



The **Maine** Nonprofit Sector October 2005

MORE THAN CHARITY

Nonprofit organizations:

- **Define, shape, and improve the quality of life in local communities.**
- **Are the foundation of the creative economy, which attracts businesses to communities.**
- **Augment services provided by the state, effectively reducing the cost of government.**
- **Engage citizens in their communities through volunteerism.**
- **Provide economic stimulus by employing a significant portion of the Maine workforce, including underemployed and unemployed citizens.**
- **Bring foundation and federal grants into the state.**

Maine nonprofit organizations touch the lives of all Maine residents, the well-off, the middle class, the working poor, the unemployed, and the unemployable - and they employ over 70,000 Mainers in the process. Nonprofits also encourage civic involvement, provide information on public policy issues, encourage economic development, protect the environment, and promote and preserve the arts and our culture. In doing so, this vibrant sector enriches society and efficiently assists government with its responsibilities.

This report summarizes the most recently available data on Maine's nonprofits and illustrates the significant role this sector plays. Much attention is given to the condition of business and government in our state, but let us not forget that nonprofits fill a critical role as a third and independent sector. The primary sources for these data are annual reports filed with the IRS by charitable nonprofits with over \$25,000 in gross annual receipts.

Through this report, the Maine Association of Nonprofits (MANP) and the Maine Community Foundation (MCF) hope to build awareness of the vital role nonprofits play and to educate policymakers, the media, and the public about charitable giving in Maine. Some highlights of this report include:

- There were 2,164 reporting charitable nonprofits in Maine in 2003, up from 1,805 in 2000.
- Expenditures by these charitable nonprofits totaled \$6 billion, representing 14.6% of the Gross State Product in Maine, well above the 8% national average.
- The 272 foundations registered in Maine held \$934 million in assets and gave \$61 million in grants.
- In 2003, the average charitable deduction for itemizing taxpayers in Maine was \$2,177—about 2.8% of their incomes and less than the national average.

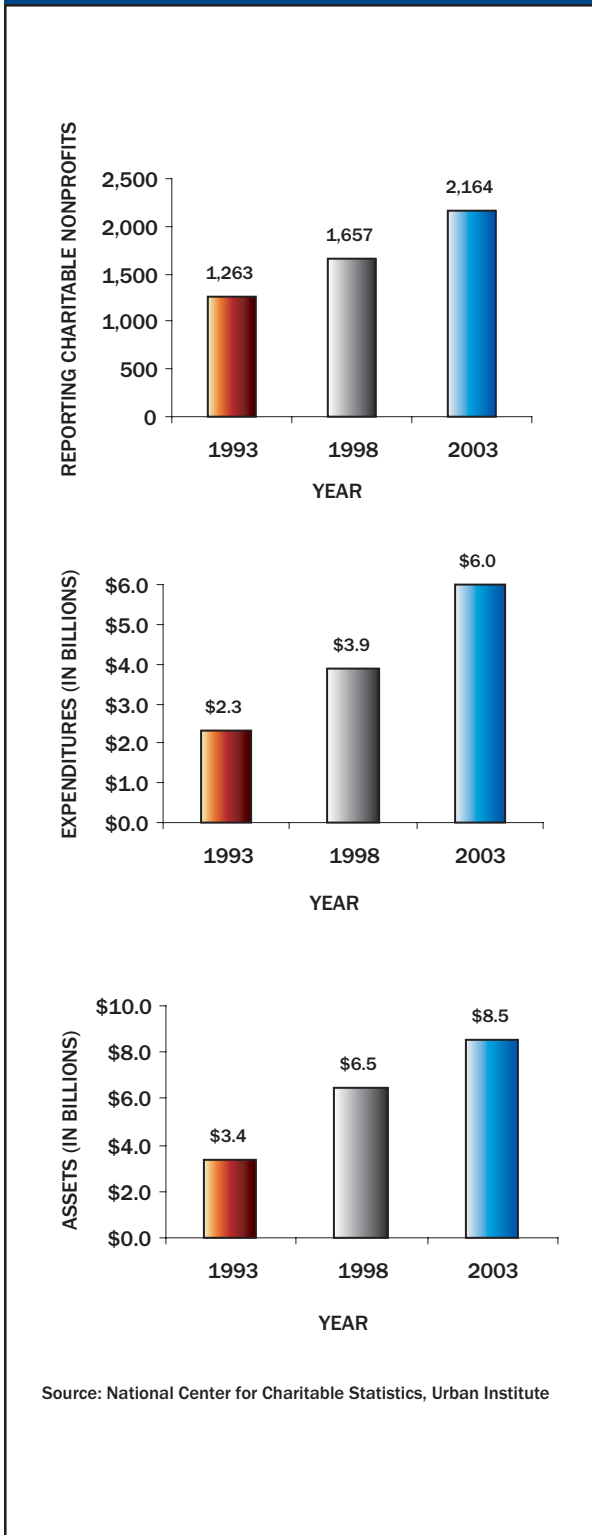
Yet these numbers don't tell the whole story. In addition to the reporting 501(c)(3)s, 2,997 organizations are not required to file, including religious congregations, booster clubs, local PTAs, youth soccer, Little League, and numerous other small organizations that are active in our communities, but whose limited finances or other characteristics exempt them from the IRS reporting requirement.

Charitable nonprofits benefit us in ways that can't easily be quantified: as tools for community building, fostering civil society, and strengthening our social fabric. They are essential to improving the quality of life in our state. The citizens of Maine have and will continue to place their trust in the responsiveness, performance and quality of services provided by these organizations. MCF and MANP are pleased to present this report, in collaboration with our national partner, the National Council of Nonprofit Associations, to promote better understanding and appreciation of our state's nonprofit community.

Scott Schnapp
Executive Director
Maine Association of Nonprofits

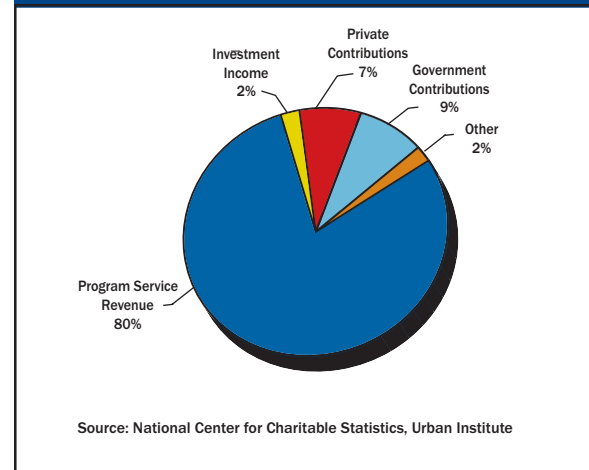
Henry L.P. Schmelzer
President and CEO
Maine Community Foundation

FIGURE 1 Reporting Charitable Nonprofits in Maine, 1993-2003



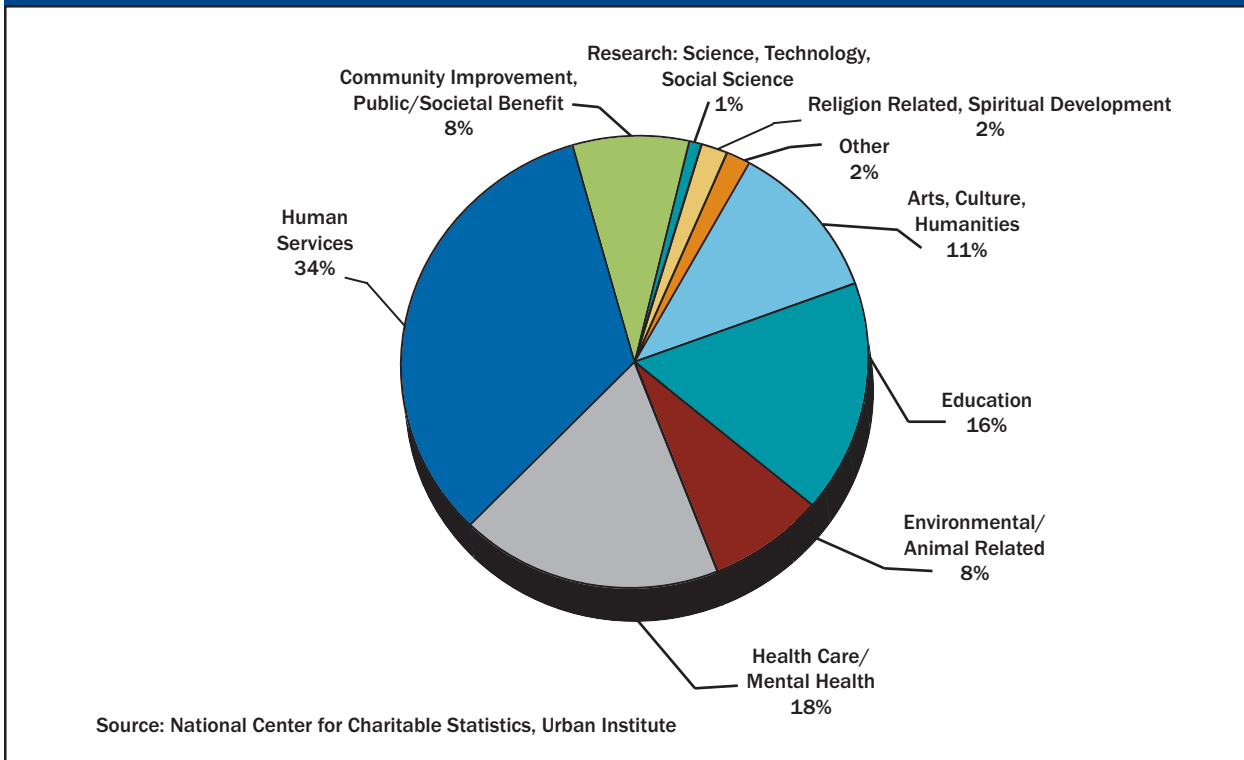
- In 2003, there were 2,164 reporting charitable nonprofits that were tax-exempt under Section 501(c)(3) of the IRS code (Fig. 1). Private foundations are not included but are discussed on page six. Religious congregations are not required to report and are also not included.
- Reporting charitable nonprofits had \$6 billion in expenditures in 2003—14.6% of the Gross State Product in Maine (Fig. 1). This is far greater than the national average of 8% (Bureau of Economic Analysis). This \$6 billion represents a 14% increase over figures from 2000, where reporting charitable nonprofits' expenditures accounted for 12.8% of the Gross State Product.
- The value of assets held by nonprofits reached \$8.5 billion in 2003, which is an 8% increase from the \$7.9 billion in 2000, and a 150% increase from \$3.4 billion reported in 1993 (Fig. 1).

FIGURE 2 Sources of Revenue for Reporting Charitable Nonprofits, 2003



- The major source of revenue for reporting charitable nonprofits in Maine was fees for services and programs, representing 80% of revenue (Fig. 2).
- About 7% of total revenue was from contributions made by individuals, corporations, and foundations (Fig. 2). This is lower than the national average of 14% and down from 9% in 2000.

FIGURE 3 Reporting Charitable Nonprofits in Maine by Field, 2003



- Human service organizations (33.6%) make up the largest proportion of Maine’s reporting charitable nonprofits. They provide a broad spectrum of services including youth development, disaster relief, housing services, and family support (Fig. 3).
- Health Care/Mental Health is the second largest field, representing 18% of the total (Fig. 3).
- Religiously-affiliated charitable nonprofits that provide specific programs, such as mental health services or day care, are placed with organizations providing similar services, not under religion-related.
- While 4,893 charitable nonprofits (not including foundations) are registered as tax exempt under 501(c)(3), only 2,164 (50%) are required to file an annual report with the IRS because they meet the filing requirement of over \$25,000 in gross receipts (Fig. 4). There may also be charitable nonprofits that are registered but are no longer in business.

FIGURE 4 The Maine Nonprofit Sector, 2003

Tax-Exempt Organizations	Registered with IRS (over \$5,000 in gross receipts)	Filing Annual IRS Report (over \$25,000 in gross receipts)
Charitable Nonprofits	4,893	2,164
Private Foundations*	488	272
Total under 501(c)(3)**	5,381	2,436
501(c)(4) Social Welfare	614	188
501(c)(5) Labor/Agricultural	300	103
501(c)(6) Business Leagues	415	221
501(c)(Other)	1,971	413
Total Under Other 501(c)		
Subsections	3,300	925

Source: National Center for Charitable Statistics, Urban Institute.
 *Source for Filing Foundations: Foundation Center
 **Does not include religious congregations.

- In 2003, Maine nonprofit hospitals represented only 3% of total reporting charitable nonprofits, but they accounted for 51% of total expenditures and 33% of assets (Fig. 5).
- Human service organizations, representing 33.6% of all nonprofits in Maine, were responsible for 14% of total expenditures and only 12.1% of assets (Fig. 5).

FIGURE 5 Number, Expenditures, and Assets of Reporting Charitable Nonprofits in Maine by Field, 2003

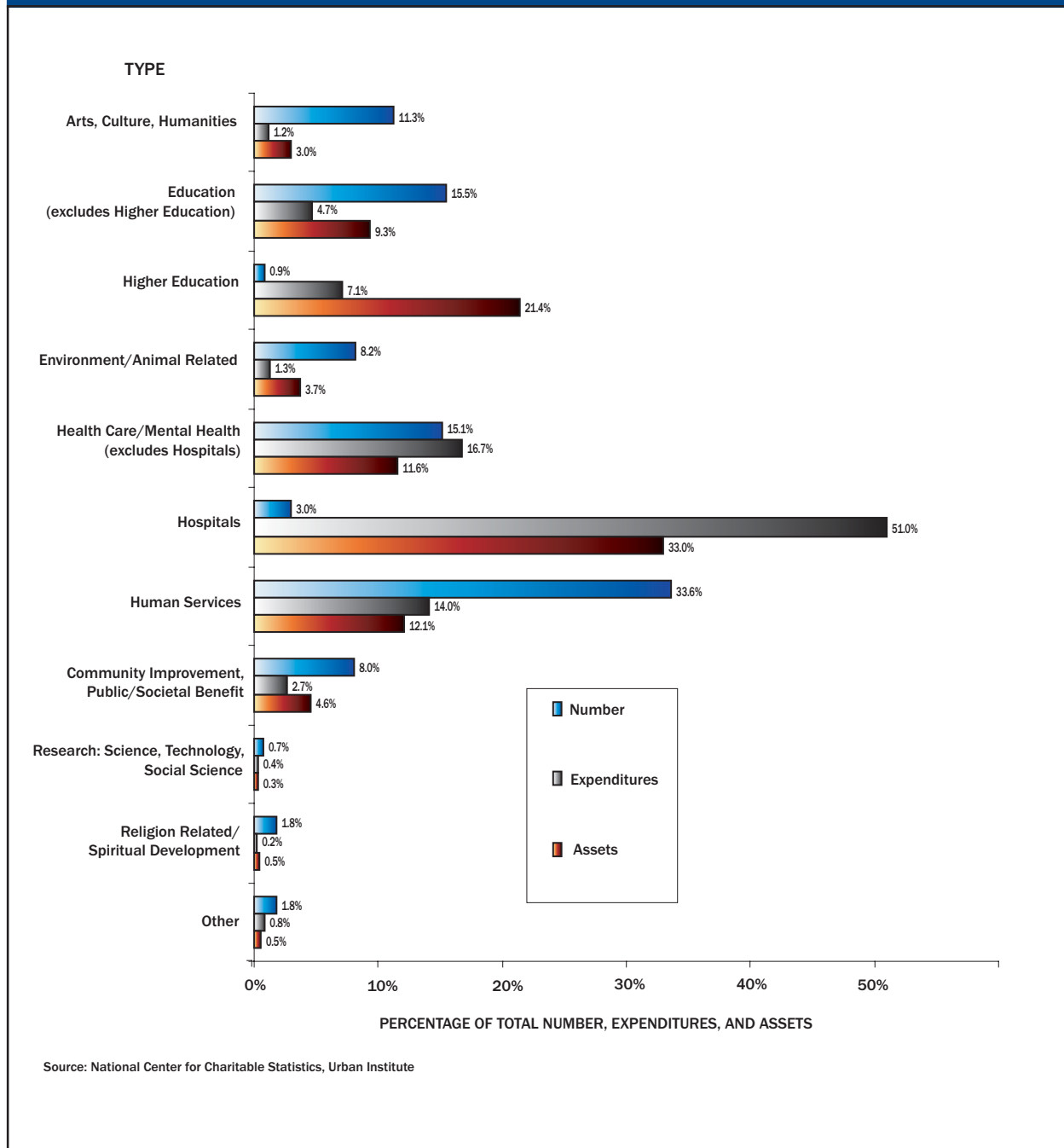
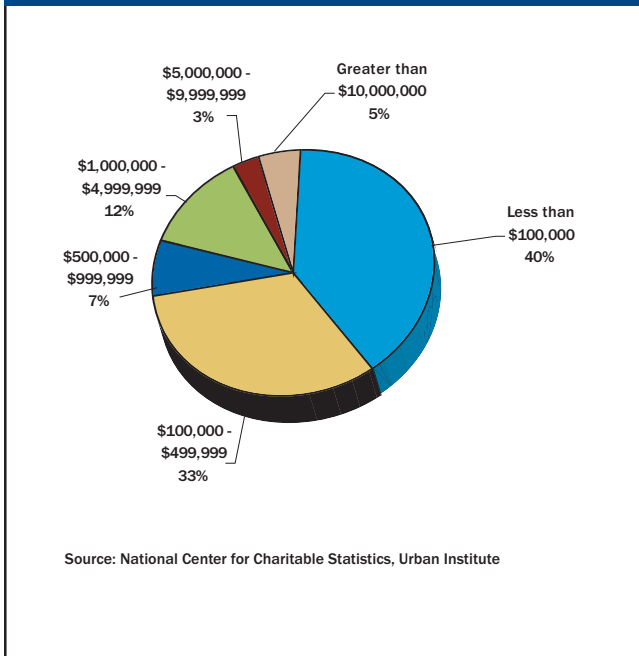


FIGURE 6 Reporting Charitable Nonprofits in Maine by Expenditure Level, 2003



- In 2003, only 8% of reporting charitable nonprofits (169 organizations) had annual expenditures greater than \$5 million (Fig. 6). These organizations accounted for 75.2% of total assets and 84.4% of total expenditures.
- In contrast, 80% (1,725 organizations) had annual expenditures under \$1 million (Fig. 6).
- Not reflected in Figure 6 are the 2,997 small charitable nonprofits registered with the IRS but not required to file (58% of charitable nonprofits in Maine). This includes youth sports leagues, rescue squads, and other small groups.
- The majority of nonprofit organizations (47%) are located in three counties—Cumberland, Kennebec, and Penobscot—and represent 54% of total expenditures and 57% of total assets (Fig. 7).

FIGURE 7 Reporting Charitable Nonprofits in Maine by County, 2003

County	Number of Organizations	Expenditures	Assets	County	Number of Organizations	Expenditures	Assets
Androscoggin	129	\$642,812,124	\$880,744,274	Oxford	79	\$120,353,232	\$139,012,411
Aroostook	83	\$262,929,607	\$174,666,672	Penobscot	203	\$791,843,737	\$913,240,497
Cumberland	593	\$1,655,836,975	\$2,848,206,265	Piscataquis	25	\$64,179,386	\$47,475,804
Franklin	50	\$107,100,898	\$77,522,143	Sagadahoc	44	\$50,262,122	\$169,023,936
Hancock	155	\$358,535,100	\$620,288,011	Somerset	40	\$110,945,669	\$140,877,607
Kennebec	218	\$796,716,225	\$1,071,062,769	Waldo	58	\$94,990,912	\$136,014,292
Knox	134	\$209,323,931	\$283,475,077	Washington	68	\$89,122,983	\$84,081,922
Lincoln	86	\$107,643,126	\$254,467,139	York	198	\$508,188,654	\$638,708,265
				Total	2,164	\$5,971,212,581	\$8,479,725,102

Source: National Center for Charitable Statistics, Urban Institute.
 Note: One organization does not have an assigned county and is included in these totals

FIGURE 8 Overview of Maine Foundations, 2003

Foundation Type	Number of Foundations	Assets	Total Giving
Independent Foundations	232	\$721,897,711	\$44,986,280
Corporate Foundations	11	\$45,451,565	\$6,114,116
Community Foundations	2	\$135,651,607	\$10,055,359
Operating Foundations	27	\$31,264,681	\$725,224
Total in Maine	272	\$934,265,564	\$61,880,979
Total in United States	66,398	\$476,713,115,000	\$30,308,835,000
Maine as % of U.S.	0.41%	0.20%	0.20%

Source: The Foundation Center

- There were a total of 272 foundations in Maine in 2003, with 232 independent foundations¹ (85%) (Fig. 8).
- The total assets of Maine foundations were over \$934 million and their giving totaled almost \$62 million (Fig. 8) in 2003.
- The 272 foundations in Maine represented 0.41% of all foundations in the United States in 2003 (Fig. 8).

FIGURE 9 Top 10 Maine Foundations by Assets, 2003

Foundation Name	Assets	Foundation Type
Libra Foundation	\$191,642,731	Independent
The Maine Community Foundation, Inc	\$134,484,000	Community
Maine Health Access Foundation	\$102,108,412	Independent
The Sandy River Charitable Foundation	\$36,882,011	Independent
Banknorth Charitable Foundation	\$30,299,607	Corporate
Melmac Education Foundation	\$27,050,886	Independent
Harold Alfond Foundation	\$25,493,533	Independent
The William and Joan Alfond Foundation	\$17,191,469	Independent
Robert and Patricia Switzer Foundation	\$17,164,588	Independent
Great Bay Foundation for Social Entrepreneurship	\$15,005,930	Independent
Total - Top Ten	\$597,323,167	
Total - All Maine Foundations	\$934,266,000	

Source: The Foundation Center

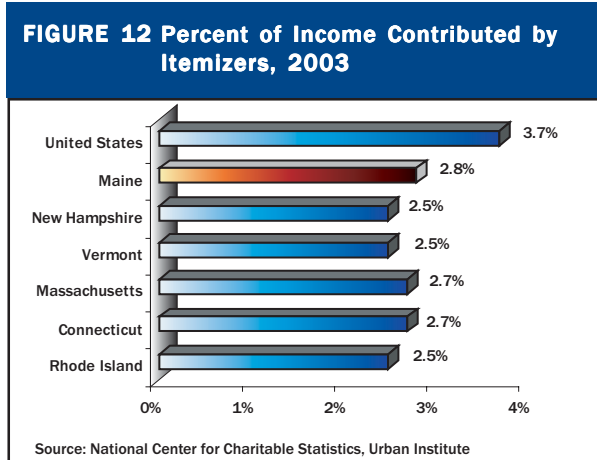
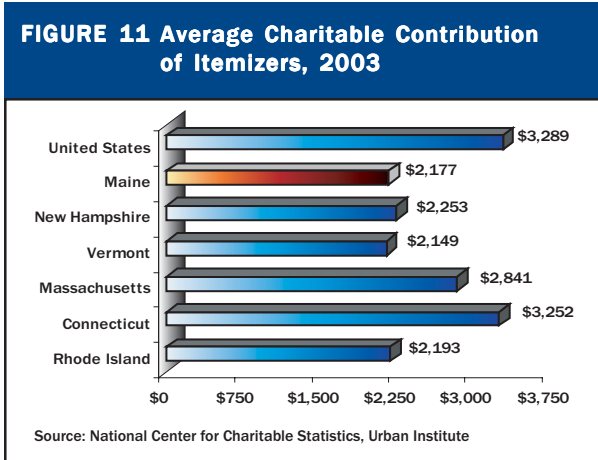
- The ten largest foundations in Maine had over \$597 million in assets, which was 64% of the total for all foundations in the state (Fig. 9).
- The ten largest foundations gave over \$44 million or 72% of total giving by Maine foundations (Fig. 10).

FIGURE 10 Top 10 Maine Foundations by Total Giving, 2003

Foundation Name	Total Giving	Foundation Type
Libra Foundation	\$16,070,422	Independent
The Maine Community Foundation, Inc	\$9,988,000	Community
Maine Health Access Foundation	\$3,699,673	Independent
Banknorth Charitable Foundation	\$3,289,499	Corporate
Stephen and Tabitha King Foundation, Inc	\$3,164,020	Independent
The Sandy River Charitable Foundation	\$2,946,760	Independent
Harold Alfond Foundation	\$1,958,861	Independent
Hannaford Charitable Foundation	\$1,558,350	Corporate
Great Bay Foundation for Social Entrepreneurship	\$811,238	Independent
Lunder Foundation	\$726,478	Independent
Total - Top Ten	\$44,213,301	
Total - All Maine Foundations	\$61,881,000	

Source: The Foundation Center

¹The Foundation Center describes foundations as follows: Independent foundations are grantmaking organizations. Corporate foundations are independent grantmakers with ties to corporation benefactors. Operating foundations conduct research, provide a direct service, and make few grants. Community foundations pool donations and make grants, usually in a specific community.



■ The average charitable contribution of those who itemized deductions was \$2,177 in Maine in 2003 (Fig. 11). This is consistent with data collected in 2000.

■ The percent of income contributed by these Maine itemizers was 2.8%, below the national average of 3.7% (Fig. 12). While the national average has climbed slightly from 3.5% in 2000, Maine has ceded some ground percentage wise from 2.9% in 2000.

For more information, see:

- Maine Association of Nonprofits (<http://www.nonprofitmaine.org>)
- Maine Community Foundation (<http://www.mainecef.org>)
- National Council of Nonprofit Associations (<http://www.ncna.org>)
- National Center for Charitable Statistics at the Urban Institute (<http://www.nccs.urban.org>)
- Foundation Center (<http://www.fdncenter.org>)

About the Maine Association of Nonprofits

The Maine Association of Nonprofits (MANP) is an association of 525 nonprofit members and over 100 corporate supporters that provides management training programs, group purchasing services, advocacy, and a broad range of resources for the Maine nonprofit sector. MANP offers skill development programs in the areas of human resources, financial management, technology, public relations & marketing, staff & board leadership and fund development, a group purchasing program for health care and employee benefits, as well as advocacy programs and resources. MANP is part of a national network of over 40 state associations offering a wide variety of programs and services to nonprofit organizations.

About the Maine Community Foundation

Founded in 1983, The Maine Community Foundation (MCF) is one of the leading charitable resources for donors seeking to provide long-term support to strengthen Maine communities. Known for its innovative grant program, financial strength and prudent investment strategies, MCF is a public charity incorporated in Maine and governed by a statewide volunteer Board of Directors. A professional staff works in three program areas: grantmaking and program initiatives; resource development and philanthropic services; and finance and investments. MCF serves as a civic leader, convener and sponsor of special initiatives in the arts, social capital, education and other fields. With assets totaling \$175 million, the Maine Community Foundation has awarded more than \$70 million in grants and scholarships since its founding.