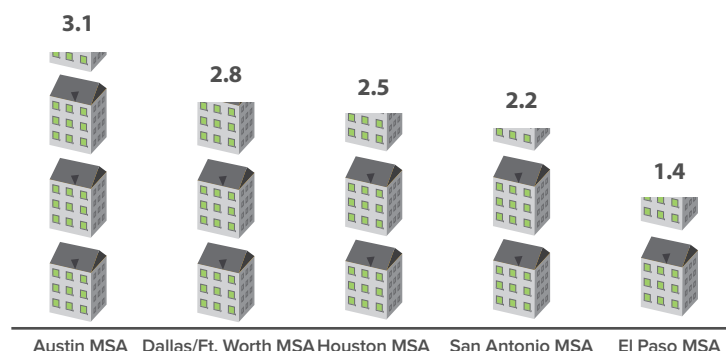


# DOES CENTRAL TEXAS HAVE TOO MANY NONPROFITS?

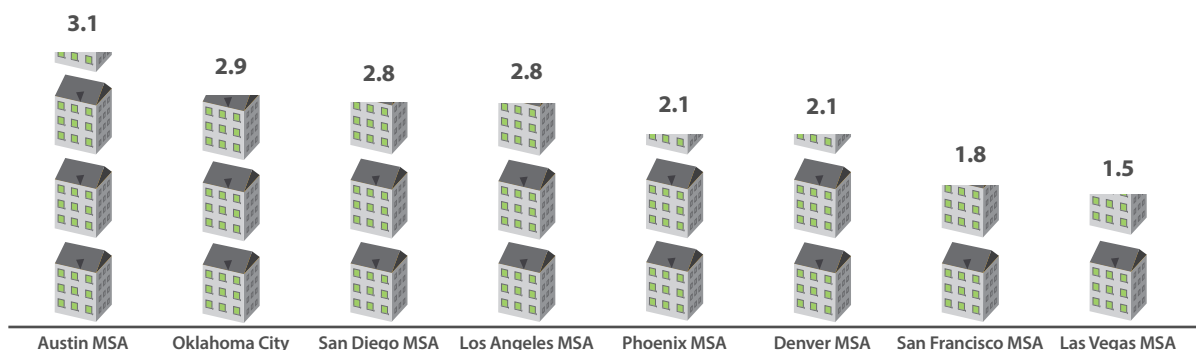
The Austin Metropolitan Statistical Area (MSA) has more nonprofits per capita than any other major MSA in Texas.<sup>1</sup>

## NONPROFITS PER 1,000 RESIDENTS, TEXAS MSAs



In fact, the Austin MSA has more nonprofits than any other major MSA in the Southwest US.<sup>2</sup> Travis County alone is home to 3,769 nonprofits (or 3.5 per 1,000 residents) and has added nearly 900 new organizations over the past 10 years.<sup>3</sup>

## NONPROFITS PER 1,000 RESIDENTS, SOUTHWEST MSAs



Ultimately, the question may not be “Do we have too many nonprofits?” but rather, “How can nonprofits work to maximize their effectiveness, efficiency and impact?” Central Texas is one of the fastest growing regions in the country and the need for services in our community will only continue to rise. However, creating new nonprofits (and the duplications of infrastructure this entails) may not always be in our community’s best interest.

Perhaps the question we should be asking is “How can we encourage organizations to collaborate more, whether through shared services or formal mergers, in order to enhance their impact and long-term sustainability? Mission Capital believes it’s time to engage in intentional conversations about the **increased costs associated with large numbers of small nonprofits** and the untapped potential of strategic collaboration.

<sup>1</sup> The Austin MSA includes the counties of Travis, Williamson, Hays, Bastrop & Caldwell. Data on the number of 501c3 public charities is from August 2012 IRS files and made available from the National Center for Charitable Statistics.

<sup>2</sup> The Southwest US includes Texas, Oklahoma, New Mexico, Colorado, Nevada, Arizona, Utah, and California.

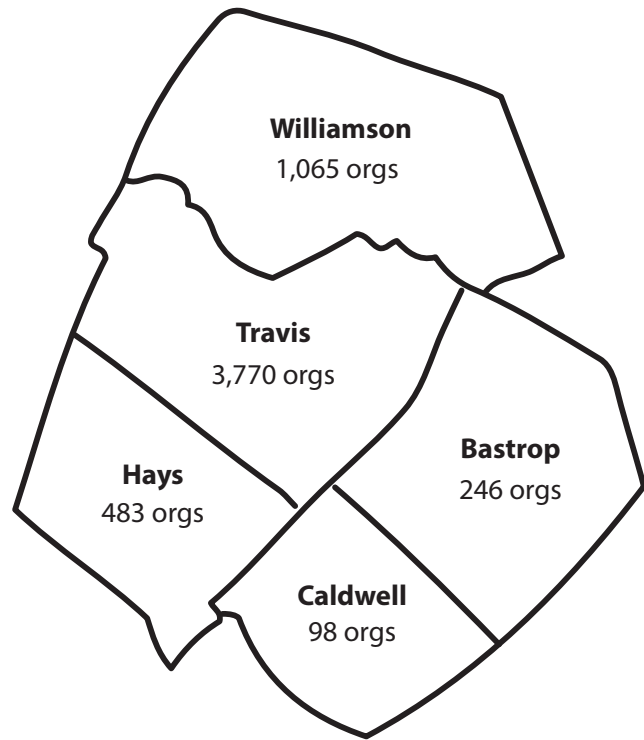
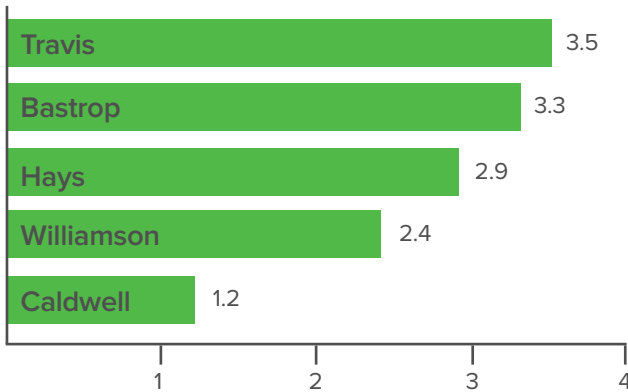
<sup>3</sup> Travis County reached a peak of just over 4,000 nonprofits in 2010. 2011 saw a reduction of 280 nonprofits, which may be attributable to IRS efforts to withdraw tax exempt status from groups that failed to file the necessary paperwork.

# CENTRAL TEXAS NONPROFIT SNAPSHOT

There are 5,660 nonprofits in the Austin MSA. This is equivalent to 3.1 nonprofits per 1,000 residents.

The nonprofit per capita rate varies widely among counties in the Austin MSA, with the highest rate in Travis County and the lowest rate in Caldwell County.

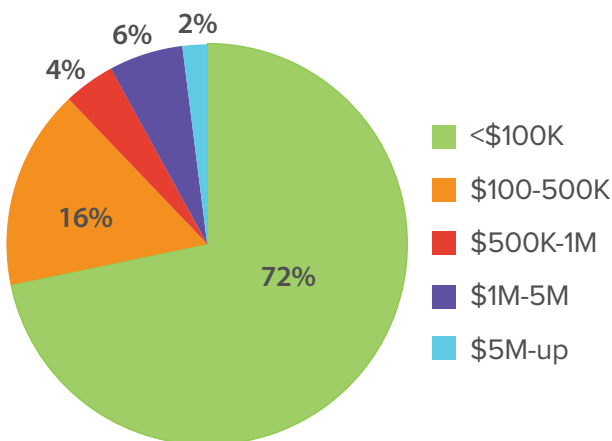
**NONPROFITS PER 1,000 RESIDENTS, COUNTIES IN AUSTIN MSA**



The vast majority of nonprofits are small; 72% of nonprofits in the Austin MSA have annual revenues below \$100,000 and all but 8% are below \$1 million.

Of all nonprofits in the Austin MSA, 29% are human service organizations and 21% are education/research related. Compared to the national average, that's 4% fewer human service organizations and 4% more education/research nonprofits.

**% OF NONPROFITS BY SIZE, AUSTIN MSA**



**% OF NONPROFITS BY CATEGORY, AUSTIN MSA**

