

The Economic Impact of Gwinnett County's Nonprofit Sector (Executive Summary)

"Success Lives Here"

Prepared for

The Gwinnett Coalition for Health and Human Services



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EXECUTIVE SUMMARY

The Economic Impact of Gwinnett County's Nonprofit Sector

The nonprofit sector in Gwinnett County is large, diverse, and growing. Nonprofit organizations work to better the community by directly addressing issues of concern through service or civic engagement. The nonprofit sector spans the political spectrum of ideas and encompasses every aspect of human endeavor, from symphonies and Little Leagues, to homeless shelters and day care centers. While every nonprofit is unique, all are based on the core value of people coming together around issues of mutual concern and common interest in pursuit of the common good. All of our lives are touched and in some cases transformed by nonprofits.

The purpose of this report is to summarize data on Gwinnett County's nonprofit sector and illustrate how nonprofits directly and significantly impact the economy. This analysis provides an estimate of the nonprofit sector's impact by comparing it to traditional areas of commerce and industry and demonstrating the sector's influence beyond its primary role as a provider of needed services. Contributing to the overall health of our economy, this report reveals three main points: nonprofits are unique in their capacity to leverage resources, stimulate the workforce, and improve the overall quality of life in Gwinnett County.

Leverage Resources:

Nonprofits have the ability to leverage a unique blend of resources from:

- federal, state and local governments,
- private donations and grants,
- in-kind and other contributions, and
- fees for services.

Stimulate the Economy:

Nonprofits impact the local economy through their ability to:

- Provide jobs and wages to residents,
- Circulate money in the economy through their purchases of goods and services,
- Represent a taxpaying workforce.

Improve Quality of Life:

Gwinnett County residents place their trust in the responsiveness, performance, and quality of services provided by the county's nonprofit sector. Thus, nonprofits also benefit us in several ways:

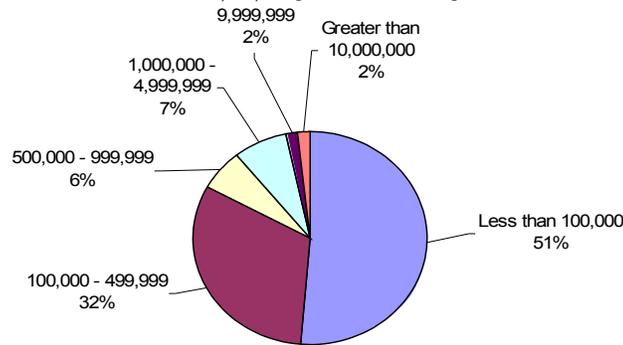
- Serving as a network of community leaders, policy makers, and businesses,
- As tools for community building,
- Fostering civil society,
- Strengthening our social fabric,
- Improving the quality of life, and
- Making Gwinnett County an ideal place to live and work.

The Gwinnett Coalition for Health and Human Services is pleased to present this report, in collaboration with the University of Georgia's Carl Vinson Institute of Government and the Georgia Center for Nonprofits, to promote a better understanding and appreciation of our county's nonprofit community. Through this report we aim to build awareness about the vital role nonprofits play and to educate policy makers, the media, and the public about Gwinnett County's nonprofit sector.

KEY FINDINGS

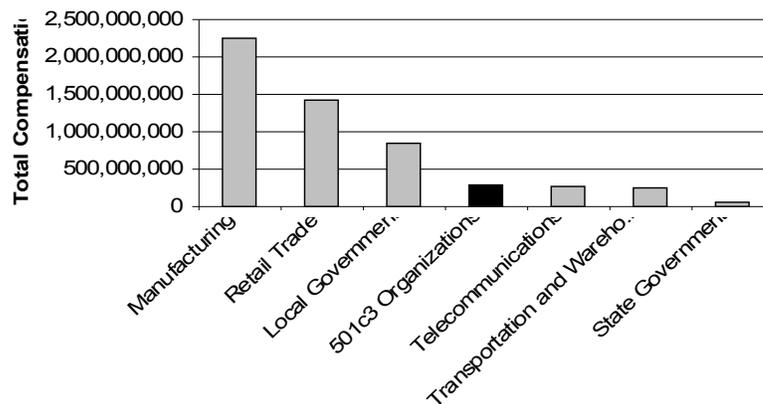
- In 2004, there were 1,577 nonprofit organizations located in the Gwinnett County, an increase of 443 percent since 1996.
- The value of assets held reached over \$1 billion in assets with over \$1 billion in gross receipts.
- Annual expenses for Gwinnett nonprofits totaled almost \$774 million, including over \$290 million in employee compensation. See Table 1.

Table 1 – Gwinnett Nonprofits’ Expenditure Levels



- Health and education constitute the largest nonprofit sectors in Gwinnett County.
- With a \$290 million payroll, the nonprofit sector is large both in absolute terms and relative to other sectors in the county. Gwinnett County nonprofits have a greater local payroll than the state government, transportation and warehousing, or telecommunications sectors. See Table 2.

Table 2 - Total Compensation of Gwinnett County Nonprofit Sector Compared to Selected Industries, 2001



- Over the period of 2000 to 2035, an average of 13,900 jobs in Georgia are projected to exist because of the Gwinnett County nonprofit sector. Approximately 11,600 of those jobs are forecast to be located in Gwinnett County. This indirectly results in the addition of 3 jobs in other industries for every one job in the nonprofit sector.

- Gwinnett County nonprofits are projected to provide an average of 5,966 jobs per year over the 36 year study period and an average of \$260 million in additional personal income.
- During the study period, the existence of the Gwinnett County nonprofit sector is forecast to result in an average of \$559 million additional personal income in the state of Georgia, including \$423 million in Gwinnett County.
- On average, \$503 million in revenue will be generated each year for Georgia businesses because of the presence of the Gwinnett County nonprofit sector, including \$411 million in Gwinnett County.
- From 2000 to 2035, the state government will receive \$612 million in net revenue attributable to the existence of the Gwinnett County nonprofit sector, or an average of \$17 million annually.
- If local county government were to assume the activities of Gwinnett County's nonprofit sector, significant budget deficits would occur. That is, budget deficits of between \$6.1 million and \$18 million annually would occur depending on the financing approach.

CONCLUSION

This report offers the first in-depth examination of the size and scope of Gwinnett's nonprofit community in terms of its overall economic magnitude. Our findings demonstrate that nonprofits are a significant economic force in Gwinnett County, directly generating over \$411 million in revenue each year; **indirectly creating 3 jobs in other industries for every one job in the nonprofit sector** (more than 11,000 jobs annually); supporting a payroll of over \$290 million; and providing valuable services that impact virtually every Georgia resident. Gwinnett's nonprofit sector clearly contributes to the vitality of the economy beyond the services it provides to the population. As a network, Gwinnett's nonprofits provide quality of life services to residents in all economic strata's. However, as the data demonstrates in this report, this nonprofit network also contributes to statewide and local economies in effect providing a valuable return on investments going to support nonprofit services. Therefore, in the course of their work, Gwinnett's nonprofit organizations demonstrate a collective and direct economic strength that will continue to sustain this momentum in the future.

State and local governments, as well as funding sources and businesses considering giving support to nonprofits should use this report to:

- Understand the range of nonprofit services.
- Understand the extent to which nonprofits not only improve a community's quality of life, but its overall economy.
- Recognize how the existence of nonprofits boosts other industries.
- Recognize the value of partnering with nonprofits who can contribute to future discussions on economic development.
- Utilize the skills of nonprofit leaders to enhance efforts at fundraising, needs analysis, strategic planning and program improvement.

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Dr. Tanner specializes in impact analysis and economic modeling of the indirect and induced impacts of changes in public policy, improvements to transportation and other infrastructure, existing and proposed business ventures, and the economic impact of proposed and existing government

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