

ECONOMIC CONTRIBUTIONS OF COLORADO'S NONPROFIT SECTOR

Executive Summary

This economic impact study is a component of a larger effort to demonstrate the contributions that the nonprofit sector has on Colorado's economy. In the first component of this joint effort, Colorado Association of Funders, Colorado Nonprofit Association, Community Resource Center, Denver Office of Strategic Partnerships, Spark the Change Colorado and University of Colorado Denver School of Public Affairs were motivated to illustrate the extent to which the nonprofit industry functions as a critical engine to the state's economy for public and key public policy decision-makers.

Study objectives

The root of the study's objectives was to demonstrate the value created by the industry to the state's economy as a whole and its counties individually using industry-standard methodologies and metrics that would allow the user of its findings to communicate the value of the nonprofit sector against a context of the broader state economic context. The key metrics this study quantifies include:

- Size and composition of the nonprofit sector in Colorado, its growth, and comparisons to other sectors
- Financial capacity of the industry (i.e. value of assets)
- Industry direct spending
- Revenue generated by source of funding, e.g. federal, foundation grants, and individual contributions
- Employment impact, including wages, size of workforce, and number of individuals insured
- Contributions to Gross Domestic Product (GDP), which include fiscal impacts such as wages and ad valorem taxes
- Indirect and induced impacts of employment, earnings, and spending (output)

In general, the findings of this study are intended to help business leaders, public officials, and economic developers understand how to better leverage nonprofits through knowledge of the industry's impacts and contributions to the overall economy. It is intended to convey that the nonprofit sector is an essential job-generating component of the state's economy.

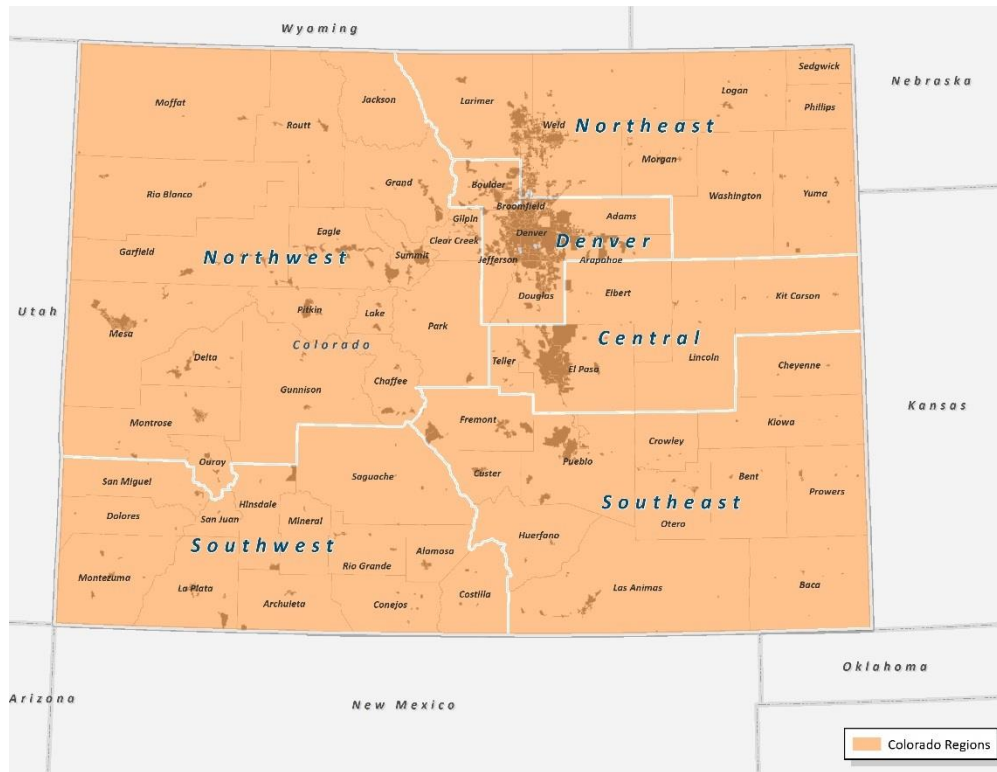
The following technical report is being provided to the collaboration of partners and presents a summary of findings with detailed tables of findings and analysis, as well as maps to illustrate the relative impact that the industry has on the respective county and the state's economy. It is followed by a description of data sources, methodology, and definitions of economic impacts.

Summary of Findings

Regional Analysis Framework

Throughout the report, findings are presented with a regional breakdown, as illustrated in **Figure 1**. For consistency, these regional definitions are identical to the definitions used in the previous 2007 study to identify the nonprofit industry's economic impacts.

Figure 1



Summary of Findings

In 2017, it is estimated that there were more than 23,100 nonprofit organizations (see **Figure 4** and **Figure 5** for a breakdown by spending and NTEE categories) in the state employing nearly 190,000 jobs including Wage & Salary positions¹ and proprietorships.² During the year, the direct spending of these organizations added more than \$20.0 billion to the state's economy, measured by state Gross Regional Product (GRP) (see **Figure 10** and **Figure 11**); they generated more than \$30.3 billion in revenues (see **Figure 12** and **Figure 13**); and held nearly \$87.1 billion in assets (see **Figure 16** and **Figure 17**). (Refer to **Figure 5** for a list of nonprofit jobs by total organizational spending category, and see **Figure 26** for an illustration of nonprofit employment by county in 2017).

¹ **Notes:** 1) Although records from CDLE include establishments with just one job, these data generally are not representative of nonprofit sole proprietorships, i.e. establishments with only one job. 2) The estimate of establishments and jobs is the product of a merged dataset: IRS tax-exempt organization Masterfile for Colorado and CDLE wage and salary employment records at the establishment level for Colorado joined by Employer Identification Number (EIN). 3) The dataset is filtered by the MEEI to avoid double-counting jobs, establishments, earnings, and total direct spending where both parent and sub-parent organizations filed employment data.

² This estimate accounts for all nonprofit organizations that last filed a Form 990 with the IRS for either 2016 or 2017, and for whom the parent and sub-parent organization record was not double-counted.

Overall, Colorado had an estimated 3.7 million jobs in 2017 (including proprietors and Wage & Salary jobs), and the nonprofit sector accounted for 5.1 percent of employment (and 5.6 percent of direct spending as shown in **Figure 21**). While **Figure 22** illustrates that much of the employment is concentrated in the Front Range, **Figure 23** illustrates that the nonprofit industry accounts for up to 17 percent of some counties’ workforces throughout the state. It should be noted that, in addition to these metrics, volunteerism benefiting the nonprofit sector contributes an estimated \$7.0 billion of value-added to the industry annually – additional to the industry’s economic output of \$20.0 billion.

In total, the nonprofit sector’s 189,600 jobs support an additional 56,800 jobs in business-to-business activities, and another 86,500 induced jobs through the household spending associated with direct and indirect economic activities. Overall, the nonprofit sector directly and indirectly supports approximately 9.0 percent of the state’s entire workforce (see **Figure 26**).

Note to Estimation of Metrics

The following estimates were made using the IRS Exempt Organization Businesses Master File (EOBMF), merged with the IRS 990 Extract and IRS 990 EZ as well as the Colorado Department of Labor’s (CDLE) establishment-level Quarterly Census of Employment and Wages (QCEW) datasets. **Figure 2** illustrates the derivation of the number of non-redundant organizations, jobs, direct spending, revenues and assets held by active nonprofit organizations that filed a Form 990 in 2016 or 2017 and were not duplicative of parent organization records.³

Figure 2

Nonprofit Industry Dataset Summary (2017)

	Metrics (2017)		
	IRS EOBFM	Form 990 Filed in 2016 or 2017	Non-Redundant Records
Organizations	32,567	23,263	23,148
<u>Jobs</u>	<u>206,105</u>	<u>201,044</u>	<u>189,645</u>
Wage & Salary Jobs	174,775	169,783	158,384
Proprietorships	31,330	31,261	31,261
Direct Expenses	\$ 30,392,107,400	\$ 30,169,972,078	\$ 20,005,777,875
Revenues	\$ 34,590,477,154	\$ 34,362,547,977	\$ 30,276,110,556
Assets	\$ 97,348,002,793	\$ 96,888,123,929	\$ 87,051,406,361

Source: IRS EOBFM; IRS 990 Extract; IRS 990 EZ; CDLE QCEW; Economic & Planning Systems

H:\163095-Colorado Non-Profit Economic Impact Study\Data\163095-DATA-IRS base QCEWmerge.xlsx\TABLE A Dataset Summary

³ A more detailed description of the methodology is provided later.

Figure 3 illustrates a breakdown of the number of organizations, jobs (wage and salary positions as well as proprietorships), direct expenses, revenues, and assets of the entire nonprofit industry by IRS subsection code. With more than 172,000 of the 189,645 jobs, 501(c)3 organizations represent 91 percent of the nonproduct industry while 501(c)4 organizations represent one (1) percent and the remainder represent 8 percent.

Figure 3

Nonprofit Stats by IRS Subsection Code (2017)

	IRS Subsection		
	501(c)3	501(c)4	Other
Organizations	18,166	1,020	3,962
<u>Jobs</u>	<u>172,290</u>	<u>2,168</u>	<u>15,187</u>
Wage & Salary Jobs	142,881	1,602	13,901
Proprietorships	29,409	566	1,286
Direct Expenses	\$ 17,187,282,751	\$ 607,405,460	\$ 2,663,195,271
Revenues	\$ 24,856,101,476	\$ 1,145,299,982	\$ 4,274,709,098
Assets	\$ 60,446,404,440	\$ 862,896,622	\$ 25,742,105,299

Source: IRS EOBMF; IRS 990 Extract; IRS 990 EZ; CDLE QCEW; Economic & Planning Systems
 H:\163095-Colorado Non-Profit Economic Impact Study\Data\163095-DATA-IRS base QCEW merge.xlsx\TABLE B-IRS Subsection

Figure 4 and **Figure 5** show the distribution of organizations by annual expenditure level by region and by NTEE code, respectively. **Figure 6** and **Figure 7** show the distribution of employment by annual expenditure level by region and by NTEE code, respectively.

Figure 4

Nonprofit Industry Organizations by Region and Total Spending Category (2017)

	Nonprofit Industry Organizations by Region (2017)						Total	as % of Total
	Central	Denver	North-east	North-west	South-east	South-west		
	in \$ millions							
No record of expenditure	1,631	7,099	1,610	1,789	770	584	13,483	58.2%
Less than \$25,000	129	728	141	177	69	66	1,310	5.7%
\$25,000 to \$99,999	297	1,424	338	382	156	116	2,713	11.7%
\$100,000 to \$499,999	336	1,748	331	448	130	177	3,170	13.7%
\$500,000 to \$999,999	109	522	86	137	40	59	953	4.1%
\$1,000,000 to \$9,999,999	163	763	102	140	48	50	1,266	5.5%
\$10,000,000 to \$19,999,999	17	68	11	12	7	4	119	0.5%
<u>\$20,000,000 and over</u>	<u>18</u>	<u>78</u>	<u>10</u>	<u>15</u>	<u>6</u>	<u>6</u>	<u>133</u>	<u>0.6%</u>
Statewide	2,700	12,430	2,629	3,100	1,226	1,062	23,147	100.0%

Source: IRS EOBMF; CDLE QCEW; Economic & Planning Systems
 H:\163095-Colorado Non-Profit Economic Impact Study\Data\163095-Consolidated Data.xlsx\T2-1-oms

Figure 5

Nonprofit Industry Organizations by Region and NTEE Category (2017)

	Nonprofit Industry Organizations by Region (2017)							as % of Total
	Central	Denver	North-east	North-west	South-east	South-west	Total	
NTEE Category								
Arts, Culture & Humanities	167	882	200	253	96	93	1,691	7.3%
Education	233	1,262	249	290	96	96	2,226	9.6%
Environment	35	251	50	131	29	60	556	2.4%
Animal-Related	87	296	88	83	36	24	614	2.7%
Health Care, Voluntary Health Associations & Medical Disciplines	71	499	86	94	31	39	820	3.5%
Mental Health & Crisis Intervention	24	164	23	19	18	11	259	1.1%
Medical Research	8	72	10	6	2	1	99	0.4%
Crime & Legal-Related	35	121	19	23	7	8	213	0.9%
Employment	12	106	14	21	17	0	170	0.7%
Food, Agriculture & Nutrition	26	102	45	48	16	14	251	1.1%
Housing & Shelter	24	263	31	39	23	20	400	1.7%
Public Safety, Disaster Preparedness & Relief	26	98	24	52	19	22	241	1.0%
Recreation & Sports	198	704	182	250	42	76	1,452	6.3%
Youth Development	48	254	47	61	25	19	454	2.0%
Human Services	219	973	232	231	85	77	1,817	7.8%
International, Foreign Affairs & National Security	66	308	54	47	17	13	505	2.2%
Civil Rights, Social Action & Advocacy	10	106	4	12	3	8	143	0.6%
Community Improvement & Capacity Building	105	497	98	124	59	55	938	4.1%
Philanthropy, Voluntarism & Grantmaking Foundations	166	1,047	128	203	41	46	1,631	7.0%
Science & Technology	17	72	11	8	4	4	116	0.5%
Social Science	2	23	3	4	0	1	33	0.1%
Public & Societal Benefit	53	197	44	57	29	24	404	1.7%
Religion-Related	304	581	120	111	31	35	1,182	5.1%
Mutual & Membership Benefit	11	73	25	31	18	14	172	0.7%
<u>Unknown</u>	<u>753</u>	<u>3,479</u>	<u>842</u>	<u>902</u>	<u>482</u>	<u>302</u>	<u>6,760</u>	<u>29.2%</u>
Statewide	2,700	12,430	2,629	3,100	1,226	1,062	23,147	100.0%

Source: IRS EOBFM; CDLE QCEW; Economic & Planning Systems

H:\163095-Colorado Non-Profit Economic Impact Study\Data\163095-Consolidated Data.xlsx\T3.4 - orgs

Figure 6

**Nonprofit Industry Jobs
by Region and Total
Spending Category (2017)**

	Nonprofit Industry Jobs by Region (2017)							as % of Total
	Central	Denver	North- east	North- west	South- east	South- west	Total	
	in \$ millions							
Total Spending Category								
Less than \$25,000	17	105	36	18	16	4	197	0.1%
\$25,000 to \$99,999	142	448	164	187	110	73	1,124	0.6%
\$100,000 to \$499,999	860	3,802	852	1,273	480	612	7,879	4.2%
\$500,000 to \$999,999	861	3,615	769	1,246	416	670	7,576	4.0%
\$1,000,000 to \$9,999,999	5,571	22,696	4,071	4,380	2,479	1,516	40,713	21.5%
\$10,000,000 to \$19,999,999	2,077	11,159	1,405	1,160	1,067	375	17,243	9.1%
\$20,000,000 and over	12,319	79,114	9,476	8,034	4,080	1,886	114,909	60.6%
Statewide	21,846	120,939	16,773	16,299	8,647	5,137	189,641	100.0%

Source: IRS EOBMF; CDLE QCEW; Economic & Planning Systems

H:\163095-Colorado Non-Profit Economic Impact Study\Data\163095-Consolidated Data.xlsx\T2.2 - jobs

Figure 7

**Nonprofit Industry Jobs
by Region and NTEE
Category (2017)**

	Nonprofit Industry Jobs by Region (2017)							as % of Total
	Central	Denver	North- east	North- west	South- east	South- west	Total	
	in \$ millions							
NTEE Category								
Arts, Culture & Humanities	328	2,999	249	710	87	270	4,643	2.4%
Education	2,221	11,878	1,033	926	99	428	16,585	8.7%
Environment	101	1,137	78	236	40	89	1,682	0.9%
Animal-Related	442	1,291	238	117	79	31	2,198	1.2%
Health Care, Voluntary Health Associations & Medical Disciplines	1,422	52,648	8,314	7,760	3,822	1,766	75,732	39.9%
Mental Health & Crisis Intervention	12	4,563	840	200	785	361	6,762	3.6%
Medical Research	17	126	34	54	0	0	230	0.1%
Crime & Legal-Related	191	745	88	49	17	51	1,141	0.6%
Employment	1,318	2,460	49	7	154	0	3,989	2.1%
Food, Agriculture & Nutrition	51	304	141	15	0	13	523	0.3%
Housing & Shelter	144	1,816	177	140	64	70	2,412	1.3%
Public Safety, Disaster Preparedness & Relief	8	17	0	351	11	2	390	0.2%
Recreation & Sports	1,312	1,934	216	632	55	96	4,245	2.2%
Youth Development	5,120	1,026	140	254	19	229	6,788	3.6%
Human Services	2,824	13,240	1,992	2,056	1,294	755	22,162	11.7%
International, Foreign Affairs & National Security	210	308	101	18	2	0	639	0.3%
Civil Rights, Social Action & Advocacy	41	357	0	15	0	1	414	0.2%
Community Improvement & Capacity Building	48	1,302	59	323	18	49	1,799	0.9%
Philanthropy, Voluntarism & Grantmaking Foundations	222	776	135	97	10	11	1,251	0.7%
Science & Technology	0	3,117	6	80	0	27	3,230	1.7%
Social Science	0	45	0	0	0	0	45	0.0%
Public & Societal Benefit	261	407	62	26	44	0	800	0.4%
Religion-Related	1,502	931	233	111	22	93	2,891	1.5%
Mutual & Membership Benefit	0	909	1	4	4	0	918	0.5%
Unknown	4,049	16,607	2,587	2,116	2,021	795	28,176	14.9%
Statewide	21,846	120,943	16,773	16,299	8,647	5,137	189,645	100.0%

Source: IRS EOBMF; CDLE QCEW; Economic & Planning Systems

H:\163095-Colorado Non-Profit Economic Impact Study\Data\163095-Consolidated Data.xlsx\T3.1 - jobs

Sectors

To highlight a selected few subsectors of the nonprofit sector, the following is an overview using IRS Foundation codes, National Taxonomy of Exempt Entities (NTEE) codes, a breakdown for which more detail is provided throughout in the report.

Foundations⁴ & Gifts, Contributions, and Grants

In 2017, more than 1,600 active private and community foundations organizations made approximately \$1.1 billion in contributions, grants, and gifts during the year 2017, as shown by region in **Figure 8**.

Figure 8

Private / Community Foundation Contributions by Region and Total Spending Category (2017)	Private / Community Foundation Contributions by Region (2017)							
	Central	Denver	North-east	North-west	South-east	South-west	Total	as % of Total
	in \$ millions							
Total Spending Category								
Less than \$25,000	\$ 0.04	\$ 2.35	\$ 0.02	\$ 0.06	\$ 0.03	\$ 1.52	\$ 4.03	0.4%
\$25,000 to \$99,999	\$ 0.19	\$ 33.03	\$ 0.64	\$ 0.47	\$ 0.19	\$ 0.04	\$ 34.56	3.2%
\$100,000 to \$499,999	\$ 16.14	\$ 29.88	\$ 14.11	\$ 4.55	\$ 1.41	\$ 1.60	\$ 67.69	6.3%
\$500,000 to \$999,999	\$ 16.31	\$ 48.01	\$ 13.14	\$ 11.69	\$ 0.83	\$ 0.47	\$ 90.45	8.4%
\$1,000,000 to \$9,999,999	\$ 95.21	\$ 327.37	\$ 65.83	\$ 27.13	\$ 3.07	\$ 5.25	\$ 523.86	48.9%
\$10,000,000 to \$19,999,999	\$ 12.56	\$ 84.13	\$ 0.01	\$ 0.03	\$ 0.26	\$ -	\$ 96.99	9.0%
\$20,000,000 and over	\$ 76.75	\$ 81.62	\$ 87.74	\$ 8.44	\$ 0.01	\$ 0.22	\$ 254.77	23.8%
Statewide	\$ 217.20	\$ 606.38	\$ 181.50	\$ 52.37	\$ 5.81	\$ 9.10	\$ 1,072.36	100.0%

Source: IRS EOBFM; IRS 990; IRS 990EZ; IRS 990PF; CDLE QCEW; Economic & Planning Systems

H:\163095-Colorado Non-Profit Economic Impact Study\Data\163095-Consolidated Data.xlsx\T2 6 - grants

Education

In total, there were 2,226 educational organizations in the state, accounting for 10 percent of all nonprofits with 16,585 jobs and assets of \$8.4 billion. Within this sector, there were 69 nonprofit universities or colleges throughout the state with assets of \$4.7 billion.

Health Care

Nearly 13 percent of all nonprofit organizations (2,804) were engaged in health care, mental health or crisis intervention, medical research, or human services. This portion of the nonprofit industry accounts for 55 percent of all jobs (104,842), 51 percent of all annual direct spending (\$10.4 billion), and holds 33 percent of the nonprofit industry assets (\$28.5 billion).

⁴ Based on conversations with the Foundation Center, which defines foundations as “active” private and community-oriented nonprofits (but not recipient organizations) in a single year that make grants and contributions and utilizes records, EPS filtered merged data from the 990, 990 EZ, 990 PF, and the EOBFM with the definition of “active private and community-oriented” foundations to include the following IRS foundation codes: 2 = “private operating foundation exempt from paying excise taxes or investment income; 3 = private operating foundation; and 15 = “organization which receives a substantial part of its support from a governmental unit or the general public”.

Figure 9

Nonprofit Industry Dataset Summary (2017)

Source: IRS EOBMF; IRS 990 Extract; IRS 990 EZ; CDLE QCEW; Economic & Planning Systems

H:\163095-Colorado Non-Profit Economic Impact Study\Data\163095-DATA-IRS base QCEW merge.xlsx\TABLEB Selected Summary

		Education	Health Care
Organizations		2,226	2,995
Reported Jobs		16,585	104,886
Reported Expenses	\$	1,518,361,113	\$ 10,400,047,297
Reported Revenues	\$	2,766,894,889	\$ 14,792,345,968
Reported Assets	\$	8,417,229,115	\$ 28,552,311,574

Industry Direct Spending

As indicated previously, the nonprofit industry accounted for \$20.0 billion of direct economic activity (spending) in the state for 2017, approximately 5.6 percent of the state’s GDP. Expressed differently, the nonprofit industry accounts for \$56 of every \$1,000 of Colorado’s economy. The nonprofit industry also sends nearly \$500 million (in addition to the direct spending of \$14.6 billion) to benefit efforts outside of the state⁵. More than 80 percent of that activity was concentrated in organizations with annual spending of \$1 million to \$10 million and those over \$20 million. And approximately 65 percent of total sector spending was concentrated in the Denver region. See **Figure 24** for an illustration of the nonprofit industry’s direct economic activity, and refer to **Figure 25** for the nonprofit industry portion of total economic activity by county for 2017.

The distribution of spending by NTEE code, like the distribution of the workforce, illustrates that the Health Care, Voluntary Health Associations & Medical Disciplines sector; Human Services sector, and Education account for a collective 55 percent of all nonprofit sector direct spending.

Figure 10

Nonprofit Industry Spending by Region and Total Spending Category (2017)

Source: IRS EOBMF; CDLE QCEW; Economic & Planning Systems

H:\163095-Colorado Non-Profit Economic Impact Study\Data\163095-Consolidated Data.xlsx\T2.3 - spending

	Nonprofit Industry Spending by Region (2017)							Total	as % of Total
	Central	Denver	North-east	North-west	South-east	South-west	Total		
Total Spending Category									
Less than \$25,000	\$ 1.28	\$ 7.47	\$ 1.50	\$ 1.84	\$ 0.73	\$ 0.53	\$ 13.36	0.1%	
\$25,000 to \$99,999	\$ 17.69	\$ 83.59	\$ 19.64	\$ 22.99	\$ 9.39	\$ 6.82	\$ 160.12	0.8%	
\$100,000 to \$499,999	\$ 77.20	\$ 408.28	\$ 71.84	\$ 107.14	\$ 31.43	\$ 42.16	\$ 738.05	3.7%	
\$500,000 to \$999,999	\$ 76.09	\$ 369.08	\$ 61.25	\$ 96.30	\$ 27.64	\$ 41.52	\$ 671.89	3.4%	
\$1,000,000 to \$9,999,999	\$ 514.53	\$ 2,151.53	\$ 271.87	\$ 393.29	\$ 171.31	\$ 107.02	\$ 3,609.55	18.0%	
\$10,000,000 to \$19,999,999	\$ 234.08	\$ 977.99	\$ 148.26	\$ 158.38	\$ 98.14	\$ 55.83	\$ 1,672.67	8.4%	
\$20,000,000 and over	\$1,079.51	\$ 9,233.55	\$1,102.46	\$ 931.55	\$ 502.27	\$ 290.80	\$ 13,140.13	65.7%	
Statewide	\$2,000.37	\$13,231.48	\$1,676.83	\$1,711.49	\$ 840.92	\$ 544.68	\$ 20,005.78	100.0%	

⁵ This calculation utilizes weighted primary survey data collected by Corona Insights representative of the year (or fiscal year) 2017. Weights were calculated to correct for proportions of the industry by region and by direct spending category. The finding of this specific analysis are that approximately 3 percent of the industry’s total spending is funneled outside the state. Because the input-output modeling used in the analysis estimates direct spending captured within the state, it implies that \$14.6 billion is 97 percent of the industry’s gross direct spending.

Figure 11

Nonprofit Industry Spending by Region and NTEE Category (2017)

	Nonprofit Industry Spending by Region (2017)							Total	as % of Total
	Central	Denver	North-east	North-west	South-east	South-west			
NTEE Category									
Arts, Culture & Humanities	\$ 23.04	\$ 293.33	\$ 16.55	\$ 78.48	\$ 6.38	\$ 22.64	\$ 440.43	2.2%	
Education	\$ 197.79	\$ 1,098.49	\$ 95.92	\$ 86.88	\$ 14.76	\$ 24.52	\$ 1,518.36	7.6%	
Environment	\$ 6.48	\$ 99.73	\$ 7.22	\$ 29.84	\$ 2.34	\$ 10.86	\$ 156.46	0.8%	
Animal-Related	\$ 32.11	\$ 99.92	\$ 19.32	\$ 7.06	\$ 4.73	\$ 2.07	\$ 165.22	0.8%	
Health Care, Voluntary Health Associations & Medical Disciplines	\$ 171.97	\$ 5,790.56	\$ 976.12	\$ 807.86	\$ 441.65	\$ 195.74	\$ 8,383.91	41.9%	
Mental Health & Crisis Intervention	\$ 1.09	\$ 390.68	\$ 64.03	\$ 57.39	\$ 89.85	\$ 32.93	\$ 635.97	3.2%	
Medical Research	\$ 1.10	\$ 19.28	\$ 6.33	\$ 5.97	\$ -	\$ -	\$ 32.67	0.2%	
Crime & Legal-Related	\$ 15.70	\$ 61.73	\$ 5.38	\$ 3.92	\$ 0.95	\$ 3.84	\$ 91.53	0.5%	
Employment	\$ 60.54	\$ 125.01	\$ 3.19	\$ 1.45	\$ 8.14	\$ -	\$ 198.34	1.0%	
Food, Agriculture & Nutrition	\$ 5.08	\$ 36.17	\$ 13.52	\$ 1.37	\$ 0.06	\$ 1.44	\$ 57.64	0.3%	
Housing & Shelter	\$ 16.15	\$ 238.20	\$ 16.64	\$ 8.07	\$ 4.87	\$ 5.22	\$ 289.14	1.4%	
Public Safety, Disaster Preparedness & Relief	\$ 0.80	\$ 4.69	\$ 0.23	\$ 31.62	\$ 0.45	\$ 1.87	\$ 39.66	0.2%	
Recreation & Sports	\$ 220.82	\$ 200.16	\$ 13.23	\$ 53.44	\$ 1.95	\$ 5.65	\$ 495.26	2.5%	
Youth Development	\$ 321.88	\$ 72.52	\$ 7.81	\$ 9.48	\$ 0.76	\$ 12.19	\$ 424.63	2.1%	
Human Services	\$ 195.55	\$ 816.27	\$ 117.56	\$ 111.08	\$ 69.62	\$ 37.42	\$ 1,347.50	6.7%	
International, Foreign Affairs & National Security	\$ 25.61	\$ 53.31	\$ 10.81	\$ 5.08	\$ 0.28	\$ 1.39	\$ 96.48	0.5%	
Civil Rights, Social Action & Advocacy	\$ 3.38	\$ 39.14	\$ -	\$ 1.32	\$ -	\$ 0.56	\$ 44.40	0.2%	
Community Improvement & Capacity Building	\$ 6.54	\$ 161.47	\$ 8.43	\$ 31.76	\$ 2.30	\$ 8.81	\$ 219.32	1.1%	
Philanthropy, Voluntarism & Grantmaking Foundations	\$ 51.32	\$ 202.04	\$ 13.94	\$ 26.29	\$ 2.68	\$ 2.07	\$ 298.35	1.5%	
Science & Technology	\$ 2.90	\$ 502.85	\$ 2.46	\$ 8.09	\$ 0.05	\$ 2.19	\$ 518.55	2.6%	
Social Science	\$ -	\$ 6.88	\$ 0.06	\$ 0.27	\$ -	\$ 0.24	\$ 7.45	0.0%	
Public & Societal Benefit	\$ 22.40	\$ 68.47	\$ 10.62	\$ 2.26	\$ 5.30	\$ 0.22	\$ 109.26	0.5%	
Religion-Related	\$ 161.00	\$ 98.77	\$ 19.10	\$ 8.84	\$ 3.35	\$ 3.13	\$ 294.20	1.5%	
Mutual & Membership Benefit	\$ 1.23	\$ 152.89	\$ 0.99	\$ 0.48	\$ 4.90	\$ 0.08	\$ 160.58	0.8%	
Unknown	\$ 455.87	\$ 2,598.93	\$ 247.39	\$ 333.18	\$ 175.53	\$ 169.58	\$ 3,980.49	19.9%	
Statewide	\$2,000.37	\$13,231.48	\$1,676.83	\$1,711.49	\$ 840.92	\$ 544.68	\$20,005.78	100.0%	

Source: IRS EOBMF; CDLE QCEW; Economic & Planning Systems

H:\163095- Colorado Non-Profit Economic Impact Study\Data\163095- Consolidated Data.xlsx\T3.2 - spending

Financial Capacity

In 2017, the nonprofit sector had revenues in excess of \$30 billion and held \$65 billion in assets (refer to **Figure 12**, **Figure 13**, **Figure 16**, and **Figure 17**). Extrapolating from the survey data, approximately four (4) out of five (5) nonprofit organizations surveyed indicated that their spending would generally remain the same in the next budgeting cycle, while slightly more than one (1) in five (5) organizations anticipate their spending will substantially change in the next year. The state’s nonprofit industry derives an overall average of 21 percent of its funding from out-of-state sources (using weighted survey data), nearly 50 percent of which are federal sources.

Figure 12

Nonprofit Industry Revenues by Region and Total Spending Category (2017)

	Nonprofit Industry Revenues by Region (2017)							as % of	
	Central	Denver	North-east	North-west	South-east	South-west	Total	Total	
	in \$ millions								
Total Spending Category									
Less than \$25,000	\$ 68.58	\$ 325.22	\$ 28.99	\$ 25.52	\$ 40.15	\$ 24.21	\$ 512.68	1.7%	
\$25,000 to \$99,999	\$ 26.62	\$ 192.81	\$ 26.14	\$ 29.56	\$ 13.37	\$ 8.22	\$ 296.71	1.0%	
\$100,000 to \$499,999	\$ 134.47	\$ 648.14	\$ 95.09	\$ 157.11	\$ 42.71	\$ 73.47	\$ 1,150.98	3.8%	
\$500,000 to \$999,999	\$ 169.15	\$ 807.05	\$ 80.69	\$ 130.81	\$ 84.95	\$ 48.65	\$ 1,321.30	4.4%	
\$1,000,000 to \$9,999,999	\$ 1,004.91	\$ 3,712.73	\$ 573.05	\$ 474.55	\$ 156.83	\$ 111.30	\$ 6,033.36	19.9%	
\$10,000,000 to \$19,999,999	\$ 239.19	\$ 1,432.72	\$ 237.44	\$ 257.25	\$ 113.95	\$ 146.39	\$ 2,426.93	8.0%	
<u>\$20,000,000 and over</u>	<u>\$ 1,555.56</u>	<u>\$ 12,963.00</u>	<u>\$ 1,507.92</u>	<u>\$ 1,583.76</u>	<u>\$ 523.85</u>	<u>\$ 400.06</u>	<u>\$ 18,534.16</u>	<u>61.2%</u>	
Statewide	\$3,198.47	\$20,081.67	\$2,549.32	\$2,658.55	\$ 975.80	\$ 812.31	\$ 30,276.11	100.0%	

Source: IRS EOBMF; CDLE QCEW; Economic & Planning Systems
 H:\163095- Colorado Non-Profit Economic Impact Study\Data\163095- Consolidated Data.xlsx\T2.5 - revs

Figure 13

Nonprofit Industry Revenues by Region and NTEE Category (2017)

	Nonprofit Industry Revenues by Region (2017)							as % of	
	Central	Denver	North-east	North-west	South-east	South-west	Total	Total	
NTEE Category									
Arts, Culture & Humanities	\$ 65.83	\$ 432.53	\$ 17.04	\$ 98.14	\$ 6.73	\$ 13.34	\$ 633.61	2.1%	
Education	\$ 340.26	\$ 1,975.23	\$ 287.04	\$ 116.84	\$ 16.00	\$ 31.53	\$ 2,766.89	9.1%	
Environment	\$ 9.99	\$ 191.65	\$ 13.72	\$ 40.18	\$ 2.41	\$ 15.26	\$ 273.22	0.9%	
Animal-Related	\$ 41.64	\$ 130.52	\$ 30.27	\$ 8.70	\$ 4.33	\$ 1.99	\$ 217.44	0.7%	
Health Care, Voluntary Health Associations & Medical Disciplines	\$ 228.48	\$ 8,656.48	\$ 1,307.89	\$ 1,327.67	\$ 489.34	\$ 312.11	\$ 12,321.96	40.7%	
Mental Health & Crisis Intervention	\$ 1.66	\$ 510.02	\$ 67.95	\$ 74.31	\$ 125.56	\$ 36.32	\$ 815.82	2.7%	
Medical Research	\$ 0.97	\$ 29.51	\$ 6.70	\$ 8.34	\$ -	\$ -	\$ 45.51	0.2%	
Crime & Legal-Related	\$ 46.08	\$ 126.86	\$ 27.53	\$ 3.29	\$ 0.97	\$ 28.21	\$ 232.94	0.8%	
Employment	\$ 59.78	\$ 134.31	\$ 3.33	\$ 2.66	\$ 7.01	\$ -	\$ 207.09	0.7%	
Food, Agriculture & Nutrition	\$ 47.04	\$ 223.84	\$ 56.26	\$ 1.64	\$ 0.05	\$ 3.12	\$ 331.95	1.1%	
Housing & Shelter	\$ 18.05	\$ 356.58	\$ 31.75	\$ 20.99	\$ 5.60	\$ 6.57	\$ 439.54	1.5%	
Public Safety, Disaster Preparedness & Relief	\$ 0.94	\$ 6.16	\$ 0.65	\$ 38.95	\$ 0.75	\$ 2.32	\$ 49.76	0.2%	
Recreation & Sports	\$ 693.63	\$ 316.37	\$ 17.13	\$ 51.29	\$ 1.27	\$ 9.80	\$ 1,089.49	3.6%	
Youth Development	\$ 383.41	\$ 97.80	\$ 9.13	\$ 11.28	\$ 0.90	\$ 22.38	\$ 524.90	1.7%	
Human Services	\$ 219.95	\$ 1,024.27	\$ 134.83	\$ 125.53	\$ 68.42	\$ 36.06	\$ 1,609.06	5.3%	
International, Foreign Affairs & National Security	\$ 56.00	\$ 105.27	\$ 22.92	\$ 8.19	\$ 0.36	\$ 1.15	\$ 193.89	0.6%	
Civil Rights, Social Action & Advocacy	\$ 3.33	\$ 75.64	\$ -	\$ 1.42	\$ -	\$ 0.45	\$ 80.84	0.3%	
Community Improvement & Capacity Building	\$ 9.70	\$ 310.34	\$ 11.63	\$ 27.97	\$ 3.28	\$ 12.76	\$ 375.69	1.2%	
Philanthropy, Voluntarism & Grantmaking Foundations	\$ 143.36	\$ 349.40	\$ 28.24	\$ 53.51	\$ 7.21	\$ 5.32	\$ 587.04	1.9%	
Science & Technology	\$ 5.23	\$ 655.63	\$ 2.51	\$ 19.54	\$ 0.02	\$ 1.43	\$ 684.35	2.3%	
Social Science	\$ -	\$ 12.84	\$ 0.05	\$ 0.50	\$ -	\$ 0.14	\$ 13.52	0.0%	
Public & Societal Benefit	\$ 15.30	\$ 86.50	\$ 1.52	\$ 3.65	\$ 8.38	\$ 0.26	\$ 115.62	0.4%	
Religion-Related	\$ 181.57	\$ 135.40	\$ 33.95	\$ 10.66	\$ 6.40	\$ 3.67	\$ 371.66	1.2%	
Mutual & Membership Benefit	\$ 1.29	\$ 119.57	\$ 2.03	\$ 1.08	\$ 1.65	\$ 0.09	\$ 125.71	0.4%	
<u>Unknown</u>	<u>\$ 624.59</u>	<u>\$ 4,008.12</u>	<u>\$ 434.71</u>	<u>\$ 601.12</u>	<u>\$ 219.13</u>	<u>\$ 267.60</u>	<u>\$ 6,155.28</u>	<u>20.3%</u>	
Statewide	\$ 3,198.07	\$20,070.84	\$2,548.75	\$2,657.46	\$ 975.78	\$ 811.88	\$ 30,262.77	100.0%	

Source: IRS EOBMF; CDLE QCEW; Economic & Planning Systems
 H:\163095- Colorado Non-Profit Economic Impact Study\Data\163095- Consolidated Data.xlsx\T3.5 - revs

Two sources of information were used to identify sources of revenue by type. **Figure 14** reports data from the 2018 survey of nonprofit organizations in Colorado, and **Figure 15** shows the amount of “contributed revenue” as reported by all Colorado nonprofit organizations in their IRS Form 990. The survey data represent \$157 million in revenues (0.5 percent of the known revenue as shown in the previous **Figure 12** and **Figure 13**), and IRS 990 data indicate that approximately \$4.3 billion of the \$30.3 billion represent the “contributed” portion of total revenues.

Figure 14

Revenues by Source, Type, and Region (2017)

	Revenues by Source, Type, and Region (2017)							Total	as % of
	Central	Denver	North-	North-	South-	South-			
	in \$ millions								
Total Spending Category									
Foundations, trusts	\$ 2.20	\$ 33.82	\$ 1.68	\$ 2.53	\$ 0.17	\$ 0.31	\$ 40.71	26.0%	
Private companies and individuals	\$ 3.26	\$ 14.34	\$ 2.09	\$ 23.08	\$ 0.16	\$ 0.22	\$ 43.14	27.6%	
Federal funding	\$ 4.03	\$ 19.50	\$ 1.41	\$ 2.72	\$ 0.56	\$ 1.34	\$ 29.56	18.9%	
Other	\$ 4.39	\$ 32.34	\$ 2.04	\$ 2.75	\$ 0.72	\$ 0.90	\$ 43.14	27.6%	
Statewide	\$ 13.88	\$ 100.00	\$ 7.22	\$ 31.08	\$ 1.62	\$ 2.77	\$ 156.56	100.0%	

Source: 2018 Colorado Nonprofit Survey

H:\163095-Colorado Non-Profit Economic Impact Study\Data\163095-Survey Data.xlsx\Sheet2

Figure 15

Contributed Revenues by Region and Total Spending Category (2017)

	Contributed Revenues by Region (2017)							Total	as % of Total
	Central	Denver	North-east	North-west	South-east	South-west			
	in \$ millions								
Total Spending Category									
Less than \$25,000	\$ 1.25	\$ 21.17	\$ 0.91	\$ 1.78	\$ 0.35	\$ 2.06	\$ 27.52	0.6%	
\$25,000 to \$99,999	\$ 7.94	\$ 60.70	\$ 6.58	\$ 8.89	\$ 2.28	\$ 2.10	\$ 88.48	2.1%	
\$100,000 to \$499,999	\$ 42.69	\$ 163.37	\$ 33.32	\$ 48.66	\$ 12.47	\$ 17.09	\$ 317.60	7.4%	
\$500,000 to \$999,999	\$ 48.33	\$ 201.84	\$ 36.07	\$ 63.43	\$ 10.58	\$ 13.63	\$ 373.89	8.7%	
\$1,000,000 to \$9,999,999	\$ 220.40	\$ 1,379.82	\$ 205.73	\$ 123.84	\$ 13.30	\$ 45.40	\$ 1,988.49	46.3%	
\$10,000,000 to \$19,999,999	\$ 42.57	\$ 245.52	\$ 2.65	\$ 12.41	\$ 1.68	\$ 2.21	\$ 307.03	7.2%	
<u>\$20,000,000 and over</u>	<u>\$ 68.81</u>	<u>\$ 1,060.59</u>	<u>\$ 18.67</u>	<u>\$ 23.53</u>	<u>\$ 6.81</u>	<u>\$ 11.96</u>	<u>\$ 1,190.38</u>	<u>27.7%</u>	
Statewide	\$ 431.99	\$ 3,133.00	\$ 303.93	\$ 282.53	\$ 47.48	\$ 94.46	\$ 4,293.38	100.0%	

Source: IRS EOBMF; CDLE QCEW; Economic & Planning Systems

H:\163095-Colorado Non-Profit Economic Impact Study\Data\163095-Consolidated Data.xlsx\TP 7 - contrib revs

Figure 16

Nonprofit Industry Assets by Region and Total Spending Category (2017)

	Nonprofit Industry Assets by Region (2017)							Total	as % of Total
	Central	Denver	North-east	North-west	South-east	South-west			
	in \$ millions								
Total Spending Category									
Less than \$25,000	\$ 645.98	\$ 3,902.45	\$ 334.44	\$ 884.05	\$ 89.41	\$ 107.42	\$ 5,963.75	6.9%	
\$25,000 to \$99,999	\$ 60.40	\$ 333.43	\$ 72.73	\$ 99.28	\$ 65.53	\$ 27.83	\$ 659.22	0.8%	
\$100,000 to \$499,999	\$ 431.64	\$ 1,419.92	\$ 205.78	\$ 334.65	\$ 119.00	\$ 105.63	\$ 2,616.61	3.0%	
\$500,000 to \$999,999	\$ 383.14	\$ 2,410.97	\$ 276.46	\$ 340.81	\$ 107.00	\$ 157.25	\$ 3,675.64	4.2%	
\$1,000,000 to \$9,999,999	\$ 2,385.34	\$ 14,765.84	\$ 1,406.08	\$ 909.65	\$ 736.20	\$ 189.79	\$ 20,392.90	23.4%	
\$10,000,000 to \$19,999,999	\$ 656.07	\$ 3,786.46	\$ 382.94	\$ 528.55	\$ 167.84	\$ 179.75	\$ 5,701.61	6.5%	
<u>\$20,000,000 and over</u>	<u>\$ 7,376.17</u>	<u>\$ 30,119.87</u>	<u>\$ 6,366.78</u>	<u>\$ 2,824.64</u>	<u>\$ 737.60</u>	<u>\$ 616.63</u>	<u>\$ 48,041.68</u>	<u>55.2%</u>	
Statewide	\$11,938.74	\$56,738.94	\$9,045.20	\$5,921.64	\$2,022.59	\$1,384.29	\$ 87,051.41	100.0%	

Source: IRS EOBMF; CDLE QCEW; Economic & Planning Systems

H:\163095-Colorado Non-Profit Economic Impact Study\Data\163095-Consolidated Data.xlsx\TP 4 - assets

Figure 17

**Nonprofit Industry Assets
by Region and NTEE
Category (2017)**

	Nonprofit Industry Assets by Region (2017)							Total	as % of Total
	Central	Denver	North-east	North-west	South-east	South-west			
NTEE Category									
Arts, Culture & Humanities	\$ 126.99	\$ 1,084.82	\$ 53.33	\$ 311.55	\$ 34.81	\$ 51.15	\$ 1,662.64	1.9%	
Education	\$ 1,421.79	\$ 5,664.68	\$ 891.82	\$ 268.18	\$ 77.79	\$ 92.97	\$ 8,417.23	9.7%	
Environment	\$ 26.47	\$ 277.38	\$ 29.71	\$ 239.59	\$ 4.43	\$ 26.09	\$ 603.67	0.7%	
Animal-Related	\$ 93.26	\$ 289.81	\$ 45.03	\$ 13.36	\$ 13.13	\$ 3.07	\$ 457.64	0.5%	
Health Care, Voluntary Health Associations & Medical Disciplines	\$ 307.12	\$ 15,835.92	\$ 6,027.45	\$ 2,252.44	\$ 522.30	\$ 230.24	\$ 25,175.48	28.9%	
Mental Health & Crisis Intervention	\$ 2.33	\$ 381.27	\$ 51.17	\$ 38.69	\$ 118.23	\$ 53.75	\$ 645.44	0.7%	
Medical Research	\$ 0.28	\$ 42.81	\$ 2.70	\$ 12.60	\$ -	\$ -	\$ 58.40	0.1%	
Crime & Legal-Related	\$ 30.66	\$ 128.74	\$ 10.41	\$ 2.21	\$ 0.64	\$ 13.05	\$ 185.71	0.2%	
Employment	\$ 73.68	\$ 104.98	\$ 2.60	\$ 2.91	\$ 9.17	\$ -	\$ 193.34	0.2%	
Food, Agriculture & Nutrition	\$ 15.09	\$ 79.26	\$ 100.71	\$ 3.24	\$ 0.57	\$ 2.13	\$ 200.99	0.2%	
Housing & Shelter	\$ 38.19	\$ 1,196.03	\$ 89.41	\$ 74.36	\$ 17.87	\$ 25.50	\$ 1,441.35	1.7%	
Public Safety, Disaster Preparedness & Relief	\$ 2.04	\$ 10.36	\$ 1.56	\$ 35.57	\$ 0.10	\$ 0.43	\$ 50.05	0.1%	
Recreation & Sports	\$ 1,060.80	\$ 432.75	\$ 27.86	\$ 108.03	\$ 1.41	\$ 18.66	\$ 1,649.51	1.9%	
Youth Development	\$ 382.60	\$ 163.58	\$ 18.55	\$ 9.65	\$ 2.02	\$ 15.33	\$ 591.73	0.7%	
Human Services	\$ 399.82	\$ 1,817.58	\$ 215.47	\$ 111.15	\$ 96.94	\$ 32.05	\$ 2,673.00	3.1%	
International, Foreign Affairs & National Security	\$ 70.43	\$ 143.74	\$ 11.77	\$ 3.69	\$ 0.49	\$ 0.98	\$ 231.11	0.3%	
Civil Rights, Social Action & Advocacy	\$ 2.68	\$ 91.18	\$ -	\$ 1.88	\$ -	\$ 1.07	\$ 96.82	0.1%	
Community Improvement & Capacity Building	\$ 19.22	\$ 425.98	\$ 11.57	\$ 68.07	\$ 7.72	\$ 23.37	\$ 555.92	0.6%	
Philanthropy, Voluntarism & Grantmaking Foundations	\$ 1,190.93	\$ 7,249.99	\$ 310.56	\$ 435.20	\$ 47.24	\$ 46.31	\$ 9,280.22	10.7%	
Science & Technology	\$ 8.99	\$ 443.89	\$ 7.38	\$ 35.20	\$ 0.02	\$ 4.18	\$ 499.66	0.6%	
Social Science	\$ -	\$ 5.07	\$ 0.04	\$ 0.01	\$ -	\$ 0.08	\$ 5.20	0.0%	
Public & Societal Benefit	\$ 55.04	\$ 150.12	\$ 2.40	\$ 28.56	\$ 182.85	\$ 0.56	\$ 419.53	0.5%	
Religion-Related	\$ 250.64	\$ 434.72	\$ 53.49	\$ 32.95	\$ 4.75	\$ 13.33	\$ 789.88	0.9%	
Mutual & Membership Benefit	\$ 1.58	\$ 304.73	\$ 3.68	\$ 6.01	\$ 27.83	\$ 0.04	\$ 343.87	0.4%	
Unknown	\$ 6,358.13	\$ 19,979.56	\$ 1,076.53	\$ 1,826.55	\$ 852.29	\$ 729.96	\$ 30,823.03	35.4%	
Statewide	\$ 11,938.74	\$ 56,738.94	\$ 9,045.20	\$ 5,921.64	\$ 2,022.59	\$ 1,384.29	\$ 87,051.41	100.0%	

Source: IRS EOBMF; CDLE QCEW; Economic & Planning Systems

H:\163095- Colorado Non-Profit Economic Impact Study\Data\163095- Consolidated Data.xlsx\T3.3 - assets

Volunteerism

There is tremendous value-added and capacity created by the nonprofit sector. Extrapolating from the survey data, in 2017, the sector leveraged over 138,000 full-time equivalent volunteers, who contributed a total of 284 million hours of their time during the year. Using an industry-standard approach to the value of volunteer time, it is estimated that volunteerism contributed an additional \$7.0 billion of value-added to the industry’s overall output in 2017.⁶

⁶ In 2016, the most recent date for which an estimate of volunteer value of time is available, the Foundation Center, using a recommended methodology from economists at the Bureau of Labor Statistics (BLS), the value of volunteer time is \$24.14 per hour. <https://grantspace.org/resources/knowledge-base/monetary-value-of-volunteer-time/>

Nonprofit Employment & Spending as Portion of Total State Employment

As a portion of all jobs by industry, the nonprofit sector accounts for 5.9 percent of all Colorado employment (wage and salary jobs, as well as proprietorships). As shown in **Figure 18**, certain segments of the nonprofit sector account for sizable portions of their respective industry classification. For example, the nonprofit Educational Services sector accounts for approximately 24 percent of the state's entire Educational Services sector, the nonprofit Health Care and Social Assistance sector accounts for approximately one-third of the state's sector, and the nonprofit Arts, Entertainment, and Recreation industry represents approximately 13 percent of the state's sector.

Figure 18**Nonprofit Industry Jobs
as % of Total Jobs (2017)**

	Total and Nonprofit Jobs by Industry (2017)				
	All Jobs in State	as % of Total	Nonprofit Jobs	as % of Total	Nonprofit as % of All
Agriculture, Forestry, Fishing and Hunting	12,730	0.40%	53	0.03%	0.42%
Mining, Quarrying, and Oil and Gas Extraction	64,767	2.02%	11	0.01%	0.02%
Utilities	10,325	0.32%	2,044	1.08%	19.79%
Construction	249,944	7.80%	349	0.18%	0.14%
Manufacturing	164,536	5.13%	10	0.01%	0.01%
Wholesale Trade	117,673	3.67%	105	0.06%	0.09%
Retail Trade	336,762	10.51%	4,555	2.41%	1.35%
Transportation and Warehousing	119,107	3.72%	36	0.02%	0.03%
Information	84,735	2.64%	1,114	0.59%	1.31%
Finance and Insurance	219,951	6.86%	5,300	2.80%	2.41%
Real Estate and Rental and Leasing	218,258	6.81%	920	0.49%	0.42%
Professional, Scientific, and Technical Services	335,472	10.47%	6,656	3.52%	1.98%
Management of Companies and Enterprises	47,453	1.48%	1,029	0.54%	2.17%
Administrative and Support and Waste Management and Remediation Services	208,339	6.50%	831	0.44%	0.40%
Educational Services	75,110	2.34%	17,952	9.49%	23.90%
Health Care and Social Assistance	342,680	10.69%	112,443	59.44%	32.81%
Arts, Entertainment, and Recreation	104,288	3.25%	13,127	6.94%	12.59%
Accommodation and Food Services	296,806	9.26%	2,813	1.49%	0.95%
<u>Other Services (except Public Administration)</u>	<u>195,831</u>	<u>6.11%</u>	<u>19,831</u>	<u>10.48%</u>	<u>10.13%</u>
Statewide	3,204,767	100.00%	189,180	100.00%	5.90%

Source: IRS EO BMF; BEA; Economic & Planning
Systems

H:\163095-Colorado Non-Profit Economic Impact
Study\Data\163095-BLS State Level Employment by
County.xlsx\Sheet1

In terms of spending, as shown in **Figure 19**, the nonprofit industry accounts for a total of 6.7 percent of the all of the state's industry spending. Again, certain segments of the nonprofit industry account for considerable portions of the entire respective industry. For example, 72 percent of the Educational Services sector spending originates from the nonprofit component of that sector; 43 percent of the Health Care and Social Assistance sector originates from the nonprofit component of that sector; and 23 percent of the Arts, Entertainment, and Recreation industry is from the nonprofit component.

Figure 19

Total and Nonprofit Industry Spending (2017)

	Total and Nonprofit Spending by Industry (2017)				
	Total Spending	as % of Total	Nonprofit Spending (\$ millions)	as % of Total	Nonprofit as % of All
Agriculture, Forestry, Fishing and Hunting	\$1,464.00	0.49%	\$6.93	0.03%	0.47%
Mining, Quarrying, and Oil and Gas Extraction	\$13,241.46	4.42%	\$4.04	0.02%	0.03%
Utilities	\$2,756.62	0.92%	\$630.14	3.15%	22.86%
Construction	\$22,930.61	7.66%	\$69.14	0.35%	0.30%
Manufacturing	\$48,400.64	16.17%	\$3.10	0.02%	0.01%
Wholesale Trade	\$20,293.74	6.78%	\$12.39	0.06%	0.06%
Retail Trade	\$18,359.69	6.13%	\$230.89	1.15%	1.26%
Transportation and Warehousing	\$11,529.15	3.85%	\$44.89	0.22%	0.39%
Information	\$19,326.19	6.46%	\$195.61	0.98%	1.01%
Finance and Insurance	\$20,849.71	6.97%	\$724.80	3.62%	3.48%
Real Estate and Rental and Leasing	\$8,548.88	2.86%	\$106.84	0.53%	1.25%
Professional, Scientific, and Technical Services	\$34,796.44	11.63%	\$1,115.74	5.58%	3.21%
Management of Companies and Enterprises	\$10,222.08	3.42%	\$132.06	0.66%	1.29%
Administrative and Support and Waste Management and Remediation Services	\$12,118.92	4.05%	\$76.30	0.38%	0.63%
Educational Services	\$2,377.11	0.79%	\$1,718.73	8.60%	72.30%
Health Care and Social Assistance	\$25,891.25	8.65%	\$11,209.34	56.06%	43.29%
Arts, Entertainment, and Recreation	\$4,782.40	1.60%	\$1,107.30	5.54%	23.15%
Accommodation and Food Services	\$21,373.84	7.14%	\$377.11	1.89%	1.76%
<u>Other Services (except Public Administration)</u>	<u>n/a</u>	<u>n/a</u>	<u>\$2,229.73</u>	<u>n/a</u>	<u>n/a</u>
Statewide (Private Employment)	\$299,262.73	100.00%	\$19,995.05	100.00%	6.68%

Source: IRS EO BMF; BEA; Economic & Planning Systems

H:\163095- Colorado Non-Profit Economic Impact Study\Data\163095- State Level Employment by County.xlsx|TABLE - Spending Summary

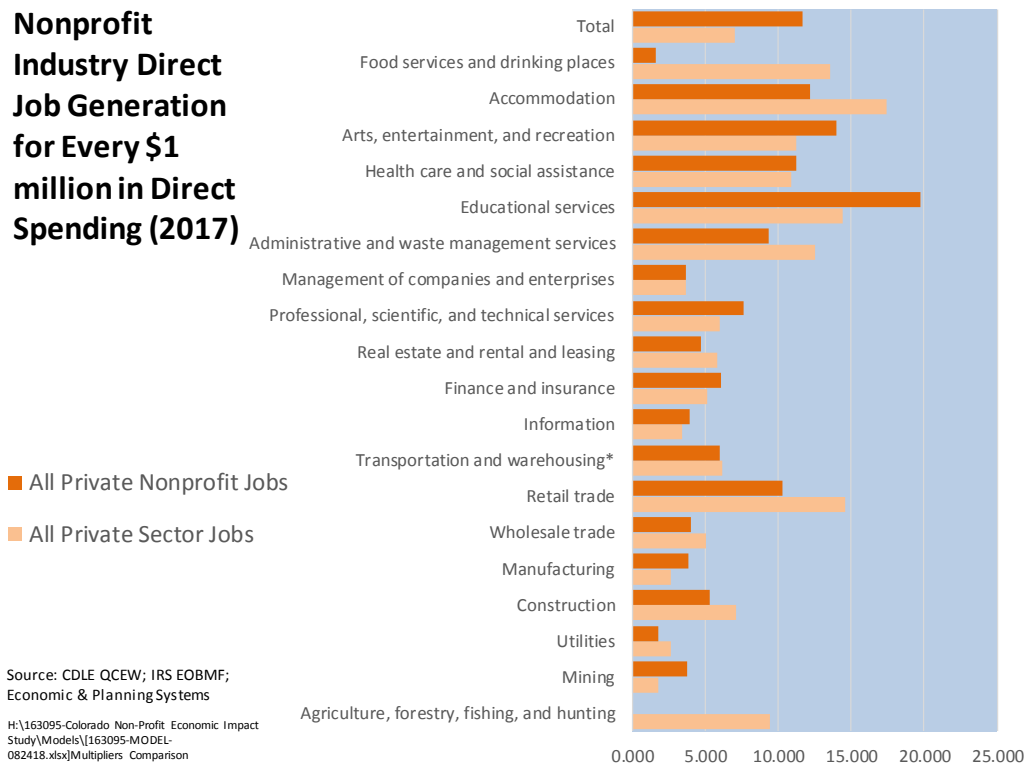
Employment Impact, Contributions to GDP, and Multiplier Effects

In 2017, direct spending (\$14.6 billion) by the nonprofit sector accounted for 5.6 percent of the state’s GDP, as shown in **Figure 21**. For every \$1 million in direct spending, the nonprofit sector creates approximately 10 jobs, whereas \$1 million of direct spending in the for-profit sector creates just 7 jobs. (**Figure 20** displays job multipliers by sector). For a few sectors, nonprofit sector job multipliers are notably higher than for-profit counterparts: the nonprofit sector creates 19.7 versus 14.4 jobs in Education; 13.6 versus 11.2 jobs in Arts, Entertainment and Recreation; and 7.5 versus 6.0 jobs in Professional, Scientific and Technical Services. In total, the nonprofit sector’s 189,600 jobs support an additional 56,800 jobs in business-to-business activities, and another 86,500 induced jobs through the household spending associated with direct and indirect economic activities. Overall, the nonprofit sector directly and indirectly supports approximately 9.0 percent of the state’s entire workforce.

In addition to this \$7.0 billion value-added created by volunteerism and the \$20.0 billion in direct spending, nonprofit sector spending (on average) is doubled, rippling through local and regional economies (i.e. “indirect impacts” or business-to-business transactions and “induced impacts” or the jobs created by the spending from households of direct and indirect jobholders) at ratios of 1.40 to 2.16 per one (\$1) dollar of nonprofit sector spending. Analysis of indirect and induced impacts at the county level implies that the total economic impact to the state is approximately \$40 billion, 11.3 percent of the state’s economy (See **Figure 26** and **Figure 27**).⁷

Figure 20

Nonprofit Industry Direct Job Generation for Every \$1 million in Direct Spending (2017)



⁷ It is important to note that adding county level indirect and induced impacts may inflate the overall indirect and induced impacts, because input-output multipliers assume a regional purchase coefficient, i.e. that a portion of transactions and purchases will occur outside the modeled geography. When estimating impacts of a geography larger than a metro area, such as a state,

Figure 21

Nonprofit Industry Multiplier and Proportion Metrics (2017)

	Metrics (2017)			
	Jobs Multiplier [Note 1]	Spending Multiplier [Note 1]	Nonprofit Jobs (% of County)	Nonprofit Spending (% of County)
By County				
Adams County	1.97	2.16	5.48%	7.93%
Alamosa County	1.57	1.67	14.91%	19.60%
Arapahoe County	1.90	2.16	5.81%	6.03%
Archuleta County	1.47	1.66	1.88%	1.59%
Baca County	1.51	1.37	1.01%	2.68%
Bent County	1.91	1.44	2.93%	4.69%
Boulder County	1.98	2.16	4.97%	5.05%
Broomfield County	1.89	2.16	16.78%	11.50%
Chaffee County	1.88	1.64	1.88%	3.46%
Cheyenne County	(D)	(D)	0.00%	0.09%
Clear Creek County	1.51	1.69	1.48%	1.10%
Conejos County	1.65	1.60	0.97%	2.57%
Costilla County	(D)	1.62	1.07%	1.76%
Crowley County	1.56	1.43	4.35%	6.02%
Custer County	1.35	1.41	1.47%	4.08%
Delta County	1.75	1.62	1.83%	2.26%
Denver County	1.85	2.16	6.08%	5.73%
Dolores County	(D)	(D)	0.00%	0.90%
Douglas County	1.99	2.14	4.29%	5.23%
Eagle County	1.57	1.69	4.30%	6.42%
El Paso County	1.72	1.84	5.23%	5.72%
Elbert County	1.75	1.81	0.44%	1.09%
Fremont County	1.38	1.41	4.88%	3.17%
Garfield County	1.68	1.70	5.53%	8.43%
Gilpin County	(D)	1.72	0.19%	0.09%
Grand County	2.03	1.64	2.36%	4.29%
Gunnison County	1.83	1.65	2.72%	3.90%
Hinsdale County	(D)	1.66	1.85%	2.79%
Huerfano County	(D)	1.42	12.12%	14.97%
Jackson County	(D)	1.72	0.39%	0.54%
Jefferson County	1.95	2.14	2.87%	3.09%
Kiowa County	(D)	1.42	1.27%	1.98%
Kit Carson County	1.71	1.88	0.83%	0.88%
La Plata County	1.63	1.64	3.68%	3.78%
Lake County	1.55	1.66	4.92%	4.56%
Larimer County	1.62	1.74	5.05%	5.30%
Las Animas County	1.38	1.42	5.94%	7.37%
Lincoln County	2.61	1.49	6.54%	32.82%
Logan County	1.65	1.76	3.86%	4.61%
Mesa County	1.61	1.71	7.34%	8.06%
Mineral County	1.15	1.52	6.37%	10.52%
Moffat County	1.60	1.67	1.26%	0.91%
Montezuma County	1.56	1.67	5.60%	13.91%
Montrose County	1.93	1.66	3.43%	4.96%
Morgan County	1.83	1.69	2.08%	1.87%
Otero County	1.53	1.43	5.47%	7.09%
Ouray County	1.50	1.65	2.09%	3.31%
Park County	1.59	1.68	3.57%	3.87%
Phillips County	2.63	1.61	3.72%	15.44%
Pitkin County	1.54	1.66	3.00%	3.85%
Prowers County	1.45	1.42	4.10%	3.95%
Pueblo County	1.39	1.42	7.40%	7.01%
Rio Blanco County	2.76	1.63	1.06%	3.26%
Rio Grande County	1.80	1.62	5.55%	9.59%
Routt County	1.65	1.69	6.52%	8.10%
Saguache County	1.40	1.64	4.92%	4.97%
San Juan County	1.41	1.66	3.74%	4.94%
San Miguel County	1.42	1.63	3.49%	4.71%
Sedgwick County	(D)	(D)	0.35%	1.18%
Summit County	1.54	1.70	2.45%	2.79%
Teller County	1.61	1.83	2.73%	2.58%
Washington County	2.66	1.63	2.53%	13.33%
Weld County	1.61	1.78	2.58%	2.05%
<u>Yuma County</u>	<u>1.62</u>	<u>1.72</u>	<u>3.53%</u>	<u>4.19%</u>
Total	1.82	2.01	5.12%	5.61%

[Note 1]: Defined as the ratio between total (direct + indirect + induced) impacts divided by direct impacts.

Source: CDLE QCEW; IRS EOBMF; BEA; Economic & Planning Systems

C:\Users\dschwartz.EPSDEN\Desktop\163095 DATA\DATA for GIS-082718.xlsx\T.1 - Multiplier Summary

Figure 22

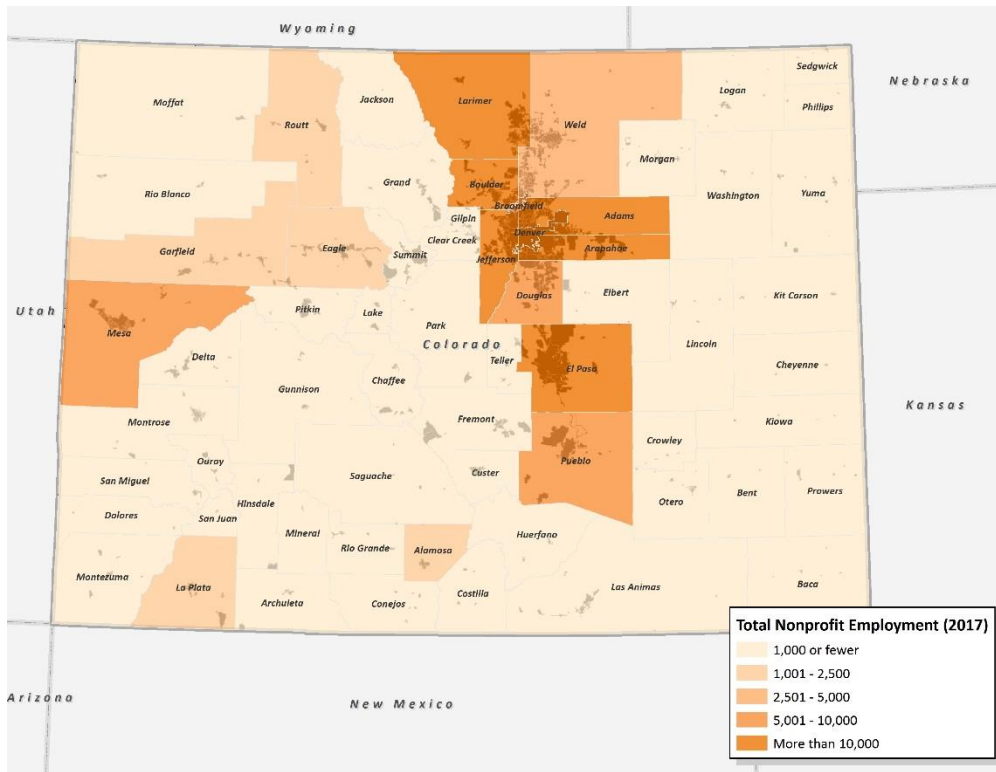


Figure 23

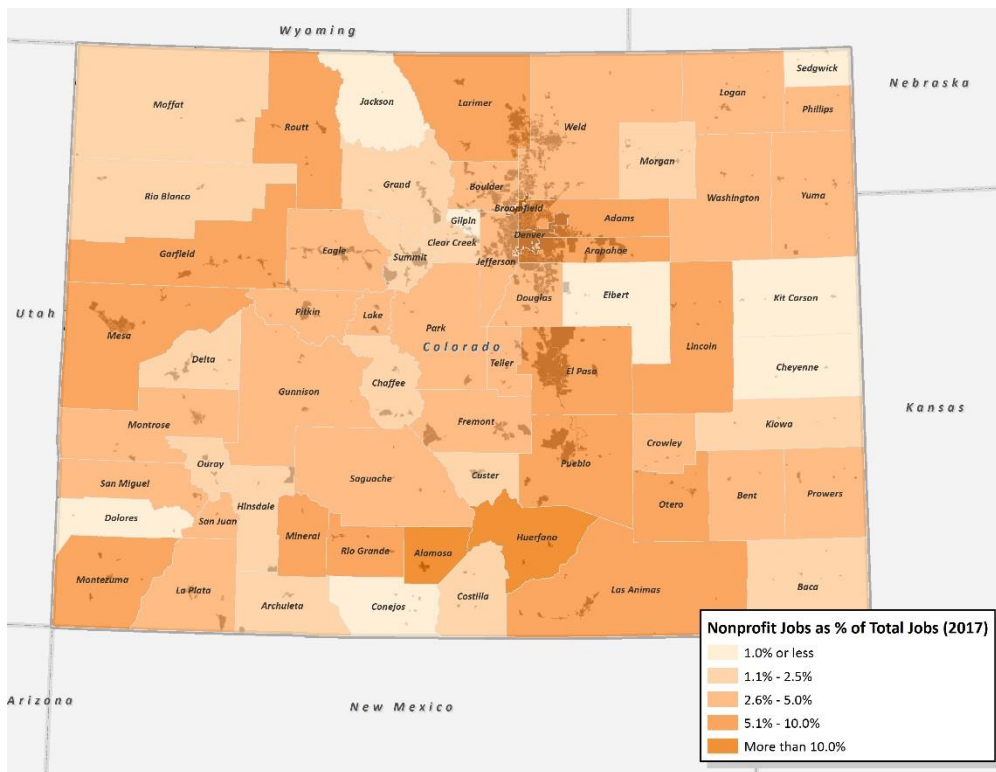


Figure 24

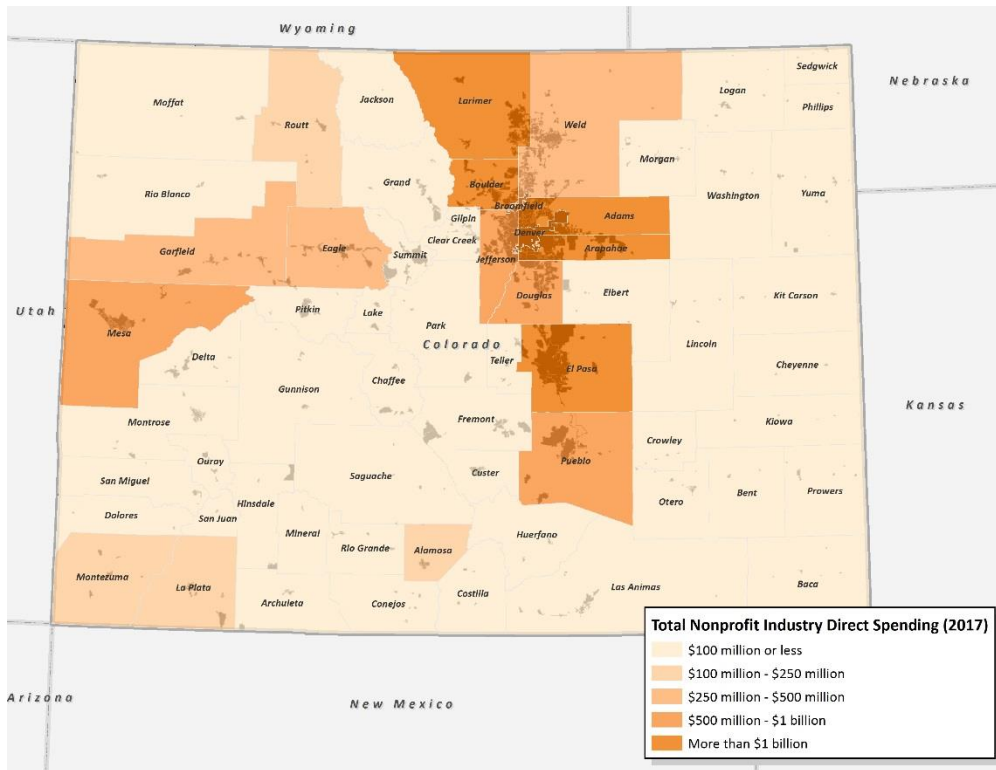


Figure 25

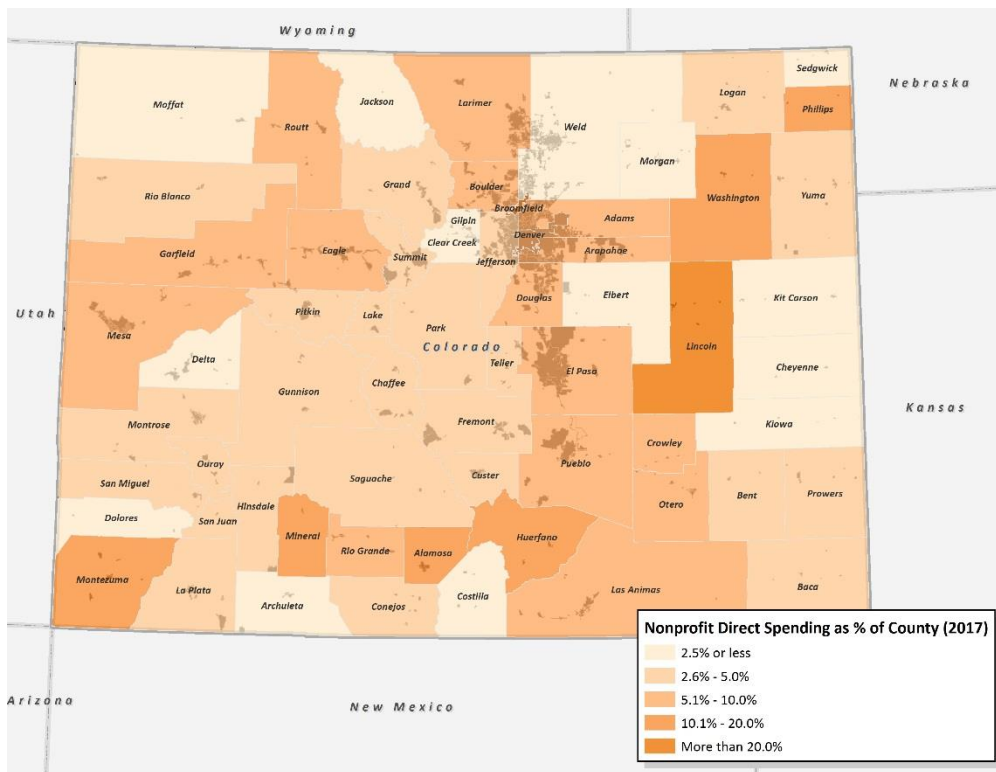


Figure 26

Distribution of Direct, Indirect, and Induced Employment Related to Colorado's Private Nonprofit Industry (2017)

	Nonprofit Employment Impacts (2017)			
	Direct	Indirect	Induced	Total
By County				
Adams County	14,594	5,249	8,749	28,591
Alamosa County	1,652	309	633	2,594
Arapahoe County	26,121	8,558	12,886	47,565
Archuleta County	160	24	36	219
Baca County	26	5	8	39
Bent County	53	22	25	100
Boulder County	13,207	4,901	7,675	25,783
Broomfield County	8,373	2,615	4,786	15,774
Chaffee County	236	84	112	432
Cheyenne County	0	0	0	0
Clear Creek County	60	12	14	86
Conejos County	31	7	13	51
Costilla County	(D)	(D)	(D)	0
Crowley County	75	16	26	117
Custer County	34	4	8	47
Delta County	280	77	113	470
Denver County	40,193	13,099	18,945	72,238
Dolores County	0	0	0	0
Douglas County	8,419	3,202	5,045	16,666
Eagle County	2,036	418	694	3,148
El Paso County	21,206	5,725	7,498	34,430
Elbert County	38	10	18	67
Fremont County	967	108	258	1,333
Garfield County	2,253	538	982	3,773
Gilpin County	(D)	(D)	(D)	0
Grand County	264	112	152	528
Gunnison County	357	117	162	636
Hinsdale County	(D)	(D)	(D)	0
Huerfano County	(D)	(D)	(D)	0
Jackson County	(D)	(D)	(D)	0
Jefferson County	10,022	3,488	5,172	18,682
Kiowa County	(D)	(D)	(D)	0
Kit Carson County	42	10	20	72
La Plata County	1,538	340	602	2,480
Lake County	176	44	52	272
Larimer County	11,538	2,712	2,292	16,542
Las Animas County	445	49	118	612
Lincoln County	228	145	221	595
Logan County	485	112	199	795
Mesa County	6,445	1,281	2,561	10,287
Mineral County	59	-3	12	68
Moffat County	91	19	34	144
Montezuma County	829	154	279	1,261
Montrose County	793	280	435	1,508
Morgan County	348	112	171	631
Otero County	480	93	160	733
Ouray County	73	11	25	109
Park County	202	44	40	286
Phillips County	106	79	93	278
Pitkin County	728	158	210	1,097
Prowers County	275	42	78	394
Pueblo County	5,887	707	1,518	8,112
Rio Blanco County	45	35	44	125
Rio Grande County	361	107	166	634
Routt County	1,519	349	615	2,483
Saguache County	145	22	22	190
San Juan County	22	2	7	31
San Miguel County	311	35	85	431
Sedgwick County	5	0	0	5
Summit County	723	143	245	1,111
Teller County	331	73	100	503
Washington County	71	54	64	189
Weld County	3,968	862	1,276	6,106
<u>Yuma County</u>	<u>252</u>	<u>56</u>	<u>98</u>	<u>406</u>
Total	189,201	56,826	86,457	332,484

Source: CDLE QCEW; IRS EOBMF; BEA; Economic & Planning Systems

H:\163095- Colorado Non-Profit Economic Impact Study\Data\163095- Consolidated Data.xlsx\T4.1- Jobs County

Figure 27

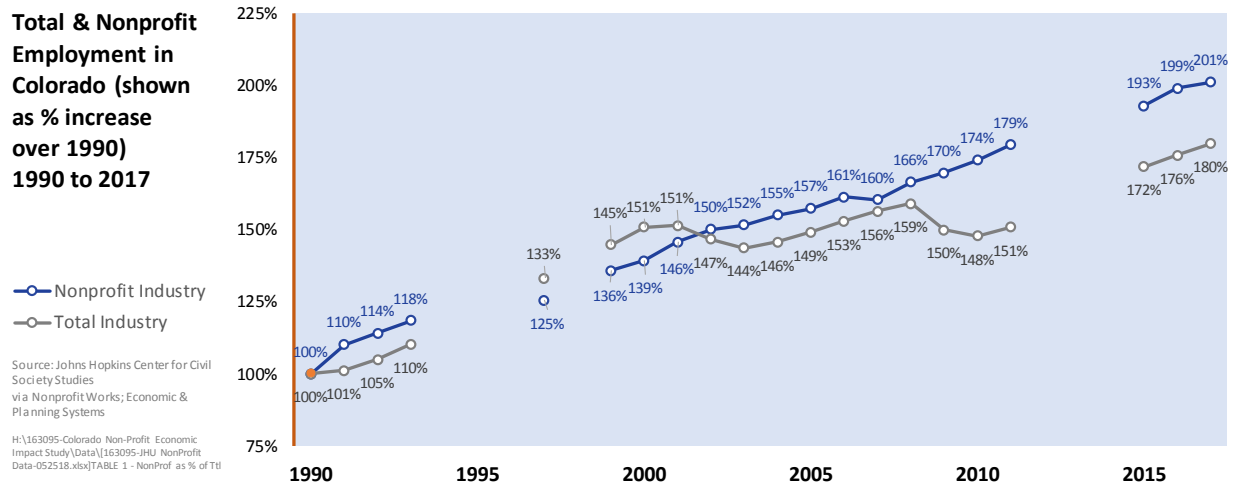
Distribution of Direct, Indirect, and Induced Spending Related to Colorado's Private Nonprofit Industry (2017)

	Nonprofit Spending Impacts (2017)			
	Direct	Indirect	Induced	Total
	in \$ millions			
By County				
Adams County	\$ 2,022.0	\$ 929.8	\$ 1,409.1	\$ 4,361.0
Alamosa County	\$ 160.7	\$ 40.7	\$ 67.4	\$ 268.7
Arapahoe County	\$ 2,712.8	\$ 1,225.2	\$ 1,922.5	\$ 5,860.5
Archuleta County	\$ 6.5	\$ 1.6	\$ 2.7	\$ 10.8
Baca County	\$ 2.5	\$ 0.4	\$ 0.5	\$ 3.4
Bent County	\$ 4.7	\$ 1.2	\$ 0.8	\$ 6.7
Boulder County	\$ 1,345.7	\$ 628.0	\$ 937.3	\$ 2,911.0
Broomfield County	\$ 961.8	\$ 427.0	\$ 689.1	\$ 2,077.9
Chaffee County	\$ 25.5	\$ 8.7	\$ 7.6	\$ 41.8
Cheyenne County	\$ 0.1	\$ 0.0	\$ 0.0	\$ 0.1
Clear Creek County	\$ 3.9	\$ 1.1	\$ 1.6	\$ 6.6
Conejos County	\$ 3.3	\$ 0.8	\$ 1.2	\$ 5.3
Costilla County	\$ 1.2	\$ 0.4	\$ 0.4	\$ 2.0
Crowley County	\$ 7.1	\$ 1.4	\$ 1.7	\$ 10.2
Custer County	\$ 3.6	\$ 0.5	\$ 1.0	\$ 5.1
Delta County	\$ 18.8	\$ 4.8	\$ 6.9	\$ 30.5
Denver County	\$ 4,413.1	\$ 2,044.9	\$ 3,057.6	\$ 9,515.7
Dolores County	\$ 0.4	\$ -	\$ -	\$ 0.4
Douglas County	\$ 836.3	\$ 393.8	\$ 562.0	\$ 1,792.0
Eagle County	\$ 260.9	\$ 70.3	\$ 109.8	\$ 441.1
El Paso County	\$ 1,907.6	\$ 633.5	\$ 963.3	\$ 3,504.4
Elbert County	\$ 3.9	\$ 1.2	\$ 1.9	\$ 7.0
Fremont County	\$ 54.0	\$ 7.7	\$ 14.7	\$ 76.3
Garfield County	\$ 283.7	\$ 80.7	\$ 117.5	\$ 481.8
Gilpin County	\$ 0.6	\$ 0.1	\$ 0.3	\$ 1.0
Grand County	\$ 34.2	\$ 11.7	\$ 10.2	\$ 56.1
Gunnison County	\$ 35.4	\$ 11.3	\$ 11.6	\$ 58.3
Hinsdale County	\$ 0.6	\$ 0.2	\$ 0.3	\$ 1.1
Huerfano County	\$ 26.4	\$ 3.7	\$ 7.4	\$ 37.5
Jackson County	\$ 0.3	\$ 0.1	\$ 0.1	\$ 0.5
Jefferson County	\$ 939.8	\$ 416.9	\$ 653.2	\$ 2,009.9
Kiowa County	\$ 0.9	\$ 0.1	\$ 0.3	\$ 1.3
Kit Carson County	\$ 2.4	\$ 0.8	\$ 1.3	\$ 4.4
La Plata County	\$ 136.3	\$ 39.5	\$ 48.0	\$ 223.9
Lake County	\$ 10.2	\$ 3.0	\$ 3.6	\$ 16.9
Larimer County	\$ 1,199.7	\$ 392.5	\$ 499.6	\$ 2,091.8
Las Animas County	\$ 40.0	\$ 5.6	\$ 11.3	\$ 56.9
Lincoln County	\$ 68.9	\$ 16.0	\$ 17.6	\$ 102.5
Logan County	\$ 38.5	\$ 12.2	\$ 17.3	\$ 68.0
Mesa County	\$ 605.9	\$ 158.0	\$ 271.4	\$ 1,035.3
Mineral County	\$ 5.1	\$ 1.2	\$ 1.4	\$ 7.8
Moffat County	\$ 6.1	\$ 1.4	\$ 2.7	\$ 10.3
Montezuma County	\$ 143.7	\$ 36.2	\$ 59.8	\$ 239.6
Montrose County	\$ 88.7	\$ 29.2	\$ 29.3	\$ 147.2
Morgan County	\$ 35.6	\$ 12.0	\$ 12.6	\$ 60.2
Otero County	\$ 57.7	\$ 12.8	\$ 12.1	\$ 82.6
Ouray County	\$ 5.8	\$ 1.3	\$ 2.4	\$ 9.6
Park County	\$ 9.6	\$ 2.4	\$ 4.1	\$ 16.2
Phillips County	\$ 24.7	\$ 9.1	\$ 6.0	\$ 39.8
Pitkin County	\$ 93.2	\$ 26.4	\$ 34.9	\$ 154.6
Prowers County	\$ 21.4	\$ 3.5	\$ 5.5	\$ 30.3
Pueblo County	\$ 622.6	\$ 92.8	\$ 168.9	\$ 884.3
Rio Blanco County	\$ 14.0	\$ 5.3	\$ 3.5	\$ 22.9
Rio Grande County	\$ 43.7	\$ 13.5	\$ 13.7	\$ 70.9
Routt County	\$ 147.0	\$ 41.9	\$ 59.8	\$ 248.8
Saguache County	\$ 8.1	\$ 2.1	\$ 3.1	\$ 13.3
San Juan County	\$ 1.1	\$ 0.3	\$ 0.5	\$ 1.9
San Miguel County	\$ 33.7	\$ 8.3	\$ 12.8	\$ 54.9
Sedgwick County	\$ 0.8	\$ -	\$ -	\$ 0.8
Summit County	\$ 67.7	\$ 18.5	\$ 28.9	\$ 115.1
Teller County	\$ 17.6	\$ 5.7	\$ 9.0	\$ 32.4
Washington County	\$ 16.5	\$ 6.4	\$ 3.9	\$ 26.8
Weld County	\$ 343.9	\$ 105.3	\$ 161.9	\$ 611.1
Yuma County	\$ 17.1	\$ 5.1	\$ 7.3	\$ 29.4
Total	\$ 20,005.7	\$ 8,016.3	\$ 12,074.4	\$ 40,096.4

Source: CDLE QCEW; IRS EOBMF; BEA; Economic & Planning Systems

H:\163095- Colorado Non-Profit Economic Impact Study\Data\163095- Consolidated Data.xlsx\T4.2 - Spending County

Figure 28



Technical Documentation

The following section outlines the technical analysis and methodologies employed to complete the analysis of economic contributions. It details the major data sources used, methodologies, and terminology related to the economic impact metrics.

Data sources

- Internal Revenue Service (IRS) Exempt Organizations Business Master File Extract (EOBMF) for Colorado for 2017 – data from this source were merged via the Employer Identification Number (EIN) records. The IRS EOBMF includes cumulative information on exempt organizations which are extracted monthly and available by state and region. IRS staff were also contacted in this process to confirm aspects of data inclusion from the IRS Form 990.
- Colorado Department of Labor & Employment (CDLE) Quarterly Census of Employment & Wages (QCEW) microdata for all Colorado counties 2015 through 2017, second quarter at the establishment level – data from this source were merged via the EIN attribute. EPS worked closely with CDLE staff to obtain approval of the request for information and also worked with CDLE staff to ensure that the reporting of information in this report did not violate CDLE non-disclosure limitations.⁸
- U.S. Bureau of Labor Statistics (BLS) QCEW data for all Colorado counties all quarters for 2017 – these data were obtained to property adjust and calibrate CDLE’s QCEW data for seasonality by county; while it is understood and documented that 2nd quarter data represent “full employment” and thus is representative of average employment levels for an entire year, the economy in many counties in Colorado do not function with such consistent seasonality. As such, adjustments were made (both up and down) to the CDLE QCEW 2nd quarter data with these

⁸ CDLE obtains data from Colorado employers for the purposes of collecting and securing Quarterly Census of Employment Wages “QCEW” wage, employment data. To ensure that information is adequately secured from non-authorized access or publication, CDLE maintains adherence to their License Agreement Terms & Conditions which stipulate that the user of these data “...shall not publish, sell, or disclose licensed information, or any part thereof, to the extent that the information published of any area, industry, Federal Department or Federal Agency level contains fewer than three (3) reporting units (as defined in C.R.S. 8-70-103(9), 1987 Rep. Vol., as amended), or eighty percent (80%) of the total employment of the applicable reporting level is made up by a single reporting unit.” As such, and as noted in the footnotes to **Figure 14**, EPS worked with CDLE staff to identify which, if any, data points, required suppression.

quarterly data series to more accurately quantify total 2017 employment. EPS also worked with BLS staff to understand the methodologies it has recently approached to quantify the nonprofit industry; it was confirmed that the most appropriate methodology involved merging EINs, such as is described in the methodology section below.

- U.S. Bureau of Economic Analysis (BEA) Gross Domestic Product (GDP) estimates for Colorado for 2017 – data was obtained for the purpose of quantifying the portion of the state’s economy resulting from nonprofit sector spending and economic activity.
- BEA Regional Input-Output Modeling System (RIMS II) data – multipliers for representative of the analysis geographies and all employment sectors were obtained to model direct, indirect, and induced impacts of jobs, earnings, GDP, and total spending.
- Primary survey data of Colorado nonprofits representing most recent complete fiscal year employment, revenues, expenditures, sources, other metrics and questions – a survey sample of 334 was collected from organizations throughout the state. For extrapolation purposes, means and proportions were re-estimated through weights according to region and total spending categories; **Figure 17** illustrates the differences between the survey sample distribution of nonprofit sector spending versus the actual distribution of the full “population” of nonprofit organizations.

Figure 29

Survey Sample vs. Actual Distribution of Spending by Spending Category (2017)

	Distribution of Nonprofit Sector Spending (2017)						Total
	Central	Denver	North-east	North-west	South-east	South-west	
Survey Sample Distribution							
Less than \$25,000	0.000%	0.010%	0.000%	0.000%	0.000%	0.009%	0.019%
\$25,000 to \$99,999	0.000%	0.054%	0.006%	0.046%	0.106%	0.076%	0.287%
\$100,000 to \$499,999	0.195%	1.769%	0.447%	1.630%	0.108%	0.992%	5.141%
\$500,000 to \$999,999	0.400%	3.181%	0.626%	1.593%	0.000%	0.808%	6.607%
\$1,000,000 to \$9,999,999	3.031%	26.183%	2.549%	8.633%	3.846%	3.907%	48.149%
\$10,000,000 to \$19,999,999	4.665%	12.060%	0.000%	0.000%	0.000%	0.000%	16.725%
<u>\$20,000,000 and over</u>	<u>0.000%</u>	<u>6.789%</u>	<u>8.066%</u>	<u>8.215%</u>	<u>0.000%</u>	<u>0.000%</u>	<u>23.071%</u>
Total	8.292%	50.046%	11.693%	20.118%	4.059%	5.791%	100.000%
Actual Distribution							
Less than \$25,000	0.001%	0.003%	0.002%	0.001%	0.001%	0.000%	0.009%
\$25,000 to \$99,999	0.017%	0.059%	0.022%	0.021%	0.015%	0.009%	0.143%
\$100,000 to \$499,999	0.220%	0.985%	0.221%	0.326%	0.123%	0.157%	2.033%
\$500,000 to \$999,999	0.313%	1.512%	0.297%	0.493%	0.143%	0.242%	2.999%
\$1,000,000 to \$9,999,999	2.829%	10.954%	1.365%	2.091%	0.919%	0.652%	18.810%
\$10,000,000 to \$19,999,999	1.091%	5.894%	0.871%	1.000%	0.498%	0.383%	9.737%
<u>\$20,000,000 and over</u>	<u>4.525%</u>	<u>48.969%</u>	<u>1.642%</u>	<u>6.202%</u>	<u>3.442%</u>	<u>1.489%</u>	<u>66.270%</u>
Total	8.995%	68.376%	4.420%	10.134%	5.142%	2.933%	100.000%

Source: IRS EOBFM; CDLE QCEW; Economic & Planning Systems

C:\Users\dschwartz\EPSPDEN\Desktop\163095 DATA\163095-Survey Data.xlsx|TABLE 5 - Summary of Distr

Methodology

- At the core of this analysis is a merged dataset using the Employer Identification Number (EIN) records from two critical data series: data for all Colorado nonprofits using the IRS EOBFM with establishment level employment data from the CDLE QCEW microdata to estimate the number of operating nonprofits and their total employment for 2017.
- The analysis looks at the private sector nonprofit industry. In the analysis of CDLE QCEW data, standard procedure is to filter the “ownership code” so that the private sector is being evaluated; the Multi-Establishment Employment Indicator (MEEI) codes were also used to eliminate double-counting among organizations whose: a) main branch reported employment and/or wages for both itself and its branches; and b) branches individually reported their

employment and/or wages. A specific filtering of MEEI codes, as shown in **Figure 18**, illustrates the inherent difficulty in looking at QCEW data, as well as data that does not include MEEI codes, such as the IRS EOBF data. EPS further evaluated the data to identify that indeed examples could be found where multi-unit master records were included alongside subunit establishment records, such that double-counting could occur at the magnitude of 70,700 jobs. As a result, this figure illustrates one of the first and primary verifications of the level of nonprofit sector employment for 2017 – i.e. insured employment levels.

Figure 30

Manipulation of Employment Data with MEEI Codes

Source: CDLE; Economic & Planning Systems

C:\Users\dschwartz.EPSDEN\Desktop\63095 DATA\63095-QCEW IRS DATA.xlsx\MEEI Code Manipulation

	Jobs
Multi-Establishment Employer Indicator	
1 = Single establishment unit	83,643
2 = Multit-unit master record	70,754
3 = Subunit establishment (part of multi-unit employer)	70,713
4 = Multi-establishment employer reporting as a single unit due to unavailability of data, including refusals	1,330
5 = Combined subunit where breakouts are not available	113
<u>6 = Known multi-establishment reporting as a single not solicited for disaggregation because of small employment</u>	<u>2,711</u>
Total	229,264
Less MEEI "3"	158,551

- Notes to other datapoints out there: i.e. NCCS estimates of nonprofit employment establishments versus numbers presented here; analyses using IRS EOBF data alone (the IRS nonprofit master file);
- It should be noted that an analysis using the IRS EOBF data alone can produced conflicting numbers (a few causes are totaling the spending and employment attributes without filtering for 501(c) subsection and failing to filter for year of tax exempt filing (e.g. some organizations may request and receive a filing extension, such that their filing may be received in a year different from that for which it was filed)
- Merging with CDLE QCEW data compensates for this in that the CDLE receives unemployment insurance filings for all employers on a quarterly basis; the data merge creates a complete picture of establishments currently in operation for the representative year – in this merge, organizations that filed in 2016 as well as 2017 were captured
- The analysis is presented at the county and state levels; county level data are estimated using a jurisdiction to county-level crosswalk; in cases where jurisdictions cross county boundaries,
- Numerous precautions were taken in estimating total jobs for the nonprofit and other sectors: 1) because statewide establishment-level data were obtained from CDLE for all counties, the data represent 2nd quarter; while 2nd quarter data represent full employment at the state and larger economy levels, this is often not the case in more seasonally-dependent economies, such as resorts as well as a handful of counties throughout the state; an analysis of seasonality was performed using 2017 BLS QCEW data for all counties by quarter to ensure that the reported employment numbers are as representative as possible; 2) and as recommended by the NCCS, several important procedures were followed in order to develop an accurate quantification of employment and output, such as the filtering of National Taxonomy of Exempt Entities (NTEE) and Multi-Establishment Employment Indicator (MEEI) codes.

Economic Impact Analysis

The basic regional metrics identified in this analysis include employment, labor income, value-added, the equivalent of Gross Regional Product (GRP), and total output, the equivalent of final demand for goods and services.

- Employment & Labor Income includes the number of full- and part-time jobs, measured in terms of wage and salary positions, not including sole proprietor employment. The employment impacts analysis will use both the baseline data collected from national and state level sources with data collected directly from the survey. The employment impacts are evaluated in terms of direct, indirect, and induced job categories. Labor income is wages and benefits of full- and part-time workers including salaried, contract labor, as well as the benefits paid by the employer.
- Value-Added & Total Output (spending) uses data from the survey, but primarily relies on the input-output relationships implied by the array of multipliers from BEA. Value-added is comparable to Gross Domestic Product (GDP), which is defined as the total value of income generated from production, employee compensation, payments to government (taxes), and measures of profit or return on investment.

Standard Economic Impacts

In terms of quantifiable economic contributions, the metrics were run through the Regional Input-Output Modeling System (RIMS II) multipliers, which describes a regional economic modeling tool used by investors, planners, and elected officials to objectively assess the potential economic impacts of various projects. BEA's model produces multipliers that are used in economic impact studies to estimate the total impact of a project on a region. The idea behind the results of RIMS II is that an initial change in economic activity results in other rounds of spending. RIMS II multipliers were obtained from BEA for six regions in Colorado to account for trade flows and industry profiles within reasonable defined economic units.

The basic concept of a "multiplier effect" or "ripple effect" is that an initial purchase of a good or service (i.e. a patient transport) generates additional economic activity associated with spending on upstream suppliers (inputs to production) and employee household spending. For example, demand for a patient transport generates demand for purchase of fuel for aircraft, which in turn generates demand for petroleum production, as well as oil and gas exploration. In addition, demand for household purchases (e.g. groceries, clothing, housing, etc.) is generated by the wages and benefits of employee households. Three main components to the characterization of economic impacts are as follows:

- Direct Impacts: are the economic activities carried out by a specific industry, such as the labor it employs; wages; property and sales taxes paid; and the goods, services and real estate it purchases or leases in its operations.
- Indirect Impacts: derive primarily from business-to-business activities, such as the lease and purchase of equipment for operations, and the legal, financial and administrative services that may be procured in the process of conducting direct activities. In an industry, indirect impacts most often include manufacturers of equipment, the legal profession, professional and technical services, and finance and insurance. These impacts will quantify the extent of that integration in terms of jobs, contribution to gross regional product (GRP), and wages.
- Induced Impacts: are the ripple effects of the direct and indirect impacts on the larger economy. They include the local expenditures made by households of the direct and indirect industry jobs. These effects are the increases in employment and expenditure created by successive rounds of local spending and hiring, as individuals or firms associated with the industry buy goods and services in the local economy.