

State of the Sector

New Report Shows Diversity in Nonprofits' Missions And Revenue Sources Amid Shifting Societal Winds

Northeast Florida's nonprofit sector is diverse and growing but wrestling with the challenge of maintaining financial stability in an era of soft giving and structural change.

Specifically:

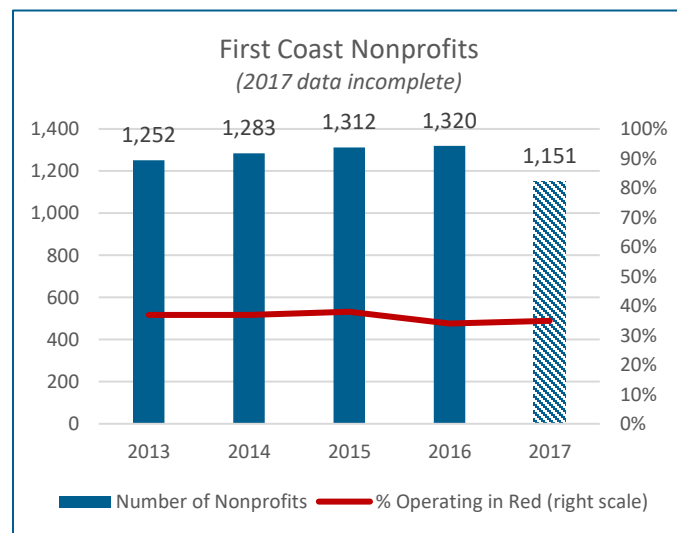
- The number of nonprofits reporting on the First Coast has grown incrementally in the last five years. In 2016, 1,320 nonprofits filed with the IRS. While 2017 filings are still incomplete, it is estimated that 1,350 or more nonprofits will file with the IRS for 2017.
- Slightly more than one-third of area nonprofits operated in the red in recent years, spending more than they took in – an improvement from the 44% operating in the red in 2009. Recovery from the Great Recession is real, though some organizations with critical missions, such as those providing housing or services to seniors or youth, have not rebounded as well.
- Charitable contributions are an important revenue stream for nonprofits, but the number of individual donors on the First Coast has declined significantly in the last decade: 29,000 fewer donors reported making charitable gifts in 2016 compared with 2007, a drop of 17%.

Since 2004, the Nonprofit Center of Northeast Florida and the Jessie Ball duPont Fund have worked together to create quantitative analyses of Northeast Florida's nonprofit sector. These State of the Sector reports are intended to give the public, donors and funders, policy makers and nonprofits themselves, a richer understanding of this unique universe of organizations so important to the region's quality of life.

Because of ever-improving access to data, this 2019 State of the Sector report provides a more detailed look at the sector than in prior years.

Among the findings:

- The sector boasts aggregate revenues of \$8.56 billion (most recent year) and employs 72,188 individuals, almost 13% of the region's total paid, private workforce. But the bulk of revenues and employees are held by a small minority – 4.8% – of the



organizations, specifically nonprofit health institutions: hospitals, nursing homes and the like.

- While charitable contributions are an important component of nonprofit revenue, many area nonprofits earn the majority of their income. Excluding the health institutions (whose large numbers tend to skew results), 31.5% of the region's nonprofits earn more than half of their total income.
- Religion-focused nonprofits – those whose primary mission is ministry and evangelism – comprise almost 10% of the region's nonprofits, reflecting the strong religious culture found in Northeast Florida. Statewide, only 8% of nonprofits are classified as having a religious mission, according to Guidestar.

This report provides detailed data for the period 2013-2018 and historical data dating to 1998. It looks at the nonprofit universe in two ways:

- Longitudinally, tracking the number and financial health of the region's nonprofits across two decades;
- Point-In-Time, offering a detailed look at the nonprofit universe as of its most recent fiscal year, circa 2017.

This mix of perspectives allows the reader to see details of current conditions, but within the context of long-term trends.

ABOUT THE STUDY AND THE NONPROFITS

Almost 2,000 nonprofit organizations were examined in the course of preparing this study. That cohort of organizations is extraordinarily diverse in size, structure, mission and funding. That diversity compels us to consider what the term “nonprofit” really means.

Nonprofits, by common definition, are entities not established for the purpose of making a profit. But the official imprimatur of nonprofit status comes from the Internal Revenue Service, which determines whether organizations are nonprofit and, thus, exempt from most taxes. To qualify as a 501(c)(3) public charity with the IRS, an organization must meet two requirements outlined in the IRS code:

- The organization’s profits, if any, may not be used for private gain. “The organization must not be organized or operated for the benefit of private interests, and no part of a section 501(c)(3) organization’s net earnings may inure to the benefit of any private shareholder or individual.”
- The entity must be organized for an exempt purpose. “The exempt purposes set forth in section 501(c)(3) are charitable, religious, educational, scientific, literary, testing for public safety, fostering national or international amateur sports competition, and preventing cruelty to children or animals. The term *charitable* is used in its generally accepted legal sense and includes relief of the poor, the distressed, or the underprivileged; advancement of religion; advancement of education or science; erecting or maintaining public buildings, monuments, or works; lessening the burdens of government; lessening neighborhood tensions; eliminating prejudice and discrimination; defending human and civil rights secured by law; and combating community deterioration and juvenile delinquency.”

The State of the Sector studies, like most research on nonprofits, relies on the IRS to determine which organizations are nonprofits. While the “exempt purpose” language is specific, the IRS generally takes a broad and generous approach to granting tax-exempt status, the occasional scandal notwithstanding.¹

Consequently, there are some organizations included in the State of the Sector study that might appear to be an odd fit. Among those are organizations that in virtually every sense appear to be commercial enterprises: they earn all of their income from fees and charges for services, they receive no contributions or government funding and they provide a service that typically is provided by a for-profit entity.

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There also are entities that, depending upon your point of view, may fall short of meeting the “charitable” test.

But these organizations have qualified as nonprofits with the IRS, whether or not they meet our traditional ideas about “beneficent,” “community-minded,” or even “mission-driven” charities.

To be included in the State of the Sector, organizations must meet three criteria:

- Have an active 501(c)(3) tax exemption;
- Have filed Form 990 or Form 990EZ with the IRS for the year in question;
- Be based on the First Coast (Baker, Clay, Duval, Nassau or St. Johns county) for the year in question.

Data for this report, unless otherwise noted, comes from the tax forms that nonprofits file with the IRS – in other words, from the organizations themselves.

More detail on methodology can be found on page 43.

This edition of State of the Sector was prepared by Mary Kress Littlepage, KBT & Associates, based on data available in the first quarter of 2019.

apologized for heightened scrutiny and extraordinary delays in processing applications of groups that appeared to have particular political leanings.

¹ In 2013, the IRS acknowledged targeting applicants for 501(c)(3) tax exemptions based on names and political themes. In 2017, the agency

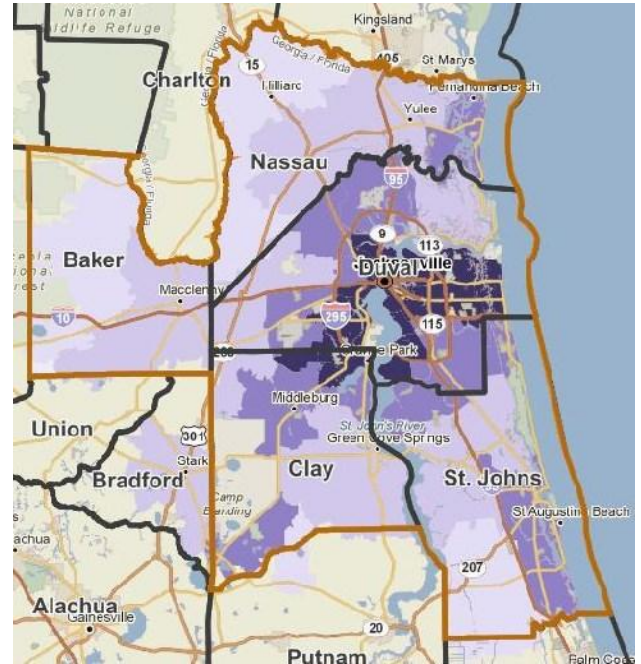
ABOUT THE REGION

Nonprofits reflect their community – its needs, its priorities and its circumstances. To fully understand the Northeast Florida nonprofit sector, it is important to understand Northeast Florida.

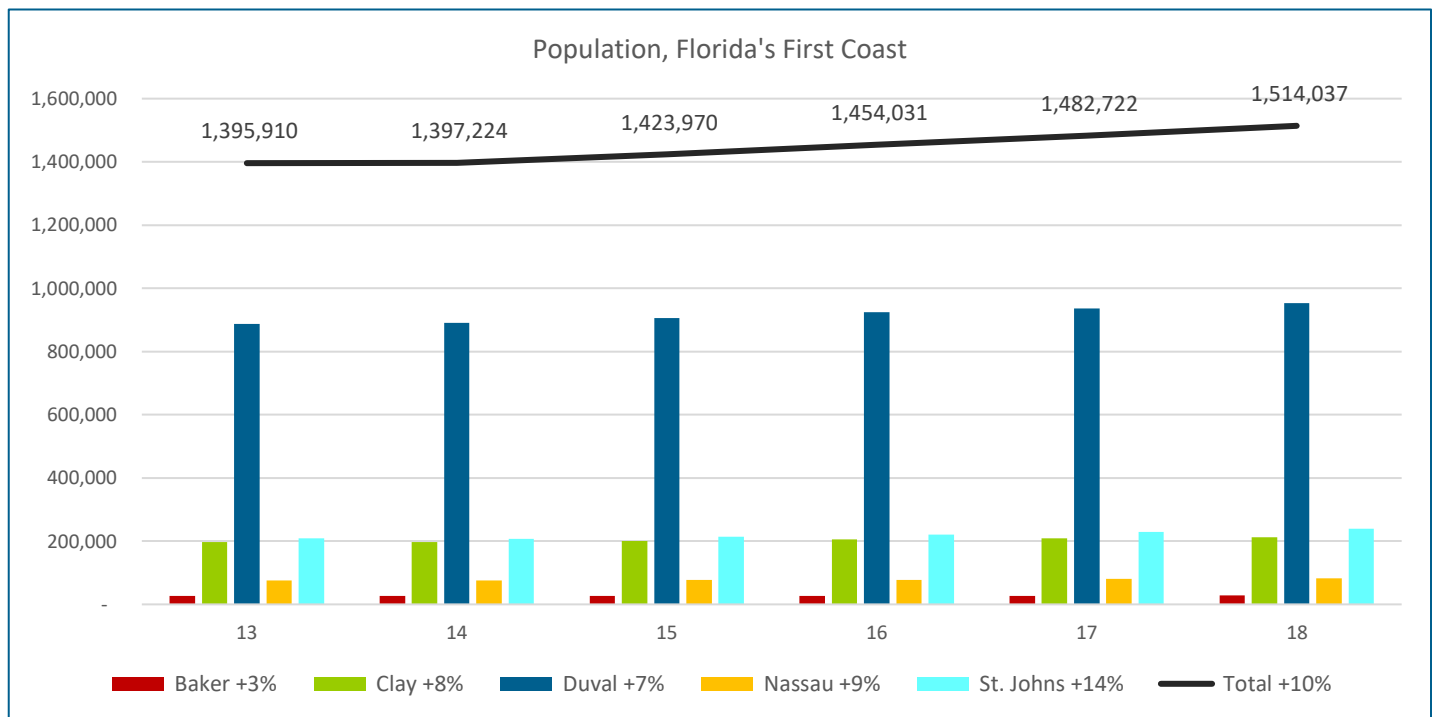
The State of the Sector looks at nonprofit organizations in five counties – Baker, Clay, Duval, Nassau and St. Johns. Across this region the landscape ranges from very rural areas in western Baker, Clay and Nassau counties to the urban center of Jacksonville to sprawling and very wealthy suburbs in southeastern Duval and coastal Nassau and St. Johns counties.

Since 2012, the region’s population has grown 10% with most of that growth, numerically, occurring in Duval County. Proportionately, population in Clay, Nassau and St. Johns counties increased faster, but St. Johns, the second largest county, still has fewer than one-third the residents as Duval.

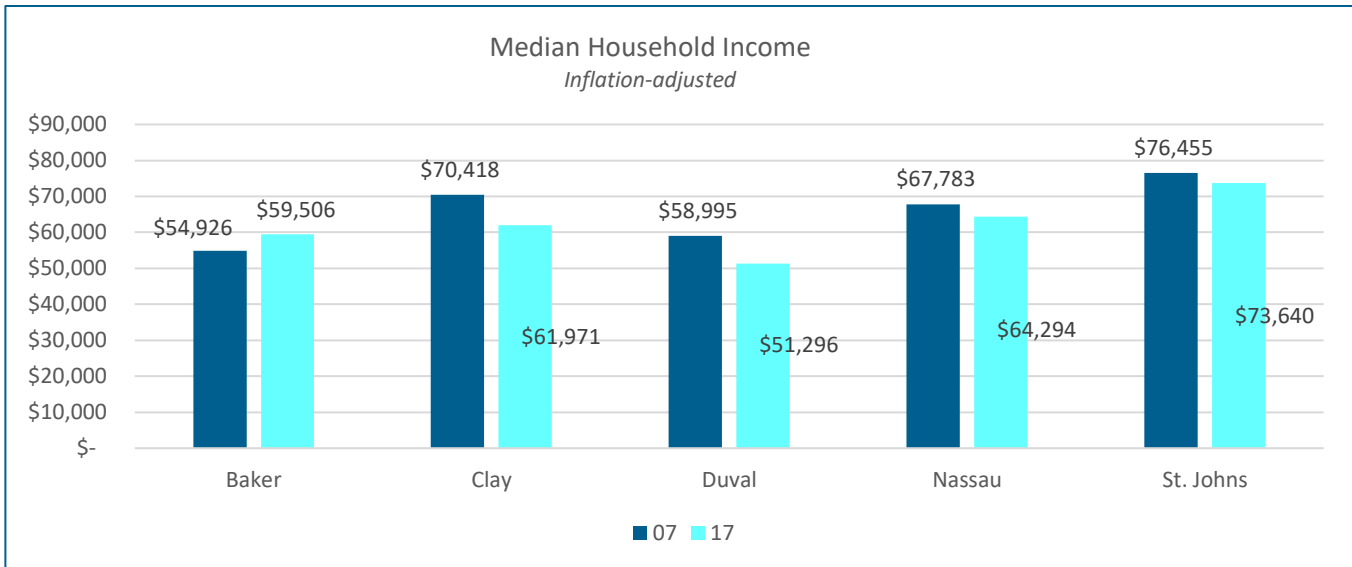
Those St. Johns County residents, however, are the wealthiest in the region – with median household incomes 44% greater than residents in Duval County. In fact, Duval County median household income was the lowest in the region.



Population density across the First Coast: the darker the color, the denser the population. (PolicyMap)



Source: U.S. Census

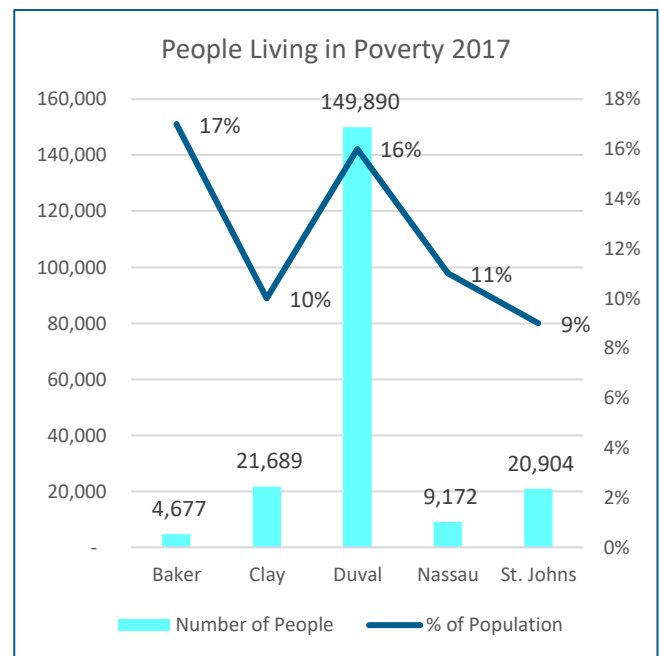


Source: U.S. Census

Across the region, financial well-being of residents has improved since 2012-13, but as of 2017 had not recovered from the losses incurred during the Great Recession of 2008. Median household income, when adjusted for inflation, remains below 2007 levels in all counties but Baker.

Despite the backdrop of national economic expansion in the past five years, the First Coast has barely reduced the number of residents living in poverty – from 209,000 in 2012 (15% of the population) to 206,000 in 2017 (14% of the population).

Nationally, the poverty rate in 2017 was 12.3%, down from 15% in 2012.



Source: U.S. Census

HOW MANY NONPROFITS?

There are more than 1,300 nonprofits on the First Coast that file tax returns regularly with the Internal Revenue Service. There are many more nonprofits – thousands more – on the First Coast that do not file.

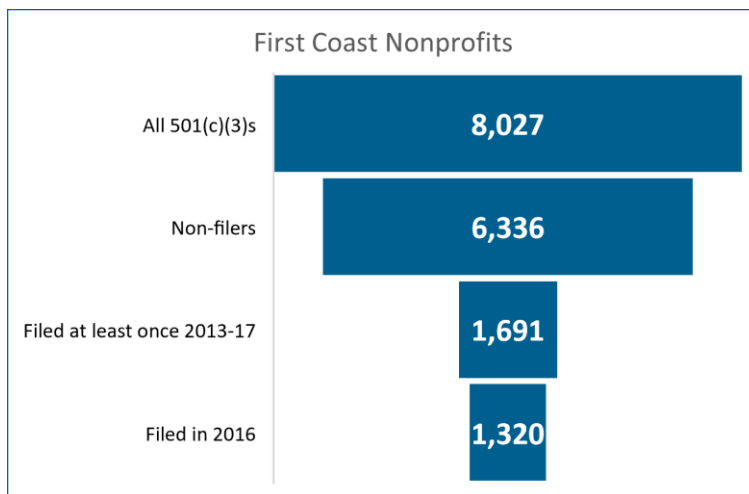
The IRS reports there are 8,027 organizations based in the five counties that are classified as 501(c)(3) nonprofit public charities and thus are tax-exempt. But most of these organizations are so small they are not required to report annually to the IRS. Many others have relocated out of the area or gone out of business but not had their status updated in the IRS database. Still others have had their tax exemption revoked for noncompliance at some point during the 2012-2017 period.

The nonprofits counted in the State of the Sector study have active tax exemptions, are based on the First Coast and file either a Form 990 or a Form 990EZ with the IRS. Annual filing generally is required of any active nonprofit with revenues of \$50,000 or more.² In other words, these are the organizations that provide the bulk of nonprofit services in our community.

CHANGE OVER TIME

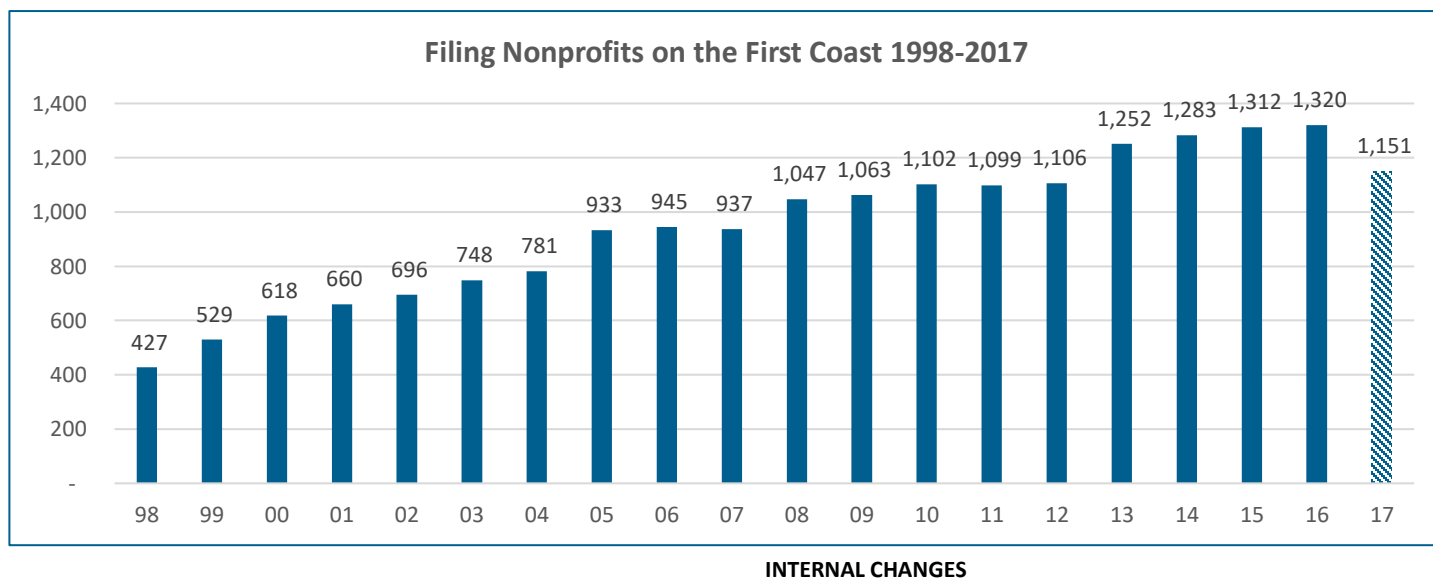
Since 1998, the first year for which State of the Sector data was gathered, the number of nonprofits meeting these criteria (active exemption, based on First Coast, filed in most recent year) has increased 209%.³

Much of the growth in the early years was related less to formation of new organizations than to growing compliance with IRS filing



requirements. In the late 1990s and early 2000s, many smaller and mid-sized nonprofits were not as attentive to IRS filing requirements. Public awareness and scrutiny was lower and access to filing data was more limited. Guidestar, now the largest source of information about nonprofits, did not begin sharing its data via the internet until 1996. As technological change made it easier for nonprofits to file online and for Guidestar and others to post data online, public awareness grew and nonprofit reporting increased.

By 2005-2007, the era of compliance growth had generally ended and the sector entered a period of more stable and slower growth. Between 2007-2016 the Northeast Florida sector grew about 41%, compared with a 119% growth in the prior 10 years.



² The threshold was increased to \$50,000 from \$25,000 about 2010.

³ 1998-2016; 2017 data is still somewhat incomplete.

The sector is not a static cohort. Nonprofits go out of business, move away or become idle, while new organizations are formed or move to the region.

Overall, the churn rate for the First Coast Sector from 2012-2016/17 was 32%, slightly higher than the 30% reported in the previous edition of State of the Sector. If this seems high, note that 50% of for-profit businesses fail before their fifth anniversary, according to the U.S. Small Business Administration. Cambridge Associates reports that, since 2001, as many as 60% of venture-backed (for-profit) startups have failed.⁴

In the years following the Great Recession, the First Coast saw a number of high-profile nonprofit mergers and dissolutions, driven in part by major funding shifts and structural changes in the ways people and organizations connect and network.

In addition, the IRS in recent years has taken a somewhat more aggressive stance in revoking tax exemptions of nonprofits that fail to comply with filing requirements. In the period of this report, at least 44 First Coast organizations had their tax exemptions revoked by the IRS for failure to file for three consecutive years.

VARIATIONS BY PLACE

Duval County is the center of gravity for the region, home to the City of Jacksonville and 63% of the area's population. It has many urban challenges: a high poverty rate, low median household income and myriad infrastructure challenges.

As center of the region, Duval is headquarters for many regional organizations. Numerous nonprofits based in Duval County serve multiple counties across the region. So it is not surprising that Duval has a ratio of 1 nonprofit⁵ for every 1,021 residents, a higher ratio than every other county – almost.

The exception is St. Johns County, the second largest, fastest growing, wealthiest county in the region, boasting one of the best performing public school systems in the State of Florida. St. John's County has 1 nonprofit for every 933 residents.

How are these two counties' sectors different?

Proportionately, St. Johns County is home to more nonprofits focused on Arts & Culture, Elder Services, Environment & Animal Protection, Parent-Teacher Organizations, Sports & Recreation, Booster Clubs and Public Support & Benefit. Duval County, by contrast, is home to more nonprofits focused on Education, Health, Human Services, Housing, Community Development and Religion.

NEW ORGANIZATIONS

There are 381 "new" nonprofits on the First Coast – organizations that have received their tax exemption from the IRS in 2013 or later. Roughly one quarter of these new entities fall into two fields: general education and religion.

NEW NONPROFITS Organizations with an IRS Ruling Year of 2013 or later	
Field	Number of New Organizations
Education B-12	51
Religion	44
Human Services General	38
Health General	33
Sports & Recreation	30
Arts & Culture	28
Public Support & Benefit	23
International	23
Environment & Animal Protection	22
Human Services Youth	16
Professional Affiliations	15
Scholarships	12
Housing	9
Human Services Veterans	8
Health Institutions	7
Public Safety	6
Community & Economic Development	6
Parent-Teacher Organizations	4
Booster Clubs	3
Human Services Elders	2
Higher Education	1

⁴ Fortune, *Conventional Wisdom Says 90% of Startups Fail. Data Says Otherwise*; June 27, 2017.

⁵ Based on those nonprofits that filed with the IRS in the most recent year.

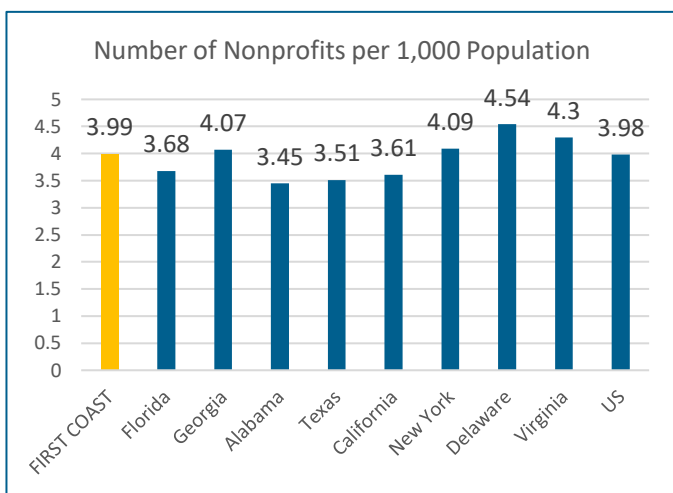
HOW MANY IS ENOUGH?

There is no national benchmark indicating the “right” number of nonprofits for a community. Nonprofits respond to community needs and priorities (just as for-profits respond to market demand).

On the First Coast, there are 3.99 nonprofits per 1,000 population – almost identical to the national average of 3.98.⁶

Admittedly, this is a simplistic comparison. Variations in population, density, geography, economy and culture all play a role in shaping the nonprofit sector in a particular place.

By examining the details of the sector in a specific community, however, stakeholders can assess the degree to which the sector’s structure aligns with community needs and interests, and consider what changes, if any, might be desirable.



Source: Guidestar

ENCOURAGING REPORTING & TRANSPARENCY

Guidestar is the largest single source of information about nonprofits nationwide. Its website includes IRS data for virtually all nonprofits in the United States.

Guidestar encourages nonprofits to provide additional information about themselves to “allow potential donors and funders to make educated decisions about the work they do.” Guidestar awards seals – Bronze, Silver, Gold and Platinum – to participating nonprofits based on the scope of information that they provide.

Of the First Coast nonprofits that filed with the IRS at any time between 2013-2017, 9% earned a Guidestar seal by posting additional information about their organization online. Slightly more than half of those earned a Bronze or Silver seal; slightly fewer than half earned a Gold or Platinum seal.

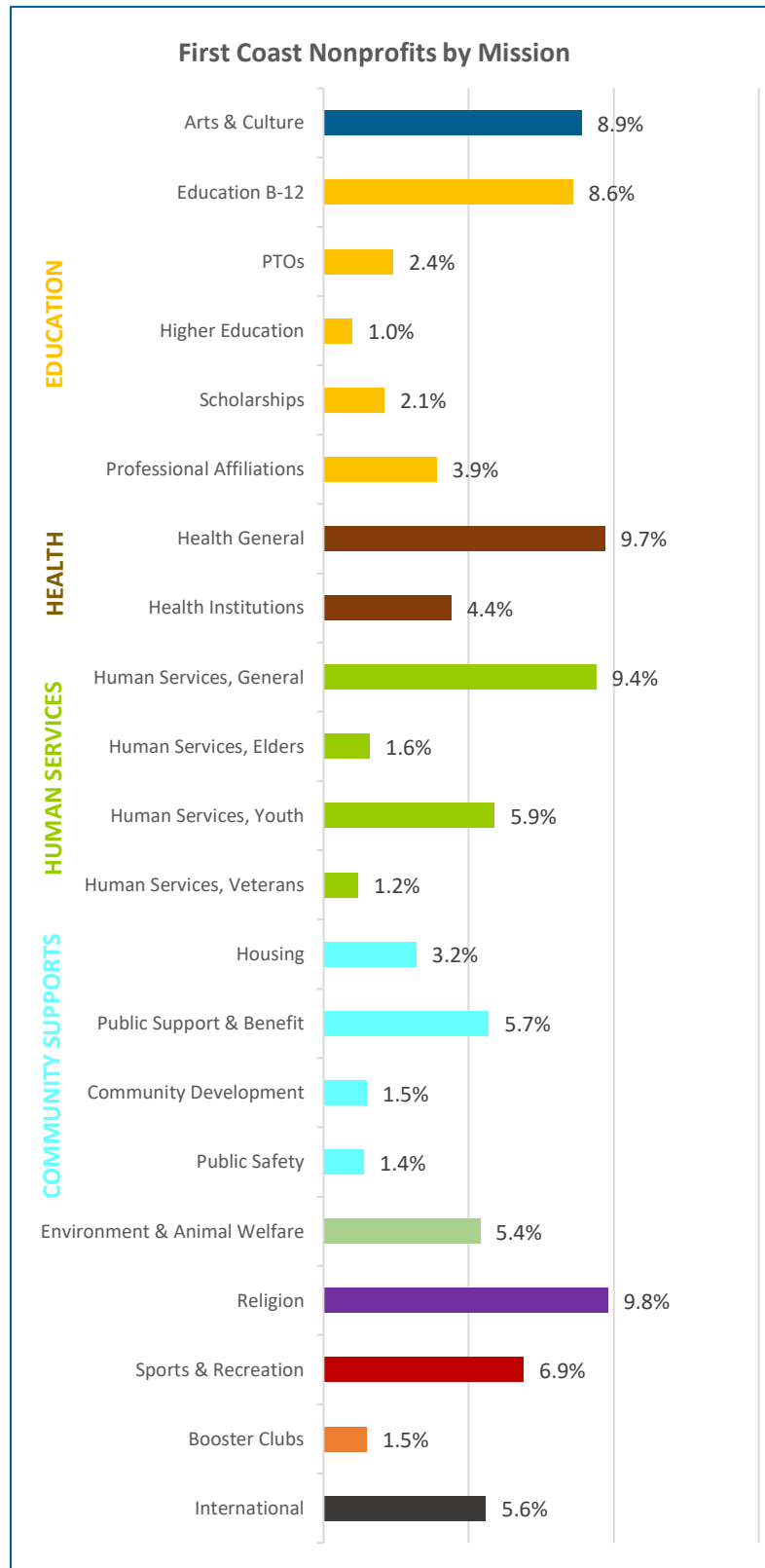
⁶ Guidestar, Summer 2019; based on the total number of nonprofits, whether filing with the IRS or not.

NONPROFIT MISSIONS

Nonprofits provide many different services for the community. They feed the hungry, heal the sick, care for those in need, enrich our lives through the arts, celebrate our cultures, educate us, inspire us and help us protect ourselves and our environment.

To better understand the roles nonprofits play, the State of the Sector sorts organizations into 21 distinct mission fields that are generally compatible with the classifications used by the IRS when granting tax exemptions.

Roughly half of the filing nonprofits on the First Coast are engaged in some form of education, health or human service mission. The remainder are spread across a variety of fields, from arts & culture to booster clubs.



Religion-Focused Nonprofits

Northeast Florida is a region in which religion plays a major role. First Baptist Church of Jacksonville has thousands of members spread among three campuses across the region and for many years had enormous influence on Jacksonville City Hall. The rapidly growing Church at Eleven22, a nondenominational ministry with six campuses across the region (including one at Baker Correctional Institute), has as many as 10,000 or more in attendance on Sundays. Add in other congregations, large and small, Christian, Jewish, Muslim, Hindu and other faiths, and it becomes evident that Northeast Florida is a place that prays.

These religious values are reflected strongly in the region’s nonprofit sector. Religion-focused nonprofits comprise one of the largest subsets in the Northeast Florida nonprofit sector.

And let’s be clear: in this context we are talking *only* about nonprofits where ministry, evangelism and/or proselytizing is the primary objective. This field does not include faith-based nonprofits providing other services. Trinity Christian Academy, Trinity Rescue Mission and Trinity Bible College are all faith-based, church-affiliated nonprofits but they are categorized, respectively, as Education, Human Services and Higher Education, not as Religion.

There are 167 Northeast Florida nonprofits categorized as religion-focused; another 35 “International” nonprofits (whose primary focus is outside of the United States) have a stated religious mission.

Of the 167 domestic religion-focused nonprofits, the overwhelming majority are Christian, though there also are entities representing the Hindu, Muslim, Jewish, Buddhist and Sikh faiths.

Only 19 organizations are what would be considered churches or houses of worship. Churches by law are not required to file annually with the Internal Revenue Service, though some choose to.

So, what are these religious organizations? They are entities that:

- Operate prison ministries, preaching and spiritually supporting the incarcerated.
- Use various media to spread the word – Christian radio, concerts and musical events, books, television and newsletters.
- Support missionaries in the field or support the training and preparation of missionaries.
- Provide lay leadership development and/or pastor education, support and leadership development.
- Focus on new church planting and church development.

Number of First Coast domestically-focused nonprofits whose primary mission is Religion	167
Number of First Coast nonprofits working internationally but with a stated religious mission.	35

- Serve as supporting organizations – foundations affiliated with large, established Jacksonville congregations.
- Or they define their missions in familiar faith terminology: spreading the Gospel, connecting families to God, religious education and counseling, Christian ministry or fulfillment of the Great Commission.

Among International organizations, the name most familiar in Jacksonville might be the Bob Tebow Evangelistic Association, which has been establishing churches, operating an orphanage, supporting preachers and providing disaster relief in the Philippines since 1985.

Domestic organizations include:

THE POTTERS HOUSE CHRISTIAN FELLOWSHIP – Based in a former shopping center in the near Westside, The Potters House is a church and church school that draws hundreds of followers each week⁷. It is the largest, by income, of the First Coast Religion nonprofits, with total income of more than \$7 million in the most recent year. Though current IRS filings show no employees, filings from prior years show the organization employing 95 individuals.

COACHES HONOR – Coaches Honor uses Bible study and relational ministry to support and nurture athletic coaches at home and at work. The organization employs three individuals and had income of about \$340,000 in the most recent year.

PAUL WILBUR MINISTRIES – Operating out of Jacksonville, Paul Wilbur, a self-described worship artist, songwriter, speaker and author, and his son, Nathan, travel across the United States in their Christian ministry. One of the 10 largest Religion nonprofits on the First Coast, Paul Wilbur Ministries employs seven individuals and earned slightly more than \$1 million in the most recent year, all of it in contributions.

THE NORTHSIDE ISLAMIC CENTER – Also known as the Islamic Center of Northeast Florida, the center seeks to provide holistic religious, social, and educational services guided by the teachings of the Prophet Muhammad. In the most recent year it had income of less than \$2,000 and no employees.

⁷ The Potter’s House Community Development Empowering Center is a separate 501(c)(3) classified under Community & Economic Development.

Parent-Teacher Organizations – Variations by Place

The nonprofit sector supports education in a myriad of ways, from the very earliest education of young children through grade school, college and the professional development of working adults.

In the formative grade school years, in particular, public schools and their students often benefit from the very specific and intimate type of nonprofit support provided by Parent-Teacher Organizations.

The State of the Sector study shows that these PTO supports vary greatly from community to community, with wealthier communities experiencing much more robust supports than their less wealthy counterparts.

Across the First Coast, the IRS recognizes 247 Parent-Teacher Organizations⁸. Most of those – 206 – are not required to file annually with the IRS because they generally have income of less than \$50,000 a year and thus are not included in the State of the Sector numerical analysis, or because they operate under the umbrella of a state or regional organization.

But 41 Parent-Teacher Organizations in the region are large enough and independent enough that they are required to file annually with the IRS (and thus are included in the State of the Sector analysis).

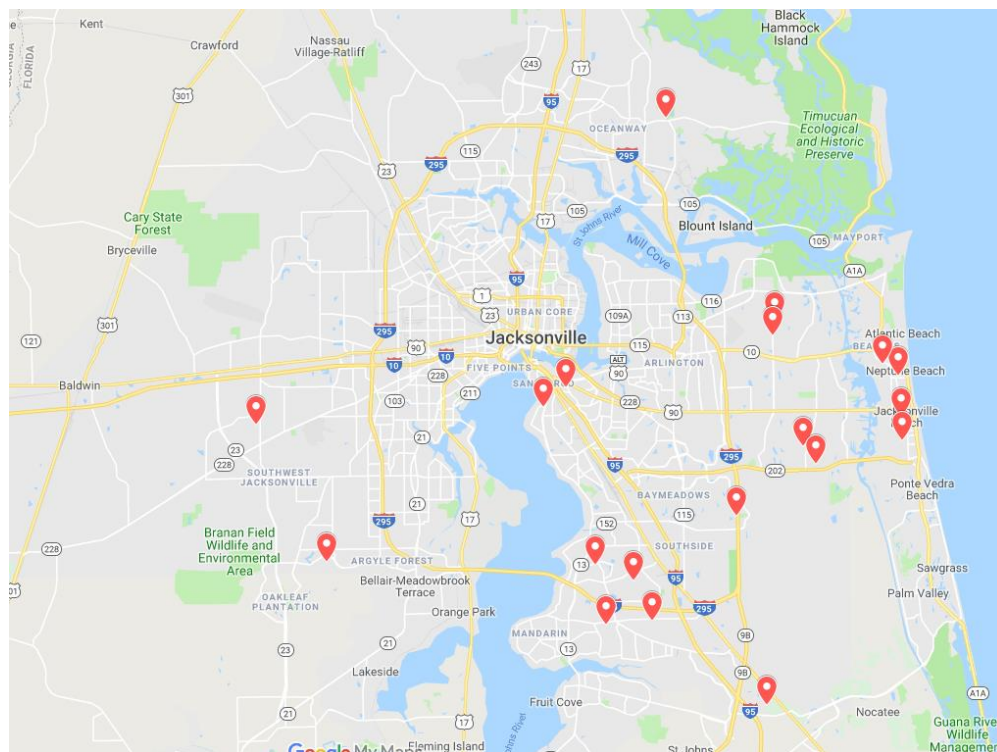
Twenty-one of those large PTOs support public schools in St. Johns County, which has one of the highest performing school systems in the State of Florida.

The other 20 support public schools in Duval County – all but one located south of Interstate 10 and the St. Johns River. The outlier is the New Berlin Elementary PTA, whose school is located in the rapidly growing sector of Northeast Duval near the Timucuan Ecological and Historic Preserve.

In short, there appear to be no large parent-teacher organizations serving public schools in Baker, Clay or Nassau counties or serving any of the older, less wealthy neighborhoods in the urban core or north and west Duval County.

The 41 PTOs that file with the IRS are sizeable organizations to be supporting single schools, with revenues of \$60,000 to \$100,000-plus in the most recent year. One St. Johns County school PTO received its nonprofit tax exemption in 2018 and earned almost \$92,000 in the school year ended June 30, 2018.

In addition to PTOs, many public schools in wealthier neighborhoods also have “Friends” organizations – nonprofits that exist just to support the school. Atlantic Beach Elementary at the Beaches and Hendricks Elementary in San Marco, for example, have Friends organizations that provide generous support to the schools.



Red dots show locations of Duval County Public Schools with large PTO organizations.

⁸ This analysis addresses only PTOs supporting public schools. Supporting organizations for private K-12 schools are classified as General Education.

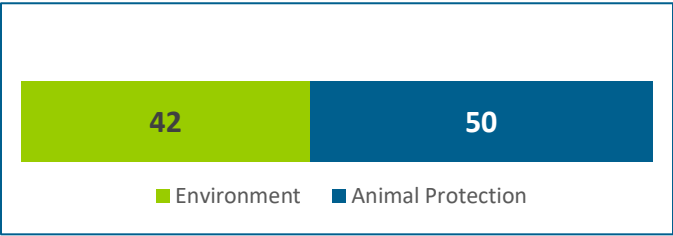
Comparing Environment and Animal Protection Organizations

Historically, the State of the Sector studies have considered environmental organizations and animal welfare organizations as a single field – Environment & Animal Protection. In 1998, there were only 13 organizations in this field.

Today there are almost 100 entities in this field and with this growth has come concern that proliferation of animal welfare entities may be overshadowing the environmental organizations.

To understand more, this report looked at the two subsets separately.

There are slightly more animal protection entities than there are environmental entities – 50 vs. 42.



But the environmental cohort is growing faster than the animal protection cohort. Of the 50 animal protection entities, 10 (20%) received their IRS exemption since 2012; of the 42 environmental entities, 12 (29%) received their exemption since 2012.

Animal protection organizations are larger, both in the aggregate and on average. The average animal protection entity has revenues that are roughly twice those of the average environmental organization. But the sources of those revenues are very different.

Animal protection organizations earn slightly more than half, 51%, of their revenue. Animal protection entities can charge fees for adoptions and other services provided to pets. They employ almost 10 people per organization, reflecting the labor-intensive nature of their work.

Environmental organizations, by contrast, get 75% of their revenue through contributions. Their opportunities for earned income are more limited, as they tend to focus on education, advocacy and public policy. These organizations employ fewer than three people each, on average.

Comparing Types*		
	Environmental Organizations	Animal Protection Organizations
Total Revenue	\$12.3 million	\$28.3 million
Average Revenue	\$324,000	\$642,000
Total Employees	90	437
Average Employees	2.4	9.9
Total Assets	\$27.2 million	\$35.5 million
Average Assets	\$585,000	\$807,500
<i>*Data based on detailed financial reports from 38 environmental entities and 44 animal protection entities.</i>		

Animal protection organizations are far more prevalent in the outlying counties than in Duval — 52% are based in Baker, Clay, Nassau or St. Johns counties, compared with 31% of the environmental organizations.

Dominating this group are humane societies in Duval, Clay and St. Johns counties along with First Coast No More Homeless Pets.

On the environmental side, the largest entities by income are the North Florida Land Trust, the St. Johns Riverkeeper and Bethesda Farms, which produces organic eggs at farms across North Florida.

It is worth noting that several large national environmental organizations – specifically Audubon, the Sierra Club and the Nature Conservancy – have Jacksonville-based chapters. However, these operate under the umbrella of their national organizations and thus do not appear as separate, local nonprofits.

FINANCES AND SIZE

In the aggregate, First Coast nonprofits attracted \$8.56 billion in revenue and held \$7.33 billion in assets in the most recent year⁹.

But in fact, most of the region's nonprofits are small: 72% had revenues of less than \$500,000 in the most recent year and more than half of those had revenues of less than \$100,000.

THE IMPACT OF HEALTH INSTITUTIONS

The large nonprofits that bulk up the First Coast's sector are almost exclusively health institutions – hospitals, major clinics, nursing homes, hospice facilities, specialty residential health care institutions and their many supporting and affiliated entities.

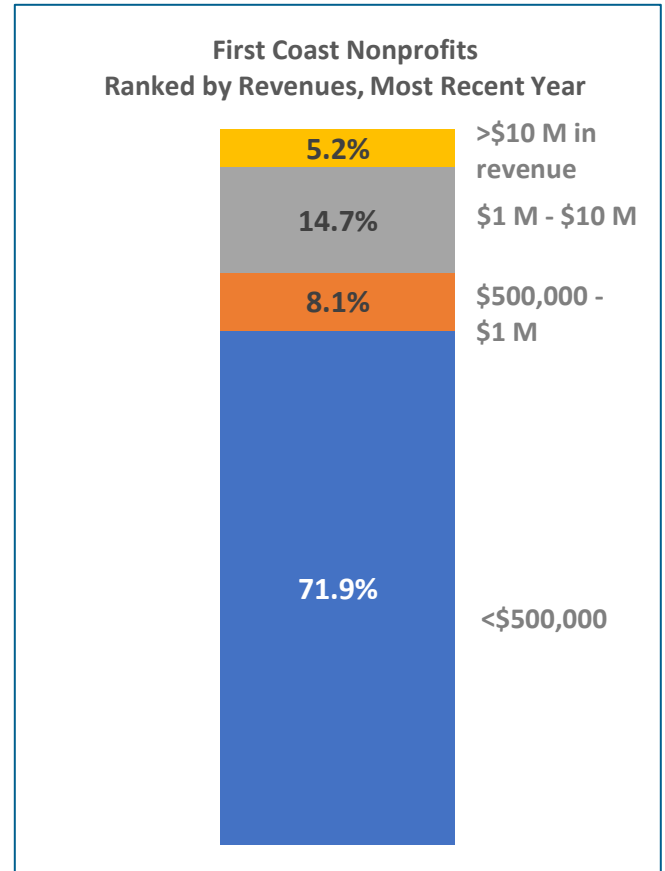
Of the 15 largest nonprofits, ranked by total revenues, all but three are health institutions. The only two nonprofits with revenues in excess of \$1 billion are health institutions – The Nemours Foundation and Southern Baptist Hospital of Florida (Baptist Health).

Health Institutions brought in \$5.85 billion – 68% – of the sector's aggregate revenue in the most recent year. They held 63% – \$4.61 billion – of the sector's aggregate assets.

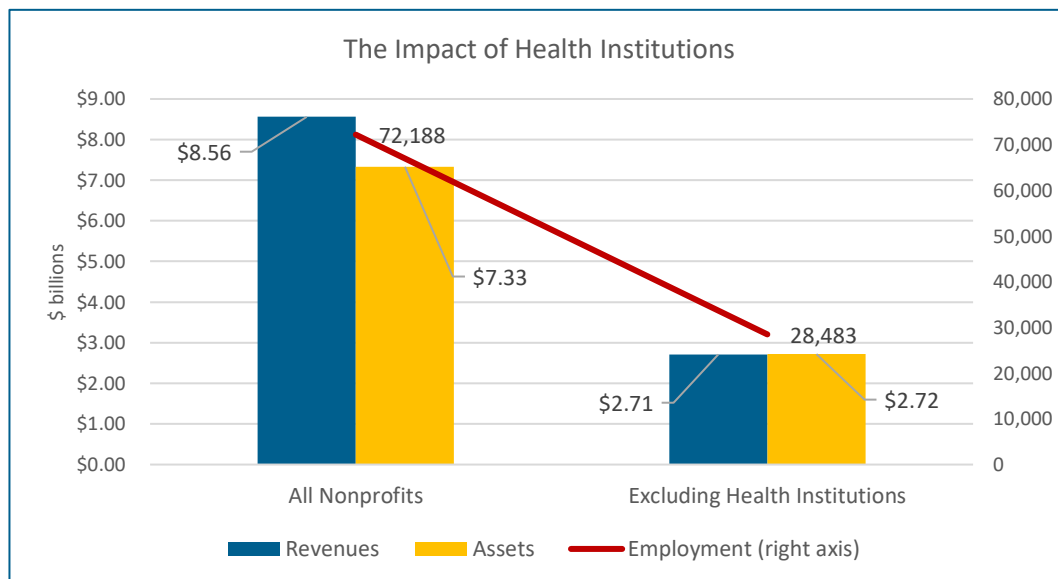
In some respects, this is not atypical. In most large markets, the bulk in the nonprofit sector is carried by health care and higher education, the so-called “eds and meds.”

What is unique about Northeast Florida is the dominance by health care institutions alone. Higher education is a much smaller player, with only 17 nonprofit entities on the First Coast and aggregate revenues of \$290 million in the most recent year.

While health institutions dominate in terms of total revenue, they do not dominate in terms of contributions received. In the most recent year, health institutions attracted 14.7% of the total contributions



reported for First Coast nonprofits – a relatively small amount for a cohort that receives more than two-thirds of all revenue. Most of the revenue for health institutions is earned income, which includes Medicare and Medicaid reimbursements as well as private insurance reimbursement and patient payments.



Health Institutions provide roughly two thirds of the bulk of the First Coast nonprofit sector in terms of revenues, assets and employment.

⁹ For an explanation of Most Recent Year, see Methodology, Page 43.

Largest First Coast Nonprofits Ranked by Revenues

1. The Nemours Foundation
2. Southern Baptist Hospital of Florida
3. Shands Jacksonville Medical Center
4. Step Up for Students
5. St. Vincent's Medical Center
6. University of Florida Jacksonville Physicians
7. Flagler Hospital
8. Wounded Warrior Project
9. St. Luke's – St. Vincent's Healthcare
10. Baptist Health System
11. Jacksonville University
12. Baptist Medical Center Beaches
13. Community Hospice of Northeast Florida
14. St. Vincent's Medical Center Clay County
15. Brooks Rehabilitation Hospital

Largest First Coast Nonprofits by Revenues Excluding Health Institutions

1. Step Up for Students
2. Wounded Warrior Project
3. Jacksonville University
4. Dechomai Asset Trust
5. Flagler College
6. The Community Foundation for Northeast Florida
7. Episcopal Children's Services
8. Dechomai Foundation
9. Early Learning Coalition of Duval
10. Family Support Services of North Florida
11. World Golf Foundation
12. Bolles School
13. Hope Heritage Foundation
14. Pace Center for Girls
15. YMCA of Florida's First Coast

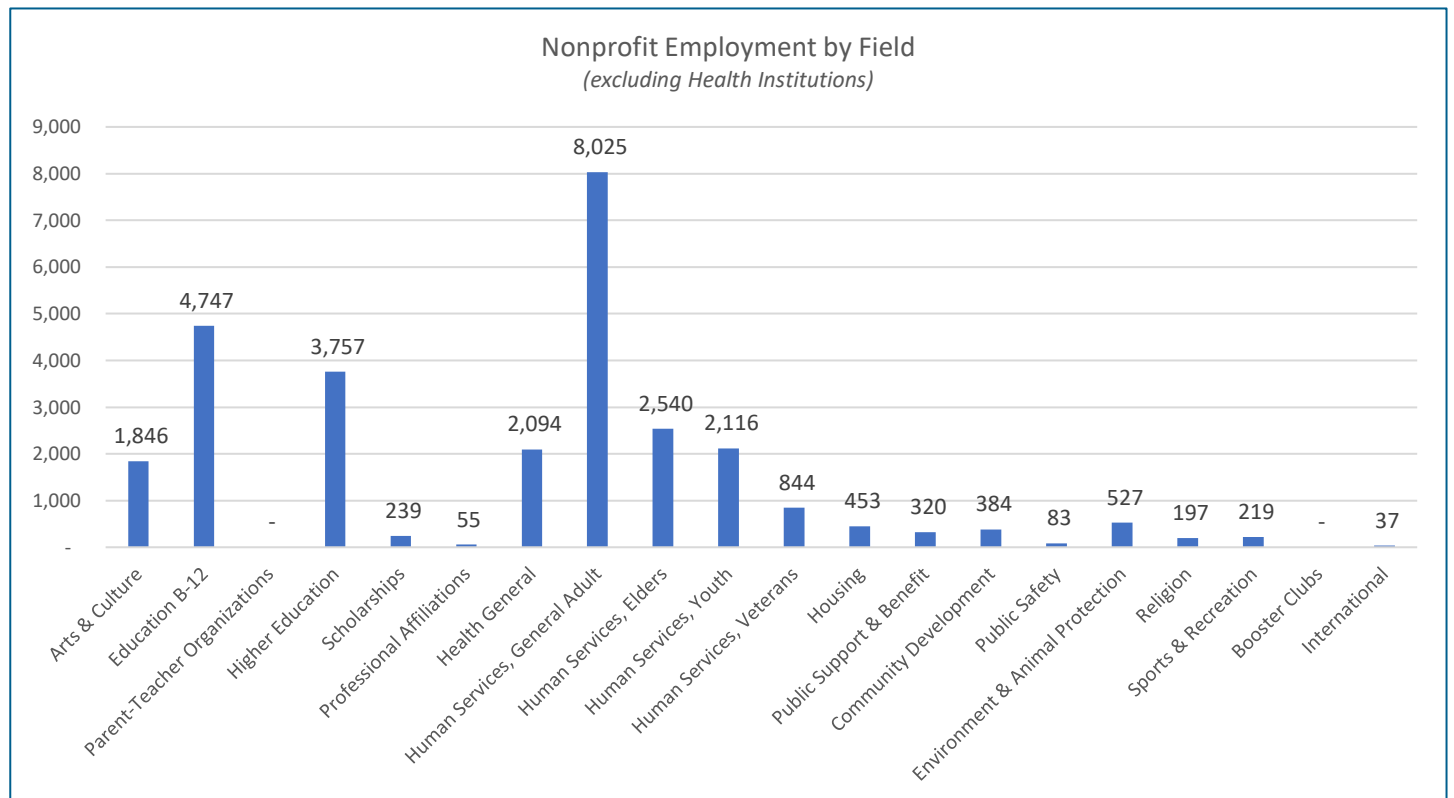
NONPROFIT EMPLOYMENT

First Coast nonprofits employ 72,188 individuals, 13% of the total private paid workforce on the First Coast¹⁰. Nationwide, the Bureau of Labor Statistics estimates that nonprofit employees comprise 10.2% of all private employment.

On the First Coast, the bulk of nonprofit employees – 61% – work for large health institutions. The second largest group of nonprofit employees can be found in the Human Services fields, reflecting the labor-intensive nature of caring for the vulnerable, the at-risk and

those in need. Nonprofits in the four Human Services fields employ 13,525 employees. Nonprofits in the five education-related fields employ 8,798, with fewer than half of those working in Higher Education.

It is worth noting that most area nonprofits – 66% – report having no employees.



¹⁰ U.S. Census 2017.

HOW NONPROFITS ARE FUNDED

Two of the most common misperceptions about nonprofits are 1) they cannot earn a profit and 2) most of their revenue comes from individual contributions and foundation gifts.

In fact, nonprofits can and should earn a profit – that is, they should take in more money than they spend and put the excess away in reserves. As with for-profit businesses, that is the path to survival and sustainability.

But how do nonprofits earn a profit and where does their money come from? What does a nonprofit funding model look like?

As with for-profit businesses, there is no single funding model. The financial plan for a homeless shelter is very different from that for a symphony or a health clinic or a university.

And while contributions are important, many nonprofits earn most or even all of their income.

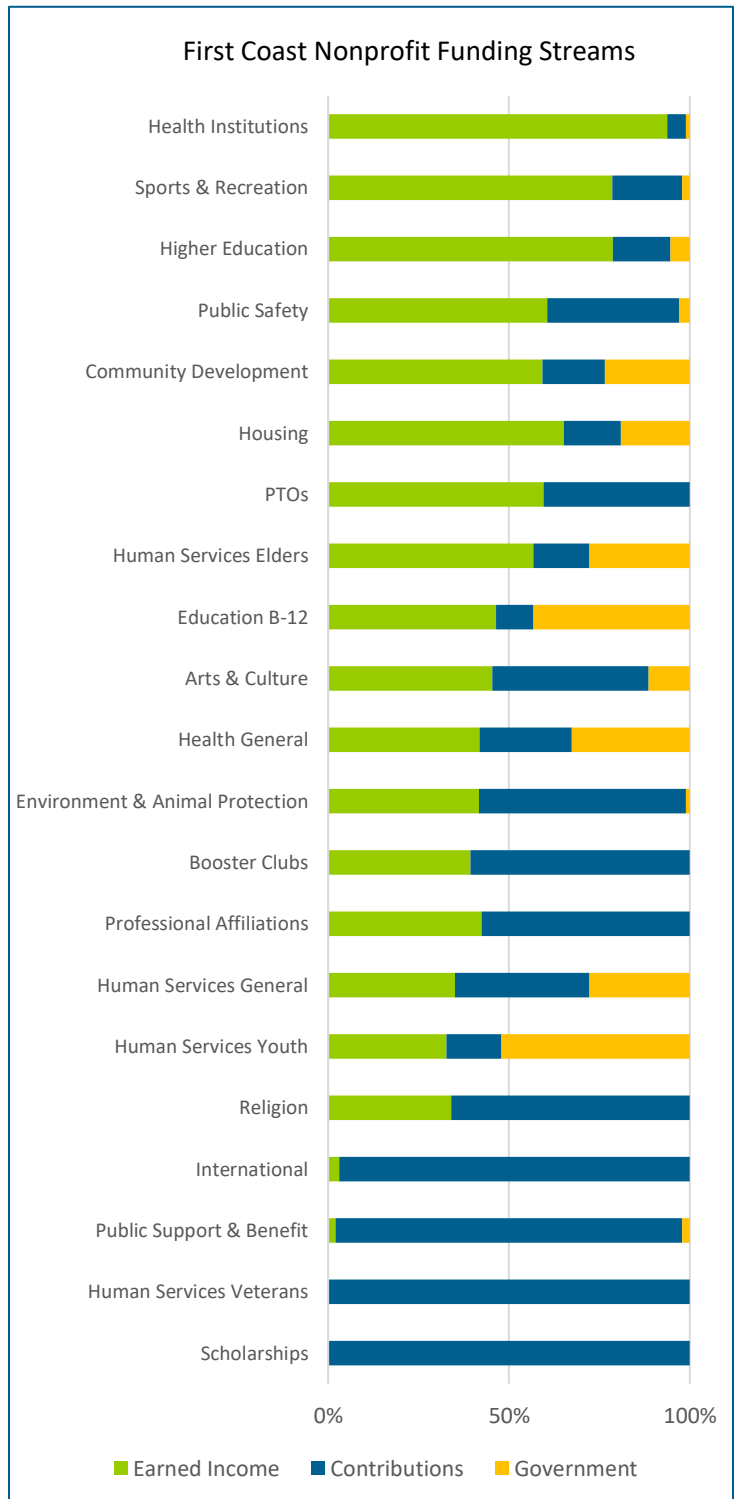
In general, nonprofits derive their revenue from three sources:

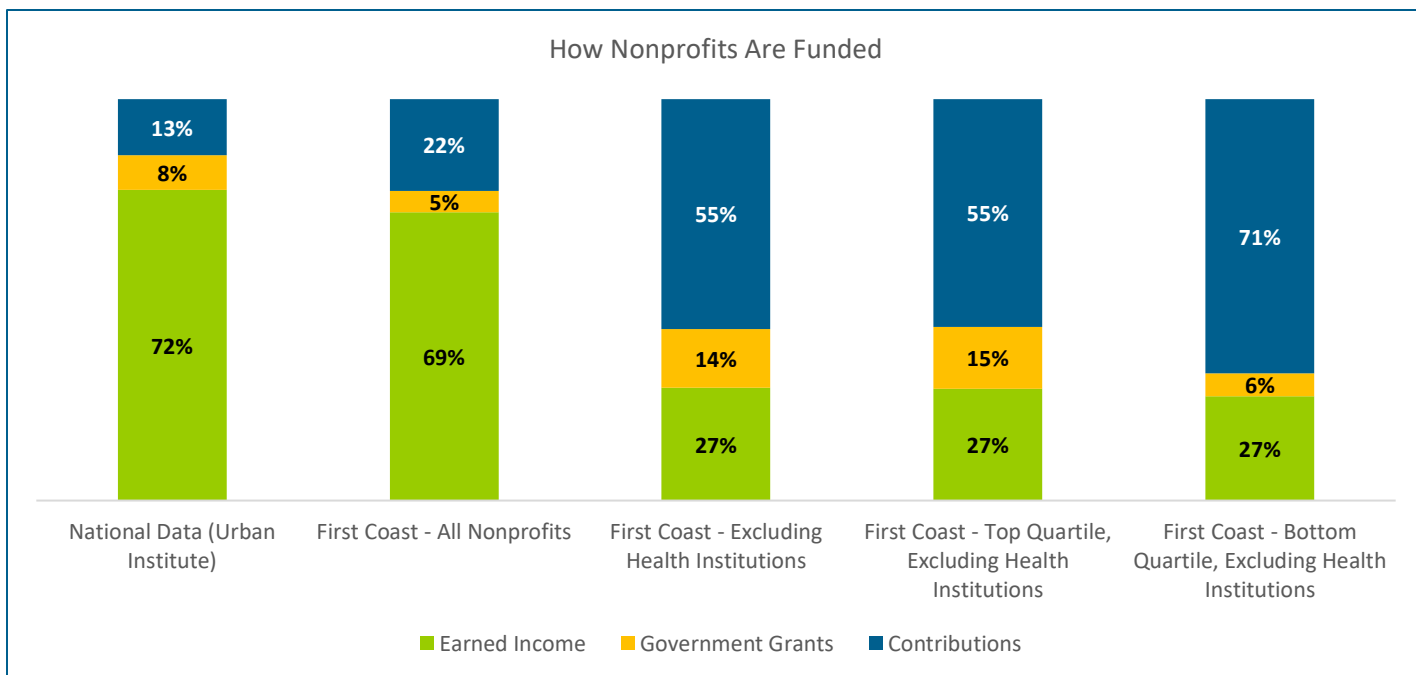
CONTRIBUTIONS – Gifts from individuals, charitable foundations and grantmaking entities, including for-profit businesses. While most contributions are in cash, many also are in-kind – gifts of goods and services. For some nonprofits – those that distribute clothing or food, for example – in-kind contributions might represent the majority of their gifts.

GOVERNMENT FUNDS – Government funding comes in many forms. For the most part, this report recognizes government funding as government grants, whether they are relatively small Public Service Grants made by the City of Jacksonville, or large grants awarded by the State of Florida or the federal government.

EARNED INCOME – Many nonprofits charge fees for their services – the YMCA, museums and theatres, private schools, for example. Many others sell products – Rethreaded sells high-quality goods made by its clients; Habitat for Humanity Jacksonville sells excess building materials. And many nonprofits receive government reimbursement for services. A major source of earned income is medical reimbursements through Medicare, Medicaid, private insurance and patient payments.

The relative size of these three funding streams varies greatly from one organization to another and from one field of work to another, as the chart at right illustrates.





Earned income, however, is a significant component in almost every nonprofit field, from sports to the arts, higher education to human services. In fact, excluding Health Institutions, whose large numbers tend to skew the findings, 31.5% of First Coast nonprofits earn half or more of their income.

By comparison, 24% of Florida nonprofits (excluding hospitals), earned the majority of their income, according to Guidestar.

The Urban Institute reports¹¹ that nationally 72% of nonprofit revenue is Earned Income – 47.5% in fees for goods and services paid by private sources (school tuitions, ticket sales and private insurance reimbursement for medical expenses), and 24.5% in fees paid by government sources (primarily Medicare and Medicaid but also Pell grants and some other programs).

Looking at revenue data for First Coast nonprofits, we see once again the manner in which Health Institutions alter the picture.

When examining revenue sources for all nonprofits, including Health Institutions, the picture looks much like the national portrait – heavily reliant on earned income. But when Health Institutions are excluded, the picture changes: earned income drops to about one-quarter of the total and contributions make up slightly more than half.

By separating the non-Health Institutions into quartiles, we can see

the difference in funding streams for larger and smaller organizations. Larger nonprofits – the top quartile – are less reliant on contributions and more reliant on government grants. It stands to reason that smaller nonprofits are less likely to provide the scope of services that typically attracts government funding and are less likely to have the internal infrastructure needed to manage government compliance demands.

¹¹ The Nonprofit Sector in Brief 2015.

NONPROFIT FINANCIAL HEALTH

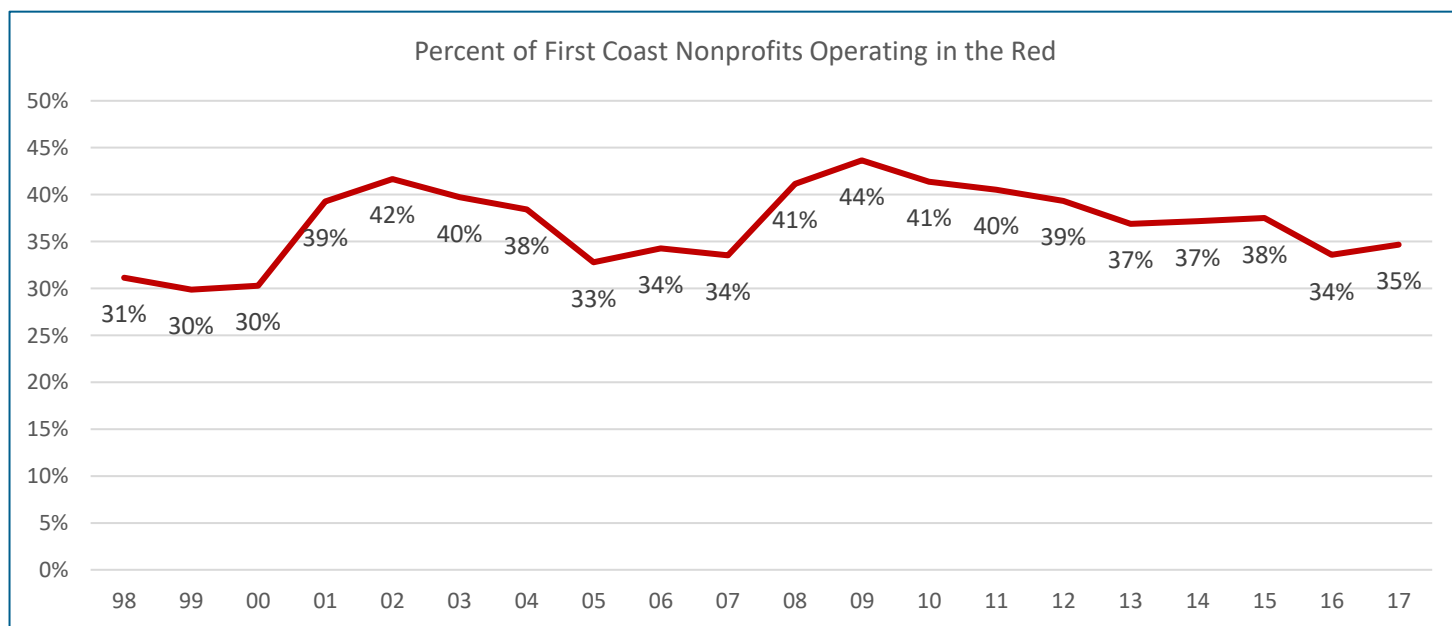
To survive, businesses – including nonprofit businesses – must take in more money than they spend in a given year, saving the excess as reserves to be used for special needs or in times of stress. The proportion of nonprofits that meet this goal – operating in the black – is one indicator of the overall health of the nonprofit sector.

Through the years, the State of the Sector has tracked the percentage of nonprofits operating in the black vs. in the red. This trendline clearly shows the impact of the recession in the early 2000s, as well as the impact of the Great Recession.

This body of data also has revealed some fundamental truths:

- About one in three nonprofits will operate in the red in any given year – even in normal, or prosperous, times. This is not the result of poor management necessarily; often it is because an organization is drawing on its reserves to finance a special project or expansion or other activity.
- Similarly, any given nonprofit is likely to operate in the red at least one out of every three years. Again, this often reflects the need to extend financially one year before recouping those extraordinary expenses in subsequent years.

According to Guidestar, 38% of Florida's nonprofit public charities operated in the red in the most recent year, compared with 35% here on the First Coast.



INDIVIDUAL GIVING

Contributions to nonprofit organizations can come from multiple sources – charitable foundations, charitable giving funds such as United Ways, donor-advised funds or giving circles, corporate giving programs, or individuals. Historically, the largest source of charitable giving comes from individuals. Giving USA estimates that 70% of all charitable giving in 2017 came from gifts from individuals¹².

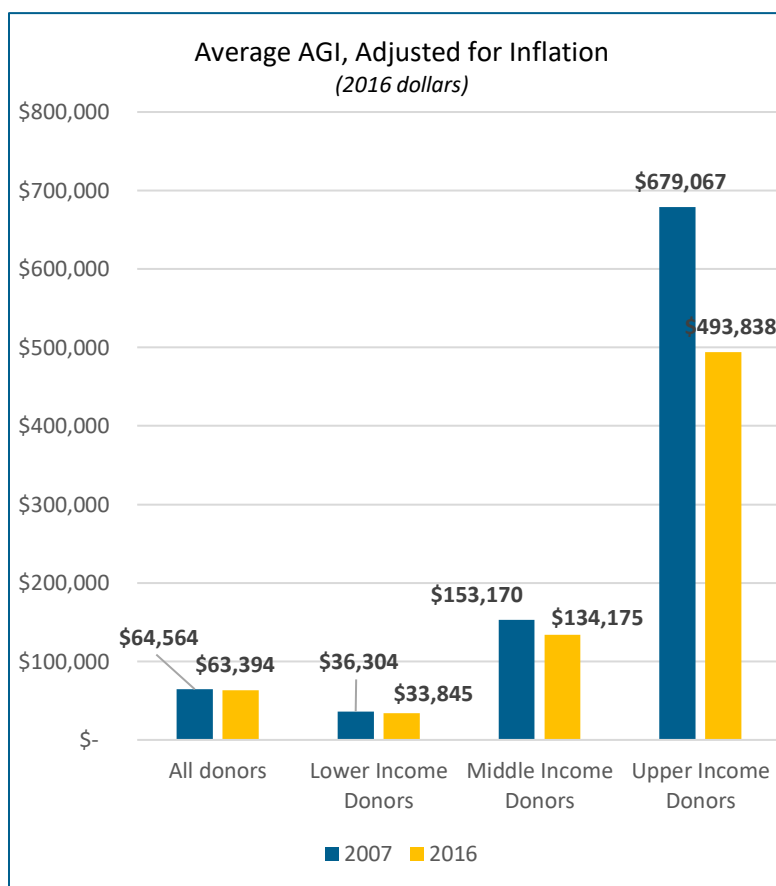
Individual charitable contributions for tax years prior to 2018 can be monitored by analyzing IRS reports on itemized deductions on individual tax returns¹³. While this analysis does not capture all contributions (those not claimed on individual tax returns are not captured), it provides a consistent year-to-year picture of giving at a local level and, arguably, captures the bulk of individual giving in terms of value.

IRS data for tax year 2007 through tax year 2016 (the latest year available) reveals the following trends for giving by individuals on the First Coast:

INDIVIDUALS WERE NOT QUITE AS WEALTHY IN 2016 AS THEY WERE IN 2007.

When adjusted for inflation, average Adjusted Gross Income (AGI) of all tax filers on the First Coast in 2016 was lower than in 2007.

- For all individual tax filers, average AGI was down 2%, from \$65,564 to just above \$63,000.
- Lower income filers – those with AGI of less than \$100,000 – had an average AGI down 7%.
- Middle income filers – those with an AGI between \$100,000-\$200,000 – had an average AGI down 12%.
- Upper income filers – those with AGI of more than \$200,000 – had an average AGI down 27%.



¹² *Giving USA 2018: The Annual Report on Philanthropy for the Year 2017*. Researched and written by Indiana University Lilly Family School of Philanthropy. Sponsored by Giving USA Foundation, a public service initiative of The Giving Institute. © 2018 Giving USA Foundation.

¹³ *The Tax Cut and Jobs Act of 2017*, which dramatically reduced the percent of taxpayers who itemize deductions, likely will render these comparison invalid for tax years 2018 and beyond.

WHILE THE POOL OF POTENTIAL DONORS GREW, FEWER PEOPLE CHOSE TO GIVE.

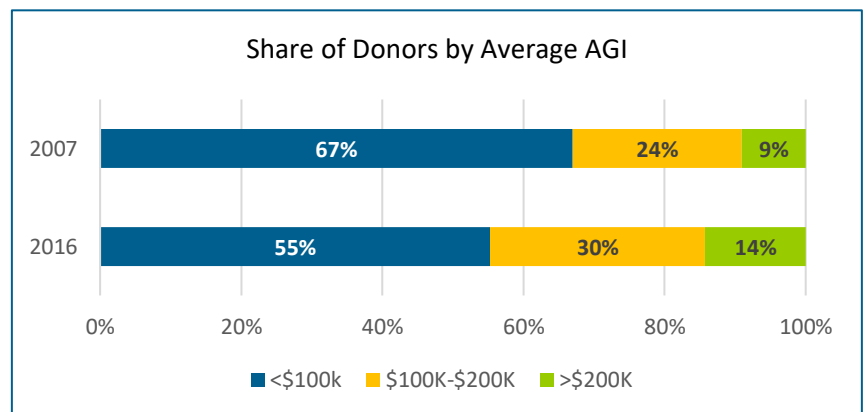
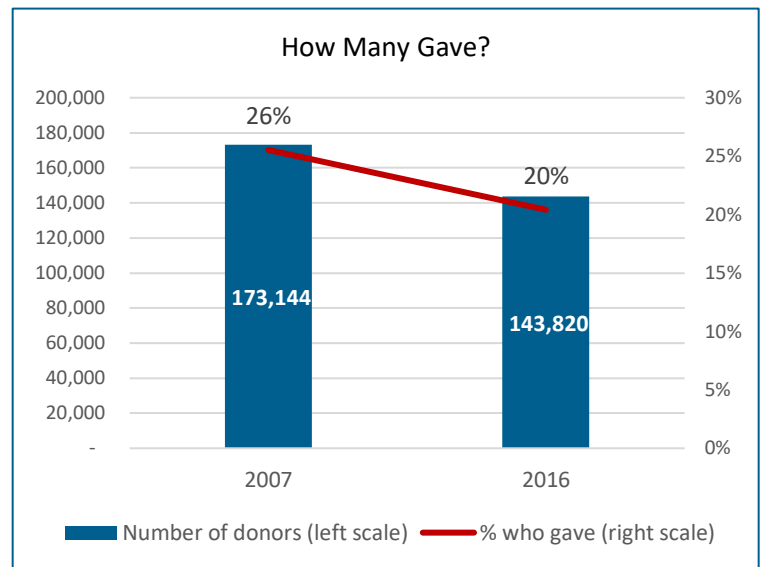
With less available wealth, it is not surprising that fewer people chose to contribute. This is true both in the absolute number of those who gave and in the proportion of all filers who gave.

Between 2007 and 2016, the total number of donors on the First Coast dropped from 173,144 to 143,820, a drop of 17%.

This decline occurred in a time when the total number of filers grew by more than 26,000, from 678,000 to 705,000. Consequently, the number of donors expressed as a percentage of all filers – the percent who gave – dropped from 26% to 20%.

All of that loss occurred among lower-income filers, those with an average AGI of \$100,000 or less. In that cohort, 36,000 fewer tax filers reported charitable contributions in 2016 compared with 2007.

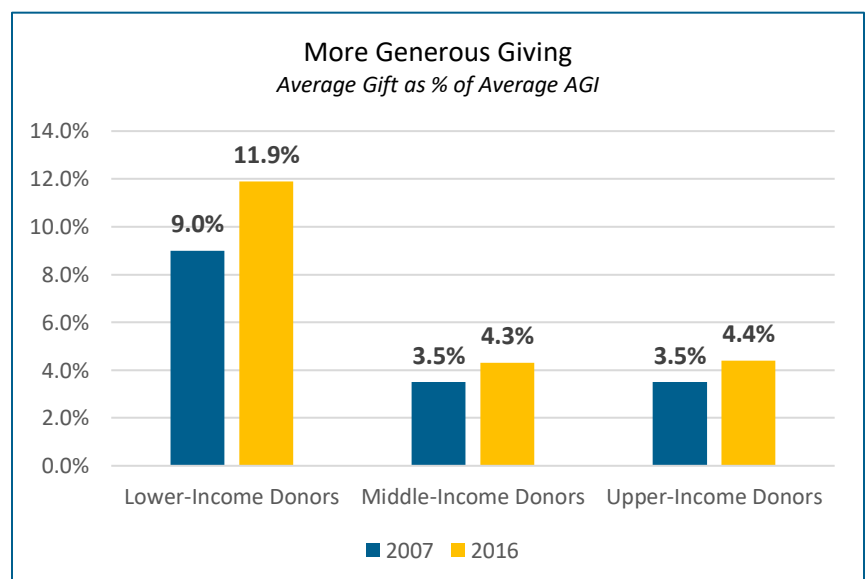
Consequently, the overall makeup of the donor pool changed. By 2016, there were proportionately fewer lower income donors and more middle- and upper-income donors.



THOSE WHO GIVE ARE GIVING MORE GENEROUSLY AT ALL INCOME LEVELS.

Overall, the average contribution expressed as a percent of average AGI, when adjusted for inflation, jumped from 8.8% in 2007 to 11.1% in 2016.

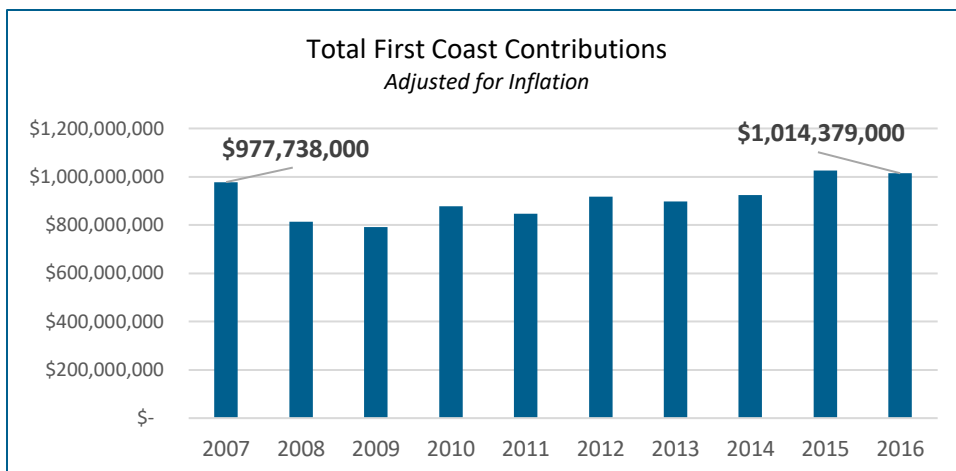
Even among lower-income tax filers, those who continue to give are reaching deeper into their pockets than a decade earlier.



TOTAL CHARITABLE CONTRIBUTIONS HAVE BARELY RECOVERED FROM THE GREAT RECESSION.

Thanks to that generous giving, total charitable contributions on the First Coast have just begun to show recovery from the Great Recession.

Adjusted for inflation, contributions are up 3.7% in the nine years since 2007.



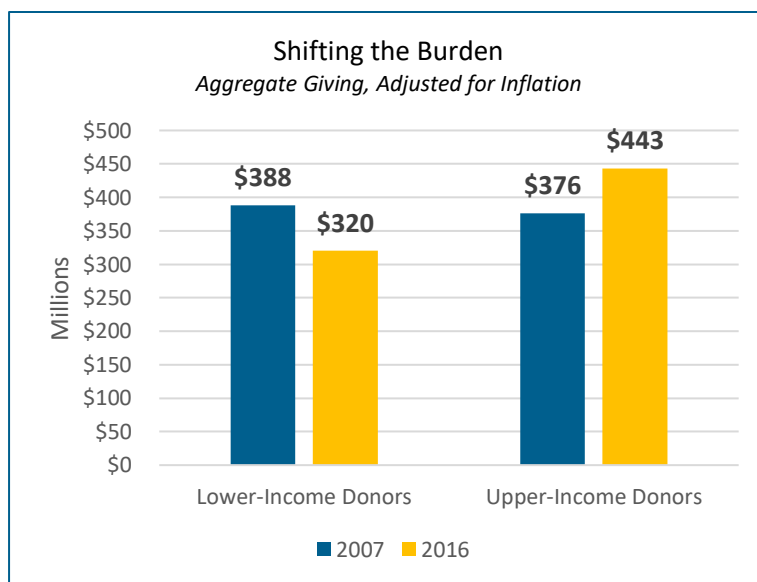
THE BURDEN OF CHARITABLE GIVING NOW FALLS ON THE MOST WEALTHY.

In 2007, lower-income donors on the First Coast, in the aggregate, gave slightly more than their upper-income peers.

But by 2016, that balance had shifted, with upper-income donors out-giving their lower-income peers.

Upper-income donors are now responsible for 44% of all giving on the First Coast. While that is commendable on its face, it raises questions about sustainability. Upper-income donors represent only 14% of all donors on the First Coast, and while their numbers are growing, the percent who give is not.

Moreover, as multiple analyses of giving point out, high-end charitable gifts are more frequently going to donor-advised funds and other “repositories” where they may not be put to work for years.



FORECAST FOR FUTURE GIVING IS UNCERTAIN, ANALYSTS SAY.

Several factors cause analysts to be cautious about future giving trends. Giving USA reported that, for 2018, charitable giving nationwide declined 1.7% when adjusted for inflation. “The environment for giving in 2018 was far more complex than most years, with shifts in tax policy and the volatility of the stock market,” said Rick Dunham, chair of Giving USA Foundation and CEO of Dunham + Company.

In particular, the changes in tax law under the Tax Cut and Jobs Act of 2017 will cause unknown shifts in giving as fewer taxpayers may benefit from itemizing deductions. More than 45 million households itemized deductions in 2016, Giving USA reported; numerous studies suggest that number may have dropped to approximately 16 to 20 million households in 2018, reducing an incentive for charitable giving.

“With many donors experiencing new circumstances for their giving, it may be some time before the philanthropic sector can more fully understand how donor behavior changed in response to these forces and timing,” said Amir Pasic, Ph.D., the Eugene Tempel Dean of the Lilly Family School of Philanthropy.

FLORIDA FIRST COAST INDIVIDUAL GIVING		
	<i>All Dollar Amounts Adjusted for Inflation</i>	
2007	ALL TAX FILERS	2016
678,255	Number of returns	704,510
\$43,790,150,000	Total AGI	\$ 44,661,900,000
\$64,564	Average AGI	\$ 63,394
173,144	Number of Donors	143,820
\$977,738,000	Total Contributions	\$ 1,014,379,000
25.5%	% who give	20.4%
\$5,647	Average Contribution	\$ 7,053
	Lower-Income Filers	
	AGI <\$100,000	
600,310	Number of returns	593,450
\$21,794,170,000	Total AGI	\$ 20,085,479,000
\$36,304	Average AGI	\$33,845
115,359	Number of Donors	79,520
\$387,844,040	Total Contributions	\$ 319,971,000
19%	% who give	13%
\$3,284	Average Contribution	\$ 4,024
	Middle-Income Filers	
	AGI \$100,000-\$200,000	
58,856	Number of returns	84,160
\$9,014,948,000	Total AGI	\$ 11,292,191,000
\$153,170	Average AGI	\$ 134,175
42,017	Number of Donors	43,790
\$222,874,000	Total Contributions	\$ 251,539,000
71%	% who give	52%
\$5,304	Average Contribution	\$ 5,744
	Upper-Income Filers	
	AGI >\$200,000	
19,116	Number of returns	26,900
\$12,981,050,000	Total AGI	\$ 13,284,230,000
\$679,067	Average AGI	\$ 493,838
15,768	Number of Donors	20,510
\$376,004,000	Total Contributions	\$ 442,869,000
83%	% who give	76%
\$23,846	Average Contribution	\$ 21,593

FIELD by FIELD

Detailed data on each nonprofit field

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ARTS & CULTURE

WHAT IS INCLUDED

This report applies a broad definition of Arts & Culture. Included are non-academic organizations that sustain and promote the written, visual and performing arts and that advance arts education. Also included are organizations that sustain, promote and preserve cultural and ethnic heritage, history and genealogy. Community libraries are included here as are nonprofit media and communications organizations.

WORTH NOTING

This category includes some of the largest and most widely known institutions in the region: the Jacksonville Zoo, the Jacksonville Symphony, the Florida Theatre, MOCA Jacksonville, MOSH and the Cummer Museum and Gardens. The Zoo and the Symphony alone account for 36% of the cohort's aggregate income in the most recent year.

Though many of these organizations are long-established, 18% of the entities in this group received their tax exemption after 2012. These include Deck the Chairs, Jacksonville Arts and Music School and Jacksonville Unity Plaza.

While many are large organizations, only 9% report having permanently restricted endowments. However, several of the organizations in this group benefit from endowments that have been established for them at The Community Foundation for Northeast Florida.

And 62% of the entities have reserves adequate to cover more than three months of operations.

Almost two-thirds of these organizations are located in Duval County, and another 22% are in St. Johns County.

151 organizations

AGGREGATE FINANCES

INCOME **\$100,620,332**

EXPENSES **\$ 96,167,259**

NET ASSETS **\$223,973,743**

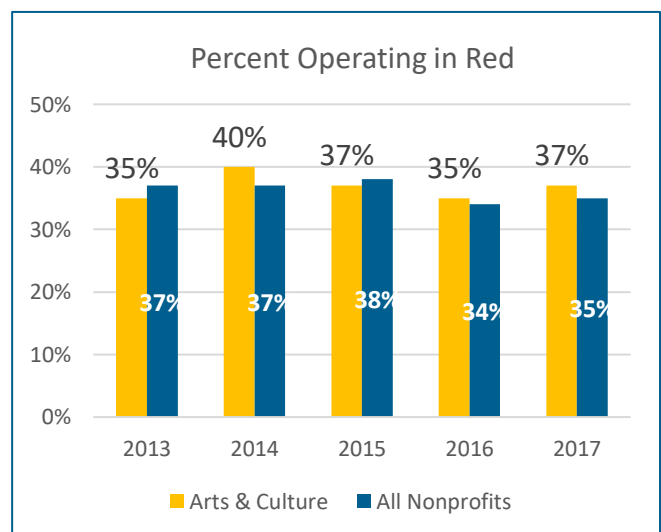
Most recent year financials

SOURCES OF INCOME

42%	11%	44%
CONTRIBUTIONS	GOVERNMENT GRANTS	EARNED INCOME

EMPLOYMENT

1,846 individuals



EDUCATION B-12

WHAT IS INCLUDED

Education B-12 includes all organizations providing education for children from birth through Grade 12, including pre-schools and day care centers. It includes out-of-school time programs where the primary emphasis is on academics, including tutoring programs and programs of specialized study (i.e. STEM). It also includes public education funds that go beyond providing awards and scholarships.

WORTH NOTING

This category includes large, wealthy and well-established private schools (The Bolles School, Episcopal School of Jacksonville, St. Johns Country Day School, for example) but also a number of charter and specialty schools. While these institutions, collectively, attracted more than \$28 million in contributions, that amounted to just 10% of total income in the most recent year. More than \$160 million of income for this group is earned through tuition and program fees.

This group also includes the Early Learning Coalition of Duval and the Early Learning Coalition of North Florida, large, publicly funded programs that provide access to day care for low-income families. It also includes Episcopal Children's Services, which operates Volunteer Pre-Kindergarten and school readiness programs funded by the state. These three entities alone account for 90% of the government grants awarded to this cohort.

This cohort has added more new organizations than any other: 51 general education nonprofits, 35% of the cohort, received their exemption from the IRS after 2012. These are primarily new pre-schools, specialty schools and charter schools.

145 organizations

AGGREGATE FINANCES

INCOME **\$357,747,781**

EXPENSES **\$347,772,052**

NET ASSETS **\$208,928,976**

Most recent year financials

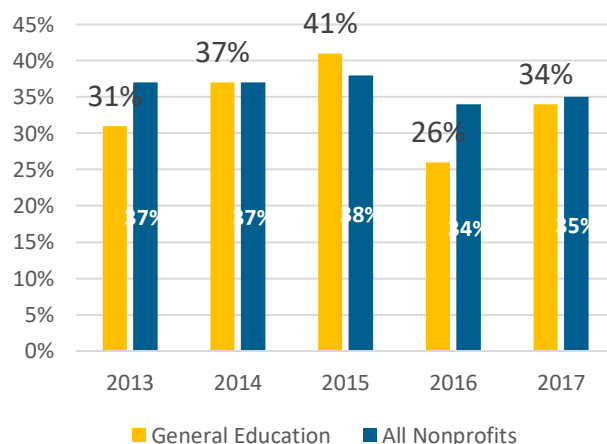
SOURCES OF INCOME

10%	42%	45%
CONTRIBUTIONS	GOVERNMENT GRANTS	EARNED INCOME

EMPLOYMENT

4,747 individuals

Percent Operating in the Red



PARENT-TEACHER ORGANIZATIONS

WHAT IS INCLUDED

This group only includes Parent-Teacher Organizations supporting schools in the five-county First Coast region that are required to file with the IRS annually. While there are scores of Parent-Teacher Organizations across the First Coast area, only these 41 have achieved sufficient financial status to necessitate filing a tax return.

WORTH NOTING

In many schools, Parent-Teacher Organizations provided significant financial enhancements. Seven of the organizations in this cohort had incomes exceeding \$100,000 in the most recent year.

This is one of the rare instances where there are more organizations in St. Johns County — 21 — than in Duval — 20.

It is difficult to determine the number of new organizations. All Duval PTOs operate under the PTA Florida Congress name and use its 1971 ruling year, even though many of the schools did not exist at that time. Organizations in St. Johns County generally operate independently; records show four of the 21 received exemptions after 2012.

For more discussion on PTOs and school support organizations, see Page 10.

41 organizations

AGGREGATE FINANCES

INCOME	\$2,433,996
EXPENSES	\$2,294,335
NET ASSETS	\$1,313,727

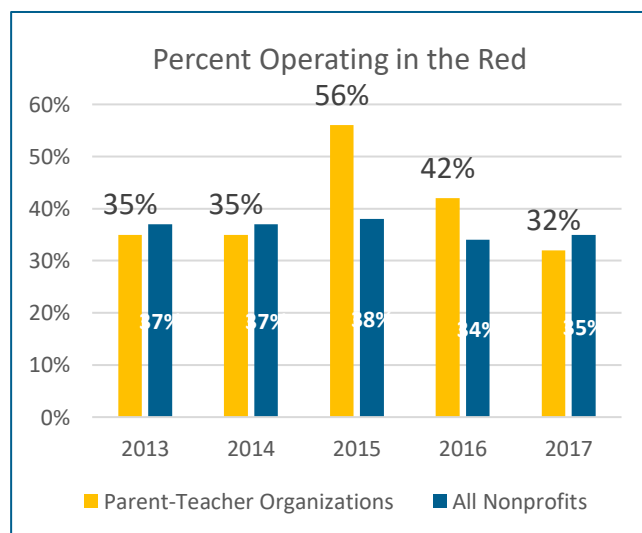
Most recent year financials

SOURCES OF INCOME

38%	0%	56%
CONTRIBUTIONS	GOVERNMENT GRANTS	EARNED INCOME

EMPLOYMENT

-0- individuals



HIGHER EDUCATION

WHAT IS INCLUDED

This group includes post-secondary educational institutions and their supporting organizations.

WORTH NOTING

Included in this group are Edward Waters College, Flagler College, Jacksonville University and Jones College, as well as several small seminaries. The remaining entities in the group are supporting organizations, including several for the University of North Florida and Florida State College at Jacksonville, which, as public institutions, are not included in this study. Florida Coastal School of Law, a for-profit institution (that is seeking to convert to nonprofit status), is not included but its foundation is.

All but one of these entities – a supporting organization – existed prior to 2013.

The educational institutions earn most — 80%+ — of their income through tuition and fees. The three largest — Jacksonville University, Flagler College and Edward Waters College — received roughly \$11.2 million in federal Pell grant funds during the 2017-18 school year, according to the Integrated Postsecondary Education Data System, accounting for almost all government support for the cohort. The supporting organizations, by contrast, get the bulk of their income from contributions.

While the University of North Florida is not included here, the University of North Florida Foundation is. It is comparable in size to JU and Flagler College, with \$135 million in assets (second largest in the cohort) and \$22 million in income (fourth largest).

The 2017 jump in percent operating in the red is due primarily to performance of several supporting organizations — foundations, endowment funds and other supporting entities — that experienced soft revenue for the year.

17 organizations

AGGREGATE FINANCES

INCOME	\$290,216,518
EXPENSES	\$280,729,060
NET ASSETS	\$507,151,542

Most recent year financials

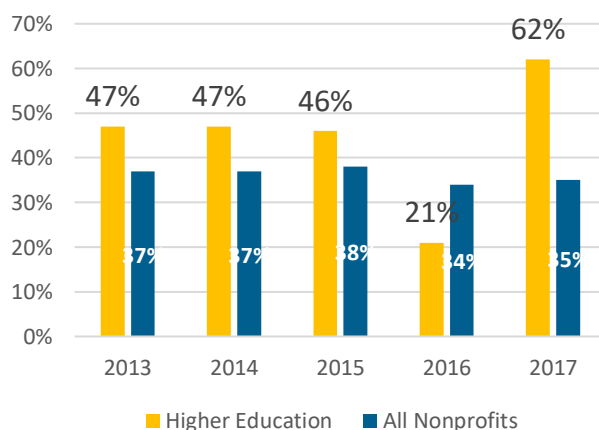
Most recent year financials

15%	5%	74%
CONTRIBUTIONS	GOVERNMENT GRANTS	EARNED INCOME

EMPLOYMENT

3,757 individuals

Percent Operating in the Red



SCHOLARSHIP FUNDS

WHAT IS INCLUDED

This group includes organizations and public charities whose primary mission is providing scholarship funds for primary, secondary or postsecondary education.

WORTH NOTING

While there are 35 entities in this cohort, one overshadows all others. Step Up for Students, based in Duval County, is a statewide nonprofit organization providing financial support for qualified K-12 public school students to either attend private school or a public school in another district. The program is funded through corporate contributions; corporations earn dollar-for-dollar tax credits for their support of Step Up for Students.

Step Up for Students accounts for more than 98% of the income, expenses and net assets of this group and all of the employees.

The remaining organizations, collectively, have income of about \$1.5 million, expenses of \$1.2 million and assets of \$7.1 million. One third of these organizations earned their tax exemption after 2012.

35 organizations

AGGREGATE FINANCES

INCOME	\$709,183,777
EXPENSES	\$675,788,192
NET ASSETS	\$520,823,182

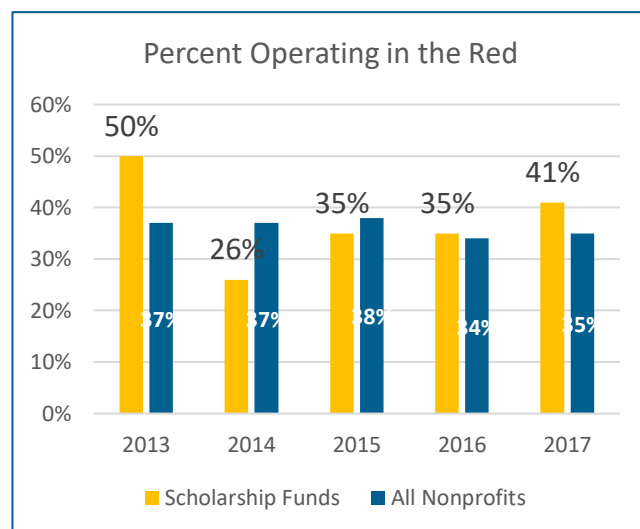
Most recent year financials

SOURCES OF INCOME

100%	0%	0%
CONTRIBUTIONS	GOVERNMENT GRANTS	EARNED INCOME

EMPLOYMENT

239 individuals



PROFESSIONAL AFFILIATIONS

WHAT IS INCLUDED

Included here are organizations that facilitate professional development and continuing education for those in a wide range of endeavors.

WORTH NOTING

This group includes professional associations related to many medical fields — dermatology, oncology, gynecology, endocrinology, lipidology — and a host of other professions. There are associations for attorneys, mortgage brokers, meeting planners, electricians, foreign language teachers, military engineers, teachers of singing, interpreters of the deaf, marine science educators, missionary aviators and poultry veterinarians.

One of the largest is the Jacksonville Electrical Joint Apprenticeship and Training Committee Inc., which provides training for electrical apprentices and journeyworker professionals on the First Coast. It employs more than half of the employees in this field.

While 53% of the cohort's income comes through contributions, those "contributions" often are collected as annual dues or fees. Earned income generally comes from conferences and educational activities.

While some of these organizations date to the 1950s and '60s, about one-fifth received their exemption after 2012.

66 organizations

AGGREGATE FINANCES

INCOME	\$12,147,041
EXPENSES	\$11,284,912
NET ASSETS	\$11,436,570

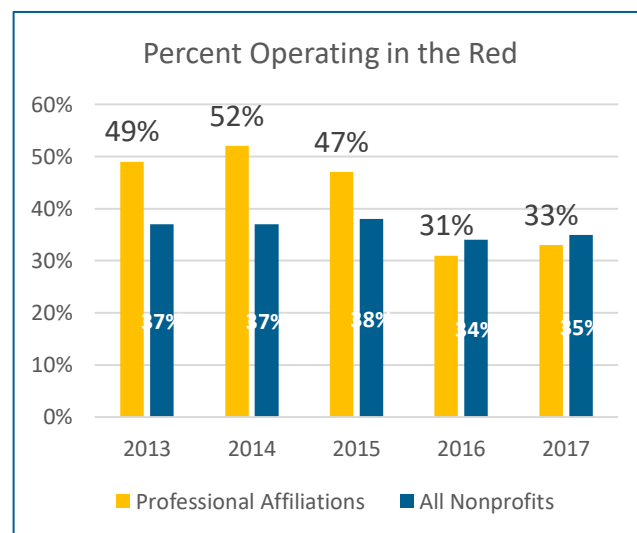
Most recent year financials

SOURCES OF INCOME

53%	0%	39%
CONTRIBUTIONS	GOVERNMENT GRANTS	EARNED INCOME

EMPLOYMENT

55 individuals



HEALTH GENERAL

WHAT IS INCLUDED

This cohort includes non-in-patient, non-residential health care organizations. It includes ambulatory primary care facilities, mental health clinics and programs, entities addressing addiction and substance abuse and those that focus on a specific disease. It also includes organizations that provide specific support to families and individuals facing serious medical challenges.

WORTH NOTING

This is among the largest cohorts in this study. It is a diverse group of organizations with diverse funding streams.

The Northeast Florida Healthy Start Coalition, which provides supports and services to new and expectant mothers, receives 100% of its almost \$10 million in income from government sources. In contrast, Ronald McDonald Charities in Jacksonville, which supports the families of seriously ill children, relies on contributions for 84% of its income.

Though collectively these organizations employ more than 2,000 people, 58% report having no employees.

And more than half — 52% — have less than three months' operating reserves on hand, making them vulnerable in times of economic disruption.

164 organizations

AGGREGATE FINANCES

INCOME \$ 98,700,337

EXPENSES \$ 94,740,723

NET ASSETS \$102,518,094

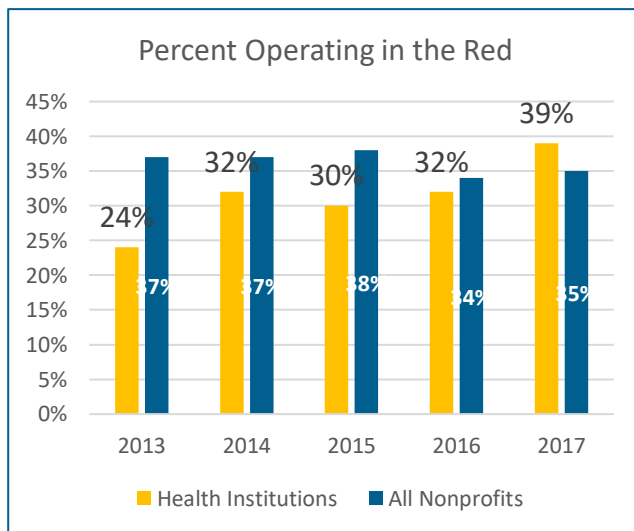
Most recent year financials

SOURCES OF INCOME

25%	32%	41%
CONTRIBUTIONS	GOVERNMENT GRANTS	EARNED INCOME

EMPLOYMENT

2,094 individuals



HEALTH INSTITUTIONS

WHAT IS INCLUDED

Included here are in-patient, residential health care facilities, including hospitals, skilled nursing facilities, hospice and their supporting organizations.

WORTH NOTING

This is the leviathan.

In Northeast Florida, these 74 institutions garner 68% of all nonprofit income, hold 63% of all nonprofit net assets and employ 61% of all nonprofit sector employees.

Collectively, they report 91% of their income is earned, with vast amounts of that income coming through Medicaid and Medicare reimbursements, which typically (and correctly) are included in “program service” or earned income, along with private insurance reimbursements and patient payments (and other earned income).

Eleven of these organizations employ more than 1,000 individuals — only four other nonprofits in the region employ that that level¹⁴.

To learn more about the impact of this field on the sector, see Page 12.

74 organizations

AGGREGATE FINANCES

INCOME \$5,848,613,864

EXPENSES \$5,539,719,264

NET ASSETS \$4,607,266,823

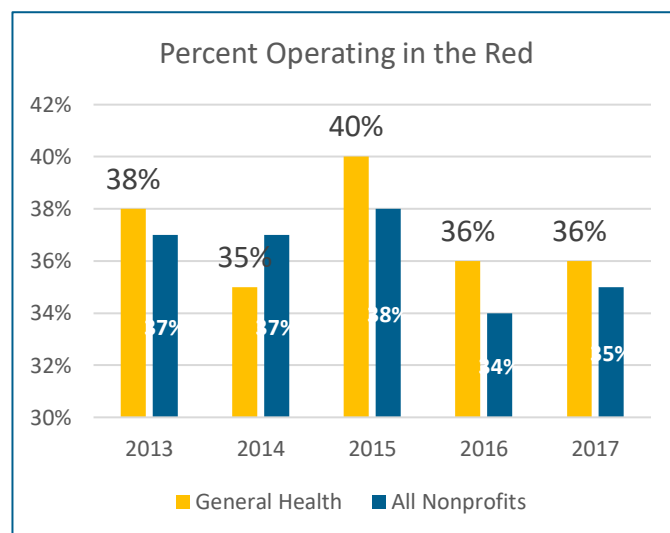
Most recent year financials

SOURCES OF INCOME

5%	1%	91%
CONTRIBUTIONS	GOVERNMENT GRANTS	EARNED INCOME

EMPLOYMENT

43,705 individuals



¹⁴ YMCA of Florida's First Coast, Jacksonville University, Goodwill Industries of North Florida and Flagler College.

HUMAN SERVICES, GENERAL

WHAT IS INCLUDED

This cohort includes human service organizations where working age adults are the primary client group. This category also includes funds that provide relief grants to individuals (employee assistance funds, for example).

WORTH NOTING

This category likely aligns most closely to the conventional perception of “community nonprofits.” It includes some of the region’s most robust nonprofits — YMCA, Feeding Northeast Florida, Goodwill, Sulzbacher Center, Jewish Family and Community Services, Catholic Charities, the ARC organizations and many, many others.

First Coast Workforce Development, the area CareerSource agency, receives the greatest share of government funding — \$19 million, almost all of its total income.

Goodwill and YMCA post the highest earned income at \$26 million and \$30 million, respectively.

More than 20 of these organizations attracted more than \$1 million in contributions in the most recent year. Feeding Northeast Florida and Sulzbacher attracted more than \$10 million each, with substantial amounts of in-kind contributions.

While employment in this field is strong, it is concentrated: 51% of the organizations report having no employees.

And almost half of these organizations — 48% — have less than three months operating reserves on hand.

159 organizations

AGGREGATE FINANCES

INCOME **\$315,123,693**

EXPENSES **\$299,239,563**

NET ASSETS **\$216,322,993**

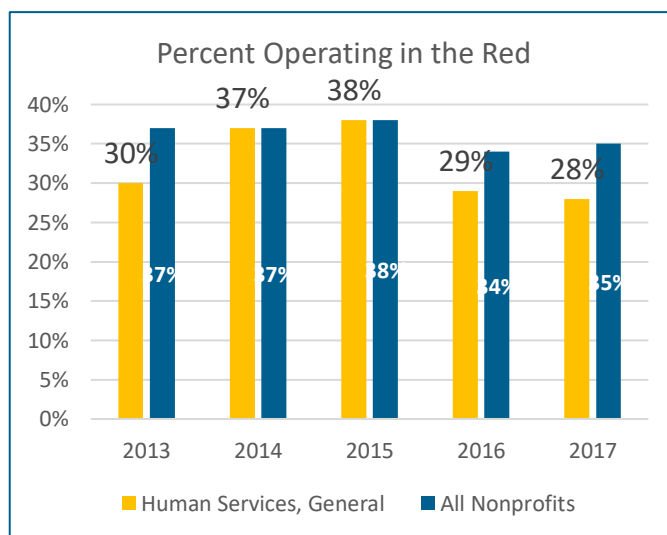
Most recent year financials

SOURCES OF INCOME

36%	27%	34%
CONTRIBUTIONS	GOVERNMENT GRANTS	EARNED INCOME

EMPLOYMENT

8,025 individuals



HUMAN SERVICES, YOUTH

WHAT IS INCLUDED

This cohort includes human service organizations where youth 18 and under are the primary client group.

WORTH NOTING

This cohort receives the greatest proportion of its revenue from government sources due primarily to one organization — Family Support Services of North Florida, which manages adoption, foster care and child protective services for the State of Florida in Duval and Nassau counties. It receives virtually all of its income — more than \$56 million — from government sources.

Seven other organizations receive between \$1 million and \$9 million in government funding to provide nutrition and safety net services for area children.

While earned income for this cohort is strong, much of those earnings also come from government sources: contracts with the Florida Department of Juvenile Justice, or with local school boards, or Medicaid reimbursements. Variations in reporting detail make it impossible to get an absolute accounting of these types of public support.

And though children's services are thought to have appeal for donors, a comparatively small portion of revenue comes from contributions. Only nine of the 99 organizations raised \$1 million or more in donor contributions in the most recent year.

These organizations are not heavily staffed — 23% have between 1 and 25 employees and 54% report having no employees.

And 52% have less than 90 days operating reserves on hand, making them vulnerable in times of economic disruption.

99 organizations

AGGREGATE FINANCES

INCOME	\$175,617,780
EXPENSES	\$175,399,842
NET ASSETS	\$109,837,288

Most recent year financials

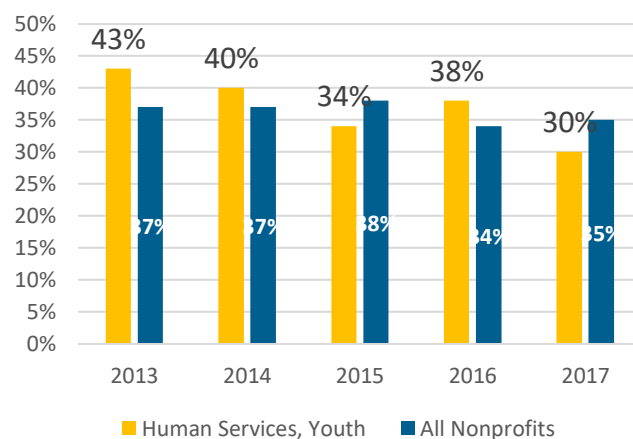
SOURCES OF INCOME

15%	51%	32%
CONTRIBUTIONS	GOVERNMENT GRANTS	EARNED INCOME

EMPLOYMENT

2,540 individuals

Percent Operating in the Red



HUMAN SERVICES, ELDERS

WHAT IS INCLUDED

Included here are organizations providing general human services where elders are the primary client group. This group includes retirement homes and facilities that offer assisted living and, in some cases, memory care services, but that fall below the level of intensive medical care provided by nursing homes, which are classified as Health Institutions.

WORTH NOTING

Given the makeup of this cohort, it is not surprising that earned income is a strong funding stream; resident fees at retirement and assisted living facilities can comprise more than 80% of an organization's income.

Government funding primarily supports the Northeast Florida Area Agency on Aging, also known as ElderSource, which coordinates a host of services for seniors, including health care and nutrition. Government funds also support county Councils on Aging in Nassau, Baker, St. Johns and Clay counties and other agencies that provide nutrition and health care support for seniors in varying circumstances. Of the 27 organizations in this cohort, 11 are such county or regional agencies or their supporting organizations.

27 organizations

AGGREGATE FINANCES

INCOME	\$113,244,020
EXPENSES	\$112,735,411
NET ASSETS	\$ 35,796,618

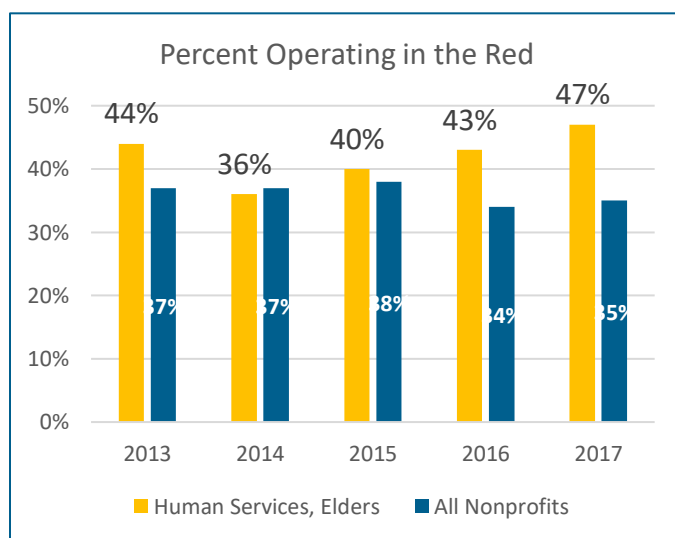
Most recent year financials

SOURCES OF INCOME

14%	27%	55%
CONTRIBUTIONS	GOVERNMENT GRANTS	EARNED INCOME

EMPLOYMENT

2,116 individuals



HUMAN SERVICES, VETERANS

WHAT IS INCLUDED

Included here are organizations providing general human services to current and former U.S. military personnel.

WORTH NOTING

This is the first year this category has been included in the State of the Sector report, a reflection of the growing number of entities addressing the needs of military personnel and their families. Only two of the organizations in this cohort — United Services Organization and the Florida National Guard Association — predate 2005. Eight of the 20 received their IRS exemption after 2012.

Two organizations dominate this group: Wounded Warrior Project and K9s for Warriors. Together, they had 98% of the cohort income and 98% of cohort assets in the most recent year.

Almost all income is from contributions, with no government income and earned income of less than 1%. Investment income provides the remaining 7% of total income.

20 organizations

AGGREGATE FINANCES

INCOME	\$241,266,762
EXPENSES	\$239,763,819
NET ASSETS	\$339,245,479

Most recent year financials

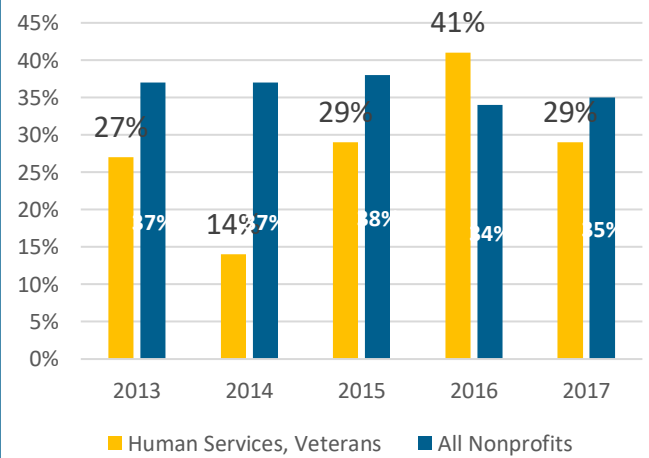
SOURCES OF INCOME

93%	0%	0%
CONTRIBUTIONS	GOVERNMENT GRANTS	EARNED INCOME

EMPLOYMENT

844 individuals

Percent Operating in the Red



HOUSING

WHAT IS INCLUDED

This cohort includes organizations dedicated to the development and provision of non-crisis housing. (Homeless shelters and emergency housing are categorized as Human Services, General.)

WORTH NOTING

This cohort includes a number of widely known nonprofits that develop and own affordable and subsidized housing: Habitat for Humanity of Jacksonville, Ability Housing and Cathedral Housing. It also includes a number of nonprofit complexes that provide subsidized housing, such as Baptist Towers, the Towers of Jacksonville, Riverside Park Methodist Apartments and many lesser-known facilities. This subsidy income accounts for the 17% government funding.

While most of these organizations provide housing, a minority support low-income homeowners through home-repair programs and financial education, foreclosure prevention and advocating for affordable housing.

54 organizations

AGGREGATE FINANCES

INCOME	\$63,572,899
EXPENSES	\$57,284,222
NET ASSETS	\$65,637,401

Most recent year financials

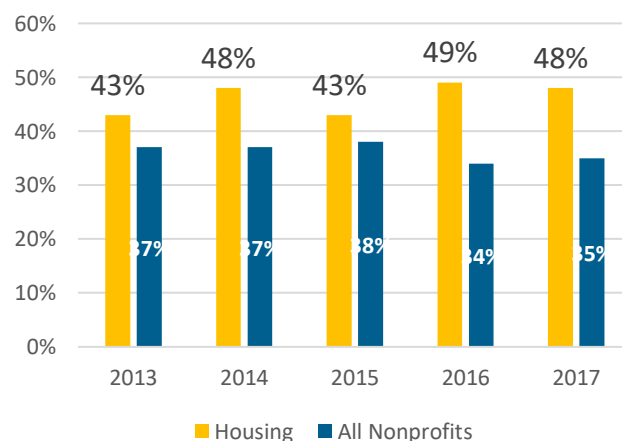
SOURCES OF INCOME

14%	17%	58%
CONTRIBUTIONS	GOVERNMENT GRANTS	EARNED INCOME

EMPLOYMENT

453 individuals

Percent Operating in the Red



COMMUNITY & ECONOMIC DEVELOPMENT

WHAT IS INCLUDED

Included here are organizations that focus on community development, economic development and business development.

WORTH NOTING

Many of the organizations in this cohort are focused on development in underserved communities and creating economic opportunities for underserved neighborhoods and constituencies. Examples include the First Coast Business Alliance (promoting minority owned businesses) and Northwest Jacksonville Community Development Corporation.

The largest of these entities is The Potter's House Community Development Empowering Center, which operates in a former shopping center on Jacksonville's Westside. In addition The Potter's House operates a restaurant and catering service, bowling alley and meeting facilities (as well as a thriving church – see Page 39). It accounts for 52% of the total income of this cohort, 90% of the earned income, and 52% of the employees.

This cohort also includes entities such as the Jacksonville Chamber Foundation and Downtown Vision Alliance, both charitable arms of their parent organizations.

26 organizations

AGGREGATE FINANCES

INCOME	\$ 13,979,269
EXPENSES	\$ 14,771,228
NET ASSETS	\$ 10,748,414

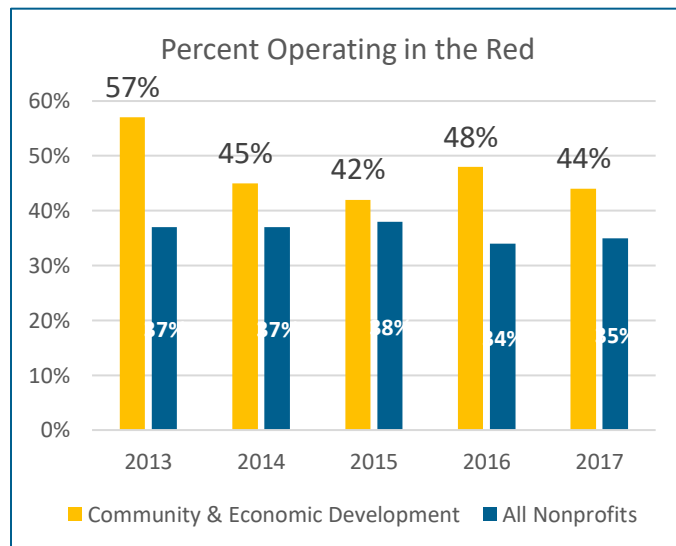
Most recent year financials

SOURCES OF INCOME

17%	23%	58%
CONTRIBUTIONS	GOVERNMENT GRANTS	EARNED INCOME

EMPLOYMENT

320 individuals



PUBLIC SUPPORT & BENEFIT

WHAT IS INCLUDED

This cohort includes public charity grantmaking organizations and giving funds, intermediary organizations, and volunteer and leadership development entities.

WORTH NOTING

Scores of small grantmakers are included in this cohort, including civic clubs, golf and fishing tournaments and foundations that operate as public charities.

The field also includes five entities that each had income greater than \$20 million in the most recent year, including United Way of Northeast Florida, The Community Foundation for Northeast Florida and the World Golf Foundation. The remaining two are The Dechomai Foundation and its supporting organization, The Dechomai Asset Trust. The Foundation helps charities and donors give and receive non-cash gifts, such as real estate, art and antiques. These five entities received about 90% of the cohort's income in the most recent year.

Also in this cohort are a number of leadership and volunteer development organizations such as Leadership Jacksonville, the Junior League of Jacksonville and the now-defunct HandsOn Jacksonville (which filed its final 990 in 2017).

This cohort also includes important intermediary organizations such as the Nonprofit Center of Northeast Florida and the Florida Nonprofit Alliance.

96 organizations

AGGREGATE FINANCES

INCOME	\$310,591,491
EXPENSES	\$254,989,233
NET ASSETS	\$557,138,260

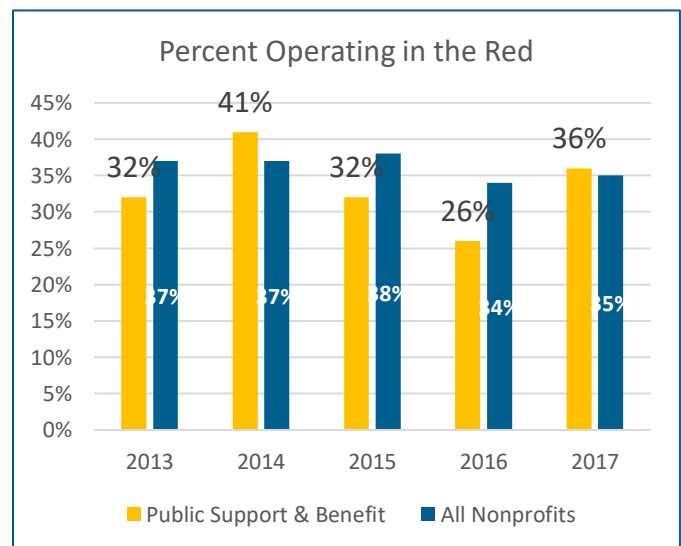
Most recent year financials

Most recent year financials

94%	2%	2%
CONTRIBUTIONS	GOVERNMENT GRANTS	EARNED INCOME

EMPLOYMENT

384 individuals



PUBLIC SAFETY

WHAT IS INCLUDED

This cohort includes nonprofits focused on public safety, the criminal justice system, transportation and disaster preparedness and response.

WORTH NOTING

This cohort is a mix of organizations — volunteer fire departments, marine patrol associations, cold case investigators, crime tip lines, the North Florida Safety Council (driver education and offense remediation), disaster preparedness and response entities and volunteer lifesaving corps.

The largest organization, however, is the nonprofit established to finance the construction of a jail in Baker County and operate the jail upon completion. The Baker Correctional Development Corporation accounts for 52% of the cohort income and 53% of its expenses.

23 organizations

AGGREGATE FINANCES

INCOME	\$29,520,071
EXPENSES	\$25,861,935
NET ASSETS	\$ 9,920,468

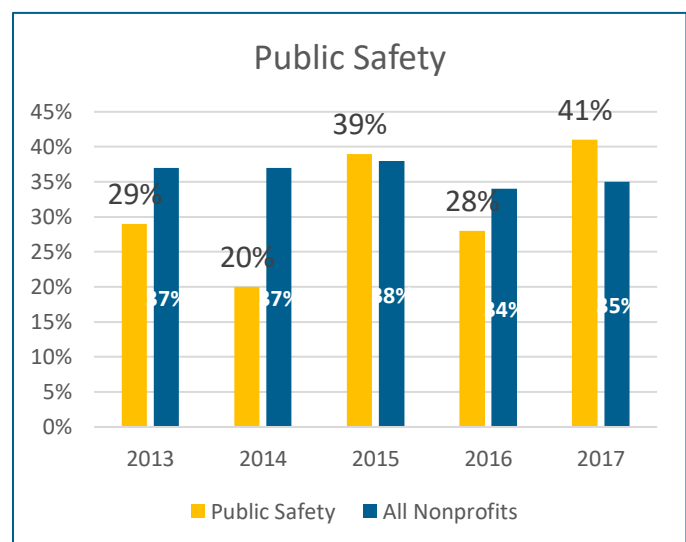
Most recent year financials

SOURCES OF INCOME

36%	3%	60%
CONTRIBUTIONS	GOVERNMENT GRANTS	EARNED INCOME

EMPLOYMENT

83 individuals



ENVIRONMENT & ANIMAL PROTECTION

WHAT IS INCLUDED

Included here are nonprofits focused on environmental protection and conservation, land use, parks and park protection, climate change and energy conservation, organic farming and animal care and protection.

WORTH NOTING

This is a broad category that has grown significantly through the years. Recently, there has been interest in examining the two components – environmental groups and animal protections groups – separately. That analysis appears on Page 11.

In general, animal protection groups tend to be financially more robust and earn a larger portion of their revenue. Environmental groups tend to be more centrally located and focus on non-revenue-producing activities.

92 organizations

AGGREGATE FINANCES

INCOME **\$40,556,818**

EXPENSES **\$30,761,427**

NET ASSETS **\$57,741,245**

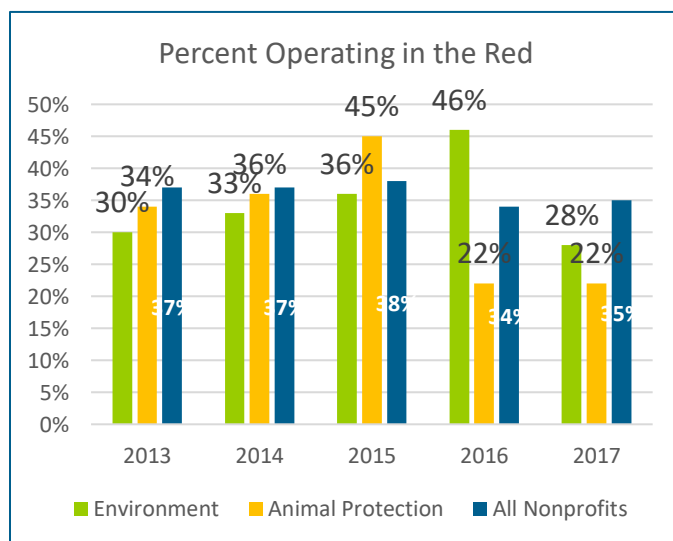
Most recent year financials

SOURCES OF INCOME

55%	1%	40%
CONTRIBUTIONS	GOVERNMENT GRANTS	EARNED INCOME

EMPLOYMENT

527 individuals



RELIGION

WHAT IS INCLUDED

This cohort includes organizations where ministry, evangelism and/or proselytizing is the primary objective. This does NOT include faith-based nonprofits providing other services. For example, Trinity Christian Academy, Trinity Rescue Mission and Trinity Bible College are all faith-based, church-affiliated nonprofits but they are categorized, respectively, as General Education, Human Services and Higher Education, not as Religion.

WORTH NOTING

This is one of the largest cohorts of nonprofits in Northeast Florida, reflecting the strong religious values of the region. *To learn more about the role of religion in the nonprofit sector, see Page 9.*

Most of the organizations reported modest financials in the most recent year — only 10 had incomes in excess of \$1 million, including the Catholic Foundation of the Diocese of St. Augustine and The Potter's House Christian Fellowship, the large, non-denominational church on the Westside of Jacksonville.

While earned income is reported at 31%, a careful look at tax returns shows several entities reporting "donations" as Program Income, so this is likely significantly overstated.

166 organizations

AGGREGATE FINANCES

INCOME	\$42,632,007
EXPENSES	\$38,805,488
NET ASSETS	\$64,709,286

Most recent year financials

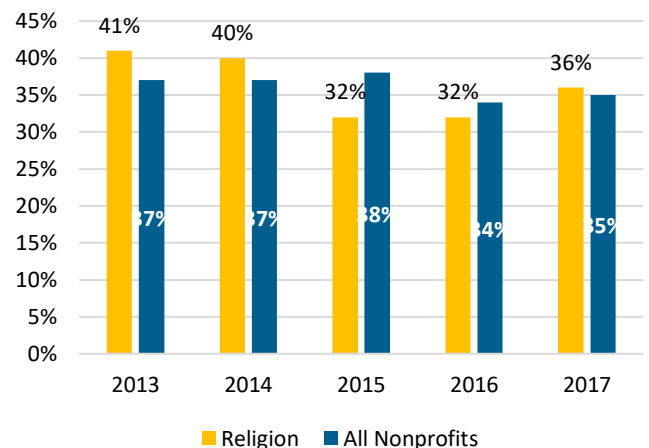
SOURCES OF INCOME

60%	0%	31%
CONTRIBUTIONS	GOVERNMENT GRANTS	EARNED INCOME

EMPLOYMENT

197 individuals

Percent Operating in the Red



SPORTS & RECREATION

WHAT IS INCLUDED

This cohort includes sports and recreational organizations whether focused on children and youth or adults.

WORTH NOTING

Roughly one third of the organizations in this cohort are youth sports organizations — Little Leagues, Pop Warners, youth soccer programs and the like.

But this group contains a broad array of sports entities, including organizations focused on sport shooting (skeet and clays), dressage and horsemanship, track and field, martial arts, fencing, sport fishing, golf, swimming and pole acrobatics.

Most are smaller organizations — only six earned more than \$1 million in the most recent year — and receive the bulk of their income from fees and equipment and uniform sales. Government funding is in the form of relatively small grants to multiple entities.

The largest entity in this group is the Gator Bowl Association, which produces the annual Gator Bowl NCAA college football playoff game. (Gator Bowl Sports Charities, the charitable arm of the Gator Bowl, is categorized under Public Support & Benefit.) Almost all of its revenue is earned from ticket sales. The First Tee junior golf program, the Florida Elite Soccer Academy and the Gator Bowl account for virtually all of the employment in this category.

116 organizations

AGGREGATE FINANCES

INCOME	\$37,890,712
EXPENSES	\$37,418,877
NET ASSETS	\$19,484,719

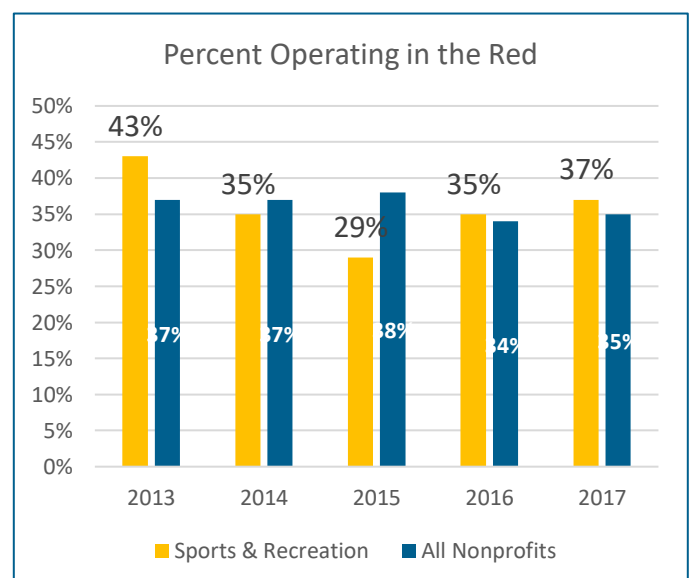
Most recent year financials

Based on organization with most recent year financials

19%	2%	77%
CONTRIBUTIONS	GOVERNMENT GRANTS	EARNED INCOME

EMPLOYMENT

219 individuals



BOOSTER CLUBS

WHAT IS INCLUDED

Included here are organizations intended exclusively to provide financial support to sports teams and groups, bands and school groups.

WORTH NOTING

The nonprofits in this group support bands and athletics at schools across the First Coast.

While contributions provide the bulk of their income, many also operate concession stands and host special events to earn additional revenue.

25 organizations

AGGREGATE FINANCES

INCOME	\$3,699,827
EXPENSES	\$3,641,405
NET ASSETS	\$1,266,019

Most recent year financials

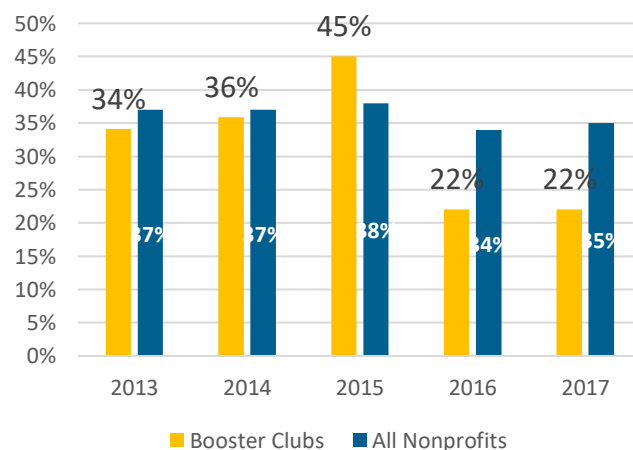
SOURCES OF INCOME

60%	0%	39%
CONTRIBUTIONS	GOVERNMENT GRANTS	EARNED INCOME

EMPLOYMENT

0 individuals

Percent Operating in Red



INTERNATIONAL

WHAT IS INCLUDED

This cohort includes organizations whose primary focus is on services provided outside of the United States.

WORTH NOTING

The missions of organizations in this cohort run the gamut, from environmental protection to orphanages, women's leadership programs to community development. A large proportion have a faith or church affiliation (see Page 9).

They exist almost exclusively on contributions, and most have no employees. The majority of these entities support foreign work financially as opposed to delivering services directly.

95 organizations

AGGREGATE FINANCES

INCOME	\$50,693,017
EXPENSES	\$43,198,216
NET ASSETS	\$24,264,880

Most recent year financials

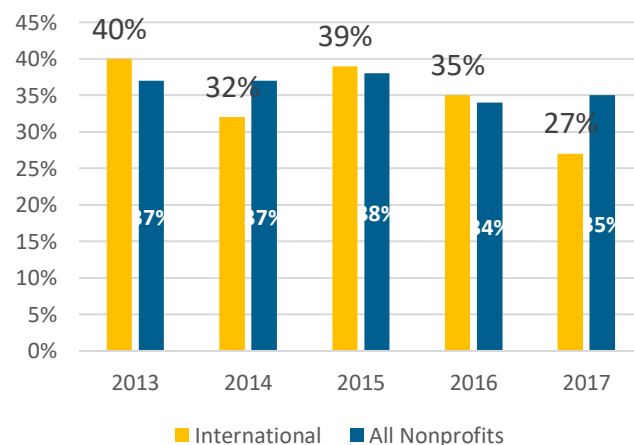
SOURCES OF INCOME

96%	0%	3%
CONTRIBUTIONS	GOVERNMENT GRANTS	EARNED INCOME

EMPLOYMENT

37 individuals

Percent Operating in the Red



METHODOLOGY

The State of the Sector study relies almost exclusively on data provided by the Internal Revenue Service, either through nonprofit organizations' informational tax returns or through IRS aggregation of individual tax returns.

DATA ON INDIVIDUAL GIVING

Unless otherwise indicated, the data on nonprofits comes from IRS Forms 990 and 990EZ filed by nonprofits and made available through Guidestar.

While the study acknowledges all public charities with 501 (c)(3) tax exemptions on the First Coast, the study analysis only deals with those nonprofits that:

- Have an active 501 (c)(3) tax exemption;
- Have filed Form 990 or Form 990EZ with the IRS for the year in question;
- Are based on the First Coast (Baker, Clay, Duval, Nassau or St. Johns county) for the year in question.\

Most Recent Year – The Most Recent Year cohort is a group of 1,413 organizations that have filed tax returns since 2016. Because of variations in fiscal years and filing schedules, it is necessary to look at more than a 12-month window to see a fair reflection of the Sector's finances. Many of the largest nonprofits have the most complex financials and, thus, are among the last to file for a given year. The Most Recent Year cohort includes:

- 286 organizations for whom 2016 is the most recent filing; the long-term performance of these organizations suggests that the majority will file for 2017.
- 1,029 organizations for whom 2017 is the most recent filing.
- 98 organizations for whom 2018 is the most recent filing. Only eight of these organizations did not file in either 2016 or 2017.

DATA ON INDIVIDUAL GIVING

Annually the IRS releases de-identified, aggregate data on individual tax returns sorted by county and/or zip code.

Data on number of filers and Adjusted Gross Income reflects all tax filers in that particular geography. Data on the number of donors and the amount of contributions reflects only those filers in that particular geography who reported a charitable gift on Schedule A.