

# Strength in Numbers: The 2023 Economic Impact of Florida's Nonprofits

Florida Nonprofit Alliance

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**PUBLIC SECTOR  
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## Executive Summary

Nonprofit organizations make a considerable impact on various aspects of life for Florida residents, including positive influences on the economy, health, social well-being, culture, and education. Nonprofits in Florida contribute to the state's economy by employing nearly half a million people and paying wages and benefits to those employees, which has ripple effects throughout the economy as those employees spend their wages on all sorts of goods and services. These organizations also generate revenue through fundraising activities, donations, and program fees.

The Florida Nonprofit Alliance's (FNA's) triennial evaluation of nonprofits' economic impact identified that Florida's nonprofit organizations:

- Number 22,710
- Employ an annual average of 456,881 employees
- Pay annual wages of \$27.5 billion
- Generate \$116.5 billion in annual revenue
- Hold assets valued at \$255.4 billion

## Overview

Nonprofit organizations play a crucial and multifaceted role in Floridians' lives by providing enrichment and addressing their most pressing challenges. One of the major areas where nonprofits contribute is in supporting low-income individuals and communities. Organizations such as food banks, homeless shelters, and affordable housing initiatives work tirelessly to alleviate poverty, provide essential resources, and empower individuals to improve their lives. Additionally, nonprofits in sectors like healthcare and education ensure access to vital services and opportunities for under-resourced populations. Nonprofit organizations also play an outsized role in supporting Floridians during and after natural disasters.

Nonprofits also enhance the quality of life for Florida residents by fostering access to arts and culture. Museums, theaters, and art programs enable individuals, including those with limited resources, to experience the benefits of artistic programming. Nonprofits also promote community development, environmental conservation, and social justice, creating a stronger and more equitable Florida. Strong, connected, and powerful nonprofit organizations are instrumental in building a vibrant, inclusive society and addressing the diverse needs of the state's population.

As employers and service providers, nonprofit organizations are key components of the state and local economy. FNA engaged Public Sector Consultants (PSC) to identify and quantify data on the economic impact of the state's nonprofit sector. These data can be a powerful tool in identifying nonprofits within a specific community or social function, as well as in advocacy and fundraising efforts, as they provide concrete evidence of nonprofits' important contributions to the economy, including by:

- **Demonstrating economic value:** Nonprofit organizations can use data to showcase their economic impact on local communities, regions, and the entire state. This includes quantifying the number of jobs created and revenues generated. By highlighting nonprofits' economic value, the nonprofit sector can strengthen its position when advocating for policy changes, funding support, or collaborations with government entities.
- **Influencing public opinion:** The nonprofit sector can leverage these data to educate the public and tell their stories through media campaigns, social media, or public presentations, increasing awareness and rallying public support for Florida's nonprofits.
- **Informing policy decisions:** By providing robust economic data, the nonprofit sector can influence policy discussions and advocate for favorable policies or changes that support their work.
- **Attracting funding and donations:** Economic impact data can help the nonprofit sector make a compelling case for nonprofit funding by demonstrating the sector's effectiveness in generating economic growth, job creation, and social progress and offering evidence of nonprofits' efficiency and the return on investment for potential donors.
- **Demonstrating need:** Nonprofits are a vital part of the ecosystem that supports the needs of economically insecure Floridians and the communities they live in. The data can be leveraged to make the case for additional investments in the sector.

Overall, data about the economic impacts of nonprofits can provide solid evidence to support advocacy efforts, shape public opinion, influence policymakers, foster collaborations, and attract crucial resources. By utilizing these data strategically, FNA can effectively advocate for its mission and the missions of its members, leading to a more favorable policy and funding environment and greater support from stakeholders.

## Research Questions and Data

The FNA's triennial report on nonprofits quantifies the nonprofit organizations' economic impact in the state. This report focuses on the following research questions:

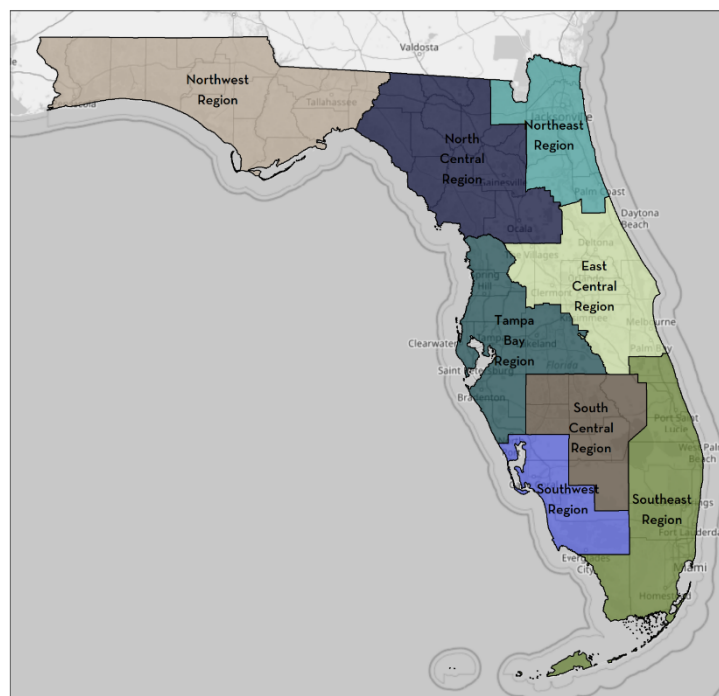
- How many nonprofits are located in the state and what social functions do they support?
- How many people are employed by Florida nonprofits? What percentage of the state's employees work in the nonprofit sector?
- What are the average hourly and annual wages of employees in the nonprofit sector? How does this compare to other sectors?
- How much income and revenue is generated by Florida nonprofits?
- What percentage of Floridians have low incomes and are more likely to need nonprofit supports for basic services?

To answer these research questions, PSC collected data from:

- The Internal Revenue Services (IRS) Exempt Organizations Business Master File including income, assets, revenue, and social function
- The Florida Department of Economic Opportunity (FDEO) for state employment figures, including hourly and annual wages
- The U.S. Census Bureau and United for ALICE for data on poverty and income
- The U.S. Bureau of Labor Statistics to identify social function-specific economic contributions

Data were coded by county and aggregated to the regional or social function-level when appropriate. Florida regions are represented on the map in Exhibit 1.

EXHIBIT 1. Florida Regions



# Identifying the Comprehensive Impact of Florida’s Nonprofit Organizations

Nonprofits in Florida contribute to the state’s economy by generating employment opportunities and stimulating economic growth. They employ a substantial number of individuals in positions ranging from entry- to executive-level. Nonprofit jobs pay wages and benefits to employees, contributing to the overall income of the state’s workforce. These organizations also generate revenue through fundraising activities, donations, and program fees, which in turn circulate through local economies, supporting other businesses and creating multiplier effects.

## Size of Florida’s Nonprofit Sector

There are over 100,000 registered tax-exempt organizations in the state of Florida, ranging from theaters, youth camps, and food banks to fraternal associations, pension fund management organizations, and cemeteries. This study includes only those organizations that have:

- Reported an annual income of \$50,000 or greater
- Filed a 990 with the IRS within the last four years
- Self-selected a 501(c)(3), 501(c)(4), 501(c)(5), or 501(c)(6) classification

These criteria capture most active organizations that perform charitable, social welfare, labor, union, business chamber, and association functions within the state that generate enough revenue to support employees. In previous iterations of the study, all tax-exempt organizations were included. When possible, PSC has applied the updated criteria to prior study data to identify changes over time in nonprofit trends. A total of 22,710 organizations met these criteria.

Organizations self-select their social function when filing as a tax-exempt entity. Exhibit 2 identifies the number of nonprofits by social function type meeting the study criteria.

EXHIBIT 2. Nonprofit Type by Social Function

Social Function	Number of Nonprofits by Social Function	Percent of Total
Arts, culture, and humanities	1,164	5%
Education	2,349	10%
Environment	1,000	4%
Health	1519	7%
Human services	4,904	22%
International	431	2%
Mutual benefit	34	0%
Public and societal benefit	4,998	21%
Religion	1,363	6%
Unknown*	4,948	22%
Total	22,710	100%

Source: IRS Exempt Organization Business Entity Master File, accessed January 2023

\*Note: Unknown organizations include those that are declared “unknown” in IRS data and those without any social function identified.

Exhibit 3 shows the number of nonprofits by region as well as the percent change in the number by region since the previous analysis in 2020. The total number of nonprofits in Florida that meet the study criteria increased by 5 percent.

### EXHIBIT 3. Nonprofits by Region

Region	Number of Nonprofits by Region	Percent of Total	Percent Change
East Central	3,918	17%	13%
North Central	838	4%	3%
Northeast	1,832	8%	-9%
Northwest	1,754	8%	0%
South Central	207	1%	5%
Southeast	7,750	34%	5%
Southwest	1,549	7%	5%
Tampa Bay	4,862	21%	5%
Total	22,170	100%	5%

Source: IRS Exempt Organization Business Entity Master File, accessed January 2023

## Nonprofit Contributions to Employment and Wages

Nonprofit organizations employ a significant number of Florida residents, generating income for those employees that contributes to local spending and economic growth. PSC obtained data through a request to the FDEO to match employment and wage data to the specific nonprofit organizations that met study criteria based on the organization’s employer identification number (EIN). FDEO was able to match 30 percent of the EINs, a significant increase from the 8.5 percent of EINs matched in the 2020 study.

Because the criteria changed from the prior study, comparisons over time are not possible with wage and employment data. Additionally, some data are suppressed at the social function or county level based on the number of nonprofits reporting data. As a result, totals within regional and social function analysis may not equate to state-level data. Employment is reported quarterly and averaged across quarters to provide an average annual employment rate. Wages are reported quarterly, averaged across quarters and multiplied by four to determine an average annual wage.

### Statewide Employment Contributions

Nonprofit organizations in Florida provide a significant source of employment opportunities for the state’s residents. FDEO reported that matched nonprofit organizations employed an average of 456,881 employees in 2022 based on second-quarter employment reports. Those employees earned an average of \$60,323 a year, for a total of over \$27 million in wages. Nonprofit average wages are slightly below the state average of \$63,863.



Of the 33 sectors reporting wage and employment data to FDEO, nonprofits rank 16th in average wages and 21st in the number of employees. Exhibit 4 shows wage and employment data for nonprofits and selected sectors of interest.

EXHIBIT 4. State-level Wage and Employment Summary by Sector

Employment Sector	Number of Reporting Organizations	Average Annual Wages	Total Wages	Average Number of Employees	Percent of Total Workforce
Nonprofits	22,710	\$60,323	\$27,560,833,596	456,881	5%
Manufacturing	24,609	\$74,631	\$30,455,713,804	408,086	4%
Construction	81,730	\$63,044	\$38,068,875,017	603,851	6%
Leisure and Hospitality	65,137	\$33,951	\$42,571,868,636	1,253,913	13%
Total	865,087	\$63,836	\$596,897,054,014	9,350,475	100%

## Regional Employment Contributions

Employment and wages can vary across regions within a state due to factors such as industry concentration, population density, and economic development. Urban areas often offer more job opportunities, higher wages, and greater access to a larger labor market and social supports. Rural regions are more likely to have limited employment options, lower wages, and minimal access to social services.

Regional nonprofit employment and wage data confirm these trends, with regions that include an urban center employing higher numbers of employees at higher wages. For instance, in the East Central Region where Orlando is located, nonprofit employees have the highest hourly wages and salary, while the Southeast Region, which contains Miami, has the highest number of nonprofit employees (Exhibit 5).

EXHIBIT 5. Employment Figures by Region

Region	Average Hourly Wage	Average Annual Wage	Number of Employees	Total Wages
East Central	\$29.66	\$61,700	91,707	\$6,089,098,384
North Central	\$18.74	\$38,981	22,168	\$1,213,834,520
Northeast	\$24.20	\$50,339	48,399	\$2,777,428,084
Northwest	\$18.56	\$38,606	26,024	\$1,420,150,988
South Central	\$20.46	\$42,549	2,221	\$93,233,728
Southeast	\$24.72	\$51,418	132,725	\$8,074,637,668
Southwest	\$24.45	\$50,861	19,282	\$1,098,010,712
Tampa Bay	\$24.44	\$50,833	113,490	\$6,759,726,420

Source: FDEO 2022 Quarter Two Wage and Employment Report

## Employment Contributions by Social Function

Employment and wages also vary across different nonprofit social functions based on factors such as organization size, funding sources, and mission. Social functions like healthcare and education often have larger budgets and employ more people, leading to a greater number of job opportunities and potentially higher wages. Nonprofits in social functions such as social services or the environment may have limited resources, resulting in smaller staff sizes and potentially lower wages.

FDEO nonprofit wage and employment data confirm broader industry trends. Healthcare employees have the highest hourly and annual wages. In addition, the social function employs the highest number of employees of any nonprofit type (Exhibit 6).

EXHIBIT 6. Employment Figures by Social Function

Social Function	Average Hourly Wage	Average Annual Wage	Number of Employees	Total Wages
Arts, culture, and humanities	\$16.73	\$34,921	6,738	\$281,614,448
Education	\$21.61	\$45,095	76,011	\$4,581,760,748
Environment	\$16.45	\$34,326	4,937	\$184,875,576
Health	\$28.76	\$60,023	197,904	\$13,775,393,612
Human services	\$17.46	\$36,445	76,070	\$3,108,998,824
International	\$22.44	\$46,840	326	\$18,922,548
Mutual benefit	\$23.50	\$49,049	7	\$343,344
Public and societal benefit	\$27.36	\$57,107	5,024	\$334,696,084
Religion	\$19.73	\$41,179	1,368	\$59,020,476
Unknown*	\$20.57	\$42,940	25,158	\$1,550,000,856

Sources: FDEO 2022 Quarter Two Wage and Employment Report and IRS Exempt Organization Business Entity Master File, accessed January 2023

\*Note: Unknown organizations include those that are declared “unknown” in IRS data and those without any social function identified.

## Economic Contributions of Nonprofits

Nonprofits generate economic output through their programs, services, and activities. For example, healthcare nonprofits contribute to the economy by providing medical services and generating revenue through patient care. Nonprofits in social functions like education, arts, and culture generate revenue through ticket sales, tuition fees, and membership fees. These economic activities have a ripple effect, generating additional spending and stimulating local economies.

## Economic Contributions by Region

Nonprofits experience variations in income and revenue based on their geographic location. Regional economic conditions play a large role in the ability of residents to contribute to charitable organizations. Regions with greater economic prosperity are more likely to have higher rates of charitable giving among

individuals and corporations, while nonprofits in areas with less economic strength may struggle to cultivate donors or generate revenue. Urban areas, based on sheer population size, are more likely to have stronger corporate and individual donor bases.

Exhibit 7 outlines the revenue, assets and income of nonprofit organizations by region, including the percent change in each indicator since the last economic analysis completed in 2020. Revenue is defined as all generated funds including contributions, grants, program fees, etc., while income is defined as revenue plus expenses<sup>1</sup>. The Southeast Region, which includes Miami-Dade County, ranks highest in revenue assets and income, while the rural South Central Region ranks lowest across all categories.

EXHIBIT 7. Revenue, Assets and Income by Region

Region	Revenue		Assets		Income	
	Current Revenue	Percent Change	Current Assets	Percent Change	Current Income	Percent Change
East Central Region	\$25,116,577,473	22%	\$53,730,209,110	24%	\$29,453,853,120	21%
North Central Region	\$5,880,677,017	21%	\$10,362,012,967	39%	\$6,904,550,773	24%
Northeast Region	\$14,396,394,709	28%	\$28,726,548,616	42%	\$16,999,829,709	24%
Northwest Region	\$6,757,572,375	-5%	\$12,542,197,344	14%	\$8,638,637,965	3%
South Central Region	\$115,780,057	-4%	\$336,704,013	19%	\$151,636,814	-2%
Southeast Region	\$33,558,214,176	24%	\$72,476,967,728	18%	\$52,628,692,069	29%
Southwest Region	\$3,830,315,857	15%	\$10,627,667,717	30%	\$5,980,543,146	16%
Tampa Bay Region	\$26,929,295,743	22%	\$66,604,876,068	41%	\$39,620,945,725	22%
State Total	\$116,584,827,407	21%	\$255,407,183,563	28%	\$160,378,689,321	23%

Source: IRS Exempt Organization Business Entity Master File, accessed January 2023

## Economic Contributions by Social Function

Nonprofits can experience variations in income and revenue based on the social function in which they operate. Different nonprofit social functions have distinct characteristics that can influence their financial resources. While some generate substantial income, such as healthcare or higher education, other social functions, such as human services or the arts, generate much smaller revenues comparatively.

Exhibit 8 outlines the revenue, assets, and income of nonprofit organizations by social function. A per organization average is also provided to adjust for the size of each social function. The health social function significantly outpaces other social functions in each area of economic contribution, including average income per organization.

<sup>1</sup> Internal Revenue Service. April 2014. "IRS Exempt Organizations Business Master File Extract Data Codebook." *irs.gov*. Accessed March 2023. [https://www.irs.gov/pub/irs-soi/eo\\_info.pdf](https://www.irs.gov/pub/irs-soi/eo_info.pdf)

## EXHIBIT 8. Revenue by Social Function

Social Function	Total Revenue	Total Assets	Total Income	Average Income Per Organization
Arts, culture, and humanities	\$1,213,787,101	\$4,961,756,894	\$1,716,668,642	\$1,474,801.24
Education	\$19,304,055,960	\$39,333,556,033	\$27,305,159,220	\$11,624,163.14
Environment	\$990,545,428	\$2,502,453,308	\$1,167,465,667	\$1,167,465.67
Health	\$58,026,776,633	\$116,762,720,461	\$71,822,316,435	\$47,282,630.96
Human services	\$14,186,667,400	\$22,228,215,281	\$16,769,733,200	\$3,419,603.02
International	\$1,428,673,024	\$753,538,127	\$1,472,858,987	\$3,417,306.23
Mutual benefit	\$36,832,226	\$65,653,395	\$40,802,679	\$1,200,078.79
Public and societal benefit	\$5,229,063,223	\$34,608,559,594	\$16,798,308,487	\$3,361,006.10
Religion	\$1,451,273,746	\$3,218,301,955	\$1,769,249,258	\$1,298,055.21
Unknown *	\$14,717,152,666	\$30,972,428,515	\$21,516,126,746	\$4,348,449.22

Source: IRS Exempt Organization Business Entity Master File, accessed January 2023

\*Note: Unknown organizations include those that are declared “unknown” in IRS data and those without any social function identified.

## Opportunity for Growth

### Addressing Community Need

Many nonprofit organizations serve the essential needs of individuals in their local communities. Communities with higher poverty rates are increasingly reliant on the assistance and support provided by nonprofits. These nonprofits have a mission to offer vital services such as shelter, food, clothing, workforce development, childcare, and legal aid, particularly to households that fall below the federal poverty threshold or are classified as asset limited, income constrained, employed (ALICE). According to the latest income study conducted by United for ALICE, 45 percent of households currently find themselves below either the ALICE threshold or the federal poverty line.

Exhibit 9 presents the top ten counties where households at or below the ALICE threshold are most prevalent, along with the corresponding number of nonprofits per 1,000 households in those areas. In nearly every case, these counties have a lower number of nonprofits per 1,000 households compared to the state average.

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EXHIBIT 9. Florida Counties with Highest Rates of Need Based on Income Level

County	Region	Percent of Households Below ALICE Threshold*	Number of Nonprofits per 1,000 Households
DeSoto	South Central	65%	1.7
Glades	South Central	64%	2.4
Liberty	Northwest	64%	1.8
Gadsden	Northwest	63%	2.2
Putnam	Northeast	63%	1.7
Dixie	North Central	62%	1.0
Madison	North Central	62%	3.3
Hamilton	North Central	60%	2.1
Hendry	South Central	60%	1.6
Calhoun	Northwest	58%	1.8
All Counties	Statewide	45%	2.6

Source: United for ALICE. 2021. "National Overview—2021." *United for ALICE*. <https://unitedforalice.org/national-overview>. Accessed May 15, 2023.

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Despite the size and impact of the nonprofit sector in Florida, the state trails many others in both the level of poverty among its residents and access to nonprofits that can provide them support. Florida ranks 44th place nationally, with nearly 45 percent of households falling below the ALICE threshold, compared to the national average of 41 percent. On average, Florida has 2.6 nonprofits per 1,000 households, ranking 48th among the 50 states and the District of Columbia. The state’s nonprofits have the seventh highest revenue and ninth highest income in the nation, but rank 48th in revenue and 46th in income per 1,000 households, highlighting their relative underperformance compared to other states.

These findings strongly indicate the pressing need and ample opportunity for nonprofit organizations to grow and develop within the state as a whole and in communities with high levels of need. Policymakers, individual and corporate donors, and volunteers alike should continue to support and advocate for a strong nonprofit sector. FNA will continue to serve and empower Florida’s strong, connected, and powerful nonprofits as they make noteworthy impacts every day.



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