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Nonprofits are big business in Southside

To the Editor:

Two recent headlines in this paper; “Cameron Foundation doles out \$3M” and “\$1 million goes to boost economic development” and other recent articles about the revenue coming to the Southside region through local nonprofits — \$550,000 grant to Phoenix Project from the Corporation for National and Community Service and \$50,000 to Tri-Cities Habitat for Humanity, \$30,000 to Sycamore Rouge, \$25,000 to The James House all from The Community Foundation Serving Richmond and Central Virginia — just begin to reveal the vital economic importance of nonprofits.

This and \$3.8 billion in nonprofit income is reinvested each day in our community as a source of jobs, spending, and tax revenue. In fact, nonprofits are Virginia’s fastest growing economic sector.

So says a new study, Virginia’s Nonprofit Sector: An Economic Force. The first of its kind in Virginia, this report by Johns Hopkins University, provides practical data that carries powerful implications for nonprofit organizations, businesses, government agencies and all citizens.

Key findings of the study demonstrate the significant ways that nonprofits are contributing to Virginia’s economic growth and vitality:

- ◆ Employ 211,000 FTE workers, exceeding other large industry sectors such as banking, finance and insurance,
- ◆ Engage 139,000 FTE volunteer workers,
- ◆ Spend \$27 billion, including \$8 billion in wages and compensation each year,
- ◆ Generate \$461 million in annual tax revenue

This report helps correct popular misconceptions about how nonprofits operate and demonstrates the advantages nonprofits bring to the community both economically and socially such as accountability, entrepreneurship, and opportunity. Most notable is that nonprofits actually create wealth and stability, in fact less than 20 per cent of nonprofit income comes from donations – and the largest proportion of their income is earned.

The study provides a regional breakdown of the data in which variations in the economic presence and impact of nonprofits emerge. In 2005, nonprofits in the Central Region, which includes Richmond and the Southside area, generated over \$3.8 billion in revenues and \$3.2 billion in expenditures. However, this translates into \$2,195 of expenditure per capita (average per person), which falls 39 percent below the state average.

You can learn more about the findings of the study and what it means for you and your organization at a special ConnectSouthside program on Nov. 20th at Virginia State University. Dr. Nancy Stutts, Founder and Director of ConnectNetwork and Deborah Barfield Williams, Executive Director of the Virginia Network of Nonprofit Organizations will present an analysis of the report; discuss regional data and trends in nonprofit development, and the implications for the Southside community.

The full report and information about the presentation is available at www.ConnectSouthside.org.

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