

# NONPROFIT WISCONSIN IN BRIEF

SIZE AND SCOPE  
& ECONOMIC IMPACT



“Nonprofit Wisconsin: In Brief” provides an overview of the state's nonprofit sector, including economic impact. The report is designed to promote an understanding of the importance of Wisconsin's nonprofit sector to the well-being of Wisconsin's citizens by providing the following:

- Background on how nonprofits are defined and classified.
- Explanation of what data is easily available – or not – and why.
- A scan of Wisconsin's nonprofit sector both at large and by county.
- Breakdown of nonprofit revenue by subsector.
- Facts about nonprofits correcting common myths about the sector.
- Unique and important aspects of the sector's economic impact on the state of Wisconsin.
- Consideration of the recent changes in reporting thresholds.

This report reveals the following (and more):

- *Nonprofits continue to receive the majority of their support from program service revenue, while sources of revenue vary significantly on a subsector level.*
- *Nonprofits contribute significantly to Wisconsin's economy and well-being by addressing problems that government and for-profits cannot or will not take on. This results in an expansion of employment opportunities for people in Wisconsin, bolsters productivity through volunteers, and contributes to the state and federal tax base.*
- *Volunteerism in Wisconsin has seen a considerable increase in both hours served and the number of residents participating.*

“That this sector flourishes in the U.S. economy reflects well upon the aspirations and dedication of its citizens. That this sector is as large as it is means that **the nation is constantly enriched with new, different sources of ideas and information** ... since the nonprofit sector contains so many organizations and is so varied, **it gives society a texture and depth that could not be achieved any other way.**”

Boris and Steuerle, 2006

## Nonprofit organizations are vital to meeting the needs of communities across Wisconsin.

The nonprofit sector is an essential component of the civic infrastructure of Wisconsin playing an integral role in the delivery of services to people throughout the state. Nonprofit organizations not only provide an enormous range of important services, but also enrich personal development and play a critical role in strengthening civic engagement. Furthermore, the nonprofit sector is a major economic force both locally and nationally. Nonprofits have come to play significant supplementary, complementary and confrontational roles to those of the state (Young, 2000), without which our world would be very different. They strengthen and contribute to the success of our democracy, providing vehicles for defining and promoting often-competing visions of the public good (Boris and Steuerle 2006).

In order for the nonprofit sector to be effective in fulfilling its key roles and to prepare for the future, nonprofit leaders, board members, funders and other stakeholders must have reliable information about the state of Wisconsin nonprofits and the environment in which they operate. While there is much information available from various sources, currently few resources exist that provide a solid overview of the Wisconsin nonprofit sector. This report seeks to address this gap by providing key information on the composition and important characteristics of the Wisconsin nonprofit sector, broadly defined.

## WHAT IS A **NONPROFIT**?

Nonprofits play a critical role in strengthening democracy, advancing freedom of expression and adding richness and diversity to community life.

The nonprofit sector is complex and sometimes misunderstood. Some define nonprofits for what they are not (for-profit business or government), others for what they contribute. Many look to the IRS for clarity when defining nonprofits. Section 501(c) of the federal tax code specifies 29 different classifications of nonprofits, which can be grouped into two major types:

- **Charitable 501(c)(3)** nonprofits serve the public, and donations they receive are tax-deductible. Charitable organizations include public charities and private foundations. They also include religious congregations that are not required to register with the IRS.
- **Noncharitable** nonprofits receive much of their funding from the members they serve, as opposed to the general public. Noncharitable entities are exempt from some federal taxation, but their donors are not permitted to deduct contributions from their federal taxes.

In addition, there are many informal associations often viewed as nonprofits that are not registered with the IRS.

**This report focuses primarily on 501(c)(3) public charities for which IRS data are available.**

## WHAT TAXES DO NONPROFITS PAY?

501(c)(3) federally exempt nonprofits in Wisconsin are usually exempt from Wisconsin sales tax. Exemption of properties owned by Wisconsin nonprofits is assessed by the local taxation district based on guidance provided in the Wisconsin statutes.

Charitable organizations pay federal and state income tax withholding and Social Security and Medicare taxes for paid employees. In addition, some are responsible for federal unemployment tax and forms of property tax.



## WISCONSIN'S THIRD SECTOR

Wisconsin benefits from a robust and diverse nonprofit sector ranging from small organizations run solely by volunteers to large institutions with thousands of employees. Nonprofit missions represent a broad range of issues important to various constituencies throughout much of the state's population. Nearly 39% of all public charities fall within the human services subsector, followed by education which comprises 14% of the sector. Revenue levels and sources also vary significantly among Wisconsin's nonprofits, as listed on pages 5-7.

Wisconsin nonprofits contribute to Wisconsin's workforce and revenue, provide opportunities for Wisconsin residents to volunteer, and address a range of needs that government and for-profit organizations cannot or do not wish to address. These contributions are described throughout this report.

The nonprofit sector  
accounts for

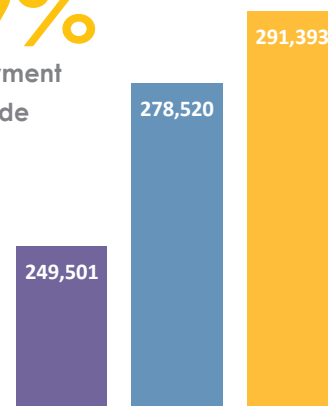
# 11.9%

of employment  
statewide



Number of  
Employees in  
Wisconsin's  
Nonprofits

(Bureau of Labor  
Statistics, 2018)



### HOW MANY NONPROFITS?

There is no simple answer to this question, and it is not unusual for reported numbers to conflict. Lester Salamon, notable nonprofit scholar, confirms this dilemma, stating, "No one knows for sure how many nonprofit organizations exist in the United States..." (2002), and Wisconsin is no exception.

Reasons for this include:

- Some reports include only those that report to the IRS.
- Other reports exclude larger subsectors, such as hospitals and educational institutions, due to their sizes and shares of revenues that are viewed as "skewing" data.
- Religious congregations are not required to report to the IRS and, therefore, are difficult to count.
- Many charitable organizations are unincorporated or incorporated at the state level but not registered as a 501(c)3, and, therefore, are difficult to count.
- IRS reporting thresholds and other rules have changed over the years affecting data available.

Following are four categories for which total numbers are often reported:

Number of Registered Wisconsin Nonprofits	2018
<b>All nonprofit organizations</b>	<b>36,120</b>
All 501(c)(3) organizations	26,490
501(c)(3) public charities	23,877
501(c)(3) private foundations	2,613

Source: National Council on Charitable Statistics

### Nonprofits taking the 501(h) ELECTION

will find that they can engage in lobbying in a safer way – with less guessing, simpler filing and clearer expectations.

"Arguably, the most important public policies we have in the United States have come from nonprofit organizations lobbying for their causes. These achievements may be largely attributed to the strong leadership of executive directors and board members who knew that direct service alone would not change the flawed or missing public policies that contributed to the problems their organizations were trying to alleviate."

David F. Arons  
*Nonprofit Governance and Management*

## WISCONSIN'S DIVERSE **NONPROFIT** SECTOR

SUBSECTOR	NO. OF NONPROFITS IN 2005	NO. OF NONPROFITS IN 2011	NO. OF NONPROFITS IN 2016	% CHANGE (2005-2016)
ARTS, CULTURE & HUMANITIES	672	773	746 (9.9%)	11%
EDUCATION	987	1,167	1,065 (14.13%)	8%
ENVIRONMENT	343	439	444 (5.9%)	29%
HEALTH	751	843	781 (10.36%)	4%
HIGHER EDUCATION	32	37	42 (0.56%)	31%
HOSPITALS	148	137	132 (1.75%)	-11%
HUMAN SERVICES	2,640	2,993	2,935 (38.94%)	11%
INTERNATIONAL	69	111	95 (1.26%)	38%
MUTUAL BENEFIT *	26	24	22 (0.29%)	-15%
PUBLIC & SOCIETAL BENEFIT	969	1,020	926 (12.29%)	-4%
RELIGION-RELATED	300	391	334 (4.43%)	11%
OTHER	4	9	15 (0.2%)	275%
<b>TOTAL</b>	<b>6,941</b>	<b>7,944</b>	<b>7,537 (100%)</b>	<b>9%</b>

\* Data reflects ONLY those nonprofit organizations reporting to IRS.

Lower numbers for 2016 are believed to reflect changes in IRS requirements that increased the reporting threshold from \$25,000 to \$50,000 in gross receipts, requiring fewer nonprofits to report.

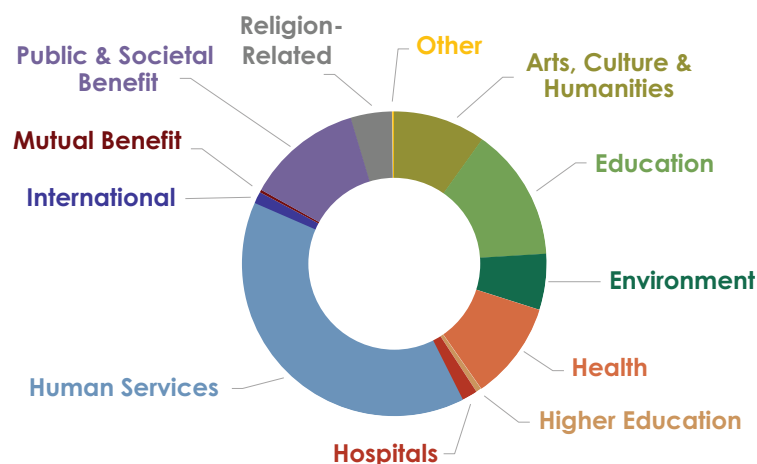
Source: Urban Institute, National Council on Charitable Statistics, 2015

### NTEE CODES

The National Taxonomy of Exempt Entities is a classification system used by the IRS and National Center for Charitable Statistics, allowing for a clearer designation of nonprofit types, better comparability across the sector and improved quality of information sector-wide. Employed within the last 50 years, the breakdown begins with 12 major categories (or subsectors – as seen above).

From there, it classifies 26 broad groups based on activity (e.g., youth development or medical research); the majority of these groups fall into two subsectors: human services, and public and societal benefit. Finally, a common code differentiates the types of organizations, from advocacy to research to technical assistance.

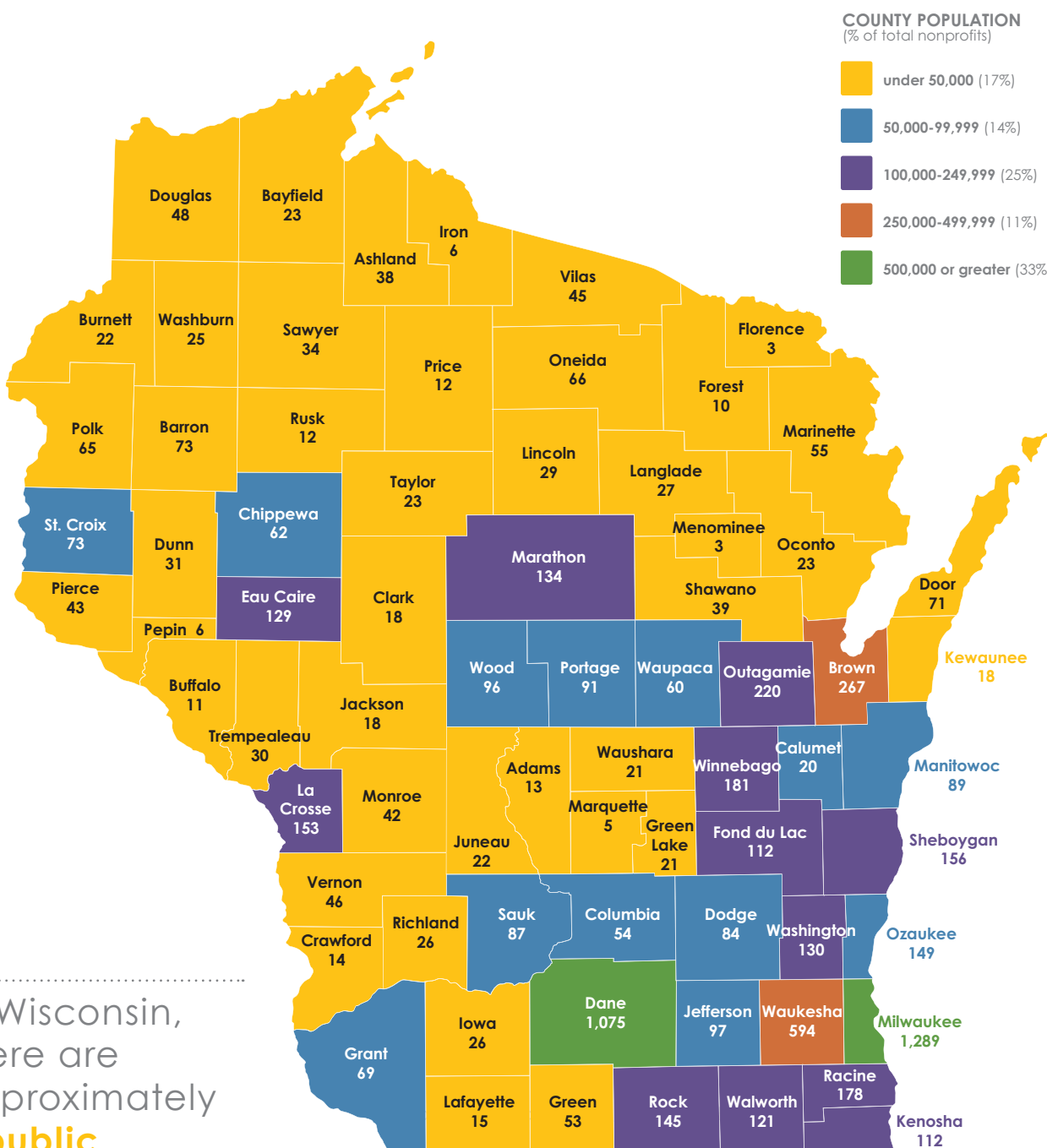
### 2016 BY SUBSECTOR



**HOSPITALS** make up less than **2%** of the number of nonprofits in Wisconsin, yet they represent **44% of the sector's total revenue**. Hospitals also account for 30% of the nonprofits whose annual revenue exceeds \$10 million.

## LOCATION OF **NONPROFITS** BY COUNTY & POPULATION

Wisconsin's nonprofit numbers tend to mirror the state's concentrations in population, although there are variations among counties with similar population density.



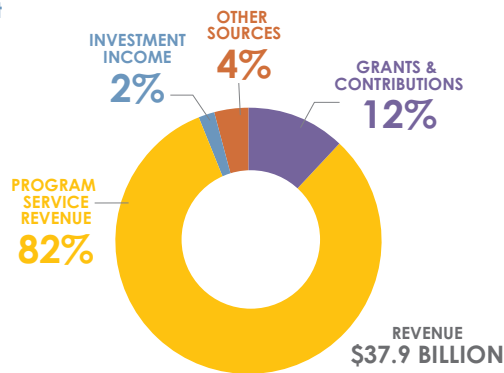
In Wisconsin,  
there are  
approximately  
**4 public  
charities  
per 1,000  
individuals.**

National Council of Nonprofits, 2015

## NONPROFIT REVENUE SOURCES

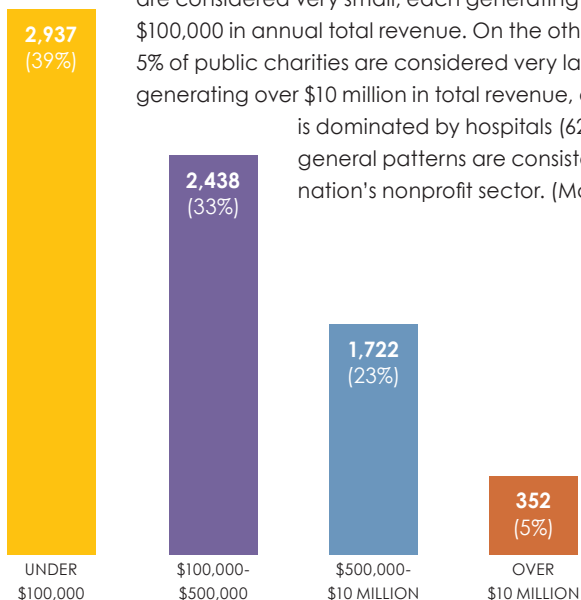
Wisconsin nonprofits generated **\$37.9 billion** in revenue in 2018 from a range of sources. The breakdown below shows that nonprofits operate on more than just private contributions and grants, contrary to what many believe (Salamon, 2002). A further breakdown by nonprofit subsectors is provided on Pages 6 and 7.

**Program service revenue** accounts for **82%** of total revenue for Wisconsin nonprofits. This includes fees-for-services paid by clients and government contracts, membership dues and other service-related business. Only **12%** of total revenue comes from **grants and contributions**. This category includes gifts and bequests from individuals, gifts from private foundations (independent, corporate and community foundations), as well as grants from federal, state and local governments. **Investment income** makes up **2%** of total revenue, while **4%** is attributed to **other sources**.



## NONPROFITS: MOST ARE SMALL

The largest percentage (39%) of Wisconsin's public charities are considered very small, each generating less than \$100,000 in annual total revenue. On the other hand, only 5% of public charities are considered very large, with each generating over \$10 million in total revenue, and this category is dominated by hospitals (62%). These general patterns are consistent with the nation's nonprofit sector. (McKeever, 2018).



## NONPROFITS AND GOVERNMENT ARE MUTUALLY DEPENDENT

Governments at all levels depend on charitable nonprofits to provide efficient and effective services to residents that would be more costly if provided by others. Likewise, the nonprofit sector as a whole earns about a third of its total revenue by providing services under written agreements with governments.

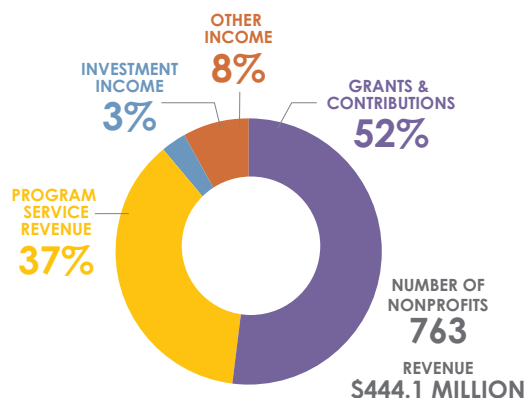
The ability of governments to pay for nonprofit services in a timely manner, and at levels that reflect the true costs of service delivery, has been scrutinized for many years. Some progress has been made to protect nonprofits.

"Governments at all levels – local, state and federal – that hire nonprofits to deliver services are now required to reimburse nonprofits for the reasonable indirect costs (sometimes called "overhead" or "administrative" costs) they incur on behalf of governments when federal dollars are part of the funding stream. The new mandate is embedded in grantmaking rules that the federal Office of Management and Budget (OMB) put into effect at the end of 2014. In addition, the new OMB Uniform Guidance streamlines and clarifies cost allocation and other rules related to government grants and contracts, removing some areas of confusion and inconsistency while treating more of a nonprofit's expenses as direct (reimbursable) costs." National Council of Nonprofits, 2015

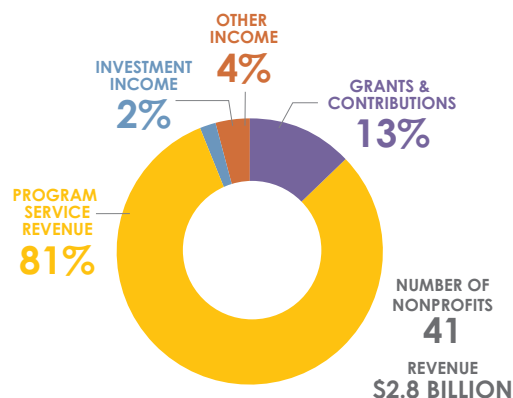
# NONPROFITS REVENUE SOURCES

Nonprofits use a range of revenue types to carry out their missions, and there is great variation among nonprofits and their revenue sources. These charts summarize the basic revenue sources for different types of Wisconsin nonprofits.

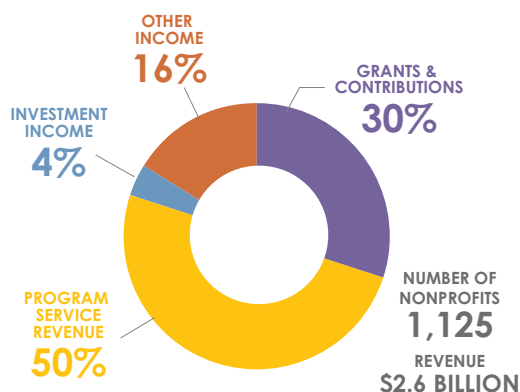
**Arts, Culture & Humanities** (e.g., Milwaukee Art Museum, Latino Arts Inc., Wisconsin History Foundation, Appleton MacDowell Male Chorus, Chippewa Valley Cultural Association, etc.)



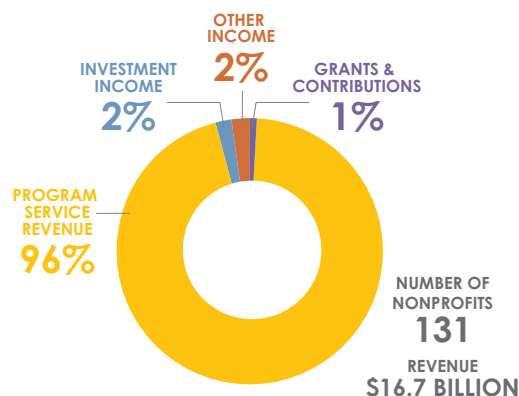
**Higher Education** (e.g., Milwaukee Institute of Art and Design, Lawrence University, College of Menominee Nation, etc.)



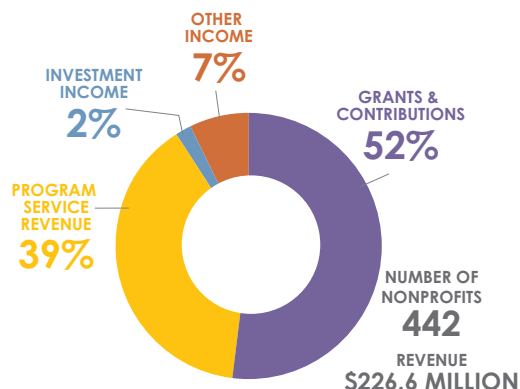
**Education** (e.g., Bright Young Dyslexics Foundation Inc., University of Wisconsin Foundation, Ex Fabula Inc., Wisconsin Library Services, etc.)



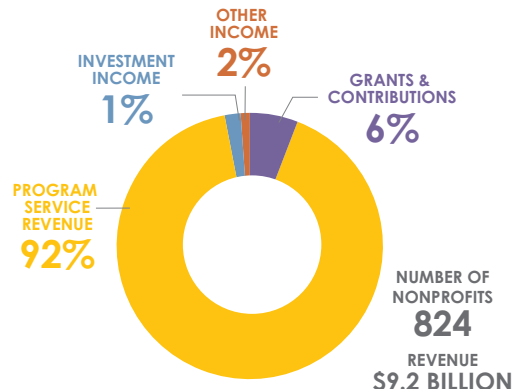
**Hospitals** (e.g., Columbia St. Mary's Hospital Milwaukee, St. Joseph's Hospital, Holy Family Memorial, Watertown Memorial Hospital, Froedert Health System, etc.)



**Environment** (e.g., Wisconsin Humane Society, Kettle Moraine Land Trust, Green Bay Botanical Garden, Ice Age Trail Alliance, Friends of Peninsula State Park, etc.)



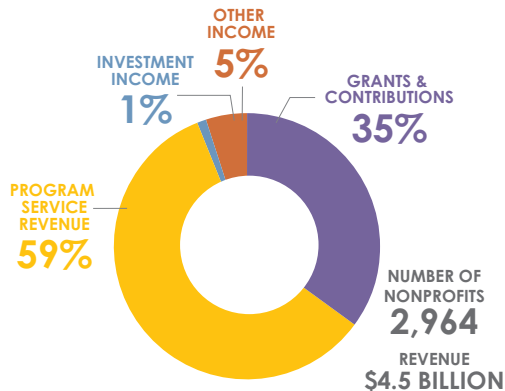
**Health** (e.g., Orange Ambulance, United Cerebral Palsy of Wisconsin Inc., Healthy Wisconsin Leadership Institute, Chix 4 A Cause Ltd., Common Ground Health Cooperative, etc.)



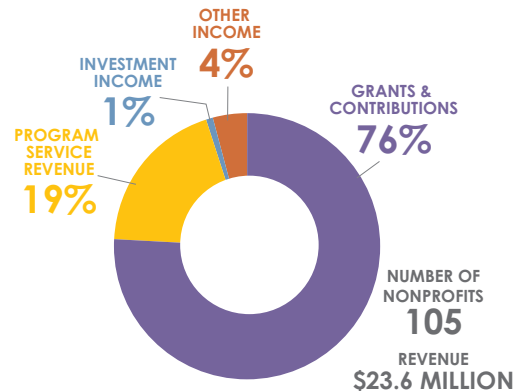
Source: Urban Institute, National Council on Charitable Statistics, 2013



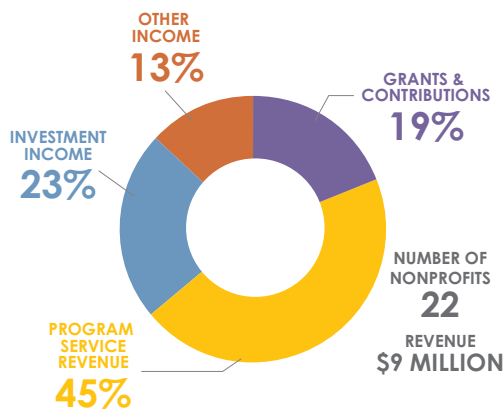
**Human Services** (e.g., St. Ann Center for Intergenerational Care, Independence First, Meta House, Gildas Club Madison Wisconsin, Habitat for Humanity International, Caritas for Children, Big Brothers Big Sisters of Northwestern Wisconsin, etc.)



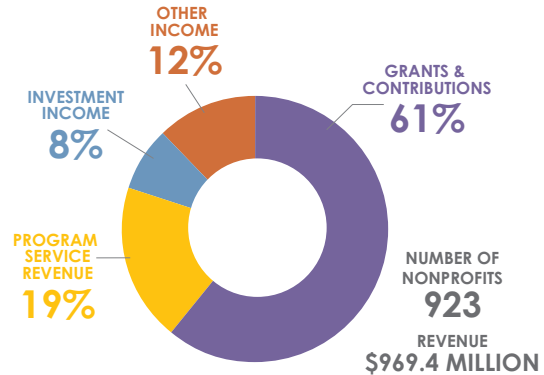
**International** (e.g., Wisconsin Microfinance, Good News Project Inc., Singing Rooster, Uwezo International Inc., Not Forgotten International Inc., etc.)



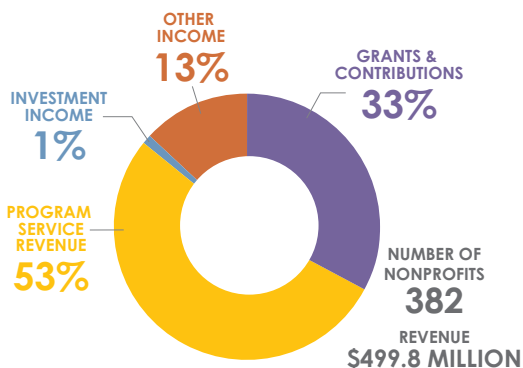
**Mutual Benefit** (e.g., Madison Masonic Center Foundation, Lutheran Cemetery Association, St. Vincent De Paul Society of Columbus, Hartford Rotary Foundation, etc.)



**Public & Societal Benefit** (e.g., Habitat for Humanity, Wisconsin Community Service Center, Urban Economic Development Association of Wisconsin, Wisconsin Council on Economic Education, etc.)



**Religion** (e.g., City on a Hill, Buddha Haksa Corporation, Eastbrook Church, Mt. Sinai Congregation Foundation of North Central Wisconsin, Hayvanu Shalom Alaihem, Freedom from Religion Foundation Inc., etc.)



#### Grants, Gifts & Contributions

Includes funding from federal campaigns and contributions received from individuals, foundations, corporations. This amount also includes grants from federal, state and local governments.

#### Program Service Revenue

Includes revenue generated from fee-for-service activities directly related to nonprofit missions, such as museum and orchestra admission fees and tickets; payments for hospital medical services; sales from Girl Scouts cookies; nonprofit college and school tuition; membership dues, including payments for nonprofit sport clubs; and government contracts (payments from state and federal medical insurance programs). This portion also includes revenue from unrelated business income.

#### Investment Income

Includes interest and dividends, as well as capital gains. Endowments are likely to generate investment income.

#### Other Income

Includes rental income; royalties; income from special events; and sales of inventory and goods.

All percentages may not add up to 100 due to rounding.



## WISCONSIN VOLUNTEERING

Volunteers are a vital part of the nonprofit workforce, and an estimated **1 in 4 Americans volunteered** in some form through an organization in 2015. The federal agency Corporation for National and Community Service (CNCS) reports on volunteer activities at the national and state levels, as well as in some metropolitan areas. According to information from CNCS through the Volunteering and Civic Life in America 2015 survey, **Wisconsin ranked fourth among the 50 states** plus Washington, D.C., in terms of percentage of state residents who volunteer (35.7%), behind Utah (39.2%), South Dakota (36.8%) and Minnesota (36.3%). Wisconsin residents volunteered **42.9 hours per capita in 2015**, compared to the national rate of 31 hours, and ranked second behind Utah (72.6%). The most common type of nonprofit for which Wisconsin residents volunteered in 2015 is religious (29.1%), followed by educational or youth service (27.2%) and social or community service (18.4%).

### CURRENT VOLUNTEERISM RATES



**35.7%**

OF WISCONSIN  
RESIDENTS VOLUNTEER



**195.8 MILLION**

HOURS OF  
VOLUNTEER SERVICE

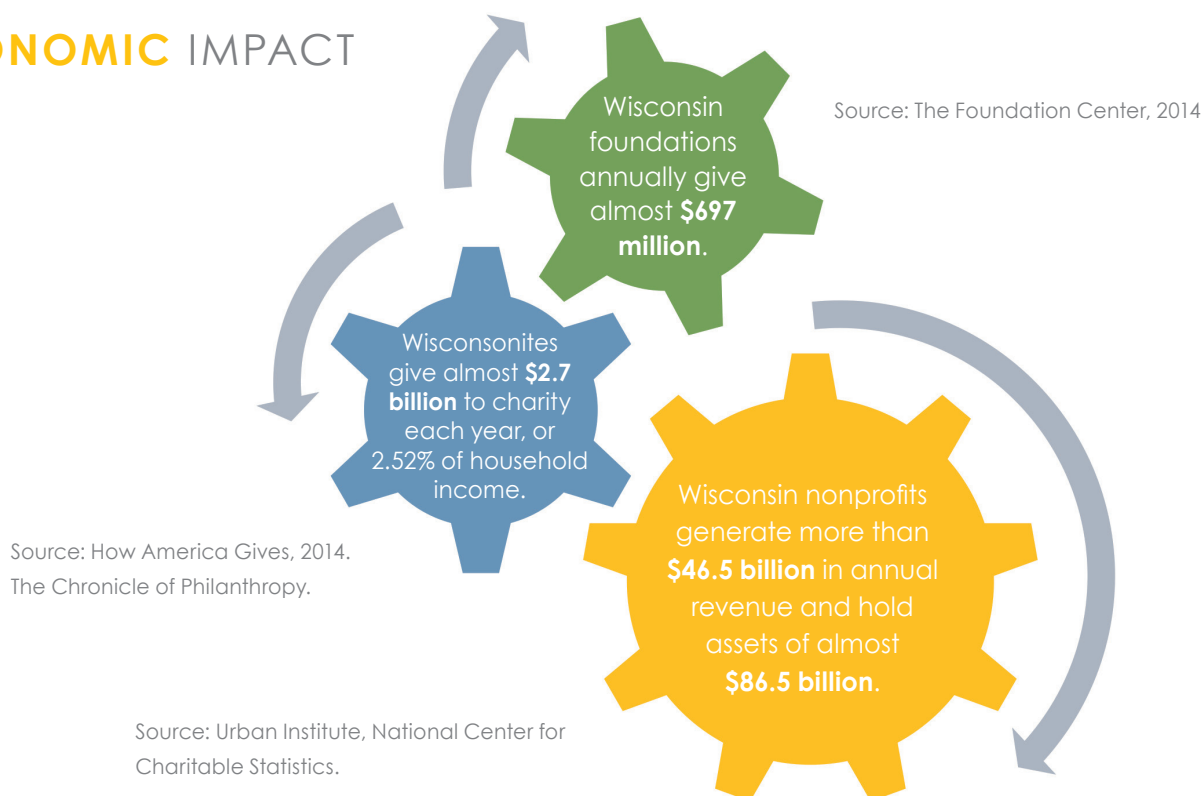


**\$4.4 BILLION**

OF VOLUNTEER  
SERVICES CONTRIBUTED

Source: Internal Revenue Service, Exempt Organizations Business Master File, 2018

## ECONOMIC IMPACT



WISCONSIN NONPROFIT  
EMPLOYMENT ACCOUNTS  
FOR **11.9%** OF THE  
**STATE'S TOTAL WORKFORCE**

*20th in the nation*

Source: Bureau of Labor Statistics, Nonprofit  
Establishment Employment and Wage Estimates, 2016

Total annual wages:

**\$14.6 billion**

Average annual wages per employee:

**\$50,243**

Average weekly wages per employee:

**\$966**

**COMMUNITY** IMPACT

**Contributing to a cleaner environment**

Milwaukee Riverkeeper is a 501(c)3 focused on the protection, improvement and advocacy for water quality, riparian wildlife habitat, and sound land management in the watersheds of the Milwaukee, Menomonee and Kinnickinnic rivers. It annually recruits over 4,000 volunteers at 55 locations to participate in a whole-basin river cleanup. This event is the largest volunteer event in the state and has become a community tradition that rallies thousands of volunteers around the rivers. In 2017, over 100,000 pounds of trash were removed from river corridors and hundreds of new trees and native plants were planted along riverbanks.

**Building homes and enriching communities**

As of June 2016, Habitat for Humanity of Dane County had built 246 homes, providing long-term housing solutions to families in the surrounding neighborhoods. Their Habitat Restores have saved 152 dump trucks worth of materials from entering the county's landfills – that's 7,640 tons of building supplies!

**Watching out for our furry friends**

The Wisconsin Humane Society, founded in 1879, operates across the state, providing surgeries, shelter and connections to forever homes for both domesticated and stray animals, as well as wildlife. In 2016, they facilitated over 10,000 adoptions, reunited 1,000 lost pets with their owners and admitted 5,673 animals to their Wildlife Rehabilitation Center.

**Advancing solutions for challenges facing society**

Freedom House, located in Green Bay, offers emergency shelter, food, basic hygiene items, and support and comprehensive programming to help families get back out on their own. Freedom House has spent the past 25 years tending to the shelter needs of over 1,700 families and over 3,000 children. In one year, it can provide shelter to over 80 families – for a total of 14,234 nights.



# APPENDIX A: NONPROFIT **REVENUE TRENDS** BY COUNTY

COUNTY	POPULATION	ASSETS	INCOME	CHARITIES PER CAPITA X 1,000	CHARITY INCOME PER CAPITA	AVERAGE INCOME PER CHARITY
ADAMS	20,786	\$20,006,079	\$24,311,646	0.63	\$1,170	\$1,870,127
ASHLAND	16,030	\$255,934,701	\$157,150,149	2.37	\$9,804	\$4,135,530
BARRON	46,336	\$345,660,401	\$216,038,054	1.58	\$4,662	\$2,959,425
BAYFIELD	15,327	\$29,682,067	\$33,866,552	1.5	\$2,210	\$1,472,459
BROWN	260,616	\$2,561,213,617	\$1,774,078,229	1.02	\$6,807	\$6,644,488
BUFFALO	13,699	\$3,066,357	\$2,293,698	0.66	\$167	\$254,855
BURNETT	15,508	\$32,461,619	\$36,634,728	1.42	\$2,362	\$1,665,215
CALUMET	52,658	\$46,436,916	\$37,475,676	0.38	\$712	\$1,873,784
CHIPPEWA	64,551	\$265,066,657	\$152,581,485	0.96	\$2,362	\$2,459,485
CLARK	34,743	\$29,947,856	\$32,823,217	0.52	\$945	\$1,823,512
COLUMBIA	57,125	\$242,366,452	\$200,230,708	0.95	\$3,505	\$3,707,976
CRAWFORD	16,737	\$199,093,480	\$65,600,771	0.84	\$3,920	\$4,685,769
DANE	530,519	\$15,062,532,705	\$8,138,918,739	2.03	\$15,341	\$7,571,089
DODGE	89,949	\$406,272,827	\$258,377,122	0.93	\$2,872	\$3,075,918
DOOR	28,463	\$269,396,369	\$271,419,014	2.49	\$9,536	\$3,822,803
DOUGLAS	44,443	\$156,381,933	\$12,221,682	1.08	\$2,773	\$2,567,118
DUNN	44,617	\$110,057,279	\$55,439,667	0.7	\$1,242	\$1,788,086
EAU CLAIRE	102,816	\$1,294,807,453	\$716,991,967	1.26	\$6,974	\$5,558,077
FLORENCE	4,454	\$1,056,390	\$306,281	0.67	\$69	\$102,094
FOND DU LAC	104,035	\$1,038,482,939	\$749,144,863	1.04	\$7,201	\$6,936,527
FOREST	9,227	\$4,592,678	\$4,325,781	1.08	\$469	\$432,578
GRANT	52,615	\$282,968,060	\$177,586,785	1.31	\$3,375	\$2,573,722
GREEN	36,967	\$351,720,882	\$217,254,295	1.43	\$5,877	\$4,099,138
GREEN LAKE	19,174	\$62,501,404	\$75,423,924	1.1	\$3,934	\$3,591,615
IOWA	23,867	\$129,802,477	\$75,191,452	1.09	\$3,150	\$2,891,070
IRON	5,921	\$2,006,074	\$2,620,671	1.01	\$433	\$436,779
JACKSON	20,800	\$94,119,252	\$62,48,216	0.87	\$3,022	\$3,491,568
JEFFERSON	84,352	\$799,465,513	\$656,613,035	1.15	\$7,784	\$6,769,207
JUNEAU	27,117	\$84,006,185	\$90,939,566	0.81	\$3,354	\$4,133,617
KENOSHA	168,700	\$921,959,032	\$876,117,105	0.66	\$5,193	\$7,822,474
KEWAUNEE	20,786	\$8,482,347	\$3,913,544	0.87	\$188	\$217,419
LA CROSSE	119,193	\$3,172,279,298	\$2,384,771,470	1.28	\$20,008	\$15,586,742
LAFAYETTE	17,010	\$2,923,992	\$2,328,438	0.88	\$137	\$155,229
LANGLADE	20,131	\$193,800,950	\$133,309,325	1.34	\$6,622	\$4,937,382
LINCOLN	28,862	\$24,114,281	\$30,917,667	1.01	\$ 1,071	\$1,066,126
MANITOWOC	81,494	\$373,503,927	\$239,971,498	1.09	\$ 2,945	\$2,696,309

Source: National Council on Charitable Statistics, 2017

COUNTY	POPULATION	ASSETS	INCOME	CHARITIES PER CAPITA X 1,000	CHARITY INCOME PER CAPITA	AVERAGE INCOME PER CHARITY
MARATHON	135,922	\$1,339,707,534	\$1,114,855,642	0.97	\$8,202	\$8,319,818
MARINETTE	41,382	\$245,020,618	\$151,656,204	1.33	\$3,665	\$2,757,386
MARQUETTE	15,408	\$172,247	\$403,897	0.33	\$26	\$80,779
MENOMINEE	4,258	\$14,727,308	\$11,755,416	0.71	\$2,761	\$3,918,472
MILWAUKEE	950,381	\$29,744,338,504	\$20,591,858,893	1.36	\$21,667	\$15,975,065
MONROE	46,120	\$130,300,436	\$98,008,916	0.91	\$2,114	\$2,333,546
OCONTO	38,476	\$86,248,452	\$86,587,845	0.6	\$2,250	\$3,764,689
ONEIDA	36,383	\$178,830,332	\$90,562,749	1.81	\$2,489	\$1,372,163
OUTAGAMIE	184,455	\$3,056,227,694	\$1,582,511,004	1.19	\$8,579	\$7,193,232
OZAUKEE	88,667	\$458,789,929	\$230,376,378	1.68	\$2,598	\$1,546,150
PEPIN	7,391	\$7,271,470	\$15,973,534	0.81	\$2,161	\$2,662,256
PIERCE	42,021	\$56,092,984	\$37,042,061	1.07	\$882	\$823,157
POLK	44,380	\$166,330,791	\$158,068,235	1.47	\$3,562	\$2,431,819
PORTAGE	71,038	\$405,558,659	\$428,979,661	1.28	\$6,039	\$4,714,062
PRICE	14,046	\$17,913,811	\$24,726,063	0.85	\$1,760	\$2,060,505
RACINE	196,200	\$996,632,082	\$569,488,678	0.91	\$2,903	\$3,199,375
RICHLAND	17,919	\$106,965,846	\$69,899,073	1.45	\$3,901	\$2,688,426
ROCK	160,349	\$827,216,407	\$543,225,950	0.9	\$3,388	\$3,746,386
RUSK	14,754	\$17,302,646	\$15,547,223	0.81	\$1,054	\$1,295,602
SAUK	62,822	\$393,462,208	\$229,786,894	1.39	\$3,658	\$2,641,229
SAWYER	16,828	\$104,690,134	\$67,987,134	2.02	\$4,040	\$1,999,631
SHAWANO	41,655	\$85,707,051	\$67,226,082	0.94	\$1,614	\$1,723,746
SHEBOYGAN	115,924	\$595,570,304	\$358,691,348	1.268	\$3,094	\$2,440,077
ST. CROIX	88,583	\$240,128,130	\$145,165,151	0.82	\$1,639	\$1,988,564
TAYLOR	20,746	\$199,735,725	\$106,715,544	1.11	\$5,144	\$4,639,896
TREMPEALEAU	29,736	\$57,389,783	\$76,105,807	1.01	\$2,559	\$2,536,860
VERNON	30,248	\$185,592,320	\$138,498,729	1.52	\$4,579	\$3,010,842
VILAS	21,771	\$111,383,730	\$58,442,250	2.07	\$2,684	\$1,298,717
WALWORTH	103,535	\$692,240,709	\$658,926,990	1.17	\$6,364	\$5,445,678
WASHBURN	15,929	\$82,673,604	\$42,232,344	1.57	\$2,641	\$1,698,294
WASHINGTON	135,970	\$412,631,490	\$314,192,207	0.96	\$2,311	\$2,416,863
WAUKESHA	401,429	\$3,987,617,050	\$2,979,806,742	1.23	\$7,423	\$6,031,997
WAUPACA	52,120	\$283,763,404	\$125,112,405	1.15	\$2,400	\$2,085,207
WAUSHARA	24,441	\$21,819,156	\$27,534,586	0.86	\$1,127	\$1,311,171
WINNEBAGO	170,025	\$796,534,708	\$714,534,025	1.07	\$4,203	\$3,947,702
WOOD	74,817	\$2,246,186,138	\$2,458,052,750	1.28	\$32,845	\$25,604,716



## DATA AND METHODS

This section provides background and basic information about the data used in this report, including some limitations and recent developments impacting the use of this data in assessing and analyzing the nonprofit sector.

Studies and reports focusing on the size and impact of the nonprofit sector have proliferated recently. These studies vary in scope and emphasis from estimations of the size of the nonprofit sector to topics such as nonprofit employment, volunteerism and economic impact. This Wisconsin report draws primarily on data collected by the Bureau of Labor Statistics, the Corporation for National and Community Service and the Internal Revenue Service (IRS).

Data from the Bureau of Labor Statistics provide the information about employment by nonprofit organizations in Wisconsin. These data provide information at the county level and allow informed estimates for statewide figures.

Data from Volunteering and Civic Life in America 2015 survey by the Corporation for National and Community Service provide the information for volunteering rates. This annual survey provides data for all states.

The National Center for Charitable Statistics (NCCS) maintains data obtained primarily from the IRS. Data files vary by the number and type of organizations included and the number and type of variables examined. Its IRS Business Master File data contain descriptive information for all active organizations registered as tax-exempt with the IRS. Its Core Files combines information from the Business Master File and several financial variables from the IRS Return Transaction files (Form 990, Form 990-EZ and Form 990-PF).

This report concentrates on Business Master File data for 501(c)(3) public charities in the state of Wisconsin, excluding private foundations. The Business Master File data from NCCS and the IRS provide figures of the number of nonprofits and total revenue. Core Files provides additional information to quantify the sources of revenue by subsector.

Although this report aims to be as inclusive as possible, available data limits the completeness of the findings, in many cases understating the size of the nonprofit sector in Wisconsin. Undercounts result from omissions in the data by organizational mission, size and corporate structure.

Some limitations of using IRS data include underrepresentation of certain types of public charities and omissions of small nonprofits not required to obtain official recognition for their 501(c)(3) status. Underrepresentation and omissions include churches and religious organizations and their associations or auxiliaries, as well as small nonprofits with less than \$5,000 in yearly gross revenue.

Such organizations may receive automatic tax exemption and are not required to seek tax-exempt status with the IRS or file an annual Form 990 report.

Starting in 2011, organizations with gross revenue of less than \$50,000 received the option of filing the Form 990-N, which does not require provision of financial information to the IRS. The change in this reporting threshold should be considered when comparing figures from before and after 2011.

Counting the number of nonprofits and assessing their economic impact are influenced by corporate structure. Organizations can choose a hierarchical structure of a single controlling board of directors, where all branch offices are accountable to a central headquarters. These organizations typically file a single Form 990 and appear as a single organization in IRS data using the headquarters' address. The other primary organizational structure is a headquarters coordinating activities of independently incorporated affiliates. Each independent affiliate has its own board of directors and files a separate Form 990. Typically, affiliates share common branding and often share operating procedures and administrative support.

Nonprofits with a hierarchical corporate structure, with a headquarters located in another state and a branch office in Wisconsin, include Alzheimer's Association, American Red Cross, City Year, Local Initiatives Support Corporation, Lutheran Services, March of Dimes, Playworks, The Nature Conservancy, The Salvation Army, and Teach for America. This incomplete list could easily be extended by including many health and human service organizations. Wisconsin is home to several nonprofit headquarters using a hierarchical structure controlling operations in other states, such as Bethesda Lutheran Communities, Goodwill Industries of Southeastern Wisconsin, and Public Allies.

Within Wisconsin's 72 counties, the United Way has 42 individual affiliates, the Boys & Girls Club has 27 affiliates and the YMCA has 37 affiliates. Each of these affiliates may have separate branch locations accountable to the affiliate's local headquarters. This incomplete list could easily be expanded by including organizations categorized as religious, mutual benefit and human service. Hospitals, universities and community foundations play a special role in the count of nonprofit organizations, since each may have numerous separately incorporated affiliates under common control, all located in Wisconsin. For instance, Aurora Health Care has 16 Wisconsin-based affiliates named Aurora Health Care and hundreds of other affiliates using different names. The University of Wisconsin System, a state entity, administratively sponsors nonprofits, including over 1,200 individual incorporations, mostly 4-H clubs. Community foundations can have numerous individually incorporated funds driven by specific donor agreements.





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National Council of Nonprofits, 2014





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