

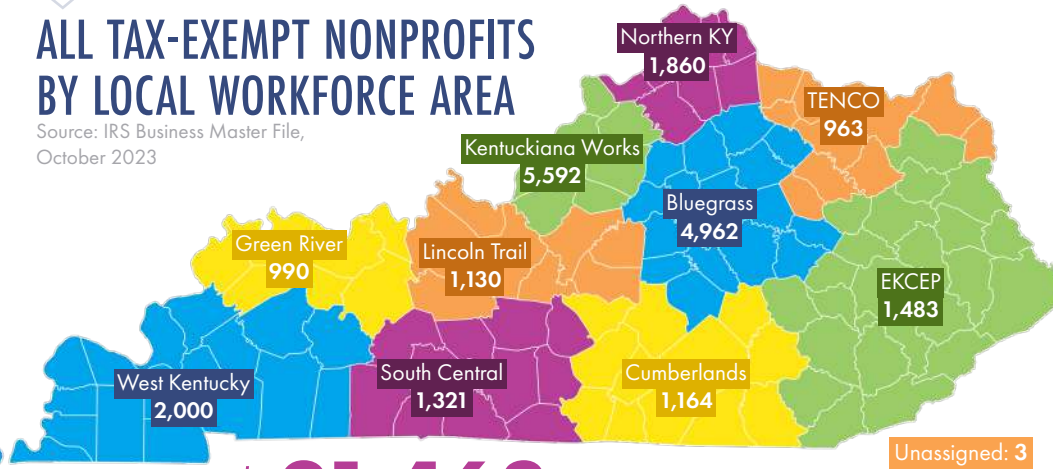
Kentucky Nonprofits: MORE THAN CHARITY

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

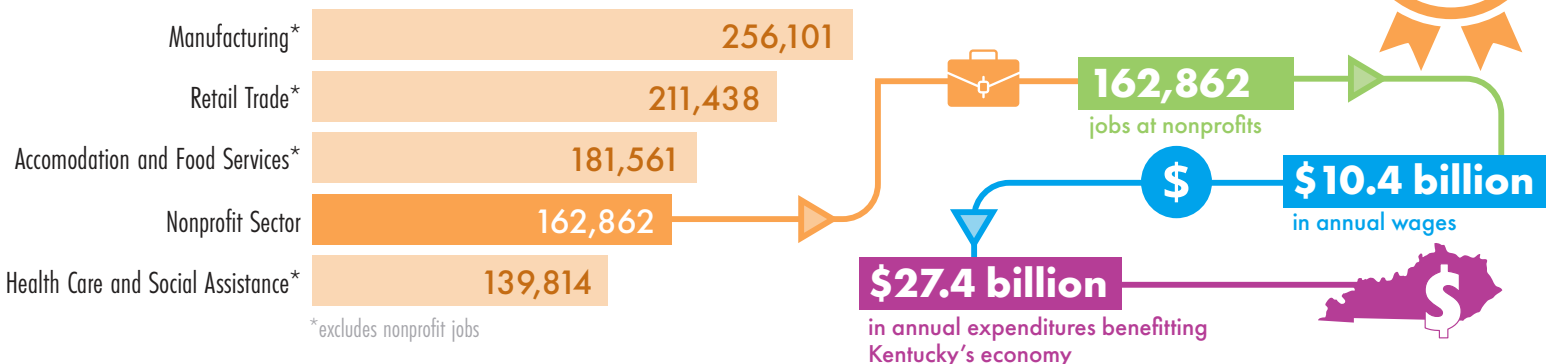
4,330 registered 501(c)(3) nonprofits with paid employees

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

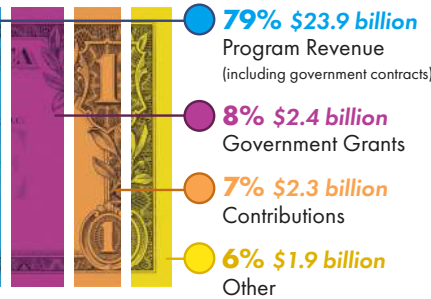
LARGEST KY PRIVATE SECTOR EMPLOYERS BY INDUSTRY



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

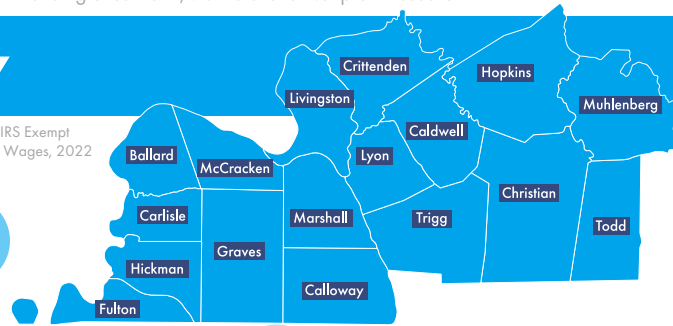
82%

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



Local Workforce Area: West Kentucky

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



1,113
501(c)(3) Charitable nonprofits

8.2%
OF KY TOTAL

304
Charitable nonprofits with paid employees

7%
OF KY TOTAL

11,634
Jobs at nonprofits

7.1%
OF KY TOTAL

\$722 M
In annual wages

7.1%
OF KY TOTAL

\$630 M
In annual revenue

2.9%
OF KY TOTAL

\$519 M
In annual expenditures benefitting Kentucky's economy

1.9%
OF KY TOTAL

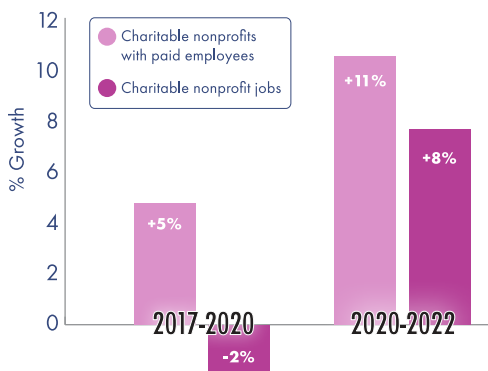
2,000
Total tax exempt nonprofits

9.3%
OF KY TOTAL

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



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

CHARITABLE NONPROFITS:

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

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

Thank You to our Sponsors: **TOYOTA | KY** and to our Data Partner: **KYSTATS**

100% OF KENTUCKIANS BENEFIT FROM THE WORK OF NONPROFITS

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