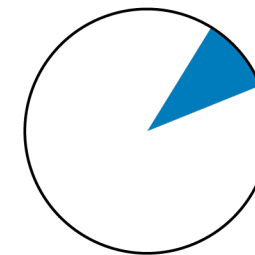


PART ONE

Economic Contributions Report

64,073 JOBS

are estimated to be created by Idaho charitable nonprofit organizations



10% of private sector jobs

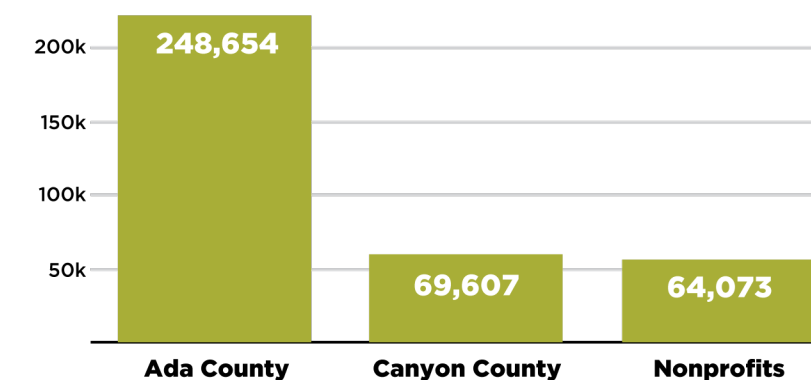
and 8.2% of all Idaho jobs covered by unemployment insurance

\$4.25 BILLION

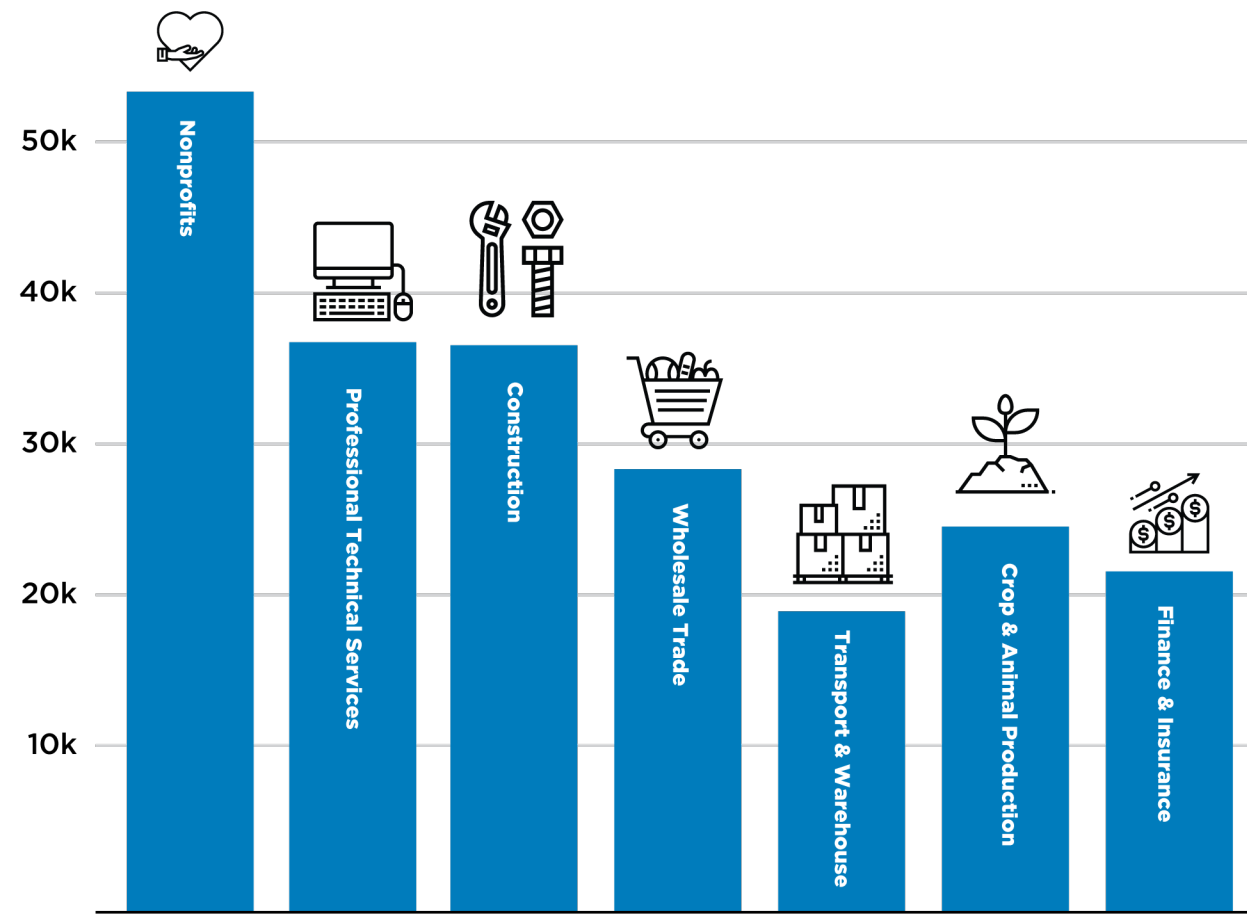
is paid by charitable nonprofits in total compensation¹

Idaho's charitable nonprofits are ranked 6th in the state based on actual employment, and 6th in a broader measure of jobs that includes self-employment.²

6TH



In comparison to county economies in Idaho measured by 2019 employment, charitable nonprofits rank 3rd



Idaho charitable nonprofits directly employ more people than the above industries

Federal or out-of-state sources, to 56% of nonprofits, equal

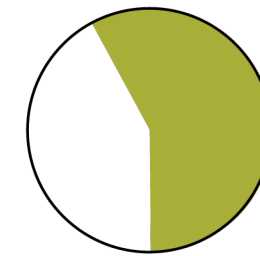
\$4.1 BILLION

The expenditures derived from federal and out-of-state revenues generate the following economic impacts, including the multiplier effects:

- **\$5.4 BILLION** in sales transactions
- **\$3.1 BILLION** in gross state product (4.3% of GSP)
- **\$2.5 BILLION** in total compensation (payroll)
- **43,618 JOBS**

7,600 NONPROFITS

- **REVENUE = \$7.27 BILLION**
- **ASSETS = \$7.57 BILLION**



55.5%

was spent on total compensation for an estimated 64,073 workers

The average compensation per worker across all nonprofits was

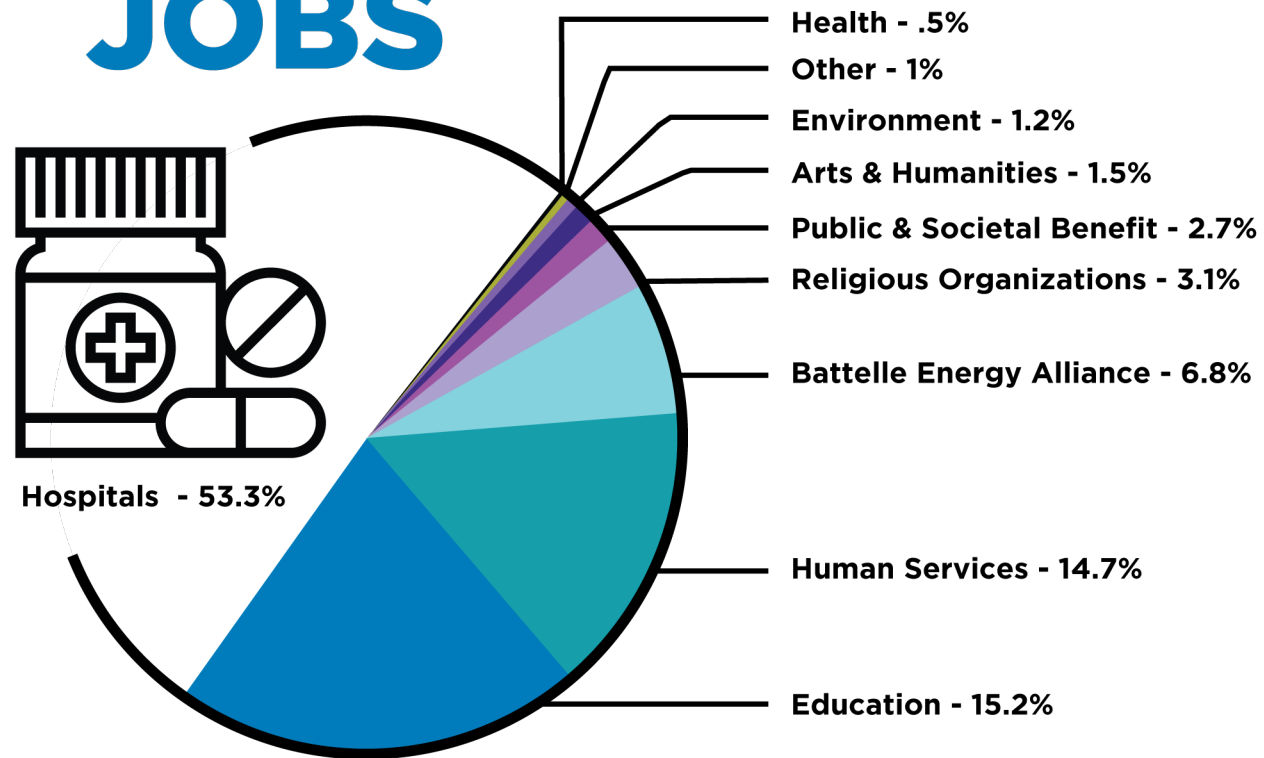
\$66,373

- **\$157,580** per worker at Battelle Energy Alliance
- **\$17,128** per worker in the Arts, Culture, and Humanities

\$121.1 MILLION in TAXES

is created from economic activities arising from federal/out-of-state revenues including indirect business taxes (i.e. sales taxes, property taxes, and excise taxes), personal income taxes, and corporate income taxes (from the direct, indirect, and induced tax impacts)

JOBS

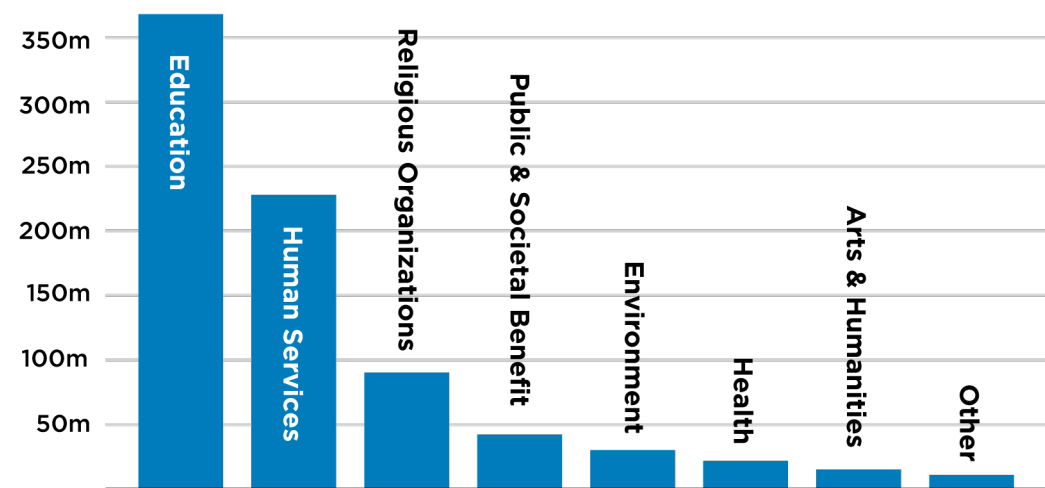


HOSPITALS make up

53.3% of nonprofit jobs and

\$2.7 BILLION

of the total aggregate compensation



of total aggregate compensation

493,161

Idaho citizens volunteered in 2019

48.6 MILLION

hours of service

37.9%

of Idaho's labor force volunteers

10TH

in the nation

The total market value of volunteer labor hours equals

\$1.1 BILLION

Annualized, the total labor hours are the equivalent of

23,365 JOBS

Overview of Study

This is an update of an economic contributions assessment of Idaho's charitable nonprofit organizations. The original study was commissioned by the Idaho Nonprofit Center and completed in April 2012. The study has since been updated in 2014, 2015, 2016, 2017, and now 2020. The primary economic analysis is conducted using data from the charitable nonprofit organizations in Idaho which file 990 and 990EZ tax returns ("reporting nonprofits").

Types of Nonprofit Organizations

The IRS recognizes 29 different classifications of nonprofit organizations. Public charities represent a substantial portion of the national nonprofit sector and constitute 62 of Idaho's nonprofit organizations. Public charities receive their tax-exemption under subsection (3) of Section 501(c). The IRS defines these organizations as "charitable" because they serve broad public purposes, including educational, religious, scientific, and literary activities, among others, as well as the relief of poverty and other public benefits. Public charities are divided into two sub-categories: 1) Registered charities; and 2) Unregistered charities (revenues less than \$5,000). Registered charities are further classified as (a) those with revenues greater than \$25,000 annually, and (b) smaller charities with less than \$25,000 in revenues. Private foundations are also charitable organizations exempt under Section 501 (c) (3) but are not public charities. Most private foundations are created to distribute money to public charities or individuals. They must meet strict guidelines requiring distribution of a proportion of their assets each year.

Other nonprofit organizations include social welfare organizations (501(c)(4)), business leagues and trade associations (501(c)(6)), and social and recreational clubs (501(c)(7)). All nonprofit organizations, regardless of their classification, are exempt from federal income tax. However, only those classified as a 501(c)(3) permit donors to make tax-deductible contributions to the organization. Although this report will touch on the economic role of all nonprofit organizations in the economy, its focus is on public charities.

National Role of Nonprofits in the U.S. Economy

Nonprofits play a significant role in the U.S. economy at all levels. Nationally there are 1.56 million nonprofits of which 69% are public charities, other nonprofits (24%), and private foundations (8%). U.S.-based nonprofits employ about 12.3 million people, which constituted about 8.0% of the 2019 U.S. workforce. To put this in perspective, the total U.S. nonprofit employment was larger than the total employment individually of 48 states.

12.3 MILLION

employed by U.S. based nonprofits

Idaho's Nonprofit Organizations

7,600

Idaho nonprofits

In 2019 Idaho had approximately 7,600 registered nonprofit organizations. Of these, public charities consisted of 5,200 organizations (filing form 990 or 990EZ) producing \$7.27 billion in revenues. In terms of the relative size of the revenues of charitable organizations, the largest sub-sector was health-related (\$4.84 billion) which constitutes 67% of total public charity revenues and 63% of assets. In second place ranking, excluding Battelle, was education, producing \$502.2 million in revenues, which constitutes 6.7% of total revenues and 15.4% of total assets.

Methodology

An IMPLAN input-output model was used to estimate the direct employment and total compensation of Idaho's nonprofits. The National Taxonomy of Exempt Entities (NTEE) system is used by the Internal Revenue Service (IRS) to classify nonprofit organizations. Each nonprofit has a designation based on its function and activities. These entities were mapped to the North American Industrial Classification System (NAICS) code and entered into the IMPLAN model to estimate direct employment and total compensation.

The IMPLAN model was also utilized to estimate the economic contributions of Idaho nonprofits arising from federal and private donations originating outside Idaho (i.e. new monies to Idaho).

The \$7.3 billion revenues produced by Idaho public charities in 2019 and reported by the IRS are the source of operational spending and expenditures for each nonprofit. From our economic model we estimate that approximately 58.5% was spent on total compensation for an estimated 64,073 direct workers (totaling \$4.3 billion in total aggregate compensation). The average total compensation per worker was \$66,373 and ranged from \$157,580 per worker at Battelle to \$17,128 per worker in arts, culture, and humanities. Approximately 53.3% of total jobs are in the health care sector and 15.2% are in education (Figure 2).

Actual (Direct) Employment from Idaho's Charitable Organizations

In terms of industry employment comparisons, the charitable nonprofits would rank in 6th place in Idaho using the most cited measure of employment (Quarterly Census of Employment and Wages-QCEW). It would also rank in 6th place using a wider measure of employment called the Bureau of Economic Analysis (BEA) includes an estimation of self-employed workers and includes other employment categories such as production agriculture not included in covered employment measures.

Idaho charitable nonprofits directly employ more people than professional and technical services (39,884), construction (49,888), wholesale trade (29,954), crop and animal production (27,003), finance and insurance (25,863), and transportation and warehousing (22,464).

In comparison to county economies in Idaho measured by 2019 employment, charitable nonprofits rank 3rd, behind only Ada County (248,654 jobs) and Canyon County (69,607 jobs).

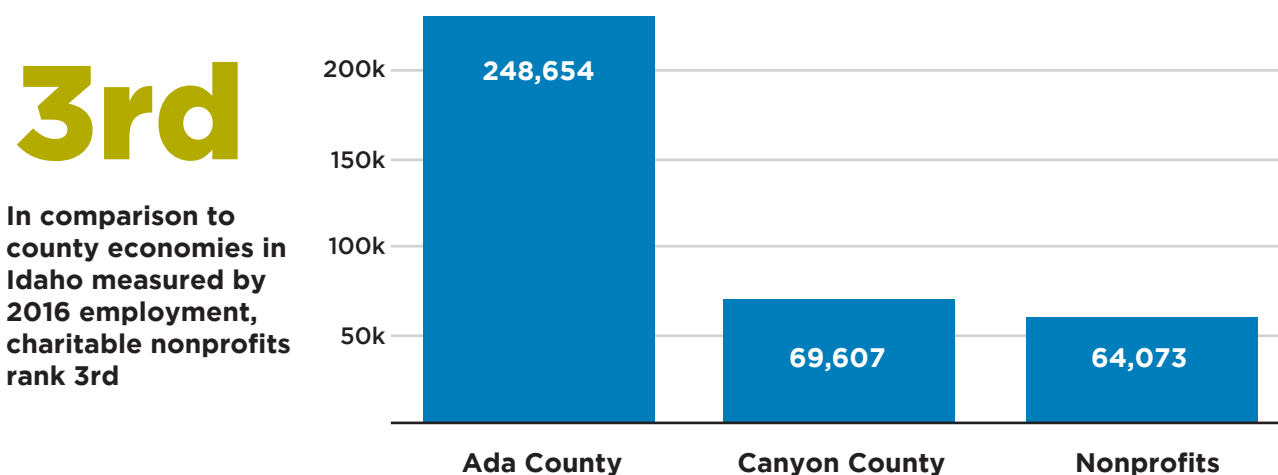


FIGURE 2
Public Charities in Idaho, 2020

NTEE Code	Type of Public Charity	Number	%	Total Revenues Spending	%	Total Assets	%
A	Arts, Culture, and Humanities	521	10.0%	\$63,278,773	.9%	\$152476030	2%
B	Education	751	14.4%	\$502,170,622	6.9%	\$1,164,795,843	15.4%
C	Environmental Protection, Beaut.	161	3.1%	\$40,364,438	0.6%	\$132608,086	1.8%
D	Animal-Related	160	3.1%	\$33,202,826	0.5%	\$126,102,065	1.7%
E	Health	237	4.5%	\$4,841,353,267	66.6%	\$4,762,582,816	62.9%
F	Mental Health, Crisis Intervention	77	1.5%	\$17,512,544	0.2%	\$15,705,333	0.2%
G/H	Medical Research/Diseases, Disciplines	100	1.9%	\$27,156,179	0.4%	\$19,975,699	0.3%
I	Crime, Legal Related	66	1.3%	\$15,383,630	0.2%	\$12,016,986	0.2%
J	Employment, Job Related	35	0.7%	\$15,928,090	0.2%	\$17,450,285	0.2%
K	Food, Agriculture, and Nutrition	70	1.3%	\$49,971,300	0.7%	\$29,337,290	0.4%
L	Housing, Shelter	100	1.9%	\$60,578,193	0.8%	\$205,319,206	2.7%
M	Public Safety	94	1.8%	\$3,282,475	0.0%	\$7,719,933	0.1%
N	Recreation, Sports, Leisure, Athletics	490	9.4%	\$62,386,897	0.9%	\$94,383,955	1.2%
O	Youth Development	152	2.9%	\$35,518,719	0.5%	\$74,398,286	1.0%
P	Human Services - Multipurpose	430	8.2%	\$194,373,246	2.7%	\$215,503,486	2.8%
R	Civil Rights, Social Action, Advocacy	35	0.7%	\$9,238,592	0.1%	\$9,240,748	0.1%
S	Community Improvement	194	3.7%	\$40,083,412	0.6%	\$62,468,980	0.8%
T	Philanthropy, Voluntarism, and Grants	106	2.0%	\$39,399,146	0.5%	\$211,439,594	2.8%
U/V	Science, Social Science and Technology	33	0.6%	\$1,986,467	0.0%	\$2,528,117	0.0%
W	Public, Society Benefit	102	2.0%	\$9,301,505	0.1%	\$11,284,374	0.1%
X	Religion Related, Spiritual Development	1,196	22.9%	\$66,479,750	0.9%	\$154,495,493	0.2%
Q/Z/Y	Other including International	102	2.0%	\$48,220,659	0.7%	\$85,715,694	1.1%
	Battelle Energy Alliance	1	0.0%	\$1,089,177,000	9.0%		
Total		5,213	100.0%	\$7,266,347,730	100.0%	\$7,567,552,300	100.0%

Source: National Center For charitable Statistics
* Not available

Federal and Out-of-State Sources of Revenues

A significant portion of total charitable nonprofit revenues originate from either federal or out-of-state sources. The majority of these revenues are generated by health care facilities and hospitals. Nonprofits account for about 80% of the acute care hospitals in the U.S. Hospitals receive from 35% to 55% of revenues from Medicare, depending on their facility and its mission. Idaho hospitals also receive approximately 16.5% of their revenues from Medicaid (Idaho Hospital Association) of which approximately 12% comes from federal sources. Medicare is a federal program that provides health care for seniors and Medicaid is a federal/state partnership that provides health care to the poor.

From a careful evaluation of various indicators, we estimate that approximately 55% of Idaho hospital revenues come from federal Medicare or Medicaid sources. This alone constitutes about 37% of total Idaho charitable nonprofit revenues. The remaining sectors (excluding Battelle which is 100% federal/out-of-state funded) average about 23% in federal or out-of-state funds. Overall, we estimate that approximately 58% of charitable nonprofit revenues are from federal or out-of-state sources (including Battelle), totaling approximately \$4.1 billion annually. The vast majority of these revenues and expenditures are spent on Idaho programs and activities.

The funding and revenues sources for nonprofits arise from diverse and complex organizational systems and a small percentage is spent on out-of-state programs. Alternatively, there are other sources of out-of-state funds for specific Idaho programs not included in reported nonprofit revenue totals. We assume these flows are offsetting.

Economic Impacts Based on Federal/Out-of-State Revenues

The IMPLAN input/output economic model was used to estimate the economic contributions of charitable nonprofits in Idaho. The IMPLAN model estimates the economic magnitude of the causal factors that generate economic activity and is focused on the portion of nonprofit funding originating from outside of Idaho. These represent new monies to the economy and our analysis is founded on economic base theory. Impacts are estimated from the portion of the nonprofit budgets arising from federal sources and out-of-state revenues. An economic contributions assessment estimates the portion of Idaho’s economy directly attributable to the nonprofit sector. If this sector did not exist, the analysis estimates the loss of economic activity that would occur to Idaho.

Nonprofit expenditures derived from out-of-region revenues generates approximately \$7.47 billion in sales transactions, \$4.46 billion in gross state product (value-added), and \$3.5 billion in total compensation to those employed in Idaho’s nonprofits, including the multiplier effects (Figure 3).

The economic contribution estimates assume if the Idaho nonprofit organizations did not exist, their activities would not be replaced by other entities within Idaho.

FIGURE 3

Total Direct Public Charity 2020 Spending and Direct Jobs Total

Public Charity Classification/Category	Direct		Gross State Product Value Added	Total	
	FED/Out-of-State	Sales		Compensation	Jobs
Arts, Culture, and Humanities	\$12,655,755	\$25,096,337	\$10,499,406	\$6,914,241	311
Education	\$125,542,656	\$211,005,741	\$157,038,176	\$122,210,937	3,088
Environment	\$14,713,453	\$26,811,814	\$15,646,900	\$12,551,117	252
Hospitals	\$2,662,744,297	\$4,849,204,359	\$2,714,059,241	\$2,181,944,784	35,623
Health	\$15,063,135	\$27,387,542	\$15,260,614	\$11,375,273	218
Human Services	\$97,999,577	\$150,096,177	\$102,892,733	\$78,530,945	2,814
Public and Societal Benefit	\$22,701,258	\$39,740,174	\$24,127,811	\$16,415,030	539
Religious Organization	\$13,295,950	\$40,321,741	\$17,944,323	\$27,485,911	606
Other Public Charities	\$9,644,132	\$14,190,288	\$9,640,122	\$4,333,744	167
Battelle Energy Alliance	\$1,089,177,000	\$2,058,545,000	\$1,391,838,217	\$1,034,823,953	11,789
Total (with Battelle)	\$4,063,537,212	\$7,472,399,173	\$4,458,947,543	\$3,496,585,935	55,407
Total (without Battelle)	\$2,974,360,212	\$5,413,854,173	\$3,067,109,326	\$2,461,761,982	43,618

Regional economic analyses have a specific language and terminology and are defined below:

Direct effects (spending): This represents the actual observed sales, income, and jobs from nonprofit operations.

Economic Contributions: Economic contributions measure the magnitude or importance of the expenditures of base (export) industries. Our economic model estimates multipliers for each industry. If you have a multiplier of 1.61, for example, every dollar of expenditures creates \$1.61 dollars of new spending in the community. The total multiplier has three components: direct effects, indirect effects, and induced effects.

Indirect effects: These are the downstream economic effects on sales, payroll, jobs, and indirect taxes that result from direct spending in the regional economy. For example, a nonprofit purchases community goods and services which supports other area businesses. These firms, in turn, purchase even more goods and services as the effects ripple throughout the economy. They are part of the overall multiplier effects.

Indirect taxes: All taxes generated from economic activity excluding personal and corporate income taxes. These consist of mostly sales taxes and property taxes. These are adjusted (i.e. reduced) for the tax exemption of nonprofit organizations. The economic activity including the downstream effects will generate considerable tax revenues despite the fact that these organizations are tax-exempt.

Induced effects: These are downstream economic effects of employee and consumer spending on the economy. They are part of the multiplier effects.

Jobs: Total employment resulting from economic activity. The economic model reports these as full-time

and part-time jobs.

Sales: Total dollar transactions from an increase in direct expenditures including the multiplier effects (i.e. direct, indirect, and induced economic activity).

Total compensation: Wage, salary, and other income payments including fringe benefits to individuals. Value-added (value-output): Value added is a measure of total net production and activity. This is a measure of gross domestic product at the local or regional level.

Based on the economic impacts of the 45,480 jobs arising from federal dollars and out-of-state revenues alone, the charitable nonprofits would rank in 6th place in the QCEW covered industry rankings and 11th by the BEA employment rankings. Idaho charitable nonprofits contribute 4.3% of Idaho’s GSP as measured economic impacts. They illustrate the effect of nonprofit expenditures and backward linkages on all of Idaho’s economic sectors.

Value of Idaho’s Volunteers

493,161

Idaho citizens volunteered in 2019

According to National Service, 493,161 Idaho citizens volunteered in 2019, totaling 48.6 million hours of service. 37.9% Idaho residents are volunteers, ranking the state 10th in the nation.

Volunteer hours are not included in GSP calculations, but their implicit value can be estimated. The total market value of volunteer labor hours equals \$1.1 billion annually in wages and salaries which would be the equivalent of 1.4% of gross state product). Annualized, the total labor hours are the equivalent of 23,365 jobs.

Tax Revenues Generated by Idaho’s Charitable Nonprofits

Idaho’s charitable nonprofits generate considerable tax revenues even though most nonprofit activities are exempt from income tax and nonprofits generally do not pay property taxes. The economic activities of these organizations create tax revenues in several important ways: 1) Some activities of charitable nonprofits are not tax exempt, 2) Employees of charitable nonprofits pay income taxes, property taxes, sales taxes, and excise taxes, 3) Contracting and outsourcing firms from charitable nonprofits pay taxes.

The magnitude of these tax revenues is substantial. The economic activities arising from federal/out-of-state revenues created \$94.1 million in indirect business taxes

in 2019, excluding Battelle. These are comprised of sales taxes (\$50.4 million), property taxes (\$36.7 million), excise taxes (\$7.1 million). They include the indirect, and induced tax impacts arising from the multiplier effects. In addition, the charitable nonprofits created \$27.0 million in Idaho personal and corporate income payments. In total, \$121.1 million in tax revenues were created (Figure 4).

FIGURE 4

Total Tax Contributions from Idaho’s Charitable Nonprofits

Includes the Indirect and Induced Impacts Includes

Idaho Taxes	
Sales Tax	\$50,345,190
Property Tax	\$36,691,020
Excise Taxes	\$7,051,767
Sub-Total Taxes	\$94,087,977
Idaho Income Taxes	\$27,043,468
Total Taxes	\$121,131,445

Regional Economic Impacts of Idaho Nonprofits

Regional IMPLAN economic models were constructed to estimate the regional contributions of Idaho nonprofits. Economic models were created for each of the five Idaho regions illustrated in Figure 5 below:

North	North Central	Southwest	South Central	Eastern
Boundary	Latah	Canyon	Lemhi	Clark
Bonner	Clearwater	Ada	Custer	Fremont
Kootenai	Nez Perce	Elmore	Camas	Jefferson
Benewah	Lewis	Owyhee	Blaine	Madison
Shoshone	Idaho		Butte	Teton
	Adams		Gooding	Bingham
	Valley		Lincoln	Bonneville
	Payette		Twin Falls	Bannock
	Gem		Cassia	Caribou
	Boise			Oneida
				Franklin
				Bear Lake

The economic contributions of nonprofits situated in each of the five regions are calculated and reported in Figure 6. Approximately 70% of the nonprofit employment is in the Treasure Valley or 44,894 workers. This is expected because the Treasure Valley the state’s largest economic region, the seat of the state government, a health care hub, and the corporate headquarters for many of Idaho’s firms. The direct employment for the other four regions is about 30% of the total or 19,179 jobs which creates a considerable economic footprint on these regional economies. The average compensation package per worker is the highest in Southeast Idaho due to Battelle’s robust salaries. Although there are considerable fluctuations among the nonprofits, on average, they pay living wages with benefits.

FIGURE 6

Total Tax Contributions from Idaho’s Charitable Nonprofits

Region	Total Charity Spending	Total Aggregate Compensation	Total Direct Employment	% Jobs	Compensation Per Worker
North	\$228,630,749	\$142,774,524	2,564	4.0%	\$55,693
North Central	\$410,309,873	\$233,440,006	4,563	7.1%	\$51,157
Southwest	\$4,961,758,004	\$2,852,810,838	44,894	70.1%	\$63,546
South Central	\$203,292,221	\$117,286,772	2,841	4.4%	\$41,278
Eastern	\$1,462,356,883	\$906,396,266	9211	14.4%	\$95,403
Total	\$7,266,347,730	\$4,252,708,406	64,073	100.0%	\$66,373

Figure 7 reports the economic contributions by region arising from federal revenues and out of region private donations. The Treasure Valley has the largest economic footprint supporting 35,925 jobs. The other regions support 19,482 jobs which makes a considerable impact in their regional economies. The economic impact assessment represents the net new economic activity directly attributed to the nonprofit sector and measure the net economy-wide job contributions.

FIGURE 7

Total Tax Contributions from Idaho’s Charitable Nonprofits

Region	Direct FED/Out-of-State	Sales	Gross State Product Value Added	Total Compensation	Jobs
North	\$97,948,024	\$159,291,359	\$97,331,208	\$80,484,391	1,373
North Central	\$186,190,489	\$292,063,187	\$161,515,934	\$134,423,486	2,591
Southwest	\$2,459,391,448	\$4,580,973,978	\$2,590,517,731	\$2,068,355,899	35,915
South Central	\$68,356,676	\$106,377,902	\$6,144,827	\$50,520,132	1,119
Eastern	\$1,251,650,575	\$2,333,692,716	\$1,548,134,444	\$1,162,802,027	14,398
Total	\$4,063,537,212	\$7,472,399,173	\$4,458,947,543	\$3,496,585,935	55,407

Figure 8 reports the net tax contribution of the nonprofit sector by region. The key takeaway is that nonprofits contribute to Idaho’s state and local tax coffers from the considerable economic activity they create.

FIGURE 8

Total Tax Contributions from Idaho’s Charitable Nonprofits

Region	Property	Sales	Excise	Income	Total
North	\$1,094,783	\$1,429,391	\$194,480	\$633,387	\$3,352,042
North Central	\$4,400,897	\$2,075,317	\$381,676	\$1,033,459	\$5,691,349
Southwest	\$30,933,381	\$43,271,935	\$6,041,577	\$23,830,800	\$104,077,693
South Central	\$628,301	\$712,995	\$132,885	\$387,959	\$1,862,140
Eastern	\$1,833,658	\$2,855,551	\$301,149	\$1,157,863	\$6,148,221



Jack Borton



Josh Wilson



Matt Kohlman



Steven Peterson

PART TWO

State of the Sector