



HAWAII COMMUNITY FOUNDATION

2012 NONPROFIT INDUSTRY STUDY

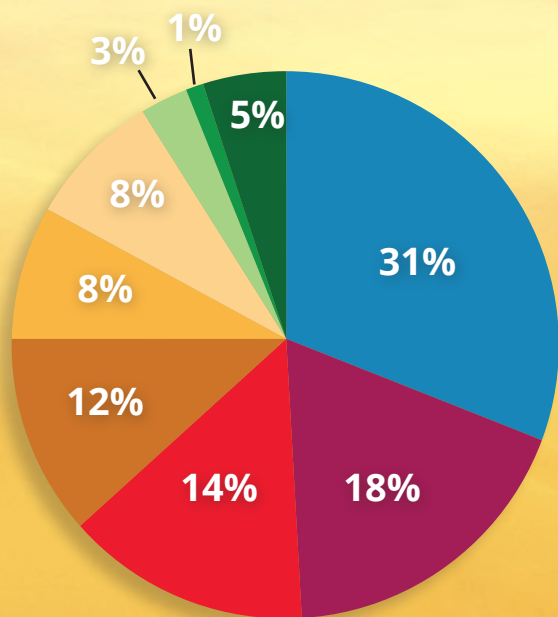
HERE ARE THE *Numbers*

- *Hawaii has over 5,000 nonprofits.*
More than one-third have no income or donations.
- *The nonprofit sector in Hawaii is a \$5.2 billion industry.*
- *Hawaii's nonprofits represent a large proportion of the state's workforce and economy.*
Almost 50,000 nonprofit employees account for 7.7% of the state's workforce and 8.2% (\$2.8 billion) of the state's total wages.
- *Hawaii's largest nonprofits account for half of the state's annual nonprofit revenue.*
Eight hospital and health care systems and private schools/university get the majority of their revenue from reimbursable expenses, tuition, fees-for-service, and government contracts.

Hawaii's Nonprofits by Revenue Size

Annual Revenue (2012)	Number
\$0	2,024
<\$100k	2,211
Between \$100k & <\$250k	330
Between \$250k & <\$1M	343
Between \$1M & <\$5M	222
Between \$5M & <\$10M	53
Between \$10M & <\$100M	56
>\$100 M	8

Percentage of Nonprofits by Type



- Human Services
- Education
- Arts, Culture, & Humanities
- Health
- Environment & Animal
- Public & Society Benefit
- Religious
- International
- Unknown



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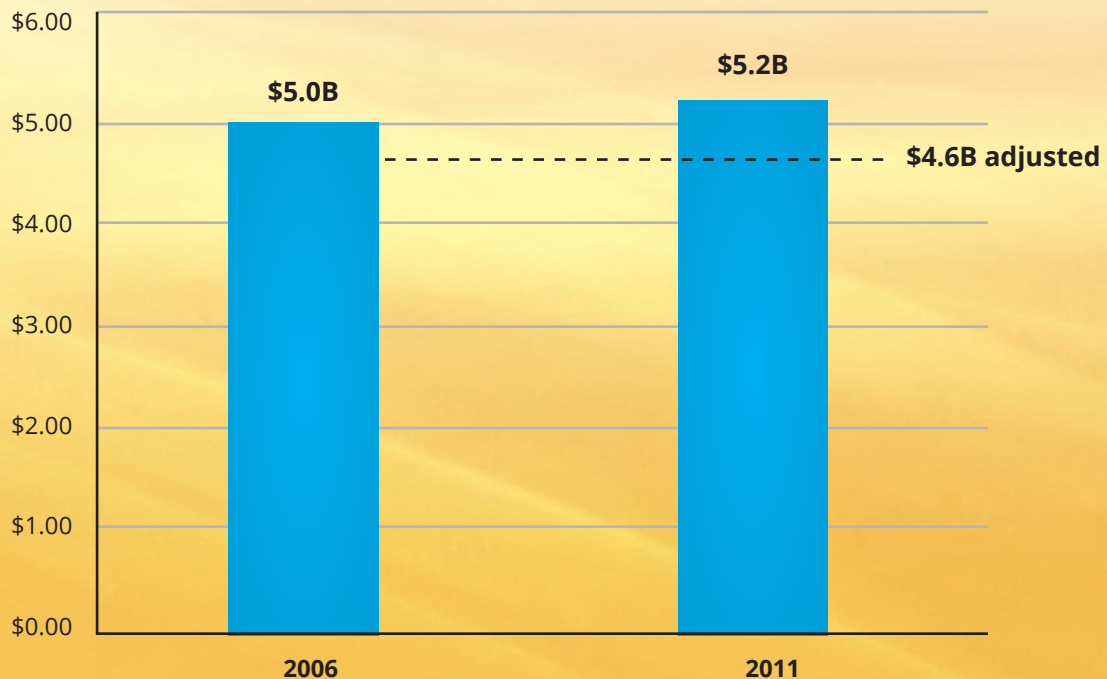
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HERE ARE THE *Trends*

- *Average total revenue for Hawai'i nonprofits stayed relatively flat over the past five years.*
Adjusted for inflation this represents a decrease in overall nonprofit revenue in the state.
- *Hawai'i nonprofits have grown slightly in numbers, but not in revenues.*
Although there have been increases in the number of nonprofits in Hawai'i Island, Maui and Kaua'i, only Maui saw total nonprofit revenues increase from 2005 while the others experienced overall decreases in revenue.
- *Charitable giving has decreased.*
While more than 90% of Hawai'i's households donate money or goods to charity, the actual amount that they can and do give has actually decreased 12% since 2005 (21% decrease adjusted for inflation).
- *Government funding—often a larger nonprofit's largest single source of revenue—is decreasing.*
- *The amount of unrestricted revenue or core operating support has decreased over the past few years.*

Flat Growth in Revenue

Lower Total Revenue Adjusted for Inflation



● Total Revenue of All Nonprofits



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HERE ARE SOME *Issues*

- *Nonprofits have fewer dollars available even as most of them (60%) saw increases in the number of people needing their help.*

According to local and national nonprofit executive directors, they could not meet demand for services in 2012, and are not likely to in 2013, either.

- *More than half of Hawaii's nonprofits have less than three months of cash on hand to pay expenses.*

- *Nonprofits are usually running a deficit on their program costs.*

This occurs because organizations are paid just for the program or direct service delivery costs and not for the costs of running the organization and providing the services.

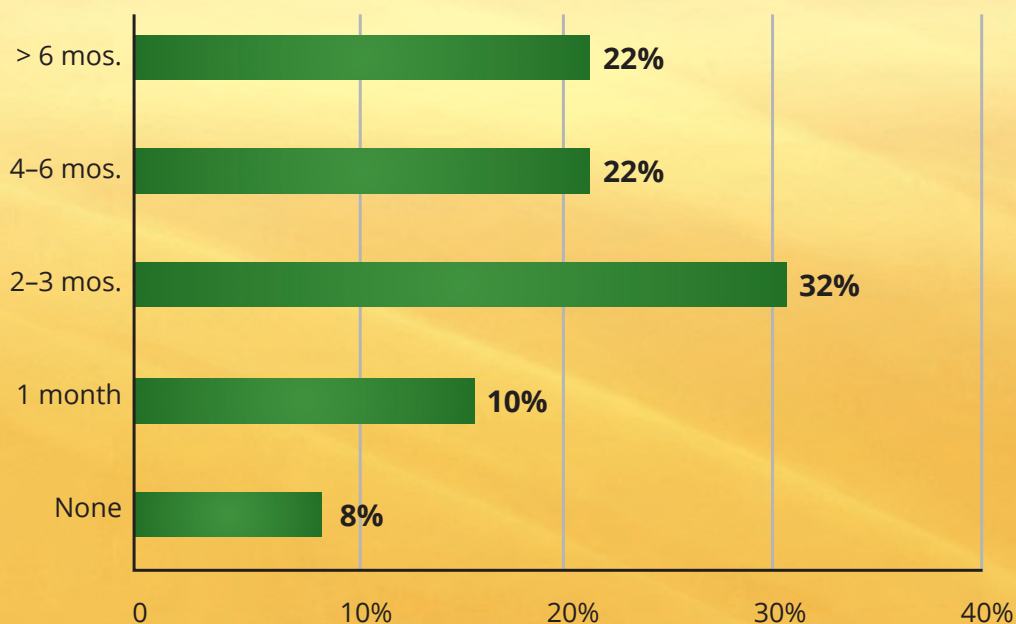
- *It's easier to raise money for a new project or program than for a nonprofit's infrastructure or to support existing services.*

As the proportion of their revenue is restricted, most nonprofits have fewer dollars available to support their missions or strengthen their own operations.

- *Given the trend of decreasing revenue and decreasing charitable grants and giving, nonprofit expectations for increases in donations through fundraising efforts may not be realistic.*

Nonprofit directors and boards of directors need to examine if and how their organizations have reliable and consistent revenue sources and amounts that are necessary for their desired sustainability and growth.

Number of Months of Cash on Hand





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Here Are *Questions* Nonprofits Should Ask



- *What is our business and revenue model and is it in sync with the realities of the economy and how we work?*



- *Can we measure our results and the specific impact we have in the community?*



- *What do we need to learn and adapt to be more effective and efficient?*



- *What are the opportunities to connect my organization's work with the public policy and systems changes that are needed to achieve our mission?*

Find out more about the critical issues and challenges facing organizations that touch nearly every individual in Hawai'i
www.hawaiicommunityfoundation.org/knowledgecenter