NEW HAMPSHIRE’S
NONPROFIT
SECTOR
IN BRIEF

Essential to communities, people and the economy
The profound value of New Hampshire’s nonprofits

All nonprofits are born of the same roots — a need is identified by citizens, and resources are mobilized to create solutions to meet that need.

With its historically lean government, New Hampshire citizens have relied upon the flexibility of the nonprofit structure to address a wide range of issues for decades.

Travel through any town and you will see nonprofit libraries because citizens valued education, nonprofit child care centers because parents believed in early education and conservation centers because townspeople recognized the importance of open space.

You will also see community health clinics and mental health centers because citizens believed that children, youth and adults struggling with illness deserve treatment and care.

Most towns are home to a historic site, cultural center or performing arts program because New Hampshire people have long recognized the deep value of history and the inspiration which is transcended through the arts. The state is home to The Business and Industry Association, The League of Women Voters, and The Josiah Bartlett Center because of our deep respect for civic engagement.

Understanding the correlation between the vitality of the state and a well-being of its people and communities, citizens have long leveraged the nonprofit construct to address community needs. Through the nonprofit model, partnerships between government, business and the philanthropic community are created, resources, professionals and volunteers are mobilized and programs are initiated to ensure the services we rely on are in place and communities are strong.
The nonprofit’s role in the state’s economy

As mission-driven corporations governed by community leaders, nonprofits have the flexibility and entrepreneurial capacity to swiftly respond to changes in our community and economic landscape.

During this recession, nonprofits have stepped up efforts to provide food and shelter to the newly unemployed, offer counseling and healthcare to those without insurance and ensure that veterans, the disabled, and the elderly have the care they have come to depend on.

The current economy prompted nonprofit board and executive teams to implement new strategies, restructure when necessary, build new partnerships, and expand community engagement. Despite the challenges and increased demand on nonprofits, the sector has seen a modest growth of about 2%. Much of this is due to the registrations of new nonprofits, which frequently represents unfunded organizations and national nonprofits putting a stake in the New Hampshire landscape.

Over the years, the resulting growth in the nonprofit sector has led to the employment of 102,000, which is 1 in 7 of the state’s workforce. The impact to the state’s bottom line is over $9 billion per year to the state’s GDP, which is 15.1% of the total.

### COMPARING THE SECTORS IN NH

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>TOTAL NUMBER</th>
<th>NUMBER OF EMPLOYEES</th>
<th>CONTRIBUTION TO GDP</th>
<th>% OF GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>1,972</td>
<td>90,101</td>
<td>$6.3 billion</td>
<td>(10.57%)</td>
</tr>
<tr>
<td>Nonprofit</td>
<td>8,401</td>
<td>102,038</td>
<td>$9.1 billion</td>
<td>(15.1%)</td>
</tr>
<tr>
<td>Business</td>
<td>40,743</td>
<td>498,272</td>
<td>$44.8 billion</td>
<td>(74.33%)</td>
</tr>
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</table>

Over $9 billion contributed to the state’s GDP by NH’s nonprofits.

14.8% of NH’s workforce (1 out of 7) is employed by a nonprofit.

US Bureau of Economic Analysis/US Department of Commerce; NH Department of Employment Security
New Hampshire’s diverse nonprofit sector

The number of registered nonprofits reflects the depth and breadth of the work being accomplished, the uniqueness of each city and town, and the diversity of each organization’s purpose.

Of the 8,401 nonprofits in our state, the largest segment of the nonprofit sector — a total of 6,716 nonprofits — is comprised of small, community-based organizations such as friends of library associations, soccer clubs, food pantries, choral groups, local historical societies, land trusts and after-school programs. All have budgets under $100,000.

The remaining 1,685 nonprofits serving New Hampshire address more complex service needs, employ staff with specific expertise in areas such as medical research, clinical treatment, public policy, museum curating, and carry more varied funding portfolios.

### OF NH’S 8,401 NONPROFIT ORGANIZATIONS

<table>
<thead>
<tr>
<th>Budgets over $10 million</th>
<th>116</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitals, higher education institutions, regional health centers, state-wide health, human service providers</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Budgets of $500,000 to $10 million</th>
<th>582</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boys and girls clubs, regional theaters and museums, statewide environmental programs, community mental health centers, healthcare clinics, disability services</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Budgets of $100,000 to $500,000</th>
<th>987</th>
</tr>
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<tbody>
<tr>
<td>Animal shelters, literacy programs, homeless shelters, child care centers, lake associations, after school programs, community libraries</td>
<td></td>
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</table>

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<tr>
<th>Budgets under $100,000</th>
<th>6,716</th>
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<tbody>
<tr>
<td>Vital to communities and often providing outlets for civic engagement, these tend to be heavily volunteer driven; i.e. food pantries, historical societies, advocacy groups, policy research centers, athletic clubs, local land trusts, professional associations</td>
<td></td>
</tr>
</tbody>
</table>
The complexity of services and geographic reach determines the size of the nonprofit. People rely on medical treatment supported by state-of-the-art equipment and delivered by qualified doctors. People also rely on after-school programs for their children and meals-on-wheels for their elders, provided by mentors and caring volunteers. And, while the nonprofit hospitals and colleges are few in number and the regional youth programs, libraries, senior centers and theaters more abundant — together they sustain communities.
Achieving results with diverse funding models

Financing the work of a nonprofit requires a great deal of strategy. The community board, in partnership with lead staff, draws upon a variety of sources to finance the organization’s mission.

Small nonprofits are often run on volunteer power and revenue derived from donations, dues, sale of a product or special event. Mid-sized organizations often employ the same strategy and also finance their efforts through grant awards and expanded donor development.

Many larger nonprofits operate on complex business strategies which include a balance of fees, federal, state and private grants, significant donor support, corporate partnerships and signature events. A small percentage of nonprofits have an endowment which provides a yearly allocation of funds, while others rely on an earned income strategy such as fees for consultation or rental income.

State funding also plays a crucial role. Currently 165 nonprofits contract with the State of New Hampshire to provide specialized services. While charitable giving is essential, only a small portion (9-12%) goes to human service, environment or art organizations.

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**BREAKDOWN OF DONATED FUNDS IN NEW HAMPSHIRE**

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religious causes</td>
<td>34%</td>
</tr>
<tr>
<td>Combined campaigns</td>
<td>18%</td>
</tr>
<tr>
<td>Human needs organizations</td>
<td>14%</td>
</tr>
<tr>
<td>Healthcare causes</td>
<td>9%</td>
</tr>
<tr>
<td>Educational institutions</td>
<td>9%</td>
</tr>
<tr>
<td>Youth services</td>
<td>4%</td>
</tr>
<tr>
<td>Arts and culture initiatives</td>
<td>4%</td>
</tr>
<tr>
<td>Environmental causes</td>
<td>3%</td>
</tr>
<tr>
<td>International and disaster</td>
<td>3%</td>
</tr>
<tr>
<td>Family support services</td>
<td>2%</td>
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**OF ALL NH’S NONPROFITS**

165

The number of nonprofits currently contracting with the State of New Hampshire to provide human and community services.

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Source: NH Charitable Foundation Unpublished Giving Study, 2005  
Source: NH Department of Health and Human Services, May 2011
FUNDING STREAMS AND REVENUE MODELS

The following charts are examples of real NH nonprofits’ revenue models.

**Direct Public Support**
Contributions, gifts, grants, and bequests received directly from the public. Includes amounts received from individuals, trusts, corporations, estates, foundations, public charities or raised by an outside fundraiser.

**Government Grants**
Contributions from federal, state or local governments that are considered to provide a direct benefit to the general public. These contributions are distinct from monies received from government contracts or fees for services.

**Program Service Revenue**
Income resulting from services provided during the course of performing mission-related programs. Examples include patient payments for counseling services at a mental health center, admission to an art museum and other services provided through contractual relationships.

**Investment Income**
Includes interest, dividends, net income/loss from the sale of assets or inventory.

**Other Income**
Includes rental income, membership dues, and other miscellaneous revenue.

Source: Internal Revenue Service, Exempt Organizations Business Master File 2010, The Urban Institute, National Center for Charitable Statistics

67% of the revenue supporting the work of New Hampshire nonprofits is derived from program service fees, including contractual relationships. Source: Giving USA 2010 National Data
Impact requires both professional expertise and volunteer power

To execute innovative strategies in the most cost-effective way, nonprofits depend on a unique balance of professional expertise and volunteer talent. Unlike any other corporate structure, nonprofit organizations are governed by a volunteer board of directors. Paid staff is also supported on the ground floor by program volunteers, making them a critical component of the nonprofit sector.

To determine the right mix of staff and volunteers takes skilled business planning and management. Volunteer recruitment, orientation, support and management requires a significant investment of time and resources.

CURRENT VOLUNTEERISM RATES IN NEW HAMPSHIRE

295,700 NH residents volunteered for a nonprofit

32.4 million Hours of service volunteered

28% NH’s volunteer rate average — a rate consistently higher than the national average

(Volunteering in America, Corporation for National and Community Service) http://www.volunteeringinamerica.gov/NH
These are just a few of the nonprofit organizations in New Hampshire utilizing a mix of paid staff and volunteers to fulfill their missions.

<table>
<thead>
<tr>
<th>ORGANIZATION</th>
<th>STAFF MEMBERS</th>
<th>VOLUNTEERS (ANNUAL)</th>
<th>OPERATING BUDGET (ANNUAL)</th>
<th>IMPACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Court Appointed Special Advocates (CASA) of NH</td>
<td>20</td>
<td>450</td>
<td>$1.3 million</td>
<td>1,150 provided with advocates to protect their rights.</td>
</tr>
<tr>
<td>New Hampshire Food Bank</td>
<td>28</td>
<td>Over 100 monthly</td>
<td>$4.2 million</td>
<td>Approximately 130,000 individuals served food.</td>
</tr>
<tr>
<td>NH Society for the Prevention of Cruelty to Animals</td>
<td>32</td>
<td>600</td>
<td>$1.8 million</td>
<td>75,000 animals rescued and cared for.</td>
</tr>
<tr>
<td>Families First Health &amp; Support Center</td>
<td>80</td>
<td>120</td>
<td>$4 million</td>
<td>5,600 individuals receiving affordable primary healthcare for all ages, parenting and family programs, prenatal care, dental care and mobile healthcare for the homeless.</td>
</tr>
<tr>
<td>Concord Community Music School</td>
<td>42</td>
<td>1,000</td>
<td>$2,004,000</td>
<td>33,000 students of all ages, interests and talents receiving specialized and high-quality music education.</td>
</tr>
<tr>
<td>Squam Lakes Natural Science Center</td>
<td>31</td>
<td>390</td>
<td>$1.3 million</td>
<td>80,000 visitors to the Science Center.</td>
</tr>
<tr>
<td>The Children’s Museum of NH</td>
<td>12</td>
<td>10</td>
<td>$1 million</td>
<td>92,000 visitors.</td>
</tr>
<tr>
<td>Grafton County Senior Citizens Council</td>
<td>77</td>
<td>1,805</td>
<td>$3,771,708</td>
<td>Access for 8,000 older adults to programs and services that support and enhance their health, well being and independence.</td>
</tr>
<tr>
<td>The Hannah Grimes Center</td>
<td>3</td>
<td>40</td>
<td>$285,000</td>
<td>1,000 individuals engaged and supported in entrepreneurship.</td>
</tr>
<tr>
<td>Society for the Protection of NH Forests</td>
<td>35</td>
<td>250</td>
<td>$4 million</td>
<td>Protection of over 1 million acres in state.</td>
</tr>
<tr>
<td>Highland Games</td>
<td>2</td>
<td>174</td>
<td>$754,000</td>
<td>23,000 to 28,000 visitors annually, generating up to $10 million toward the local economy.</td>
</tr>
</tbody>
</table>

Source: www.volunteeringinamerica.com and NH nonprofits reporting
Three sectors, one goal: a strong New Hampshire

The roots of New Hampshire’s economic advantage are found at the intersection between its three sectors: government, business, and nonprofits, collectively planning and working in partnership.

Researchers measure numerous indicators to determine the health of communities. The indicators of a vibrant community include the availability of early childhood options, higher education opportunities, plentiful energy options, open space, access to quality healthcare, a diversity of housing, clean air and water and recreational and cultural opportunities. These are the very factors that social scientists study to provide an analysis of our communities.

QUALITY OF LIFE IN NEW HAMPSHIRE

NH ranks high on quality of life indicators due to the interconnected efforts of all three sectors. Below is a sampling of indicators and organizations from each sector helping to maintain our quality of life.

Environment
Clean water and air, open space and healthy forests for the enjoyment of citizens and visitors alike.

- Five Rivers Trust
- The Harris Center
- Squam Lakes Natural Science Center
- Nobis Engineering
- Fort Mountain Land and Timber
- FB Environmental Associates
- NH Department of Environmental Services
- Regional Planning Commissions
- Coop Forestry Programs at NCH Cooperative

Education
Providing ample, high-quality educational products for all citizens for all stages of life ensures an educated, successful workforce.

- University System of NH
- Early Learning NH
- Community Partners
- Education for Adults with Disabilities
- New Horizons Computer Learning
- Dale Carnegie NH
- Private Child Care Centers
- Public Schools
- Department of Education
- Retraining/Dislocated Workers

Healthcare
Providing a high range of high-quality and attainable healthcare for all citizens results in a healthier state.

- Concord Hospital
- Community Health Centers
- Riverbend Community Mental Health Center
- ThermoFisher Scientific
- Courville Communities
- Next Step Orthotics & Prosthetics
- Department of Health & Human Services
- Bureau of Development Services

Housing
Housing diversity efforts allow for a breadth of the state’s workforce to be able to own their own homes.

- Families in Transition
- NH Community Loan Fund
- The Housing Partnership – Seacoast Housing Action NH
- Horizons Engineering
- The Duprey Companies
- Mascoma Savings Bank
- Department of Housing & Urban Development
- Community Development Block Grant Program
- Federal Housing Authority
To find solutions in this era of challenge and sweeping change and to protect the New Hampshire way of life requires a commitment from all three sectors to continue working in the spirit of partnership and openness, always mindful of our reliance on each other for the success of our state.

The questions before us all are: what are the needs of our people and communities and how can we best respond?
The NH Center for Nonprofits is a 501(c)(3) nonprofit, statewide association dedicated to providing programs and resources that support nonprofit organizational capacity building and to partnering with sector leaders, businesses, and the broader community to elevate the visibility and status of the nonprofit sector.

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