.

COVID-19 has presented nonprofits with unprecedented challenges and unprecedented needs.

Nonprofits are vital to our state's economic and social recovery.

Nonprofits support our communities across the state in areas ranging from childcare to culture and from healthcare to conflict resolution. Our sector will be essential to recovery from COVID-19, providing childcare so parents can return to work, mental health services for grieving families, and bringing life back to main streets. Budget cuts to community services provided by nonprofits will delay recovery and cost lives.

Nonprofits offer good jobs.

Nonprofits employed nearly 270,000 people and paid more than \$13 billion in wages annually in Washington prior to the pandemic. These jobs pay better than equivalent for-profit jobs in healthcare, education, human services and other fields. We estimate that about 20,000 nonprofit jobs have been lost in Washington state, based national nonprofit job loss statistics of 7.4%.

Nonprofits are financially fragile and many are at risk of closure.

49% of nonprofit revenue comes from fees for services (ticket sales, tuition, etc.), and **this income has been reduced by 58% during the pandemic.** Nonprofits do not have significant financial reserves to weather downturns. Prior to the pandemic, **46% of nonprofits in Washington reported having less than 3 months of reserves.**

Across the board budget cuts hurt nonprofits and hurt our efforts to recover.

During the 2008 Great Recession, across the board budget cuts were instituted. These made recovery for nonprofits, many of which rely on government contracts for essential revenue, far more difficult.



KEY STATISTICS

There are more than 30,000 501(c)(3) nonprofits in Washington state.

Nonprofits in Washington employ nearly 270,000 people and pay over \$1.3 billion in wages annually. They represent more than 10% of the workforce.

Nonprofits lost over 50,000 jobs nationally in December 2020. This helps to show the difficulties nonprofits still face. From February 2020 (pre-COVID) to December 2020, 930,000 nonprofit jobs were lost.

30% of Washingtonians volunteer, contributing over 198 million hours of volunteer services **valued at over \$5 billion.**

49% of nonprofit revenue overall comes from fees for services. Like small businesses, nonprofits depend on earned revenue.

References

Newhouse, Chelsea. "NEWS RELEASE | NONPROFITS LOST OVER 50,000 JOBS IN DECEMBER, REVERSING A SLOW RECOVERY." Center for Civil Society Studies. January 19, 2021. <http://ccss.jhu.edu/december-jobs/>

Finchum-Mason, E., Husted, K., Gugerty, M.K., & Barnhart, E. (2020). Local impacts of a global crisis: How Washington state nonprofits are responding to COVID-19. Nancy Bell Evans Center on Nonprofits & Philanthropy.

46% of nonprofits surveyed in Washington reported having less than 3 months of reserves prior to the crises of 2020.

During the 2008 recession, giving dropped by 5.8%.

Nonprofits depend on government grants and contracts for 32% of their revenue overall.

During COVID, nonprofits have seen a 30% decline in total revenue. This decline is primarily due to "a drop in program service revenue."

Total revenue for nonprofits into 2021 is expected to decline by 16% overall, 4.2% for health and human service organizations, and 25.6% for other nonprofits.

During COVID, 62% of nonprofits have paused one or more programs, and 14% have had to end one or more programs.