

Roadmap to Data on Nonprofit Organizations

by Elizabeth Boris and Linda Lampkin

THERE IS MORE INFORMATION available on nonprofit organizations than ever before and it is of higher quality, more current, and more accessible to nonprofit managers, donors and the public. This is not to say that the information is as detailed as we would like or covers all aspects of the nonprofit sector. Despite our best efforts, the federal government still does not have a centralized agency for collecting and disseminating data on the nonprofit sector. Nonetheless, there has been a revolution in the availability of information on line, largely through the efforts of GuideStar, the Foundation Center, and the National Center for Charitable Statistics (NCCS) at the Urban Institute.¹ What follows is a brief summary of the major data sources on nonprofit organizations, how to access them, potential uses, strengths, and limitations. It is important to understand which data sources are most appropriate for the goals of the analysis.

Major Data Sources, Content, and Access²

Government Data: *IRS Forms 990 and 990-PF.* Annually the IRS collects basic financial information on nonprofit organizations with gross revenues of \$25,000 or more (on Form 990) and all private foundations regardless of size (on Form 990-PF). These public disclosure documents were designed to be used by the IRS for oversight. Since they are the only

annual source of information collected by the government specifically on nonprofits, and they are public documents (except for names of donors), these data are the basis for most of the analysis and research on the nonprofit sector. The forms contain mostly financial information—on revenues and expenses, assets, compensation, and payout calculations for private foundations, but also include some narrative descriptions of activities and accomplishments.

Uses: Data from IRS Forms 990 are used for assessing the size and scope of the nonprofit sector, for evaluating changes over time, for comparing financial data on different sizes and types of nonprofits, and for benchmarking one organization against others of similar characteristics. These data also provide sampling frames of national, state, and local nonprofits, for in-depth surveys on any topic of interest to nonprofit researchers.

Data from IRS Forms 990-PF are used to assess the size and scope of the foundation sector, for compensation and expense studies of private foundations, including trustee compensation and analyses of payout.

Strengths and Limitations: The Forms 990 and Form 990-PF are collected by government annually, and the information reported is examined and declared true, correct, and complete by an officer of the filing organization. The

IRS has recently increased its compliance efforts and reporting quality is also a focus of annual meetings of the IRS, state charity officials, and nonprofit sector representatives. The posting of the forms on the Internet has also caused organizations to pay more attention to their forms.

IRS data are limited because congregations and small nonprofits (below \$25,000 in gross revenues) are not required to file the Form 990. Also, not all nonprofits that should report, actually do so, or do so in a timely manner. The forms are also not always complete or accurate.

Access: Although IRS provides access to the Business Master File at its Web site, the file is difficult to download and use. Upon request, the Statistics of Income Division of IRS will also provide its public charity research samples for a fee. Paper copies of Forms 990 and 990-PF can be ordered from IRS. However, a number of sources provide more convenient access to data derived from these forms. These include:

GuideStar (www.guidestar.org) gives access to:

- Individual scanned images of Forms 990 and 990-PF.
- Individual portraits of public charities based on information from Forms 990.
- Additional information voluntarily reported by charities to GuideStar.

- Analysis of compensation based on Form 990 data for a fee.
- Data extracts for mailings, etc, for a fee.

Foundation Center (<http://fdncenter.org>) gives access to:

- Individual scanned images of Forms 990 and Forms 990-PF.
- Individual portraits of private, corporate, and community foundations based on Forms 990 and 990-PF and responses to surveys.
- Aggregate data tables describing the scope of the foundation sector and analyses of giving patterns.
- Analyses and data runs, for a fee.

National Center for Charitable Statistics at the Urban Institute (<http://nccsdataweb.urban.org>) gives access to:

- Dataweb tool that permits users to construct tables and do aggregate analyses of nonprofit financial data.
- Research-quality NCCS databases derived from IRS Form 990 data.
- 1990-to-present Annual Core Files containing 60-120 variables (depending on the year) for public charities, for private foundations, and for other tax-exempt organizations.
- 1998-to-present NCCS/GuideStar National Nonprofit Research Database, containing over 400 variables.
- Research files created by the IRS Statistics of Income Division for public charities (first file from 1982) and for private foundations and other tax-exempt organizations (beginning in the early 1990s).
- IRS Business Master File, a listing of all registered charities (all nonprofits with more than \$5,000 in revenues are required to register).
- Other databases created for specific research purposes that are available to researchers.
- Files and specific datasets, for a nominal fee.
- Special analyses, for a nominal fee.

Other Government Data

Census of Services, Labor Statistics, Federal Election Commission, IRS

Charitable Deductions: Additional information on the size and scope of the nonprofit sector can be gleaned from U.S. Census of Services data and the Bureau of Labor Statistics employment data. Census of Services data, collected every five years, provides information by establishments (rather than just a total for organizations) and is therefore valuable for studies seeking a breakdown by location. Its limitation is that the survey is done every five years and does not include higher education. In addition, the organizational classification system used, called the North American Industry Classification System or NAICS, does not distinguish nonprofit from for-profit entities, and on many sector-specific questionnaires used in the survey, there is not even a question asking whether the entity is a nonprofit.

Employment data are collected by the Bureau of Labor Statistics from all organizations covered by the Unemployment Compensation system, but again special runs must be completed to identify which establishments are nonprofits. Also, generally only establishments of 4 or more employees are required to file. Access to the data is limited by BLS and a number of major states do not make their data available even for BLS-approved researchers.

The Federal Election Commission provides information on lobbying expenditures for those that register to lobby at the national level.

Charitable deductions taken by taxpayers who itemize their deductions (about one-third of US taxpayers) are published each year in the Spring volume of the *IRS Statistics of Income Bulletin*. Detail by state is available and in some years, a breakout by zip code. These data do not include giving by those who do not itemize on their tax forms and take the deduction.

Annual estimates of sources of giving and recipients of those charitable gifts are available annually in *Giving USA*, described below under publications.

State Level Data

Many states require registration of charities and some provide data on those registered within the state. For example, the scanned images of Forms 990 of charities registered in California and Illinois are available through state-sponsored Web sites. Minnesota provides a database of key financial variables for registered nonprofits, while New York provides summaries of revenues and assets as well as images of Form 990 for NY-registered charities. North Carolina provides contact information, the image of the Form 990, and documents such as bylaws and Secretary of State memos relevant for that organization.

Regional and City Level Data

Researchers have completed surveys of nonprofits in a number of cities and geographic areas, for example, in New York City, Los Angeles, and in California's Bay Area. The reports are typically published and more detailed information may be available from the researchers conducting the studies.

Nonprofit Data Publications

Nonprofit Almanac: Initiated by Independent Sector and now produced by NCCS at the Urban Institute, the *Nonprofit Almanac* includes data on the size of the nonprofit sector and its relationship to the national economy, as well as trends in finances, and detailed tables on finances of charities by type and location. It is published only periodically and is limited by the strength of its data sources and estimates. It provides the data but does little interpretation.

Giving USA: This annual compilation on giving trends is researched and written at the Center on Philanthropy at Indiana University and published by Giving USA Foundation, AAFRC Trust for Philanthropy. It estimates annual private and organizational giving trends to major categories of nonprofits—religion, health, education, environment, etc. and tracks trends over time. Survey data on individual giving from the Panel

Study of Income Dynamics (PSID) are combined with both survey and administrative files on foundations and charities to derive the estimates. The PSID is available on line at <http://psidonline.isr.umich.edu> at no cost. This resource is useful for early estimates of giving before the government data on charitable tax deductions are available.

Volunteering in the United States: In 2002, the U.S. Census Bureau and the Bureau of Labor Statistics (BLS) began collecting information on volunteering as a supplement of the Current Population Survey. These annual reports follow a pioneering series of studies related to giving and volunteering by Independent Sector available at its Web site (www.independentsector.org)

Foundations Today Series: The Foundation Center prepares annual reports entitled *Foundation Giving Trends*, *Foundation Yearbook*, *Foundation Staffing*, and *Foundation Reporting*. The Web site (www.fdncenter.org) provides summaries of the published reports and access to tables of summary statistics.

Academic Data Resources

Center on Nonprofits and Philanthropy at the Urban Institute: In addition to the NCCS databases, CNP has created a number of comprehensive databases for specific subsectors, including international, human services, and cultural heritage organizations. These datasets are available for other researchers to use upon request.

Center for Civil Society Studies of the Johns Hopkins Institute for Policy Studies at Johns Hopkins University: Projects include the Nonprofit Employment Data Project with various studies of nonprofit employment in various states and regions available at www.jhu.edu/ccss/research/employ.html. Data on nonprofits in countries throughout the world have also been collected in the Johns Hopkins Comparative Nonprofit Sector Project. Descriptions of the project and data sources and summary data tables are available at the Web site.

The National Congregations Study: This 1998 survey of 1,236 congregations by Mark Chaves at the University of Arizona Department of Sociology provides valuable information about the worship, programs, social composition, norms, and organizational structures inherent in American religious life. While data are not available, a Web tool at <http://s6.library.arizona.edu/natcong> can be used to work with the survey responses to create customized tables, determine frequencies for any question, and review the survey methodology and questionnaire.

Other data resources include the American Church list at <http://americanchurchlists.com>, *Studying Congregations: A New Handbook* edited by Nancy Ammerman, Jackson W. Carroll, et al, and the Hartford Institute for Religion Research, with links and datasets available at <http://hrr.hartsem.edu/default.html>.

Data Collected by Associations

In addition to generally available data sources listed above, many associations conduct surveys of their members and sometimes offer the results to the public. These data sources usually have the benefit of being timely and targeted, but the limitations are that they are not random surveys and thus the results may not be representative of the whole, but only of the members that responded. National associations collecting information include, for example:

BoardSource: Surveys its users on board governance practices.

Council on Foundations: Conducts annual surveys of members covering compensation and administrative expenses and practices.

Association of Small Foundations: Conducts compensation and administration surveys of its members.

In addition, regional associations and national associations of subsector groups also collect information that may be used for reports or may be available only to members or subscribers.

These include:

Regional Associations of Grantmakers: Collect data on their members and issue reports on grantmaking trends in their states or cities.

Performing Arts Research Coalition or PARC: Collects and disseminates research on the performing arts sector. Reports in various communities are available at no cost at www.operaamerica.org/parc/.

State Associations of Nonprofits: Some maintain databases of nonprofits in their states and conduct surveys of the financial status and economic impacts of nonprofits in their areas.

Subsector Organizations: For example, the American Associations of Museums (www.aam-us.org), the Council for Advancement and Support of Education or CASE (www.case.org); Association of Governing Boards (www.agb.org), the American Hospital Association (www.aha.org) collect data from members and prepare reports.

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Endnotes

1. NCCS contracted with the IRS to produce scanned images of Forms 990 and 990-PF and collaborated with GuideStar to make them available on the Internet; the Foundation Center placed the scanned Forms 990-PF on their Web site.
2. See Linda Lampkin and Elizabeth Boris, "Nonprofit Organization Data: What We Have and What We Need." for a more extensive analysis of data on nonprofit organizations.

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