

Nonprofit  
Repositioning  
Fund



# THE FINANCIAL HEALTH OF GREATER PHILADELPHIA NONPROFITS

RESEARCH NOTE | November 2020

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Dear Friends:

The report that follows speaks to the financial health of the Greater Philadelphia five-county area nonprofits. It compares the financial health and resiliency of our region's nonprofit organizations in 2018, compared to 2014, using data from the IRS Form 990.

Fundamentally, the region's nonprofits provide services that support quality of life, health, safety, and well-being for all. Their impact is unparalleled and by any measure, irreplaceable. The COVID-19 pandemic has only heightened the necessity of these services as nonprofits have played a critical role on the front lines of the public health and economic response.

Yet, despite the cornerstone role nonprofits play in our communities, our report demonstrates that the nonprofit sector is at imminent risk. For decades, our nonprofits have experienced a growing number of financial pressures – due to government contracts that fail to pay the full cost of contracted services, changes in giving practices and priorities in the philanthropic community, changes in tax laws governing taxpayer deductions for charitable purposes and more.

The pandemic has only increased demand for nonprofit services as record numbers of people are underemployed and unemployed, particularly in communities of color where we see higher rates of coronavirus exposure and death, as well as higher rates of job loss and financial distress. And, as our country grapples with ways to meaningfully address deeply rooted racial disparities and inequities, nonprofits provide a unique opportunity to better serve historically marginalized communities, especially those nonprofits led and staffed by Black, Indigenous and Persons of Color (BIPOC).

Beyond providing critical resources to our communities, nonprofits are also a core spoke of our region's economy, representing nearly twenty-five percent of our economy. Yet, here again we see the sector is in peril. Since February 2020, more than 1.6 million nonprofit workers across the nation have lost their jobs. As of September, more than 950,000 remain unemployed. Thirty-five percent of the arts & culture workforce has been lost since February. Education nonprofits have shed more than one-quarter of a million jobs, many since the school year restarted in the fall. And the social service sector has lost ten percent of its workforce!

The data presented in this report highlights the financial risks and challenges nonprofits were facing before the pandemic, risks that have only been exacerbated by the onset of the COVID-19 pandemic in 2020. The magnitude of this pandemic – indeed, this moment in our country's history – calls upon all of us to do more than strive to return to business as usual. We ask our government leaders, philanthropic colleagues, nonprofit board members and executive leaders to familiarize themselves with the data presented in this report and to seize this moment to assess and prepare a financial plan that helps stabilize the nonprofit community and position it for continued success and impact on the lives of our community residents.

We are grateful for the expertise and data analysis provided by BCT Partners, and the contributions to the synthesis of the data provided by the Nonprofit Repositioning Fund's Director, Nadya Shmavonian. We hope to continue publishing these data at regular intervals, particularly to track the impact of COVID-19 during this challenging time. The resilience of our region's nonprofits cannot be assured without disciplined, focused and intentional leadership from nonprofit executives, boards, and funders.

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In 2017, the Philadelphia Foundation released [The Financial Health of Philadelphia-Area Nonprofits](#), the first report of its kind to provide a detailed window into the finances of the Greater Philadelphia five-county region's nonprofits. The report provided a baseline glimpse into the fiscal health of our nonprofit sector as it emerged from the last Great Recession, with the data culled primarily from 2014 IRS Form 990s. The findings created a unique opportunity for nonprofit leaders, board members, funders and regional observers to slice and dice comparative organizational analyses by sub-field (e.g., health, arts & culture, human services), as well as by size. This useful tool supported efforts of individual organizational leaders and boards to benchmark their financial performance within a comparable pool – a common for-profit industry practice. The study also introduced sound risk management practices to guide nonprofits as they steered themselves for future challenges. As 2020 draws to a close it is clear that no amount of risk scenario planning could have prepared nonprofits for the current operating environment.

In response, HealthSpark Foundation, The Scattergood Foundation, and the United Way of Greater Philadelphia and Southern New Jersey – in partnership with The Greater Philadelphia Nonprofit Repositioning Fund – engaged BCT Consulting to update the 2017 report with an analysis built largely upon 2018 IRS 990 reports. The good news is that in the intervening four years between 2014 – 2018 data, some financial indicators improved. This is noteworthy, given the devastating and record-setting almost eight-month long 2015 – 2016 budget impasse in the Commonwealth. When examining the nonprofit sector *in aggregate*, some of the heartening trend lines from 2014 to 2018 are:

- A 21% increase in total revenues (including a 31% increase in contributions)
- A 31% increase in net philanthropy
- A 33% growth in securities and investments
- A 35% increase in unrestricted net assets
- An almost doubling of months of operating reserves from 1.6 to 3 months

However, the data also show:

- An 8% decrease in net income
- A growth in combined deficit (from \$38 million in 2014 to \$100 million in 2018)

And on an even more sobering note, the aggregate share of nonprofits facing into insolvency (with liabilities greater than assets) remained fixed from 2014 to 2018 at 8%. This aggregate figure is troubling, but of even greater concern, the percentage of all health and human services organizations that are insolvent also remained constant at 13% (with some positive and negative variations when examined by size). Why is this latter constant disturbing? Well, let's start with the fact that these pre-COVID-19 data point to likely resilience challenges among nonprofits amidst present (2020) and future challenges.

## RIGHT HERE, RIGHT NOW – GREATER PHILADELPHIA IN 2020

### COVID-19:

Certainly, there are some aggregate positive trends outlined above that point toward a somewhat greater potential resilience in 2018 among our region's nonprofits, resilience that will be sorely needed as nonprofits reposition to face into the ramifications of the 2020 COVID-19 pandemic. It is impossible to generalize about the impact of the pandemic on all nonprofits, as sub-fields are affected in divergent ways, e.g.: performing arts institutions and museums had their doors shuttered for months, sacrificing significant earned revenues; educational institutions have been thrown into a steep learning curve as they were forced to migrate to online learning platforms; and, of course, health and human services organizations have had to dramatically shift the ways in which their services are being delivered in the same moment that demand for many social and health services has rapidly increased. As a reminder, these are the health and human service agencies that were already facing into an aggregated 13% rate of insolvency in 2018, when many financial indicators were otherwise showing improvement. And let's face it, even though nonprofits in aggregate grew their operating reserves to three months in 2018, that may not predict an adequate cushion for many nonprofits to withstand the shocks of 2020.

Looking beyond health and human services organizations, an aggregate insolvency rate of 8% in 2018 for Greater Philadelphia nonprofits represents a red flag for the broader sector, posing the real question of how many of these organizations will be able to weather the business disruptions and economic fall-out associated with the pandemic. Many argue that the other proverbial shoe has yet to drop for our region's nonprofits, as measures such as the FY 2020 PPP cash infusions and myriad philanthropic relief efforts<sup>1</sup> have now largely passed, and the management of the pandemic remains a grim and ongoing prospect. These cash infusions were important to many area nonprofits that closed their 2020 fiscal years at the end of June, but the beginning of July brought additional challenges as state and local FY 2021 budgets were significantly reduced because of deficits<sup>2</sup> associated with COVID-19 fall-out.

A report released in October 2020 – [Impacts of COVID-19 on Pennsylvania Nonprofits](#) – reported results from 808 Pennsylvania nonprofits surveyed during the month of August 2020. Of those surveyed, 80% had experienced a loss in revenues, with 87% reporting a negative impact from COVID-19. The greatest share of revenue loss was reported by smaller nonprofits – i.e., 47% of nonprofits with operating budgets of less than \$100,000, and 37% among nonprofits with budgets of \$100,000 - \$500,000. Even the largest nonprofits (budgets greater than \$10 million) reported losses of 7%. Ninety percent indicated they had experienced some negative employment impacts, with 17% having laid off staff, with projections that a total of 25% of staff could be laid off by year-end. Nationally, the data are deeply disturbing as we head into the winter months. A [Johns Hopkins University November 2020 report](#) indicated that a full 1.6 million nonprofit jobs were initially lost in the pandemic, and that a full 954,450 of these jobs had still not been restored by September 2020.

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<sup>1</sup> Over \$40 million in grants were awarded to nonprofits in Southeast Pennsylvania and Southern NJ from 13 COVID-19 response funds between March 18, 2020 and June 29, 2020, according to the September 2020 report, *Regional COVID Response Dashboard*, released by the Center for High Impact Philanthropy and Philanthropy Network Greater Philadelphia.

Even before the pandemic, many who work in or with the nonprofit community agree that nonprofits operate in a generally undercapitalized environment that lacks a systematic or market basis for resource allocation. This presents unique challenges to nonprofits, challenges that many trustees from an exclusively for-profit background may not appreciate. The following table, presented in *The Financial Health of Philadelphia-Area Nonprofits*, outlines some of the contributing factors that elevate the degree of difficulty for nonprofit performance (pre-COVID-19).

## THE CONTEXT: STRUCTURAL CHALLENGES

Trustees often fail to appreciate the difficult conditions under which nonprofits operate. These conditions can be far more difficult than any they have seen before.

- *Tackling the hardest problems*: Nonprofits address economically intractable and politically unappealing problems. This is true even though charities arose long before government social programs and have helped shape the public agenda.
- *Cost-minus funding*: Most nonprofit funding, especially in health and human services, comes in the form of government contracts or restricted grants that virtually guarantee a deficit. Government contracts also create working capital challenges because funding arrives after expenses are paid. These funds are also subject to unpredictable delays in payment.
- *Lack of working capital*. Most nonprofits, and especially smaller nonprofits lack working capital used to pay for staff training and program development, often driven by third-party payers that only reimburse for services rendered. Working capital is in short supply for purchases of new or upgraded technologies, to modify systems (accounting, payroll, inventory, etc.), to update office space, and more.
- *One-way bets*: Nonprofits face contingent liabilities that can swamp them financially. These include claw-backs for disallowed expenses, after-the-fact audits, and unilateral retroactive rate reductions.
- *Zero-sum philanthropy*: The total supply of philanthropy is largely fixed. Large organizations working in difficult issue areas will always be overwhelmingly reliant on government funding. This is especially true for health and human service nonprofits but less so for arts & culture nonprofits.
- *Cost disease*: Nonprofits provide face-to-face, labor-intensive services that do not get more productive from technology. The real cost of these services has risen substantially over time and is likely to do so in the future.
- *Recruiting and retention*: Nonprofits face structural challenges in recruiting and retaining high-quality staff in finance, accounting, technology, and back-office functions. Factors driving this situation include the small size of many organizations, the challenge in providing career development, and competition from higher-paying for-profits.
- *Gales of creative destruction*: Nonprofits operate in a dynamic environment. Challenges include demographics, funding fashions, political priorities, and real estate costs. The weak financial position of many nonprofits can make it difficult to respond.

It is no surprise that many nonprofits are always living close to the edge.

If one adds in the overlay of COVID-19, it is easy to understand how difficult it may be for nonprofits to overcome chronic undercapitalization to surmount the new challenges of pivoting to

virtual platforms, meeting increased demand for services (i.e. health and human services organizations), or purchasing supplies such as PPE.

#### Growing Awareness of Inequities:

While COVID-19 has already altered the landscape for our region's nonprofits significantly, there are additional external factors that are changing fundamental ways in which organizations operate. In the wake of the most recent rash of violent deaths of black men and women in the hands of police, awareness has been raised about the growing inequities in our society, with particular attention paid to systemic racism as a contributing factor. Nonprofits are re-examining their internal cultures, hiring practices, leadership and programs with a heightened priority on ensuring racial equity. They are also building awareness of the changing demographics of their beneficiaries and attempting to assess how best to operate equitably in a more diverse community. This is challenging and expensive work. It has profound implications for the 'repositioning' that may be required of nonprofits in the coming months and years as they identify strategies to survive, while being guided by values of social justice and equity. To do this, and to do this well, requires resources.

Further elevating the importance of addressing racial and socioeconomic inequities, grave health disparities exist among different populations, which impacts how nonprofit organizations are called upon to provide services. Unequal access to health resources had already doomed many people to disproportionately high chronic health conditions due to race or socioeconomic class before COVID-19. This, in turn, is now sentencing many of these people to tragically higher health and economic disadvantages under COVID-19.

A recent [Pew poll](#) provides evidence of the disproportionate effects of COVID-19 on Black and Hispanic communities in Philadelphia. Hispanic and Black residents of Philadelphia are about three times more likely to know someone who has died than White residents. The disparities are also higher for Hispanic and Black residents than they are for White residents when looking at the virus' effects on daily life. Approximately one-third (32%) of non-Hispanic White residents reported difficulties, whereas 75% of Hispanic residents and 55% of Black residents reported at least one of the following problems: difficulty paying for food; falling behind on paying rent or mortgage; problems affording health costs or prescriptions; or problems accessing childcare. And we know that COVID-19 is not the sole contributor to disparities. As the [Robert Wood Johnson Foundation reported earlier this year](#), people living just a few blocks apart may have vastly different opportunities to live a long life in part because of their neighborhood. Your zip code matters.

Although it will be on a delayed timeframe, the reports of human lives lost will likely be mirrored in the coming months and years by reports of tragically high numbers of nonprofits that downsize or close, or merely cease to exist in the midst and aftermath of COVID-19.

A term has emerged among some nonprofit attorneys that describes a growing number of nonprofits that simply fade away – joining the already cluttered orbit of “space junk” – no longer operating, but unable to harness the requisite financial and / or human resources needed to formally dissolve.

This anticipated rise in *nonprofit* morbidity and mortality rates associated with the COVID-19 pandemic will not receive media attention commensurate with that of individual lives lost, nor

likely with the coverage that will be afforded large corporations that are similarly imperiled<sup>2</sup>. Nonetheless, the disappearance of many nonprofits from the landscape will be sorely felt by individuals seeking their services, whether they be social, educational, cultural, or spiritual in nature. And it will, again, likely be some of the nation's most disenfranchised people who will bear the brunt of these organizational failures, thereby perpetuating the injustices of social, economic, and racial inequity.

Likewise, our local communities and the institutions that define those communities will also experience losses in the quality of life, the economic vitality of their businesses, and more. Make no mistake, nonprofit organizations comprise nearly 25 percent of the local economy and contribute significantly to the economic engine that our national, state, and regional governments and businesses are relying upon to recover from the severe economic impact COVID-19 has brought upon all of us.

The data presented below by BCT provide a starting point for effective benchmarking and strategic action among our region's nonprofits seeking to sustain their missions in a tumultuous and deeply unpredictable time. Admittedly, however, while it provides a clear window into the fiscal health of area nonprofits, the limits of IRS 990 data do not allow for a parallel examination of the demographics of these organizations, including identifying what populations are served, and what organizations are led by Black, Indigenous, or People of Color (BIPOC). Taken as a full ecosystem, how can we, as a community, work to ensure that equity is a value that washes through what effectively will be a needed reconstruction of the social fabric, and the nonprofits that are vital to our civil society?

## STRATEGIES FOR RESILIENCE

For five years, the Greater Philadelphia Nonprofit Repositioning Fund has been privileged to engage in confidential conversations with nonprofit leaders who are contemplating entering into sustained collaborations as a means to extend their mission and grow community impact.<sup>3</sup> Those conversations in recent months have of course pointed to the dramatic hardships faced by many nonprofits in the current COVID-19 environment, but also to sometimes surprising resilience and innovation that is springing from the new circumstances among some organizations. It is this forward-thinking resilience and spirit of innovation that will need to be tapped - and tapped hard - as we move forward.

Three years ago, the financial health report emphasized the need for nonprofits to adopt risk management practices in the face of future uncertainties. The 2017 report described the need 'to prepare for a possibly very different and hard-to-forecast political and economic environment in the future.' Well, the risks have come home to roost in a current external environment beyond our wildest scenario planning forecasts. At this juncture – and sadly, for the foreseeable future - our region's nonprofits must operate in full mitigation mode. Boldly, some may identify strategies to preserve charitable assets – such as well-trained staff, buildings, and other resources – by transferring them to others that enjoy a more stable financial position.

Since neither political nor economic uncertainty promise to abate anytime soon, resilience – and even survival – strategies are needed. A SeaChange report, [Tough Times Call for Tough Action](#), was released in late March 2020, just as the magnitude of the pandemic's challenges for nonprofits was

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<sup>2</sup> And this is not to say that for-profit business losses won't be just as tragic in their consequences. For example, according to a [July 2020 Small Business Coronavirus Impact Poll from the US Chamber of Commerce](#), most small businesses were concerned about financial hardship due to prolonged closures (70%) and more than half worried about having to permanently close (58%).

<sup>3</sup> E.g., shared back office relationships, programmatic joint ventures, mergers and acquisitions.



summarized below as a guide for nonprofit trustees and leaders facing into some of the most difficult decisions they will ever have to make. The underlying message is indeed to ‘face in’ – and with urgency – to those decisions. This is no time for denial.

- ➔ Refocus on the mission. All decisions should aim to advance the long-term mission of the organization, even at the short-term expense of vendors, partners, grantmakers, and staff.
- ➔ Understand your type of organization. Are you a hibernator (for instance, a shuttered arts organization), a responder (such as a shelter or food bank, where demand is skyrocketing), or a hybrid (a group that can continue operating to some degree but does not deal directly with the pandemic’s effects, though it might adapt to do so)?
- ➔ Conserve cash. Reduce expenses, delay payments, accelerate efforts to obtain cash and other revenue, and explore new fundraising opportunities. Negotiate with the landlord or take advantage of local bans on evictions; pay only the most essential vendors; ask for the next tranche of a multipart grant or for extra help from longtime donors and board members; explore new COVID-19-related grant and loan opportunities.
- ➔ Shorten time horizons. Magical thinking leads to fatal delays. The executive director and board chair should speak daily, boards should meet at least monthly, and they should set up a committee to deal with COVID-19-related issues and get ready to make hard decisions.
- ➔ Explore strategic restructuring. Explore mergers and other forms of collaboration, divestment, or even thoughtful dissolutions now; options will narrow as time passes.
- ➔ Understand the nexus of mission, cash, and control. “Tough-minded,” “hard-nosed,” and “ruthless” are not adjectives that most nonprofit leaders usually embrace, but many will need to, and fast.
- ➔ Get help. Get outside advice from people with relevant experience. Some boards might even consider an interim chief restructuring officer to support, or temporarily replace, an overwhelmed leader.
- ➔ Plan for the longer-term. Don’t weather the crisis only to ignore what will happen afterward. Stay in regular discussions with donors and be realistic about the significant cuts in philanthropy and support that are likely in the COVID-19 aftermath.

## CONCLUSION

These data provide a useful pre-COVID-19 baseline for the fiscal health of Philadelphia-area nonprofits. The funders of the study plan to return to these data on at least an annual – if not semi-annual – basis through the balance of this crisis. The data can and should be used as benchmarking tools for nonprofit leaders and boards to assess their current status within comparable peer categories. It should also inform funders of the real financial challenges faced by the nonprofit sector. If review of these data provides a catalyst to launch clear and open resilience planning among nonprofits – and support from funders for those efforts – our hope is that effective measures can be taken in a timely fashion. As shared earlier, tough times call for tough action, but the latter is far more likely to advance mission than inaction.

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## APPENDIX: PHILADELPHIA-AREA NONPROFITS

BCT Partners extracted and utilized 2014 and 2018 IRS 990 data to examine the health of nonprofits in the Greater Philadelphia area. Financial data from 3,822 nonprofits in the five-county Greater Philadelphia region (Bucks, Chester, Delaware, Montgomery, and Philadelphia) was analyzed, with analyses excluding organizations categorized as educational institutions and hospital care organizations since the operating models for these entities are different than direct service organizations.

**Exhibit 1: Aggregated Financial Information (in Millions)**

| INCOME STATEMENT                                      | 2014            |             | 2018            |             | % Change in \$ |
|---|-----------------|-------------|-----------------|-------------|----------------|
| <b>Revenue, gains, and other support</b> Expenses (%) |                 |             |                 |             |                |
| Program revenues                                      | \$6,050         | 60%         | \$7,333         | 61%         | 21.2%          |
| Contributions   | \$3,007         | 30%         | \$3,929         | 33%         | 30.7%          |
| Investments, rental, special events, and other        | \$689           | 7%          | \$537           | 4%          | -22.0%         |
| Net gain (loss) from asset sales                      | \$265           | 3%          | \$267           | 2%          | 0.5%           |
| <b>Total revenues, gains, and other supports</b>      | <b>\$10,012</b> | <b>100%</b> | <b>\$12,067</b> | <b>100%</b> | <b>20.5%</b>   |
| <b>Expenses</b>                                       |                 |             |                 |             |                |
| Program   | \$8,063         | 87%         | \$9,845         | 87%         | 22.1%          |
| Total supporting services                             | \$1,178         | 13%         | \$1,516         | 13%         | 28.7%          |
| Management and general                                | \$1,031         | 11%         | \$1,316         | 12%         | 27.7%          |
| Fundraising   | \$147           | 2%          | \$200           | 2%          | 35.7%          |
| <b>Total expenses</b>                                 | <b>\$9,248</b>  | <b>100%</b> | <b>\$11,365</b> | <b>100%</b> | <b>22.9%</b>   |
| <b>Net income</b>                                     | <b>\$764</b>    | <b>8%</b>   | <b>\$702</b>    | <b>6%</b>   | <b>-8.1%</b>   |
| <b>Program economics</b>                              |                 |             |                 |             |                |
| Program expenses Less:                                | \$8,063         |             | \$9,845         |             |                |
| Program revenues and fees for service                 | -\$6,050        |             | -\$7,333        |             |                |
| Program-level philanthropy need                       | \$2,014         |             | \$2,512         |             |                |
| Add: Management and general expenses                  | \$1,031         |             | \$1,516         |             |                |
| Pre-philanthropy deficit                              | -\$3,045        |             | -\$4,028        |             |                |
| Add: Net philanthropy                                 | \$3,007         |             | \$3,929         |             |                |
| Operating surplus / (deficit)                         | -\$38           |             | -\$100          |             |                |
| Add: Gain/(loss) on investments and asset sales       | \$954           |             | \$804           |             |                |
| <b>Net income</b>                                     | <b>\$764</b>    | <b>8%</b>   | <b>\$702</b>    | <b>6%</b>   | <b>-8.1%</b>   |

| BALANCE SHEET                  | 2014    |  | 2018     |  | % Change in \$ |
|--------------------------------|---------|--|----------|--|----------------|
| <b>Assets (Selected)</b>       |         |  |          |  |                |
| Cash and savings               | \$1,609 |  | \$2,086  |  | 29.6%          |
| Pledges, grants, and other rec | \$615   |  | \$784    |  | 27.4%          |
| Accounts rec                   | \$829   |  | \$938    |  | 13.2%          |
| Securities and investment      | \$8,381 |  | \$11,173 |  | 33.3%          |
| Intangibles and other          | \$1,240 |  | \$1,507  |  | 21.5%          |

| BALANCE SHEET                           |  | 2014            |  | 2018            |  | % Change in \$ |              |
|---|--|-----------------|--|-----------------|--|----------------|--------------|
| Fixed asset                             |  | \$6,735         |  | \$7,846         |  |                | 16.5%        |
| <b>Total assets</b>                     |  | <b>\$25,503</b> |  | <b>\$28,440</b> |  |                | <b>11.5%</b> |
| <b>Liabilities (Selected)</b>           |  |                 |  |                 |  |                |              |
| Accounts payable                        |  | \$1,030         |  | \$1,182         |  |                | 14.7%        |
| Tax exempt bond                         |  | \$1,930         |  | \$2,164         |  |                | 12.2%        |
| Secured mortgage and notes payable      |  | \$1,092         |  | \$1,236         |  |                | 13.2%        |
| Other liabilities                       |  | \$2,380         |  | \$2,762         |  |                | 16.0%        |
| <b>Total liabilities</b>                |  | <b>\$13,732</b> |  | <b>\$12,950</b> |  |                | <b>-5.7%</b> |
| <b>Net assets (Selected)</b>            |  |                 |  |                 |  |                |              |
| Temporarily restricted net assets       |  | \$1,445         |  | \$1,726         |  |                | 19.5%        |
| Permanently restricted net assets       |  | \$1,841         |  | \$2,334         |  |                | 26.8%        |
| Unrestricted net assets                 |  | \$7,941         |  | \$10,695        |  |                | 34.7%        |
| Un-allocated net assets                 |  | \$957           |  |                 |  |                |              |
| <b>Net assets</b>                       |  | <b>\$11,770</b> |  | <b>\$15,490</b> |  |                | <b>31.6%</b> |
| <b>Total liabilities and net assets</b> |  | <b>\$25,503</b> |  | <b>\$28,440</b> |  |                | <b>11.5%</b> |

| RATIOS (MONTHS)         |  | 2014  |  | 2018  |  |
|-------------------------|--|-------|--|-------|--|
| Receivables             |  | 1.52  |  | 1.82  |  |
| Payables                |  | 1.34  |  | 1.25  |  |
| Cash                    |  | 2.09  |  | 2.20  |  |
| Unrestricted net assets |  | 10.30 |  | 11.29 |  |
| Operating reserves      |  | 1.57  |  | 3.01  |  |

## Exhibit 2: Insolvency Indicators

| INSOLVENCY (LIABILITIES ARE GREATER THAN ASSETS)                                    |  | 2014      |  | 2018      |  |
|---|--|-----------|--|-----------|--|
| <b>Percentage of nonprofits that are insolvent by major industry group and year</b> |  |           |  |           |  |
| Arts, Culture and Humanities  |  | 6%        |  | 5%        |  |
| Community Capacity  |  | 3%        |  | 5%        |  |
| Education   |  | 16%       |  | 13%       |  |
| Employment  |  | 4%        |  | 7%        |  |
| Environment and Animal-Related  |  | 3%        |  | 5%        |  |
| Health and Human Services   |  | 13%       |  | 13%       |  |
| Other   |  | 3%        |  | 6%        |  |
| Philanthropy  |  | 2%        |  | 2%        |  |
| Religious Institutions  |  | 6%        |  | 5%        |  |
| Science, Technology and Social Sciences   |  | 8%        |  | 7%        |  |
| Youth Development   |  | 4%        |  | 3%        |  |
| <b>Total</b>  |  | <b>8%</b> |  | <b>10</b> |  |
| <b>Percentage of nonprofits that are insolvent by size and year</b>                 |  |           |  |           |  |
| Very Small (<\$1MM)   |  | 6%        |  | 7%        |  |
| Small (\$1–5MM)   |  | 9%        |  | 8%        |  |

| <b>INSOLVENCY (LIABILITIES ARE GREATER THAN ASSETS)</b>             | <b>2014</b> |  | <b>2018</b> |  |
|---|-------------|--|-------------|--|
| Medium (\$5–10MM)   | 14%         |  | 14%         |  |
| Large (\$10-50MM)   | 10%         |  | 10%         |  |
| Very Large (\$50MM+)  | 8%          |  | 9%          |  |
| <b>Percentage of nonprofits that are insolvent by size and year</b> |             |  |             |  |
| Very Small (<\$1MM)   | 12%         |  | 14%         |  |
| Small (\$1–5MM)   | 14%         |  | 10%         |  |
| Medium (\$5–10MM)   | 16%         |  | 18%         |  |
| Large (\$10-50MM)   | 11%         |  | 13%         |  |
| Very Large (\$50MM+)  | 13%         |  | 11%         |  |
| <b>Total</b>  | <b>13%</b>  |  | <b>13%</b>  |  |

### Exhibit 3: Liquidity/Debt Ratios

| <b>MONTHS OF RESERVES BY TYPE</b>                    |            |            |            |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Aggregate Distribution (2014)</b>                 | <b>10%</b> | <b>20%</b> | <b>30%</b> | <b>40%</b> | <b>50%</b> | <b>60%</b> | <b>70%</b> | <b>80%</b> | <b>90%</b> |
| 1. Cash  | 0.0        | 0.4        | 0.8        | 1.4        | 2.2        | 3.3        | 4.9        | 7.3        | 12.8       |
| 2. Equity Proxy                                      | -2.3       | 0.9        | 2.8        | 4.8        | 8.0        | 12.0       | 20.0       | 37.5       | 76.7       |
| 3. Operating   | -46.3      | -8.3       | -1.2       | 0.0        | 0.7        | 2.1        | 4.2        | 8.0        | 17.3       |
| 4. Investments                                       | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.3        | 3.7        | 17.9       |
| 5. Cash and Investments                              | 0.1        | 0.6        | 1.4        | 2.5        | 4.0        | 6.1        | 9.8        | 17.2       | 38.9       |
| <b>Aggregate Distribution (2018)</b>                 | <b>10%</b> | <b>20%</b> | <b>30%</b> | <b>40%</b> | <b>50%</b> | <b>60%</b> | <b>70%</b> | <b>80%</b> | <b>90%</b> |
| 1. Cash  | 0.1        | 0.5        | 1.0        | 1.7        | 2.7        | 3.9        | 5.8        | 8.4        | 13.7       |
| 2. Equity Proxy                                      | -1.6       | 1.1        | 2.8        | 5.3        | 7.9        | 12.0       | 18.4       | 35.0       | 70.6       |
| 3. Operating   | -40.1      | -5.1       | 0.0        | 0.3        | 1.2        | 2.7        | 5.2        | 8.9        | 17.9       |
| 4. Investments                                       | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 2.0        | 13.5       |
| 5. Cash and Investments                              | 0.1        | 0.6        | 1.5        | 2.7        | 4.3        | 6.7        | 9.9        | 15.7       | 34.4       |
| <b>Health and Human Services Distribution (2014)</b> | <b>10%</b> | <b>20%</b> | <b>30%</b> | <b>40%</b> | <b>50%</b> | <b>60%</b> | <b>70%</b> | <b>80%</b> | <b>90%</b> |
| 1. Cash  | 0.0        | 0.2        | 0.4        | 0.8        | 1.2        | 1.8        | 2.7        | 4.0        | 7.0        |
| 2. Equity Proxy                                      | -8.9       | 0.1        | 1.5        | 3.0        | 4.7        | 7.6        | 13.0       | 25.3       | 60.8       |
| 3. Operating   | -86.9      | -16.6      | -3.6       | -0.2       | 0.3        | 1.1        | 2.5        | 4.9        | 13.6       |
| 4. Investments                                       | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 1.0        | 8.2        |
| 5. Cash and Investments                              | 0.0        | 0.3        | 0.7        | 1.2        | 2.1        | 3.3        | 5.1        | 9.3        | 18.3       |
| <b>Health and Human Services Distribution (2018)</b> | <b>10%</b> | <b>20%</b> | <b>30%</b> | <b>40%</b> | <b>50%</b> | <b>60%</b> | <b>70%</b> | <b>80%</b> | <b>90%</b> |
| 1. Cash  | 0.0        | 0.2        | 0.5        | 0.9        | 1.4        | 2.2        | 3.4        | 5.4        | 8.9        |
| 2. Equity Proxy                                      | -11.0      | 0.0        | 1.7        | 3.3        | 5.6        | 8.1        | 12.5       | 22.0       | 55.1       |
| 3. Operating   | -74.8      | -15.1      | -2.5       | 0.0        | 0.6        | 1.7        | 3.4        | 6.4        | 12.3       |
| 4. Investments                                       | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.4        | 5.7        |
| 5. Cash and Investments                              | 0.0        | 0.3        | 0.7        | 1.4        | 2.3        | 3.7        | 5.9        | 9.3        | 16.4       |

\*Months of reserve are calculated by dividing asset amount by the total monthly expense. For example, equity proxy reserves are calculated by dividing total net assets by total monthly expense.

#### Exhibit 4: Nonprofit Marginal Analysis

| NONPROFIT MARGINAL ANALYSIS (NET INCOME/REVENUES) |               |               |              |              |             |             |             |              |              |
|---|---------------|---------------|--------------|--------------|-------------|-------------|-------------|--------------|--------------|
| Distribution (2014)                               | 10%           | 20%           | 30%          | 40%          | 50%         | 60%         | 70%         | 80%          | 90%          |
| Arts, Culture and Humanities                      | -59.2         | -30.5         | -13.8        | -6.7         | 0.0         | 5.2         | 10.3        | 19.3         | 32.7         |
| Community Capacity                                | -66.5         | -21.3         | -8.9         | -4.3         | -0.5        | 3.3         | 8.2         | 14.8         | 36.3         |
| Education   | -20.9         | -6.9          | -1.1         | 0.0          | 0.8         | 1.9         | 2.8         | 4.7          | 7.1          |
| Employment  | -5.1          | -2.6          | 0.1          | 2.8          | 3.4         | 6.2         | 6.6         | 8.1          | 15.8         |
| Environment and Animal-Related                    | -44.6         | -19.9         | -9.5         | 0.2          | 3.8         | 8.5         | 17.7        | 22.5         | 34.6         |
| Health and Human Services                         | -62.6         | -19.4         | -8.9         | -4.1         | -0.5        | 1.2         | 3.6         | 7.0          | 18.2         |
| Other   | -48.8         | -23.7         | -3.8         | 0.9          | 2.5         | 4.5         | 11.8        | 25.8         | 35.7         |
| Philanthropy                                      | -154.2        | -17.1         | -2.3         | 0.1          | 3.6         | 8.2         | 14.3        | 32.6         | 50.9         |
| Religious Institutions                            | -98.3         | -11.1         | -5.4         | 0.8          | 7.7         | 13.8        | 26.2        | 34.2         | 53.9         |
| Science, Technology and Social Sciences           | -33.0         | -9.1          | 0.1          | 1.2          | 4.0         | 6.9         | 14.1        | 19.9         | 28.8         |
| Youth Development                                 | -23.3         | -8.8          | -3.1         | -0.6         | 1.8         | 5.3         | 9.2         | 13.1         | 24.6         |
| <b>Total</b>                                      | <b>-58.4</b>  | <b>-19.0</b>  | <b>-7.8</b>  | <b>-2.4</b>  | <b>0.4</b>  | <b>3.3</b>  | <b>7.0</b>  | <b>14.3</b>  | <b>27.4</b>  |
| Distribution (2018)                               | 10%           | 20%           | 30%          | 40%          | 50%         | 60%         | 70%         | 80%          | 90%          |
| Arts, Culture and Humanities                      | -60.9         | -20.7         | -8.2         | -2.2         | 1.6         | 4.1         | 10.5        | 18.6         | 32.1         |
| Community Capacity                                | -61.8         | -20.2         | -7.1         | -0.7         | 2.9         | 7.3         | 11.9        | 19.6         | 32.5         |
| Education   | -14.9         | -5.3          | -1.6         | 0.1          | 1.9         | 3.8         | 5.1         | 8.8          | 13.3         |
| Employment  | -46.3         | -8.4          | -2.5         | -1.1         | 0.8         | 2.3         | 5.8         | 11.9         | 14.3         |
| Environment and Animal-Related                    | -52.3         | -16.3         | -5.1         | -0.9         | 2.0         | 8.1         | 14.1        | 25.2         | 41.1         |
| Health and Human Services                         | -58.9         | -26.4         | -10.3        | -3.7         | -0.4        | 1.3         | 4.5         | 8.3          | 17.1         |
| Other   | -35.0         | -19.0         | -3.8         | 0.8          | 5.1         | 9.4         | 14.7        | 21.2         | 35.1         |
| Philanthropy                                      | -84.9         | -15.0         | -3.7         | 0.0          | 5.0         | 11.6        | 20.2        | 34.8         | 55.0         |
| Religious Institutions                            | -73.1         | -13.0         | -4.4         | 0.6          | 5.0         | 9.6         | 14.2        | 23.7         | 33.6         |
| Science, Technology and Social Sciences           | -97.9         | -9.2          | 0.8          | 3.3          | 5.3         | 7.5         | 15.1        | 20.4         | 39.7         |
| Youth Development                                 | -50.1         | -10.2         | -3.5         | 0.2          | 3.3         | 6.8         | 11.5        | 15.6         | 21.9         |
| <b>Total</b>                                      | <b>-59.2%</b> | <b>-18.7%</b> | <b>-6.8%</b> | <b>-1.3%</b> | <b>1.2%</b> | <b>4.6%</b> | <b>8.9%</b> | <b>15.2%</b> | <b>27.4%</b> |
| Distribution (2014)                               | 10%           | 20%           | 30%          | 40%          | 50%         | 60%         | 70%         | 80%          | 90%          |
| Very Small (<\$1MM)                               | -66.6         | -23.3         | -9.8         | -3.1         | 0.5         | 4.7         | 10.0        | 19.9         | 35.2         |
| Small (\$1–5MM)                                   | -38.5         | -18.5         | -9.7         | -4.2         | 0.1         | 2.1         | 4.8         | 10.4         | 19.4         |
| Medium (\$5–10MM)                                 | -22.5         | -7.8          | -2.3         | -0.5         | 0.8         | 2.7         | 3.9         | 7.1          | 14.7         |
| Large (\$10–50MM)                                 | -33.9         | -5.3          | -2.4         | -0.6         | 0.3         | 1.4         | 3.4         | 5.2          | 12.7         |
| Very Large (\$50MM+)                              | -5.4          | -0.5          | -0.1         | 0.3          | 0.6         | 1.5         | 3.2         | 5.5          | 7.8          |
| <b>Total</b>                                      | <b>-58.4</b>  | <b>-19.0</b>  | <b>-7.8</b>  | <b>-2.4</b>  | <b>0.4</b>  | <b>3.3</b>  | <b>7.0</b>  | <b>14.3</b>  | <b>27.5</b>  |
| Distribution (2018)                               | 10%           | 20%           | 30%          | 40%          | 50%         | 60%         | 70%         | 80%          | 90%          |
| Very Small (<\$1MM)                               | -72.4         | -23.2         | -8.2         | -1.6         | 1.7         | 6.1         | 11.6        | 18.7         | 33.8         |
| Small (\$1–5MM)                                   | -51.1         | -18.1         | -7.5         | -1.4         | 0.7         | 3.4         | 6.1         | 11.3         | 19.6         |
| Medium (\$5–10MM)                                 | -23.2         | -8.7          | -4.7         | -2.4         | 0.6         | 2.8         | 6.0         | 8.9          | 17.8         |
| Large (\$10–50MM)                                 | -20.7         | -6.5          | -2.1         | 0.0          | 0.8         | 2.2         | 3.9         | 6.7          | 12.2         |
| Very Large (\$50MM+)                              | -8.4          | -1.9          | -0.7         | 0.2          | 1.3         | 1.9         | 3.2         | 5.1          | 7.3          |
| <b>Total</b>                                      | <b>-59.2%</b> | <b>-18.7%</b> | <b>-6.8%</b> | <b>-1.3%</b> | <b>1.2%</b> | <b>4.6%</b> | <b>8.9%</b> | <b>15.2%</b> | <b>27.4%</b> |

| OPERATING INCOME MARGIN (NET INCOME LESS ASSET SALES AND INVESTMENTS/REVENUES) |              |              |             |             |            |            |            |             |             |
|--|--------------|--------------|-------------|-------------|------------|------------|------------|-------------|-------------|
| <b>Distribution (2014)</b>   | <b>10%</b>   | <b>20%</b>   | <b>30%</b>  | <b>40%</b>  | <b>50%</b> | <b>60%</b> | <b>70%</b> | <b>80%</b>  | <b>90%</b>  |
| Arts, Culture and Humanities   | -59.2        | -30.5        | -13.8       | -6.7        | 0.0        | 5.2        | 10.3       | 19.3        | 32.7        |
| Community Capacity   | -66.5        | -21.3        | -8.9        | -4.3        | -0.5       | 3.3        | 8.2        | 14.8        | 36.3        |
| Education  | -20.9        | -6.9         | -1.1        | 0.0         | 0.8        | 1.9        | 2.8        | 4.7         | 7.1         |
| Employment   | -5.1         | -2.6         | 0.1         | 2.8         | 3.4        | 6.2        | 6.6        | 8.1         | 15.8        |
| Environment and Animal-Related   | -44.6        | -19.9        | -9.5        | 0.2         | 3.8        | 8.5        | 17.7       | 22.5        | 34.6        |
| Health and Human Services  | -62.6        | -19.4        | -8.9        | -4.1        | -0.5       | 1.2        | 3.6        | 7.0         | 18.2        |
| Other  | -48.8        | -23.7        | -3.8        | 0.9         | 2.5        | 4.5        | 11.8       | 25.8        | 35.7        |
| Philanthropy   | -154.2       | -17.1        | -2.3        | 0.1         | 3.6        | 8.2        | 14.3       | 32.6        | 46.9        |
| Religious Institutions   | -98.3        | -11.1        | -5.4        | 0.8         | 7.7        | 13.8       | 26.2       | 34.2        | 53.9        |
| Science, Technology and Social Sciences  | -33.0        | -9.1         | 0.1         | 1.2         | 4.0        | 6.9        | 14.1       | 19.9        | 28.8        |
| Youth Development  | -23.3        | -8.8         | -3.1        | -0.6        | 1.8        | 5.3        | 9.2        | 13.1        | 24.6        |
| <b>Total</b>   | <b>-59.5</b> | <b>-20.9</b> | <b>-9.3</b> | <b>-3.5</b> | <b>0.0</b> | <b>2.3</b> | <b>5.6</b> | <b>11.1</b> | <b>23.3</b> |
| <b>Distribution (2018)</b>   | <b>10%</b>   | <b>20%</b>   | <b>30%</b>  | <b>40%</b>  | <b>50%</b> | <b>60%</b> | <b>70%</b> | <b>80%</b>  | <b>90%</b>  |
| Arts, Culture and Humanities   | -60.9        | -20.7        | -8.2        | -2.2        | 1.6        | 4.1        | 10.5       | 18.6        | 32.1        |
| Community Capacity   | -61.8        | -20.2        | -7.1        | -0.7        | 2.9        | 7.3        | 11.9       | 19.6        | 32.5        |
| Education  | -14.9        | -5.3         | -1.6        | 0.1         | 1.9        | 3.8        | 5.1        | 8.8         | 13.3        |
| Employment   | -46.3        | -8.4         | -2.5        | -1.1        | 0.8        | 2.3        | 5.8        | 11.9        | 14.3        |
| Environment and Animal-Related   | -52.3        | -16.3        | -5.1        | -0.9        | 2.0        | 8.1        | 14.1       | 25.2        | 41.1        |
| Health and Human Services  | -58.9        | -26.4        | -10.3       | -3.7        | -0.4       | 1.3        | 4.5        | 8.3         | 17.1        |
| Other  | -35.0        | -19.0        | -3.8        | 0.8         | 5.1        | 9.4        | 14.7       | 21.2        | 35.1        |
| Philanthropy   | -84.9        | -15.0        | -3.7        | 0.0         | 5.0        | 11.1       | 19.7       | 33.7        | 54.7        |
| Religious Institutions   | -73.1        | -13.0        | -4.4        | 0.6         | 5.0        | 9.6        | 14.2       | 23.7        | 33.6        |
| Science, Technology and Social Sciences  | -97.9        | -9.2         | 0.8         | 3.3         | 5.3        | 7.5        | 15.1       | 20.4        | 39.7        |
| Youth Development  | -50.1        | -10.2        | -3.5        | 0.2         | 3.3        | 6.8        | 11.5       | 15.6        | 21.9        |
| <b>Total</b>   | <b>-60.4</b> | <b>-21.6</b> | <b>-8.2</b> | <b>-2.3</b> | <b>0.4</b> | <b>3.5</b> | <b>7.6</b> | <b>13.9</b> | <b>25.2</b> |
| <b>Distribution (2014)</b>   | <b>10%</b>   | <b>20%</b>   | <b>30%</b>  | <b>40%</b>  | <b>50%</b> | <b>60%</b> | <b>70%</b> | <b>80%</b>  | <b>90%</b>  |
| Very Small (<\$1MM)  | -66.6        | -23.3        | -9.8        | -3.1        | 0.5        | 4.7        | 10.0       | 19.9        | 35.2        |
| Small (\$1–5MM)  | -38.5        | -18.5        | -9.7        | -4.2        | 0.1        | 2.1        | 4.8        | 10.4        | 19.4        |
| Medium (\$5–10MM)  | -22.5        | -7.8         | -2.3        | -0.5        | 0.8        | 2.7        | 3.9        | 7.1         | 14.7        |
| Large (\$10–50MM)  | -33.9        | -5.3         | -2.4        | -0.6        | 0.3        | 1.4        | 3.4        | 5.2         | 12.7        |
| Very Large (\$50MM+)   | -5.4         | -0.5         | -0.1        | 0.3         | 0.8        | 1.8        | 3.3        | 5.8         | 11.9        |
| <b>Total</b>   | <b>-59.5</b> | <b>-20.9</b> | <b>-9.3</b> | <b>-3.5</b> | <b>0.0</b> | <b>2.3</b> | <b>5.6</b> | <b>11.1</b> | <b>23.3</b> |
| <b>Distribution (2018)</b>   | <b>10%</b>   | <b>20%</b>   | <b>30%</b>  | <b>40%</b>  | <b>50%</b> | <b>60%</b> | <b>70%</b> | <b>80%</b>  | <b>90%</b>  |
| Very Small (<\$1MM)  | -72.4        | -23.2        | -8.2        | -1.6        | 1.7        | 6.1        | 11.6       | 18.7        | 33.8        |
| Small (\$1–5MM)  | -51.1        | -18.1        | -7.5        | -1.4        | 0.7        | 3.4        | 6.1        | 11.3        | 19.6        |
| Medium (\$5–10MM)  | -23.2        | -8.7         | -4.7        | -2.4        | 0.6        | 2.8        | 6.0        | 8.9         | 17.8        |
| Large (\$10–50MM)  | -20.7        | -6.5         | -2.1        | 0.0         | 0.8        | 2.2        | 3.9        | 6.7         | 12.2        |
| Very Large (\$50MM+)   | -8.4         | -2.0         | -1.2        | 0.1         | 1.2        | 1.7        | 2.9        | 4.8         | 6.8         |
| <b>Total</b>   | <b>-60.4</b> | <b>-21.6</b> | <b>-8.2</b> | <b>-2.3</b> | <b>0.4</b> | <b>3.5</b> | <b>7.6</b> | <b>13.9</b> | <b>25.2</b> |

**Exhibit 5: Distribution of nonprofits by size and sector (USD 000s)**

| <b>DISTRIBUTION OF SPEND BY SIZE AND SECTOR (2018 FUNCTIONAL EXPENSES)</b> |             |              |              |              |              |              |                |                |                |
|--|-------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|
| <b>In USD 000s</b>   |             |              |              |              |              |              |                |                |                |
| <b>Distribution (2014)</b>   | <b>10%</b>  | <b>20%</b>   | <b>30%</b>   | <b>40%</b>   | <b>50%</b>   | <b>60%</b>   | <b>70%</b>     | <b>80%</b>     | <b>90%</b>     |
| Arts, Culture and Humanities   | \$32        | \$140        | \$223        | \$301        | \$399        | \$571        | \$994          | \$1,804        | \$3,611        |
| Community Capacity   | \$51        | \$121        | \$171        | \$255        | \$332        | \$470        | \$689          | \$1,078        | \$2,330        |
| Education  | \$202       | \$291        | \$390        | \$623        | \$921        | \$1,381      | \$2,710        | \$4,139        | \$7,275        |
| Employment   | \$34        | \$278        | \$536        | \$788        | \$1,683      | \$2,616      | \$4,093        | \$5,981        | \$7,837        |
| Environment and Animal-Related   | \$37        | \$96         | \$176        | \$253        | \$379        | \$539        | \$916          | \$1,468        | \$2,154        |
| Health and Human Services  | \$49        | \$168        | \$294        | \$483        | \$811        | \$1,257      | \$2,333        | \$6,060        | \$14,266       |
| Other  | \$82        | \$149        | \$220        | \$304        | \$406        | \$597        | \$804          | \$1,481        | \$4,080        |
| Philanthropy   | \$17        | \$65         | \$129        | \$198        | \$319        | \$537        | \$830          | \$1,437        | \$2,771        |
| Religious Institutions   | \$43        | \$78         | \$136        | \$183        | \$249        | \$328        | \$448          | \$786          | \$1,431        |
| Science, Technology and Social Sciences                                    | \$39        | \$180        | \$597        | \$1,430      | \$3,244      | \$4,964      | \$7,252        | \$10,366       | \$21,565       |
| Youth Development  | \$17        | \$76         | \$139        | \$203        | \$253        | \$348        | \$509          | \$788          | \$1,457        |
| <b>Total</b>   | <b>\$36</b> | <b>\$127</b> | <b>\$214</b> | <b>\$312</b> | <b>\$468</b> | <b>\$756</b> | <b>\$1,234</b> | <b>\$2,425</b> | <b>\$6,635</b> |
| <b>Distribution (2018)</b>   | <b>10%</b>  | <b>20%</b>   | <b>30%</b>   | <b>40%</b>   | <b>50%</b>   | <b>60%</b>   | <b>70%</b>     | <b>80%</b>     | <b>90%</b>     |
| Arts, Culture and Humanities   | \$30        | \$105        | \$168        | \$249        | \$358        | \$478        | \$837          | \$1,479        | \$3,013        |
| Community Capacity   | \$53        | \$125        | \$188        | \$247        | \$321        | \$456        | \$677          | \$1,111        | \$2,018        |
| Education  | \$187       | \$391        | \$533        | \$660        | \$941        | \$1,510      | \$2,597        | \$3,772        | \$6,470        |
| Employment   | \$110       | \$274        | \$357        | \$641        | \$990        | \$2,859      | \$3,226        | \$6,859        | \$8,715        |
| Environment and Animal-Related   | \$23        | \$83         | \$152        | \$226        | \$310        | \$482        | \$756          | \$1,333        | \$2,413        |
| Health and Human Services  | \$40        | \$154        | \$253        | \$411        | \$645        | \$970        | \$1,703        | \$4,118        | \$11,704       |
| Other  | \$50        | \$114        | \$181        | \$233        | \$301        | \$399        | \$613          | \$993          | \$2,130        |
| Philanthropy   | \$12        | \$60         | \$132        | \$226        | \$360        | \$564        | \$872          | \$1,287        | \$2,625        |
| Religious Institutions   | \$24        | \$82         | \$117        | \$183        | \$256        | \$317        | \$447          | \$694          | \$1,545        |
| Science, Technology and Social Sciences                                    | \$30        | \$142        | \$258        | \$391        | \$676        | \$1,530      | \$4,596        | \$8,780        | \$16,334       |
| Youth Development  | \$23        | \$99         | \$173        | \$224        | \$282        | \$369        | \$530          | \$787          | \$1,397        |
| <b>Total</b>   | <b>\$33</b> | <b>\$118</b> | <b>\$200</b> | <b>\$281</b> | <b>\$413</b> | <b>\$623</b> | <b>\$998</b>   | <b>\$1,839</b> | <b>\$4,692</b> |
| <b>Distribution (2014)</b>   | <b>10%</b>  | <b>20%</b>   | <b>30%</b>   | <b>40%</b>   | <b>50%</b>   | <b>60%</b>   | <b>70%</b>     | <b>80%</b>     | <b>90%</b>     |
| Very Small (<\$1MM)  | \$19        | \$74         | \$130        | \$186        | \$236        | \$298        | \$379          | \$487          | \$665          |
| Small (\$1–5MM)  | \$1,078     | \$1,214      | \$1,359      | \$1,524      | \$1,761      | \$2,059      | \$2,429        | \$2,955        | \$3,645        |
| Medium (\$5–10MM)  | \$5,174     | \$5,479      | \$5,793      | \$6,207      | \$6,526      | \$7,239      | \$7,856        | \$8,427        | \$9,072        |
| Large (\$10–50MM)  | \$10,872    | \$11,948     | \$13,450     | \$15,198     | \$17,153     | \$19,545     | \$22,374       | \$25,486       | \$29,272       |
| Very Large (\$50MM+)   | \$53,574    | \$57,385     | \$63,557     | \$69,077     | \$71,039     | \$79,661     | \$106,231      | \$137,544      | \$220,195      |
| <b>Total</b>   | <b>\$36</b> | <b>\$127</b> | <b>\$214</b> | <b>\$312</b> | <b>\$468</b> | <b>\$756</b> | <b>\$1,234</b> | <b>\$2,425</b> | <b>\$6,635</b> |

| DISTRIBUTION OF SPEND BY SIZE AND SECTOR (2018 FUNCTIONAL EXPENSES) |             |              |              |              |              |              |              |                |                |
|---|-------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|
| Distribution (2018)   | 10%         | 20%          | 30%          | 40%          | 50%          | 60%          | 70%          | 80%            | 90%            |
| Very Small (<\$1MM)   | \$18        | \$76         | \$129        | \$184        | \$233        | \$289        | \$372        | \$483          | \$635          |
| Small (\$1–5MM)   | \$1,058     | \$1,176      | \$1,299      | \$1,506      | \$1,779      | \$2,029      | \$2,456      | \$2,957        | \$3,523        |
| Medium (\$5–10MM)   | \$5,181     | \$5,454      | \$5,784      | \$6,120      | \$6,838      | \$7,218      | \$7,890      | \$8,483        | \$8,961        |
| Large (\$10–50MM)   | \$10,612    | \$11,831     | \$13,318     | \$15,558     | \$17,908     | \$20,148     | \$22,886     | \$26,903       | \$33,300       |
| Very Large (\$50MM+)  | \$52,571    | \$56,358     | \$69,556     | \$73,969     | \$80,012     | \$85,881     | \$100,186    | \$129,146      | \$197,167      |
| <b>Total</b>  | <b>\$33</b> | <b>\$118</b> | <b>\$200</b> | <b>\$281</b> | <b>\$413</b> | <b>\$623</b> | <b>\$998</b> | <b>\$1,839</b> | <b>\$4,692</b> |

Exhibit 6: Distribution of aggregate nonprofit expenditure by size and sector

| PERCENTAGE OF TOTAL SEGMENT EXPENSE     |                  |                  |                  |                    |                    |
|---|------------------|------------------|------------------|--------------------|--------------------|
| Distribution (2014)                     | <10%             | 10%<x<20%        | 20%<x<30%        | 30%<x<40%          | 40%<x<50%          |
| Arts, Culture and Humanities            | \$635            | \$2,804          | \$4,228          | \$6,026            | \$7,586            |
| Community Capacity                      | \$919            | \$2,171          | \$2,912          | \$4,594            | \$5,652            |
| Education                               | \$1,417          | \$1,748          | \$2,341          | \$4,361            | \$5,527            |
| Employment                              | \$101            | \$556            | \$1,073          | \$1,576            | \$5,049            |
| Environment and Animal-Related          | \$299            | \$771            | \$1,230          | \$2,028            | \$3,032            |
| Health and Human Services               | \$2,804          | \$9,577          | \$16,457         | \$27,518           | \$46,230           |
| Other                                   | \$653            | \$1,046          | \$1,757          | \$2,125            | \$3,252            |
| Philanthropy                            | \$185            | \$654            | \$1,290          | \$1,984            | \$3,185            |
| Religious Institutions                  | \$299            | \$543            | \$818            | \$1,278            | \$1,742            |
| Science, Technology and Social Sciences | \$155            | \$721            | \$2,387          | \$5,720            | \$12,976           |
| Youth Development                       | \$259            | \$1,064          | \$1,949          | \$2,848            | \$3,541            |
| <b>Total</b>                            | <b>\$5,573</b>   | <b>\$19,421</b>  | <b>\$32,547</b>  | <b>\$47,702</b>    | <b>\$71,101</b>    |
| <b>Percentage of entire sector</b>      | <b>0.1%</b>      | <b>0.2%</b>      | <b>0.4%</b>      | <b>0.5%</b>        | <b>0.8%</b>        |
| Distribution (2014)                     | 50%<x<60%        | 60%<x<70%        | 70%<x<80%        | 80%<x<90%          | 90%<x<100%         |
| Arts, Culture and Humanities            | \$11,411         | \$18,880         | \$36,075         | \$68,615           | \$433,174          |
| Community Capacity                      | \$8,466          | \$11,718         | \$19,409         | \$39,610           | \$393,460          |
| Education                               | \$8,286          | \$18,971         | \$24,832         | \$43,652           | \$213,913          |
| Employment                              | \$5,232          | \$8,186          | \$11,963         | \$15,675           | \$60,057           |
| Environment and Animal-Related          | \$3,773          | \$7,327          | \$10,278         | \$17,231           | \$92,220           |
| Health and Human Services               | \$70,379         | \$132,963        | \$339,352        | \$813,171          | \$4,486,355        |
| Other                                   | \$4,179          | \$5,631          | \$11,844         | \$28,559           | \$285,491          |
| Philanthropy                            | \$5,375          | \$8,304          | \$14,369         | \$27,710           | \$505,256          |
| Religious Institutions                  | \$1,969          | \$3,135          | \$4,717          | \$10,019           | \$121,355          |
| Science, Technology and Social Sciences | \$14,892         | \$29,009         | \$41,463         | \$86,261           | \$242,486          |
| Youth Development                       | \$4,875          | \$7,126          | \$11,027         | \$20,397           | \$104,599          |
| <b>Total</b>                            | <b>\$115,635</b> | <b>\$187,503</b> | <b>\$371,083</b> | <b>\$1,008,591</b> | <b>\$7,389,178</b> |
| <b>Percentage of entire sector</b>      | <b>1.3%</b>      | <b>2.0%</b>      | <b>4.0%</b>      | <b>10.9%</b>       | <b>79.9%</b>       |
| Distribution (2018)                     | <10%             | 10%<x<20%        | 20%<x<30%        | 30%<x<40%          | 40%<x<50%          |
| Arts, Culture and Humanities            | \$832            | \$2,826          | \$4,546          | \$6,978            | \$9,666            |
| Community Capacity                      | \$1,422          | \$3,376          | \$4,876          | \$6,677            | \$8,352            |
| Education                               | \$1,685          | \$3,130          | \$4,261          | \$5,281            | \$7,525            |



| PERCENTAGE OF TOTAL SEGMENT EXPENSE     |                        |                        |                        |                        |                         |
|---|------------------------|------------------------|------------------------|------------------------|-------------------------|
| Employment                              | \$329                  | \$823                  | \$1,072                | \$1,281                | \$2,970                 |
| Environment and Animal-Related          | \$258                  | \$918                  | \$1,676                | \$2,486                | \$3,410                 |
| Health and Human Services               | \$2,928                | \$11,370               | \$18,733               | \$30,395               | \$47,756                |
| Other                                   | \$604                  | \$1,254                | \$2,168                | \$2,560                | \$3,607                 |
| Philanthropy                            | \$152                  | \$784                  | \$1,713                | \$2,935                | \$4,674                 |
| Religious Institutions                  | \$262                  | \$817                  | \$1,292                | \$1,830                | \$2,813                 |
| Science, Technology and Social Sciences | \$181                  | \$855                  | \$1,547                | \$1,956                | \$4,055                 |
| Youth Development                       | \$518                  | \$2,266                | \$3,975                | \$5,148                | \$6,481                 |
| <b>Total</b>                            | <b>\$7,129</b>         | <b>\$25,191</b>        | <b>\$42,541</b>        | <b>\$60,056</b>        | <b>\$87,897</b>         |
| <b>Percentage of entire sector</b>      | <b>0.1%</b>            | <b>0.2%</b>            | <b>0.4%</b>            | <b>0.5%</b>            | <b>0.8%</b>             |
| <b>Distribution (2014)</b>              | <b>50%&lt;x&lt;60%</b> | <b>60%&lt;x&lt;70%</b> | <b>70%&lt;x&lt;80%</b> | <b>80%&lt;x&lt;90%</b> | <b>90%&lt;x&lt;100%</b> |
| Arts, Culture and Humanities            | \$12,912               | \$23,435               | \$39,922               | \$81,351               | \$549,502               |
| Community Capacity                      | \$12,322               | \$17,612               | \$30,001               | \$52,458               | \$588,363               |
| Education                               | \$12,079               | \$20,773               | \$30,176               | \$51,759               | \$290,373               |
| Employment                              | \$8,578                | \$6,452                | \$20,576               | \$26,144               | \$76,192                |
| Environment and Animal-Related          | \$4,819                | \$8,314                | \$14,662               | \$26,548               | \$133,377               |
| Health and Human Services               | \$70,825               | \$126,029              | \$304,736              | \$866,132              | \$5,592,584             |
| Other                                   | \$4,391                | \$6,741                | \$11,920               | \$23,434               | \$353,681               |
| Philanthropy                            | \$7,499                | \$11,583               | \$17,503               | \$36,103               | \$1,556,468             |
| Religious Institutions                  | \$3,171                | \$4,472                | \$7,639                | \$15,454               | \$137,813               |
| Science, Technology and Social Sciences | \$9,177                | \$22,981               | \$52,679               | \$98,002               | \$445,093               |
| Youth Development                       | \$8,121                | \$12,179               | \$18,109               | \$32,124               | \$136,954               |
| <b>Total</b>                            | <b>\$132,782</b>       | <b>\$213,594</b>       | <b>\$391,752</b>       | <b>\$999,310</b>       | <b>\$9,404,502</b>      |
| <b>Percentage of entire sector</b>      | <b>1.2%</b>            | <b>1.9%</b>            | <b>3.4%</b>            | <b>8.8%</b>            | <b>82.8%</b>            |

**Exhibit 7: Philanthropy as a percentage of revenues by size and sector**

| DISTRIBUTION OF PHILANTHROPY AS A PERCENTAGE OF REVENUE BY SIZE AND SECTOR |            |            |            |             |             |             |             |             |             |
|--|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Distribution (2014)  | 10%        | 20%        | 30%        | 40%         | 50%         | 60%         | 70%         | 80%         | 90%         |
| Arts, Culture and Humanities   | 0.0        | 12.1       | 21.4       | 34.7        | 50.2        | 60.7        | 68.9        | 77.8        | 90.4        |
| Community Capacity   | 0.0        | 6.5        | 33.5       | 54.7        | 69.6        | 80.4        | 90.1        | 95.2        | 99.8        |
| Education  | 0.0        | 0.0        | 0.7        | 2.3         | 4.0         | 5.3         | 8.5         | 15.8        | 27.1        |
| Employment   | 0.0        | 0.4        | 2.8        | 3.9         | 20.6        | 69.1        | 86.8        | 95.7        | 98.7        |
| Environment and Animal-Related   | 0.0        | 14.1       | 26.6       | 44.3        | 49.4        | 63.2        | 73.9        | 85.0        | 99.7        |
| Health and Human Services  | 0.0        | 0.0        | 0.1        | 1.5         | 10.5        | 41.8        | 67.5        | 87.0        | 97.9        |
| Other  | 0.0        | 6.9        | 25.1       | 58.5        | 82.7        | 94.8        | 98.6        | 100.0       | 100.0       |
| Philanthropy   | 0.0        | 0.4        | 9.4        | 50.1        | 74.9        | 87.2        | 92.3        | 98.7        | 99.8        |
| Religious Institutions   | 0.0        | 16.1       | 32.2       | 51.1        | 71.9        | 86.8        | 98.8        | 100.0       | 100.0       |
| Science, Technology and Social Sciences                                    | 0.0        | 0.1        | 3.0        | 12.5        | 59.2        | 69.9        | 78.8        | 88.4        | 98.4        |
| Youth Development  | 0.0        | 0.3        | 1.6        | 4.9         | 17.0        | 34.7        | 64.2        | 87.1        | 98.3        |
| <b>Total</b>   | <b>0.0</b> | <b>0.2</b> | <b>2.8</b> | <b>14.0</b> | <b>38.7</b> | <b>59.9</b> | <b>76.8</b> | <b>91.5</b> | <b>99.1</b> |
| Distribution (2018)  | 10%        | 20%        | 30%        | 40%         | 50%         | 60%         | 70%         | 80%         | 90%         |
| Arts, Culture and Humanities   | 0.0        | 11.0       | 22.3       | 30.7        | 46.8        | 62.3        | 72.3        | 80.9        | 95.2        |

| DISTRIBUTION OF PHILANTHROPY AS A PERCENTAGE OF REVENUE BY SIZE AND SECTOR |            |            |            |             |             |             |             |             |              |
|--|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Community Capacity   | 0.0        | 11.5       | 37.7       | 51.6        | 71.2        | 81.1        | 89.4        | 95.7        | 99.5         |
| Education  | 0.0        | 0.0        | 0.3        | 1.2         | 4.1         | 7.2         | 11.6        | 19.1        | 37.0         |
| Employment   | 0.0        | 3.1        | 11.3       | 22.2        | 43.1        | 75.5        | 90.4        | 94.3        | 95.9         |
| Environment and Animal-Related   | 0.0        | 16.9       | 28.1       | 45.6        | 53.5        | 68.7        | 81.9        | 95.0        | 100.0        |
| Health and Human Services  | 0.0        | 0.0        | 0.3        | 1.9         | 16.0        | 43.8        | 72.5        | 90.5        | 99.3         |
| Other  | 0.0        | 20.0       | 43.6       | 71.1        | 87.5        | 97.3        | 99.7        | 100.0       | 100.0        |
| Philanthropy   | 0.0        | 1.4        | 10.9       | 51.5        | 74.6        | 88.2        | 94.9        | 98.3        | 99.9         |
| Religious Institutions   | 0.0        | 23.0       | 46.7       | 66.1        | 90.7        | 99.2        | 100.0       | 100.0       | 100.0        |
| Science, Technology and Social Sciences                                    | 0.0        | 0.6        | 5.5        | 29.1        | 53.5        | 73.5        | 89.4        | 98.3        | 100.0        |
| Youth Development  | 0.0        | 0.3        | 1.3        | 5.2         | 19.4        | 44.0        | 74.9        | 90.3        | 100.0        |
| <b>Total</b>   | <b>0.0</b> | <b>0.4</b> | <b>4.0</b> | <b>20.2</b> | <b>43.1</b> | <b>65.3</b> | <b>81.6</b> | <b>94.5</b> | <b>100.0</b> |
| <b>Distribution (2014)</b>   | <b>10%</b> | <b>20%</b> | <b>30%</b> | <b>40%</b>  | <b>50%</b>  | <b>60%</b>  | <b>70%</b>  | <b>80%</b>  | <b>90%</b>   |
| Very Small (<\$1MM)  | 0.0        | 0.1        | 4.1        | 20.3        | 45.8        | 65.6        | 81.8        | 95.1        | 100.0        |
| Small (\$1–5MM)  | 0.0        | 0.7        | 7.0        | 22.2        | 43.9        | 62.1        | 77.4        | 88.8        | 97.4         |
| Medium (\$5–10MM)  | 0.0        | 0.2        | 2.0        | 10.6        | 30.9        | 55.4        | 67.7        | 82.9        | 95.1         |
| Large (\$10–50MM)  | 0.0        | 0.2        | 0.7        | 2.0         | 4.5         | 10.8        | 29.9        | 55.4        | 74.1         |
| Very Large (\$50MM+)   | 0.0        | 0.3        | 0.7        | 1.0         | 2.4         | 7.0         | 56.6        | 81.7        | 92.5         |
| <b>Total</b>   | <b>0.0</b> | <b>0.2</b> | <b>2.8</b> | <b>14.0</b> | <b>38.7</b> | <b>59.9</b> | <b>76.8</b> | <b>91.5</b> | <b>99.1</b>  |
| <b>Distribution (2018)</b>   | <b>10%</b> | <b>20%</b> | <b>30%</b> | <b>40%</b>  | <b>50%</b>  | <b>60%</b>  | <b>70%</b>  | <b>80%</b>  | <b>90%</b>   |
| Very Small (<\$1MM)  | 0.0        | 0.4        | 5.2        | 24.3        | 50.0        | 72.7        | 87.5        | 97.7        | 100.0        |
| Small (\$1–5MM)  | 0.0        | 1.6        | 9.1        | 26.4        | 44.7        | 63.5        | 79.8        | 91.4        | 98.4         |
| Medium (\$5–10MM)  | 0.0        | 0.6        | 3.3        | 10.3        | 32.6        | 45.9        | 70.6        | 88.6        | 96.3         |
| Large (\$10–50MM)  | 0.0        | 0.3        | 1.1        | 2.1         | 6.3         | 24.2        | 39.8        | 63.2        | 79.6         |
| Very Large (\$50MM+)   | 0.0        | 0.4        | 0.7        | 1.4         | 2.0         | 11.0        | 57.2        | 76.5        | 93.9         |
| <b>Total</b>   | <b>0.0</b> | <b>0.4</b> | <b>4.0</b> | <b>20.2</b> | <b>43.1</b> | <b>65.3</b> | <b>81.6</b> | <b>94.5</b> | <b>100.0</b> |
| <b>Health and Human Services Distribution (2014)</b>                       | <b>10%</b> | <b>20%</b> | <b>30%</b> | <b>40%</b>  | <b>50%</b>  | <b>60%</b>  | <b>70%</b>  | <b>80%</b>  | <b>90%</b>   |
| Very Small (<\$1MM)  | 0.0        | 0.0        | 0.0        | 2.4         | 27.2        | 52.6        | 74.6        | 91.4        | 99.5         |
| Small (\$1–5MM)  | 0.0        | 0.1        | 0.9        | 7.3         | 20.4        | 65.4        | 76.4        | 89.3        | 97.7         |
| Medium (\$5–10MM)  | 0.0        | 0.1        | 0.6        | 3.8         | 9.6         | 41.4        | 58.4        | 87.2        | 94.7         |
| Large (\$10–50MM)  | 0.0        | 0.1        | 0.3        | 0.9         | 1.8         | 3.3         | 6.1         | 29.4        | 73.2         |
| Very Large (\$50MM+)   | 0.0        | 0.3        | 0.6        | 0.8         | 1.2         | 2.5         | 3.3         | 42.7        | 91.1         |
| <b>Total</b>   | <b>0.0</b> | <b>0.0</b> | <b>0.1</b> | <b>1.5</b>  | <b>10.5</b> | <b>41.8</b> | <b>67.5</b> | <b>87.0</b> | <b>97.9</b>  |
| <b>Health and Human Services Distribution (2018)</b>                       | <b>10%</b> | <b>20%</b> | <b>30%</b> | <b>40%</b>  | <b>50%</b>  | <b>60%</b>  | <b>70%</b>  | <b>80%</b>  | <b>90%</b>   |
| Very Small (<\$1MM)  | 0.0        | 0.0        | 0.0        | 3.1         | 28.0        | 54.0        | 75.0        | 92.0        | 100.0        |
| Small (\$1–5MM)  | 0.0        | 0.1        | 1.7        | 8.6         | 30.8        | 65.8        | 83.1        | 95.0        | 98.5         |
| Medium (\$5–10MM)  | 0.0        | 0.3        | 0.9        | 3.4         | 10.3        | 44.5        | 70.6        | 88.8        | 98.4         |
| Large (\$10–50MM)  | 0.0        | 0.0        | 0.3        | 1.0         | 1.6         | 2.7         | 9.8         | 39.6        | 77.6         |
| Very Large (\$50MM+)   | 0.0        | 0.4        | 0.6        | 0.9         | 1.4         | 1.8         | 2.6         | 20.1        | 77.8         |
| <b>Total</b>   | <b>0.0</b> | <b>0.0</b> | <b>0.3</b> | <b>1.9</b>  | <b>16.0</b> | <b>43.8</b> | <b>72.5</b> | <b>90.5</b> | <b>99.3</b>  |

**Exhibit 8: Philanthropy as a percentage of revenues by size and sector**

| <b>DISTRIBUTION OF PHILANTHROPY AS A PERCENTAGE OF TOTAL NONPROFIT SPEND BY SIZE AND SECTOR</b> |            |            |            |             |             |             |             |             |              |
|---|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|--------------|
| <b>Distribution (2014)</b>  | <b>10%</b> | <b>20%</b> | <b>30%</b> | <b>40%</b>  | <b>50%</b>  | <b>60%</b>  | <b>70%</b>  | <b>80%</b>  | <b>90%</b>   |
| Arts, Culture and Humanities  | 0.7        | 14.2       | 22.6       | 35.0        | 46.4        | 55.6        | 66.3        | 82.5        | 103.3        |
| Community Capacity  | 0.0        | 7.6        | 28.7       | 47.5        | 68.5        | 82.9        | 92.2        | 100.7       | 114.9        |
| Education   | 0.0        | 0.0        | 0.7        | 2.5         | 4.1         | 5.4         | 7.2         | 14.3        | 30.5         |
| Employment  | 0.0        | 0.4        | 3.0        | 4.7         | 21.9        | 75.7        | 85.9        | 96.4        | 101.2        |
| Environment and Animal-Related  | 0.0        | 16.3       | 26.1       | 39.9        | 55.3        | 63.3        | 80.8        | 101.5       | 108.1        |
| Health and Human Services   | 0.0        | 0.0        | 0.1        | 1.4         | 9.2         | 37.2        | 65.0        | 89.5        | 99.6         |
| Other   | 0.0        | 7.6        | 33.9       | 60.4        | 72.9        | 85.4        | 98.2        | 105.2       | 121.3        |
| Philanthropy  | 0.0        | 0.7        | 8.1        | 48.4        | 78.2        | 91.3        | 97.0        | 105.9       | 137.5        |
| Religious Institutions  | 0.0        | 19.0       | 32.2       | 54.5        | 73.9        | 88.4        | 100.8       | 120.0       | 136.8        |
| Science, Technology and Social Sciences   | 0.0        | 0.1        | 3.1        | 13.0        | 64.2        | 75.7        | 78.9        | 95.9        | 108.2        |
| Youth Development   | 0.0        | 0.2        | 1.4        | 4.0         | 13.4        | 35.8        | 67.6        | 84.7        | 105.2        |
| <b>Total</b>  | <b>0.0</b> | <b>0.2</b> | <b>2.7</b> | <b>13.9</b> | <b>36.7</b> | <b>58.1</b> | <b>78.0</b> | <b>94.5</b> | <b>105.6</b> |
| <b>Distribution (2018)</b>  | <b>10%</b> | <b>20%</b> | <b>30%</b> | <b>40%</b>  | <b>50%</b>  | <b>60%</b>  | <b>70%</b>  | <b>80%</b>  | <b>90%</b>   |
| Arts, Culture and Humanities  | 0.8        | 11.8       | 21.1       | 28.5        | 42.6        | 54.0        | 74.4        | 89.7        | 110.1        |
| Community Capacity  | 0.0        | 11.5       | 39.0       | 54.2        | 65.8        | 80.9        | 94.1        | 102.3       | 117.7        |
| Education   | 0.0        | 0.0        | 0.3        | 1.3         | 4.6         | 7.9         | 11.3        | 18.6        | 38.0         |
| Employment  | 0.0        | 3.0        | 13.6       | 21.7        | 45.5        | 75.0        | 86.7        | 92.4        | 94.1         |
| Environment and Animal-Related  | 0.0        | 16.9       | 26.5       | 48.0        | 56.1        | 72.4        | 89.0        | 102.0       | 124.9        |
| Health and Human Services   | 0.0        | 0.0        | 0.2        | 1.9         | 13.5        | 42.8        | 69.8        | 90.5        | 100.8        |
| Other   | 0.0        | 9.2        | 42.5       | 68.8        | 82.7        | 97.4        | 103.7       | 113.4       | 128.9        |
| Philanthropy  | 0.0        | 1.4        | 11.6       | 50.7        | 77.3        | 91.9        | 100.9       | 117.1       | 136.1        |
| Religious Institutions  | 0.0        | 11.8       | 44.6       | 60.4        | 85.3        | 91.0        | 103.4       | 112.4       | 135.5        |
| Science, Technology and Social Sciences   | 0.0        | 0.7        | 5.6        | 23.9        | 44.0        | 65.5        | 94.0        | 100.5       | 117.9        |
| Youth Development   | 0.0        | 0.2        | 1.3        | 4.9         | 17.8        | 42.3        | 70.1        | 94.9        | 105.0        |
| <b>Total</b>  | <b>0.0</b> | <b>0.5</b> | <b>3.9</b> | <b>19.5</b> | <b>42.4</b> | <b>62.4</b> | <b>82.8</b> | <b>97.8</b> | <b>110.7</b> |
| <b>Distribution (2014)</b>  | <b>10%</b> | <b>20%</b> | <b>30%</b> | <b>40%</b>  | <b>50%</b>  | <b>60%</b>  | <b>70%</b>  | <b>80%</b>  | <b>90%</b>   |
| Very Small (<\$1MM)   | 0.0        | 0.1        | 3.6        | 19.7        | 43.9        | 65.2        | 83.7        | 99.9        | 115.5        |
| Small (\$1–5MM)   | 0.0        | 0.6        | 7.7        | 23.0        | 37.9        | 62.9        | 76.9        | 91.6        | 100.5        |
| Medium (\$5–10MM)   | 0.0        | 0.2        | 2.1        | 10.3        | 28.5        | 58.0        | 75.6        | 88.8        | 96.3         |
| Large (\$10–50MM)   | 0.0        | 0.2        | 0.8        | 2.3         | 4.8         | 10.7        | 30.2        | 55.0        | 82.0         |
| Very Large (\$50MM+)  | 0.0        | 0.3        | 0.7        | 1.1         | 2.5         | 11.3        | 67.8        | 88.2        | 94.0         |
| <b>Total</b>  | <b>0.0</b> | <b>0.2</b> | <b>2.7</b> | <b>13.9</b> | <b>36.7</b> | <b>58.1</b> | <b>78.0</b> | <b>94.5</b> | <b>105.6</b> |
| <b>Distribution (2018)</b>  | <b>10%</b> | <b>20%</b> | <b>30%</b> | <b>40%</b>  | <b>50%</b>  | <b>60%</b>  | <b>70%</b>  | <b>80%</b>  | <b>90%</b>   |
| Very Small (<\$1MM)   | 0.0        | 0.5        | 5.4        | 23.4        | 47.2        | 70.2        | 87.7        | 100.9       | 118.1        |
| Small (\$1–5MM)   | 0.0        | 1.5        | 9.1        | 23.9        | 43.5        | 60.8        | 79.5        | 95.6        | 103.6        |
| Medium (\$5–10MM)   | 0.0        | 0.6        | 3.3        | 10.6        | 32.6        | 51.8        | 74.4        | 90.7        | 99.1         |
| Large (\$10–50MM)   | 0.0        | 0.3        | 1.0        | 2.5         | 6.9         | 24.0        | 40.2        | 54.4        | 88.9         |
| Very Large (\$50MM+)  | 0.0        | 0.4        | 0.8        | 1.4         | 2.0         | 10.2        | 58.3        | 74.5        | 96.5         |
| <b>Total</b>  | <b>0.0</b> | <b>0.5</b> | <b>3.9</b> | <b>19.6</b> | <b>42.4</b> | <b>62.4</b> | <b>82.8</b> | <b>97.8</b> | <b>110.7</b> |
| <b>Health and Human Services Distribution (2014)</b>  | <b>10%</b> | <b>20%</b> | <b>30%</b> | <b>40%</b>  | <b>50%</b>  | <b>60%</b>  | <b>70%</b>  | <b>80%</b>  | <b>90%</b>   |
| Very Small (<\$1MM)   | 0.0        | 0.1        | 3.6        | 19.7        | 43.9        | 65.2        | 83.7        | 99.9        | 115.5        |
| Small (\$1–5MM)   | 0.0        | 0.6        | 7.7        | 23.0        | 37.9        | 62.9        | 76.9        | 91.6        | 100.5        |
| Medium (\$5–10MM)   | 0.0        | 0.2        | 2.1        | 10.3        | 28.5        | 58.0        | 75.6        | 88.8        | 96.3         |
| Large (\$10–50MM)   | 0.0        | 0.2        | 0.8        | 2.3         | 4.8         | 10.7        | 30.2        | 55.0        | 82.0         |

| DISTRIBUTION OF PHILANTHROPY AS A PERCENTAGE OF TOTAL NONPROFIT SPEND BY SIZE AND SECTOR |            |            |            |            |             |             |             |             |              |
|--|------------|------------|------------|------------|-------------|-------------|-------------|-------------|--------------|
| Very Large (\$50MM+)   | 0.0        | 0.3        | 0.7        | 1.1        | 2.4         | 7.4         | 67.2        | 82.0        | 94.0         |
| <b>Total</b>   | <b>0.0</b> | <b>0.0</b> | <b>0.1</b> | <b>1.4</b> | <b>9.2</b>  | <b>37.2</b> | <b>65.0</b> | <b>89.5</b> | <b>99.6</b>  |
| <b>Health and Human Services Distribution (2018)</b>                                     | <b>10%</b> | <b>20%</b> | <b>30%</b> | <b>40%</b> | <b>50%</b>  | <b>60%</b>  | <b>70%</b>  | <b>80%</b>  | <b>90%</b>   |
| Very Small (<\$1MM)  | 0.0        | 0.0        | 0.0        | 2.3        | 27.3        | 48.2        | 71.7        | 92.3        | 105.3        |
| Small (\$1–5MM)  | 0.0        | 0.0        | 1.6        | 7.3        | 32.6        | 62.4        | 87.4        | 95.8        | 101.4        |
| Medium (\$5–10MM)  | 0.0        | 0.3        | 0.9        | 3.4        | 10.5        | 44.5        | 73.3        | 83.8        | 95.1         |
| Large (\$10–50MM)  | 0.0        | 0.0        | 0.3        | 0.9        | 1.6         | 2.8         | 11.3        | 40.5        | 79.6         |
| Very Large (\$50MM+)   | 0.0        | 0.4        | 0.6        | 0.9        | 1.4         | 1.7         | 2.6         | 21.1        | 76.5         |
| <b>Total</b>   | <b>0.0</b> | <b>0.0</b> | <b>0.2</b> | <b>1.9</b> | <b>13.5</b> | <b>42.8</b> | <b>69.8</b> | <b>90.5</b> | <b>100.8</b> |

**Exhibit 9: Overhead (administrative expenses as percentage of total functional expense)**

| ADMINISTRATIVE EXPENSE AS A PERCENT OF TOTAL FUNCTIONAL EXPENSE |            |            |            |             |             |             |             |             |             |
|---|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Distribution (2014)</b>                                      | <b>10%</b> | <b>20%</b> | <b>30%</b> | <b>40%</b>  | <b>50%</b>  | <b>60%</b>  | <b>70%</b>  | <b>80%</b>  | <b>90%</b>  |
| Arts, Culture and Humanities                                    | 3.1        | 11.1       | 14.5       | 18.5        | 21.6        | 24.1        | 28.7        | 33.5        | 41.2        |
| Community Capacity  | 0.0        | 3.3        | 5.7        | 9.3         | 12.3        | 14.5        | 17.7        | 21.5        | 28.5        |
| Education   | 0.6        | 4.1        | 7.5        | 9.9         | 12.1        | 15.4        | 18.0        | 21.9        | 25.8        |
| Employment  | 2.1        | 6.4        | 9.0        | 11.0        | 11.9        | 14.3        | 15.2        | 18.7        | 25.2        |
| Environment and Animal-Related                                  | 0.0        | 4.4        | 10.2       | 14.2        | 17.5        | 20.0        | 23.3        | 27.9        | 34.9        |
| Health and Human Services                                       | 0.0        | 4.3        | 7.2        | 10.2        | 12.3        | 14.6        | 17.9        | 21.4        | 26.8        |
| Other   | 1.6        | 6.4        | 9.1        | 13.4        | 17.0        | 19.0        | 21.6        | 25.9        | 33.5        |
| Philanthropy  | 0.0        | 1.6        | 4.4        | 6.1         | 9.3         | 12.1        | 16.9        | 21.5        | 30.8        |
| Religious Institutions  | 0.0        | 4.2        | 12.0       | 16.1        | 22.2        | 25.2        | 31.6        | 35.4        | 49.7        |
| Science, Technology and Social Sciences                         | 0.3        | 3.1        | 9.1        | 15.4        | 18.3        | 21.8        | 23.1        | 26.7        | 32.9        |
| Youth Development   | 0.0        | 1.2        | 4.2        | 6.2         | 8.8         | 12.5        | 17.7        | 22.2        | 29.9        |
| <b>Total</b>  | <b>0.0</b> | <b>3.9</b> | <b>7.3</b> | <b>10.6</b> | <b>13.3</b> | <b>16.9</b> | <b>20.6</b> | <b>24.7</b> | <b>32.7</b> |
| <b>Distribution (2018)</b>                                      | <b>10%</b> | <b>20%</b> | <b>30%</b> | <b>40%</b>  | <b>50%</b>  | <b>60%</b>  | <b>70%</b>  | <b>80%</b>  | <b>90%</b>  |
| Arts, Culture and Humanities                                    | 1.9        | 10.0       | 13.9       | 17.3        | 20.5        | 23.3        | 26.5        | 31.3        | 40.0        |
| Community Capacity  | 0.0        | 3.4        | 7.1        | 9.5         | 12.4        | 14.4        | 18.3        | 23.0        | 29.9        |
| Education   | 0.0        | 2.6        | 7.0        | 9.3         | 11.5        | 15.3        | 17.7        | 20.6        | 25.6        |
| Employment  | 2.8        | 7.4        | 10.5       | 11.8        | 12.9        | 14.8        | 17.9        | 21.8        | 28.2        |
| Environment and Animal-Related                                  | 0.0        | 5.1        | 9.6        | 13.1        | 17.1        | 21.3        | 25.2        | 29.0        | 34.7        |
| Health and Human Services                                       | 0.0        | 4.8        | 7.9        | 10.1        | 12.9        | 15.6        | 18.8        | 22.4        | 29.1        |
| Other   | 0.0        | 1.9        | 6.4        | 10.8        | 14.7        | 18.0        | 21.2        | 25.3        | 35.2        |
| Philanthropy  | 0.0        | 1.6        | 3.9        | 6.0         | 10.3        | 15.2        | 19.3        | 24.6        | 40.6        |
| Religious Institutions  | 0.0        | 0.0        | 3.9        | 11.3        | 17.2        | 22.5        | 30.7        | 37.4        | 45.6        |
| Science, Technology and Social Sciences                         | 0.0        | 4.7        | 10.1       | 12.5        | 15.8        | 20.6        | 23.7        | 27.0        | 32.3        |
| Youth Development   | 0.0        | 0.5        | 2.3        | 4.2         | 7.4         | 10.4        | 15.6        | 20.5        | 27.4        |
| <b>Total</b>  | <b>0.0</b> | <b>2.7</b> | <b>7.1</b> | <b>10.3</b> | <b>13.5</b> | <b>17.0</b> | <b>20.6</b> | <b>25.7</b> | <b>32.5</b> |
| <b>Distribution (2014)</b>                                      | <b>10%</b> | <b>20%</b> | <b>30%</b> | <b>40%</b>  | <b>50%</b>  | <b>60%</b>  | <b>70%</b>  | <b>80%</b>  | <b>90%</b>  |
| Very Small (<\$1MM)   | 0.0        | 2.2        | 5.5        | 9.5         | 13.1        | 17.5        | 21.9        | 27.8        | 36.3        |
| Small (\$1–5MM)   | 1.9        | 6.6        | 10.0       | 12.8        | 15.1        | 17.7        | 19.7        | 22.7        | 29.5        |
| Medium (\$5–10MM)   | 0.1        | 4.8        | 8.1        | 10.3        | 12.8        | 16.5        | 18.2        | 22.4        | 24.8        |
| Large (\$10–50MM)   | 4.7        | 8.4        | 10.0       | 11.1        | 12.9        | 15.7        | 17.7        | 20.6        | 24.9        |
| Very Large (\$50MM+)  | 4.0        | 5.4        | 7.0        | 8.3         | 10.0        | 10.6        | 11.9        | 14.0        | 16.2        |
| <b>Total</b>  | <b>0.0</b> | <b>3.9</b> | <b>7.2</b> | <b>10.6</b> | <b>13.3</b> | <b>16.9</b> | <b>20.6</b> | <b>24.7</b> | <b>32.7</b> |

| ADMINISTRATIVE EXPENSE AS A PERCENT OF TOTAL FUNCTIONAL EXPENSE |            |            |            |             |             |             |             |             |             |
|---|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Distribution (2018)   | 10%        | 20%        | 30%        | 40%         | 50%         | 60%         | 70%         | 80%         | 90%         |
| Very Small (<\$1MM)   | 0.0        | 1.5        | 5.1        | 8.9         | 13.0        | 17.4        | 22.1        | 27.7        | 36.6        |
| Small (\$1–5MM)   | 2.0        | 6.6        | 9.6        | 12.3        | 15.5        | 18.0        | 20.2        | 23.9        | 29.0        |
| Medium (\$5–10MM)   | 0.9        | 7.4        | 10.4       | 12.0        | 13.6        | 15.3        | 18.2        | 21.2        | 26.9        |
| Large (\$10-50MM)   | 4.6        | 9.0        | 10.8       | 12.2        | 14.0        | 15.2        | 16.6        | 19.3        | 23.8        |
| Very Large (\$50MM+)  | 4.0        | 7.4        | 7.8        | 8.6         | 9.1         | 10.1        | 11.9        | 13.0        | 18.9        |
| <b>Total</b>  | <b>0.0</b> | <b>2.7</b> | <b>7.1</b> | <b>10.3</b> | <b>13.5</b> | <b>17.0</b> | <b>20.6</b> | <b>25.7</b> | <b>32.5</b> |
| Distribution (2018)   | 10%        | 20%        | 30%        | 40%         | 50%         | 60%         | 70%         | 80%         | 90%         |
| <b>Total</b>  | <b>0.0</b> | <b>2.7</b> | <b>7.1</b> | <b>10.3</b> | <b>13.5</b> | <b>17.0</b> | <b>20.6</b> | <b>25.7</b> | <b>32.5</b> |

The Nonprofit Repositioning Fund supports long-term, strategic alliances and collaborations to build organizational sustainability and improve program and service delivery across the five-county Greater Philadelphia Region.

We believe that in a rapidly changing environment for the region's nonprofits, long-term collaboration can be an effective strategic option to enhance performance for two or more organizations – where the resulting whole can be greater than the sum of its parts. To do this we make grants to encourage and support formal, long-term collaborations between and among two or more nonprofit organizations. These include alliances, back-office consolidations, joint ventures, mergers, and acquisitions.

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