

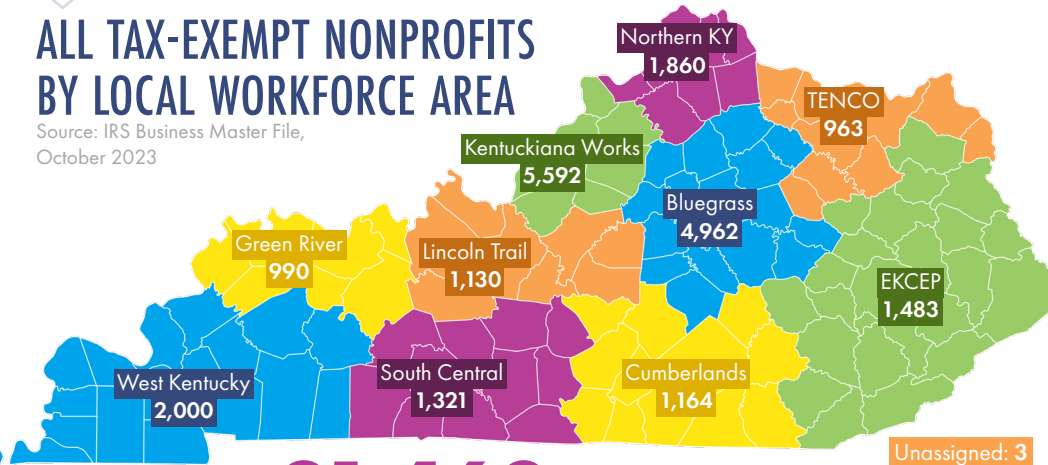
# Kentucky Nonprofits: MORE THAN CHARITY

## THE BIG PICTURE

All tax-exempt nonprofits

### ALL TAX-EXEMPT NONPROFITS BY LOCAL WORKFORCE AREA

Source: IRS Business Master File, October 2023



total: **21,468** registered Kentucky nonprofits

### ALL TAX-EXEMPT NONPROFITS BY PRIMARY PURPOSE

Primary Purpose	Number	% of Total	Revenue	% of Total
Arts, Culture & Humanities	1,428	6.8%	\$304 M	1.0%
Education	2,582	12.3%	\$3.2 B	10.7%
Environment & Animals	821	3.9%	\$177 M	0.6%
Health	1,294	6.2%	\$18.3 B	61.1%
Human Services	5,415	25.9%	\$3 B	10.0%
International, Foreign Affair	224	1.1%	\$27 M	0.1%
Mutual/Member Benefit	1,277	6.1%	\$343 M	1.1%
Public/Societal Benefit	3,586	17.1%	\$4.4 B	14.7%
Religion Related	3,685	17.6%	\$148 M	0.5%
Unknown/Unclassified	604	2.9%	\$8 M	0.0%

Source: IRS Exempt Organization Business Master File with National Center for Charitable Statistics enhancements as of August 2022

## A CLOSER LOOK AT CHARITABLE NONPROFITS

501(c)(3) Organizations Filing IRS Form 990 & 990-EZ

**13,587** Total charitable nonprofits in Kentucky

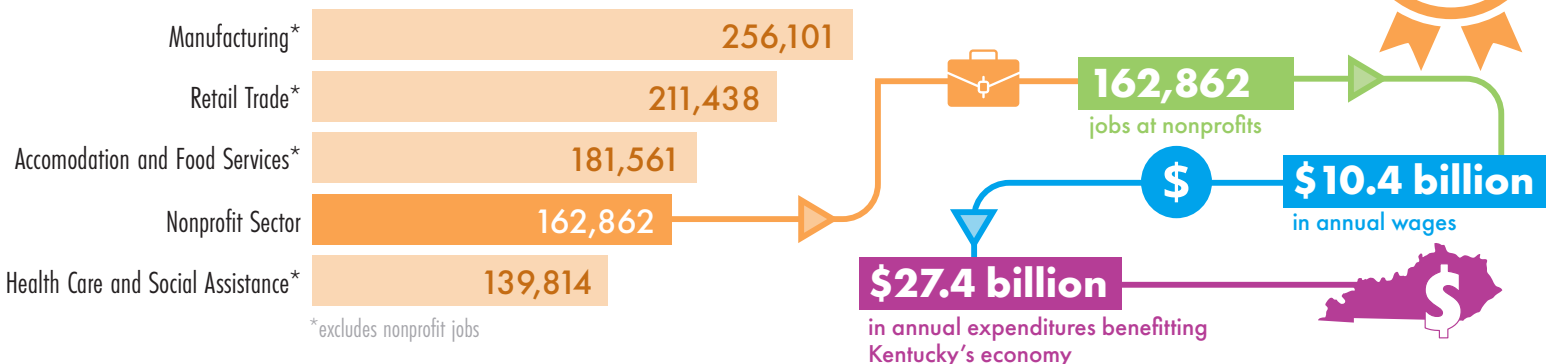
**4,330** registered 501(c)(3) nonprofits with paid employees

**1 in 10** Kentucky private sector jobs are at nonprofits

**25.2%** of post-secondary graduates were employed at a nonprofit at some point within 5 years of graduation

Source: IRS Exempt Organization Business Master File, October 2023, and Kentucky Center for Statistics, Labor Market Information Branch Quarterly Census of Employment and Wages, 2022

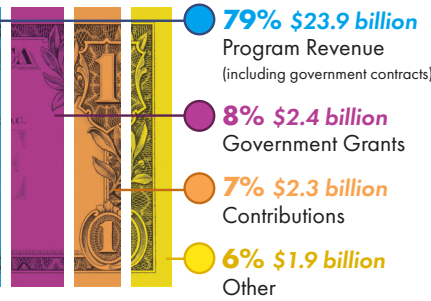
### LARGEST KY PRIVATE SECTOR EMPLOYERS BY INDUSTRY



Sources: IRS Exempt Organization Business Master File and Kentucky Center for Statistics, Labor Market Information Branch Quarterly Census of Employment and Wages, 2022; Expenditure data: IRS Business Master Files 2019-2022; IRS e-File and Revenue Transaction Files FY ending circa 2021, via DataLake Nonprofit Research

# REVENUE SOURCES FOR CHARITABLE NONPROFITS

TOTAL KENTUCKY REVENUE: \$30.5 billion



Source: IRS Business Master Files 2019-2022; IRS e-File and Revenue Transaction Files FY ending circa 2021, via DataLake Nonprofit Research

## SMALL BUT MIGHTY



74%

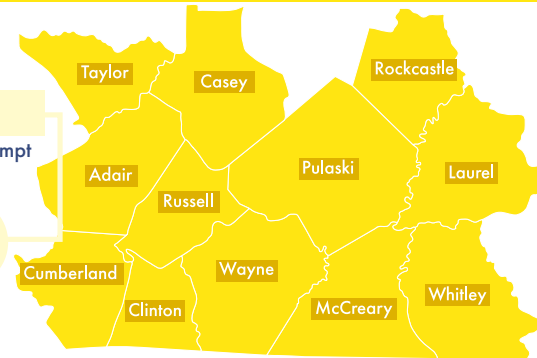
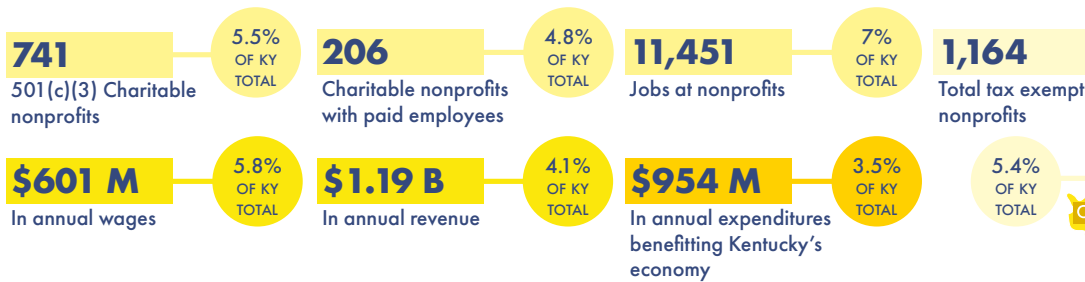
of nonprofits have annual budgets of **less than \$500,000**

82%

of nonprofits have annual budgets of **less than \$1 million**

## Local Workforce Area: **Cumberlands**

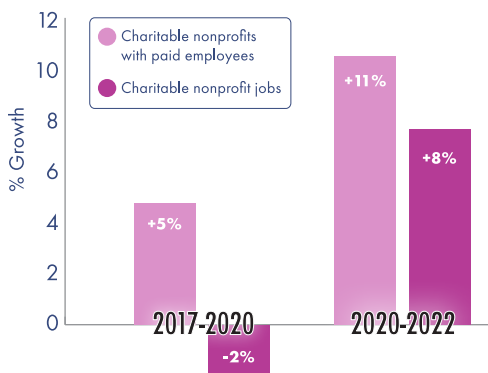
Sources: IRS Business Master Files 2019-2022; IRS e-File and Revenue Transaction Files FY ending circa 2021, via DataLake Nonprofit Research; IRS Exempt Organization Business Master, October 2023 and KY Center for Statistics, Labor Market Information Branch Quarterly Census of Employment and Wages, 2022



# THE SHIFTING LANDSCAPE FACING CHARITABLE NONPROFITS

### THE COVID-19 PANDEMIC ACCELERATED GROWTH IN KENTUCKY CHARITABLE NONPROFITS WITH PAID EMPLOYEES

Source: IRS Exempt Organization Business Master File and Kentucky Center for Statistics, Labor Market Information Branch Quarterly Census of Employment and Wages



KENTUCKY  
**NONPROFIT**  
NETWORK  
Kentucky Nonprofit Network, over 1,000 members strong, advances and strengthens Kentucky's nonprofit sector.

### THREATS TO THE SECTOR:

#### Government Contracting is Broken

- Failure to pay full costs
- Delayed agreements
- Late payments
- Nonprofits paying interest on loans to float government
- Workforce shortages
- Unsustainable business model
- Waiting lists
- Closed programs
- Less workforce participation

#### Declines in Charitable Giving

**2017 Tax Cuts & Jobs Act** → Fewer taxpayers eligible for tax incentives to donate to their favorite charities. Individual giving fell by 13.4% nationally (2018-2022) when adjusted for inflation.

Source: Giving USA 2023: The Annual Report on Philanthropy for the Year 2022, a publication of Giving USA Foundation, 2023, Indiana University Lilly Family School of Philanthropy

#### Public Perception

**Only 5%** of Americans think they or someone in their immediate family has been helped by a nonprofit.

Source: What Americans Think About Philanthropy and Nonprofits, April 2023, Indiana University Lilly Family School of Philanthropy

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### CHARITABLE NONPROFITS:

- Improve Lives
- Are Economic Engines
- Attract Other Employers & Industries
- Bring Americans Together to Solve Problems
- Build & Strengthen Democracy
- Promote Civic Engagement

**100% OF KENTUCKIANS BENEFIT FROM THE WORK OF NONPROFITS**

FOR MORE INFORMATION, VISIT [KYNONPROFITS.ORG/ADVOCATE/MORETHANCHARITY](https://kynonprofits.org/advocate/morethancharity)