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New Report Emphasizes Economic Importance of Kentucky’s Nonprofit Sector

LEXINGTON, Ky. – Kentucky’s nonprofit sector not only works to improve lives and build stronger communities but is also a powerful economic engine, according to a new report released today by Kentucky Nonprofit Network (KNN), the state's association of nonprofits.

"Kentucky Nonprofits: More than Charity" found that one in 11 (9.1 percent) Kentuckians was employed at a nonprofit organization in 2015, making the nonprofit sector a significant employer in Kentucky. Ten percent of all Kentucky wages - $3.91 billion - were paid to nonprofit workers.

“The growth and contributions made by the nonprofit sector are impressive and I expect many will be surprised,” said Danielle Clore, executive director and CEO of KNN. “The public and private sectors often draw considerable attention, but this report emphasizes the economic importance of the nonprofit sector - in addition to their contributions to our quality of life. The fact is, Kentucky’s nonprofit sector is a major economic engine - employing a significant number of tax-paying Kentuckians and pumping billions into the economy.”

All information contained in the report, including data for each of Kentucky's 10 local workforce areas is available at https://www.kynonprofits.org/advocate/morethancharity.
Significant findings of the report include:

- Kentucky's nonprofit sector brought in $27.3 billion in annual revenue, an increase of 13.8 percent from the previous report in 2015.
- The sector accounts for $48 billion in assets, representing a 24 percent increase.
- The number of nonprofits has grown 9 percent since the 2015 report to 19,009 organizations.
- 19.2 percent of recent post-secondary graduates held employment at a nonprofit.

"No matter how you look at it, Kentucky nonprofits have a major impact on the state's economy," said Marian Guinn, chair of the KNN board of directors. "Add the work they do every day to serve you, me and our neighbors to that equation and it's easy to see that the nonprofit sector is essential to moving Kentucky in the right direction."

The report also showed that there were 543 active foundations in Kentucky responsible for $185 million in grants and $3.2 billion in assets. And while the report found that Kentuckians give significantly of both their time and their money, the Commonwealth lags behind other states. Nearly 800,000 volunteers logged 8.43 million hours of service, representing $1.7 billion in estimated value in 2015 - ranking Kentucky 36th in the nation. Nearly $2 billion in charitable donations were claimed by 82 percent of Kentuckians itemizing their tax deductions. The average contribution of those itemizing deductions was $4,842, again ranking Kentucky 36th in the nation.

Clore sees opportunities in these findings: "Efforts to expand the charitable giving tax deduction to all taxpayers - to create a non-itemizer deduction at the federal and state level is a KNN priority. The needs in Kentucky are great and nonprofits are on the front line in meeting these needs. This report helps KNN work with these vital organizations to address the challenges they face in their work to strengthen Kentucky communities. This report is also a critical tool for the sector to provide needed education for our policy makers on the impact of nonprofits and how increased donor investments through creating a non-itemizer deduction will strengthen Kentucky communities," Clore said.
Data sources for the "More than Charity" report included: Kentucky State Longitudinal Data System, 2015; Internal Revenue Service; the Urban Institute; National Center for Charitable Statistics; the Foundation Center, 2015 and 2017; and the Corporation for National and Community Service. The Kentucky Center for Education and Workforce Statistics was KNN's data partner in compiling the report and the report was funded primarily by support from Aetna and the Gene Duffy Foundation.

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*Kentucky Nonprofit Network is the state association of nonprofits, existing to strengthen and advance Kentucky’s nonprofit community. The association serves as a resource for nonprofit leaders, board members and other volunteers; an information center on effective nonprofit organizational practices; and an advocate for the nonprofit sector. For more information about Kentucky Nonprofit Network, visit [www.kynonprofits.org](http://www.kynonprofits.org).*