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State of the NONPROFIT sector

**BEXAR COUNTY
AND SURROUNDING AREAS**



I M P A C T R E P O R T

Acknowledgments

This report and survey were produced collaboratively with the support of The Nonprofit Council, the Greater San Antonio Chamber of Commerce, and Community Information Now and with funding provided by Methodist Healthcare Ministries of South Texas, Inc. (MHM) and the San Antonio Area Foundation.

A special thank you to the teams from all five organizations for their commitment to bringing this initiative to fruition and for their dedication to deepening our understanding of the nonprofit landscape. Together, we are committed to fostering a vibrant and effective nonprofit sector that meets the diverse needs of our community.

Made possible by:



Funding provided by:



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Suggested Citation

Community Information Now for Methodist Healthcare Ministries, San Antonio Area Foundation, and The Nonprofit Council. (2024). *State of the Nonprofit Sector 2024 – Bexar County and Surrounding Areas*. Available at: <https://tncouncil.org/state-of-the-nonprofit-sector/>

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EXECUTIVE SUMMARY

Introduction

The State of the Nonprofit Sector report provides an in-depth examination of the nonprofit sector's landscape in Bexar County and surrounding areas, focusing on its scope, activities, and economic impact. This collaborative effort involved:

- **The Nonprofit Council (TNC):** A nonprofit organization that supports, connects, and strengthens the nonprofit community in the region through networking, training and policy initiatives
- **Methodist Healthcare Ministries of South Texas, Inc. (MHM):** A faith-based nonprofit that works to enhance the health and well-being of underserved populations and advance health equity so all can thrive
- **San Antonio Area Foundation (SAAFdn):** A philanthropic organization dedicated to promoting equity and opportunity in the region through support of community-driven projects
- **The Greater San Antonio Chamber of Commerce:** A leading business organization in San Antonio that promotes economic development and actively supports nonprofit initiatives

Representatives from these organizations formed the steering committee to provide strategic direction and to oversee the report's priorities to ultimately ensure the project's alignment with community needs.

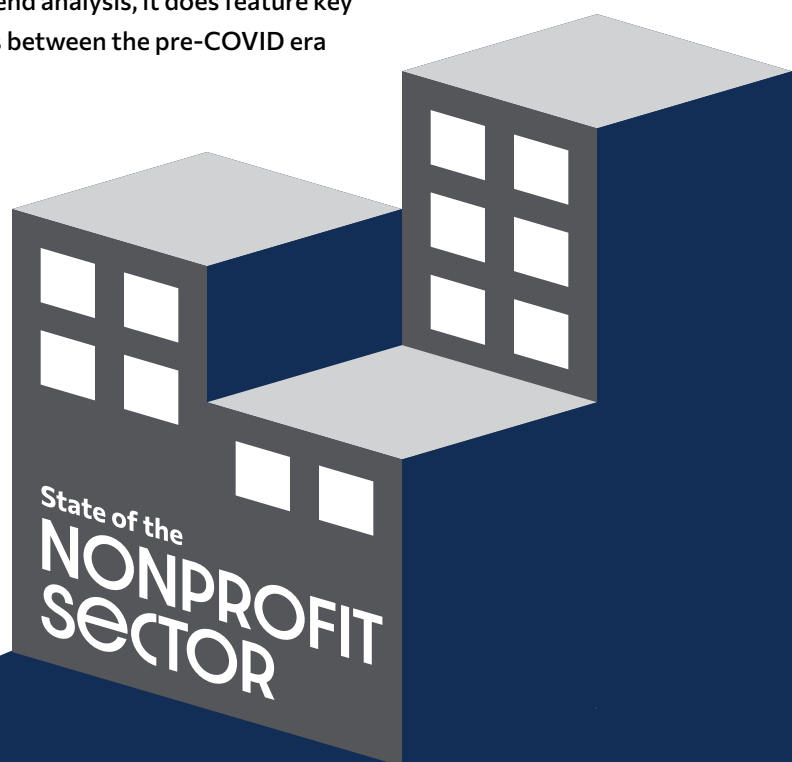
Expanding on previous targeted studies of nonprofit organizations released in 2017^{1,2} and 2020,^{3,4} this year's report offers a current snapshot of nonprofits in Bexar County and surrounding areas, with disaggregation by county, nonprofit size, and NTEE classification where feasible. Each report aims to enhance understanding and support for the vital role of the nonprofit sector in the San Antonio community and surrounding counties and its influence on economic and overall health and well-being factors. While this report builds upon previous studies rather than offering a comprehensive trend analysis, it does feature key comparisons and discussions highlighting the differences between the pre-COVID era and the present day.

1 In 2017, The Nonprofit Council (TNC) released the first targeted study of nonprofit organizations in the greater San Antonio region in collaboration with Methodist Healthcare Ministries of South Texas, Inc. (MHM), The University of Texas at San Antonio (UTSA) Department of Public Administration, and San Antonio Area Foundation (SAAFdn).

2 Fernandez, Ph.D., K., & Alexander, Ph.D., J. (Dec. 2017). *State of The Nonprofit Sector: San Antonio and Surrounding Counties* [Report, The Nonprofit Council, Methodist Healthcare Ministries of South Texas, Inc. (MHM), The University of Texas at San Antonio Department of Public Administration].

3 In 2020, the San Antonio Chamber of Commerce and the San Antonio Area Foundation (SAAFdn) released a study on the nonprofit's economic impact in Bexar County, conducted by Trinity University staff.

4 Butler, Ph.D., R. V., & Stefl, Ph.D., M. E. (2020). *Nonprofit Economic Impact Study* [Report, San Antonio Chamber of Commerce, San Antonio Area Foundation, Trinity University]. https://saafdn.org/wp-content/uploads/2020/12/2020-Nonprofit-Economic-Impact-Study_12.9.20.pdf



This report draws from three main sources to assess the landscape of the nonprofit community in Bexar County and surrounding areas: Form 990 filings with the Department of the Treasury Internal Revenue Service (IRS), nonprofit data files from the United States Bureau of Labor Statistics, and a digital survey distributed by collaborative partners with the help of Community Information Now (CINow). Additionally, the report focuses on Bexar County and surrounding areas (a total of thirteen counties). Please refer to the full report for more detailed information on the sources as well as a review of qualitative information from the survey.

Highlighted Data

Overview of area nonprofits

Organizational characteristics such as geographic location, organizational age, and financial health serve as a snapshot of the nonprofit landscape in Bexar County and surrounding areas.

- 67% of nonprofits in this report are in Bexar County
- Among the surrounding counties, the six counties with the most nonprofits are concentrated north of Bexar County, while the bottom six are located west and south of Bexar County
- 62.9% of 990-filer nonprofit organizations are 20 years or older
- Total revenue for all 990-filer nonprofits generally falls between the broad range of \$100K to \$9.9M
- For 990-filer nonprofits as a whole, total revenue tends to exceed total expenses, by about 12% while the total assets are much higher, almost double the total revenue
- Almost half, 47.3%, of 990-filer nonprofits have revenue less than \$300K
- Small and medium-revenue 990-filer nonprofits have average team sizes of 1.3 and 5.1 employees, respectively, which is much smaller compared to the 331-employee average at extra-large nonprofits
- Small nonprofits stand out as the only revenue category operating at a deficit, with expenses exceeding revenue by 35.1%, indicating that they were generating only about 74% of what they spent
- While smaller organizations struggle to make ends meet, larger and extra-large nonprofits demonstrate a surplus of 13% (in dollar amounts: large nonprofits report surpluses of \$305,399, while their extra-large counterparts report surpluses of \$7,581,481)

Purpose, Programs, and Services

Nonprofit programs and services are core activities that address a wide range of needs and interests, fulfill their charitable mission, and leave a meaningful and lasting impact on the community.

- Over 50% of 990-filer nonprofits fall within the five largest Major Groups: Human Services, Education, Religious-Related, Arts, Culture, and Humanities, and Housing and Shelter
- Top 3 issue areas: Health and wellness (60.1%), Education (48%), and Family well-being (41%)



- Most 990-filer nonprofits' work centers on education and awareness activities (67.5%) followed by intervention (39.9%) and prevention (39.3%) activities
- A little under half of nonprofit survey respondents answered yes to serving a specific geographic area or community (49.7%), people of a certain age (46.6%), and a specific population or group (45.4%)
- In the most recent fiscal year, about four in 10 nonprofit respondents served between 1,000 and 9,999 unduplicated individuals, while about three in 10 served between 100 and 999
- 78% of nonprofits surveyed found a 78% increase in demand for services
- Of the three to 84 nonprofit respondents who responded to meeting increased demand by issue and activity, 80% of those addressing food security and reporting increased demand were able to meet that demand, while those engaged in prevention, intervention, and health/wellness were least likely to do so
- Many nonprofit survey respondents reported currently having a service waitlist, with the proportion highest among nonprofits serving certain racial, ethnic, or cultural groups and lowest among nonprofits serving people of a particular religious faith
- 66% of nonprofit respondents work with at least one other organizational type, with a vast majority (83.9%) collaborating with other nonprofits

Staff and Governance

As with any organization, staffing is vital in carrying out a nonprofit's charitable mission, and effective management involves recruiting, training, and retention.

- Just over 50% of 990-filers report having no full-time or part-time employees, and among those that do, most have fewer than 10 full-time (39.6%) and part-time (52.8%) employees
- Nonprofit respondents were much less likely to have no volunteers than to have no employees; in fact, only 2.5% reported having zero volunteers, with a significant majority of them having at least one volunteer (97.5%)
- The lowest proportions of unknown responses for senior leadership and board members' identities were for white (19%) and BIPOC (38%) groups, and the highest were reported for LGBTQIA+ (71%), persons with disabilities (70%), and individuals with lived experience (58%)
- Board members were most likely to identify as older (70%) or white (68%), while senior leadership had a lower representation of BIPOC (36%) and veterans (19%)
- Nonprofit survey respondents expect their staff size to either remain the same (56%) or to expand (41%) in the next 12 months (only 3% predicted that their staff size would decrease)
- Over the past 12 months, nonprofit respondents have experienced more hiring across all four staff types listed in the survey compared to current vacancies or resignations

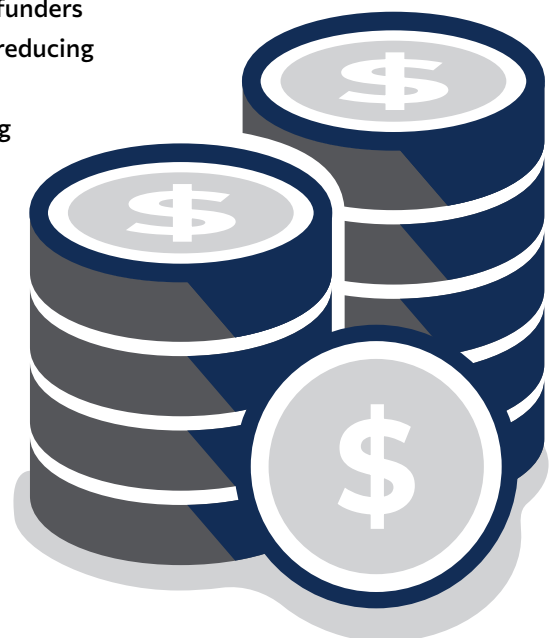


- “Program Staff” had the highest proportion of vacancies (20.1%), hiring (37.7%), and resignations (31.8%) among all staff types for nonprofit respondents
- Nonprofit respondents were more likely to report the most difficulty in hiring versus retention for all position types, with the exceptions of “Program/Direct Services” and “Marketing/Communications”
- The most difficult position type to hire reported by nonprofit respondents was “Fundraising/Development” (30%), and the most difficult to retain was “Program/Direct Services” (32%)
- The least reported “most difficult” position type to hire for nonprofit respondents was “Marketing/Communications” at 13.3%, and the least reported “most difficult” position type to retain was “Technology” (7.3%)
- Among nonprofit respondents who took positive actions to retain employees, the most common measure was increasing wages (56.7%)

Financial Health and Capacity

Financial health and capacity directly impact a nonprofit’s ability to fulfill its charitable mission, sustain operations, ensure program stability, and achieve long-term success and sustainability.

- Most nonprofit respondents reported that their organization’s current financial health was either “Somewhat strong” (32%) or “Moderate” (31%)
- Only 1% of nonprofit respondents indicated that their financial health could be “Much worse” in 12 months, while most expected it to remain “About the same” (48%) or improve “Somewhat better” (37%)
- Over the last three fiscal years, nonprofit respondents were more likely to see moderate increases in total revenues and expenses (39% and 41.8%) and least likely to see significant decreases (9.6% and 1.4%)
- Almost half of the nonprofit respondents reported having over six months of cash reserves (45%), and a little over a quarter have three to five months’ worth (27%)
- While decreases in revenue sources over the last three fiscal years were reported less frequently, most nonprofit respondents indicated no changes across revenue sources
- Nonprofit respondents expect fundraising revenue to either stay the same (43%) or be somewhat higher (43%) over the next year
- A majority of nonprofit respondents reported that some or all funders are involved in all but one practice listed (the exception being “reducing reporting requirements”)
- The highest proportion of funder engagement was in “providing unrestricted funding” at 63.6%, which also had the least reported “No funder” engagement (at 11.2%)
- While most nonprofit respondents reported that they applied for and received COVID-19 emergency funding (62%), 29% reported that they were not eligible for any relief funding
- 93% of the respondents who applied for and received funding reported having at least some confidence in transitioning from emergency relief funding to other funding streams



Shifts, Opportunities, and Looking Ahead

This section examines the evolution of the nonprofit sector by highlighting significant changes from the past to the present, assessing its current state, and exploring projected challenges and potential solutions for the future.

- Categorized by how long ago they were founded, nonprofits that are at least 10 years old grew from 70% in 2017 to 86% in 2024, showing the continued aging of established nonprofits
- The proportion of 990-filers falling in the “large” category remained consistent at 26% in both 2017 and 2024—however, the proportion categorized as small grew in 2024, with a corresponding decrease in the medium category
- Changes in average revenue underscore a widening gap between smaller and larger nonprofits –from 2019 to 2023, large 990-filers saw a 20% increase in average revenue, while small 990-filers saw only a 10% increase
- 501(c)(3) nonprofits are not only growing, but expansion is happening faster than the private sector overall
- In 2022, nonprofit jobs made up just over 5% of all private sector jobs, and the nonprofit average annual wage was \$57,663

Qualitative Insights from the Survey Data

This report includes a qualitative analysis of the key themes that emerged from four open-ended questions in the State of the Nonprofit Sector Survey, found at <https://tncouncil.org/state-of-the-nonprofit-sector/>

- Incorporating community voice was most commonly done through direct collaboration and engagement, which included participating in community events, inviting community members into governing roles, and engaging in local initiatives
- Innovation in nonprofit efforts was most evident in the provision of unique program services that are scarce in the area, particularly those targeting underserved populations, followed by creative training and education offerings
- Top 3 unmet needs: Funding and sponsors; Staff, board members, and volunteers; and More space and locations
- Nonprofits reiterated an urgent need for funding, particularly for multi-year grants that include operational support and minimal renewal requirements

Conclusion

Our world, along with our community, has undergone significant changes since the last report was published. We have witnessed a substantial rise in demand driven by historical events, including the COVID-19 pandemic, climate disasters, and significant shifts in our population. Other notable occurrences have also heightened awareness and focus on civil rights issues. As community needs evolve post-pandemic, the future of nonprofits in Bexar County and surrounding areas will likely continue to involve changes we have already seen, like increased collaboration, continued adoption of technology, and innovative work practices.



Especially with health and wellness emerging as the top issue area in 2024 and nonprofit work largely centering on education and awareness activities, there is a growing need for targeted programs that address community health disparities and promote overall well-being.

Transitioning away from disaster-relief funding poses significant challenges for many nonprofits, potentially leading to budget shortfalls as they find alternative funding sources to sustain their operations. This shift could hinder their ability to effectively serve the community and meet the rising demand for their services. Small nonprofits are especially vulnerable to unstable funding, which is particularly concerning because they represent a significant portion of nonprofits in Bexar County and surrounding areas. Moreover, the data highlights the widening gap between smaller nonprofits operating at a deficit and struggling to make ends meet while larger nonprofits continue to thrive and benefit from a surplus of revenue.

Compounding this issue, most organizations expect their financial health to merely remain stable or improve slightly despite facing challenges in meeting increasing demand and addressing ongoing needs related to funding, staffing, and workspaces. Additionally, slightly less than half of the respondents have more than six months' worth of cash reserves to navigate unexpected challenges and expenses during times of financial uncertainty. With nonprofit revenue sources having remained stagnant over the past few fiscal years, diversifying funding streams and investing in financial security within the nonprofit sector is increasingly important.

One thing is certain: nonprofits will continue to be at the forefront of responding to and addressing evolving social policies and emerging community needs. As integral members of our community, nonprofits are always improving and adapting which leads the charge toward positive change for us all. The impact of a nonprofit's ability to serve and fulfill its mission resonates throughout the community, highlighting our collective responsibility to support the sector. Further, our investment in nonprofits has the power to influence the effectiveness of these organizations profoundly and, in turn, the well-being of our communities, which is vital as we move forward and look ahead.

INTRODUCTION

About the Data Sources

This report draws from three main sources to assess the landscape of the nonprofit community in Bexar County and surrounding areas: Form 990 filings with the Department of the Treasury Internal Revenue Service (IRS), nonprofit data files from the United States Bureau of Labor Statistics (BLS), and a digital survey distributed by collaborative partners with the support of Community Information Now (CINow).

Although the IRS filings, BLS data, and the survey all address the nonprofit landscape, this report distinguishes between them by referring to the entities of each source using different terms. While nonprofits from Form 990 are referred to as “990-filer(s),” nonprofits from the survey are referred to as “nonprofit respondents.” Finally, wherever BLS data is used, nonprofits are referred to as “501(c)(3) nonprofits” highlighting their federal designation for tax-exemption status.

IRS Form 990

Return of Organization Exempt Form Income Tax forms (Form 990), commonly known as “990s,” are an annual information return and reporting requirement for most charitable nonprofits recognized as tax-exempt by the IRS. Form 990 is a source of public disclosure and financial reporting used by the IRS to monitor financial health and promote transparency.

Granted, tax exemption and nonprofit status are not the same—the federal government recognizes the former, and the state grants the latter. Moreover, not all nonprofits are tax-exempt because they must meet certain requirements under section 501(c)(3) to be recognized for tax exemption, including serving a charitable purpose and limiting their activities under the Tax Code. More information on Form 990 can be found on the IRS website.¹ Still, tax-exempt filings with the IRS are public documents that serve as the most comprehensive source of publicly available and reliable data for nonprofits, offering financial and organizational insights into individual organizations. This report encompasses data from nonprofits’ most recent IRS filings, denoted on the charts as the “most recent filing.”

To enhance the quality and scope of our analysis, the Grand Valley State University Johnson Center for Philanthropy provided invaluable assistance in compiling the Bexar-area records from their current datasets, as well as from their 2019 datasets for certain metrics. Additionally, there are several types of 990 forms, and the data captured varies by form; this report includes information from three types of 990 forms: 990, 990-EZ, and 990-PFs.

Nonprofit data files from the United States Bureau of Labor Statistics

To help standardize the collection and analysis of statistical data on the U.S. business economy, the U.S. Bureau of Labor Statistics (BLS) arranges business establishments and industries in North American Industry

¹ Department of the Treasury Internal Revenue Service (2024, September 11). *About Form 990, Return of Organization Exempt from Income Tax*. IRS.gov. Retrieved October 18, 2024, from www.irs.gov/forms-pubs/about-form-990

Classification System (NAICS) code order.² NAICS coding helps identify 501(c)(3) organizations, or nonprofit entities exempt from federal income tax, by their different and diverse types of work and is therefore helpful in the collection and analysis of data related to nonprofits. In this report, BLS data sorted by NAICS codes is used to supplement wage data that was missing from 990-files. In addition, for charts using BLS data, the “surrounding areas” consists of counties in The broader San Antonio-New Braunfels, Texas Metropolitan Statistical Area (MSA).

State of the Nonprofit Sector Survey

In the summer of 2024, the collaborative partners of this report and Community Information Now (CINow) distributed an anonymous digital survey to the nonprofit community across several South Texas counties to assess various measures of their nonprofits. The survey link was distributed both by email and via a postcard mailed to area nonprofits.³

The survey asked about individual nonprofits’ focus, operational and financial well-being, and challenges faced. With a total of 243 nonprofits responding to the survey, responses to the survey questions are summarized throughout the report. Because of a low survey response rate, responses may not reflect the full picture of the nonprofit sector. Still, the survey data offers valuable insight into key trends providing a starting point for further analysis.

Since not all respondents answered every question on the survey, the number of responses for each question may vary. This variation is indicated in the footnote of each chart as the “N” number (for example, “N=163”), which shows the number of respondents who answered each specific question.

Additionally, some questions included “Not Applicable (N/A),” “Unknown,” “None of the above,” or open-ended “Other” response options. The percentage of organizations that selected one of these response types is listed as a note in each chart and presented in ranges for questions with multiple response categories. Open-ended responses to the “Other” response option are listed in this report where relevant.

The survey also included four open-ended questions:

- 1** *How does your organization’s work incorporate community voice?*
- 2** *Tell us about innovation in your organization’s work.*
- 3** *Besides what we have already asked about, what are your unmet needs as an organization?*
- 4** *Is there anything else you would like to share with us?*

A qualitative analysis of the most prominent themes that emerged from each of these four questions was conducted to provide additional information on the landscape of nonprofits across Bexar County and surrounding areas found at <https://tncouncil.org/state-of-the-nonprofit-sector/>. Quotes from this analysis can be found throughout the report.

2 (2023, July 25). *North American Industry Classification System (NAICS)* at BLS. U.S. Bureau of Labor Statistics. Retrieved October 18, 2024, from <https://www.bls.gov/bls/naics.htm>

3 The list was created from the Exempt Organization Business Master File (EO BMF), a comprehensive database maintained by the IRS that includes aggregated data on all registered tax-exempt organizations. Specific National Taxonomy of Exempt Entity (NTEE) codes, X and Y, were filtered to screen certain organizations that did not align with the scope of this study, like Parent Teacher Associations (PTAs) and booster organizations (see Section 2, *Purpose, programs, and services*, for an explanation of NTEE codes).

OVERVIEW OF AREA NONPROFITS

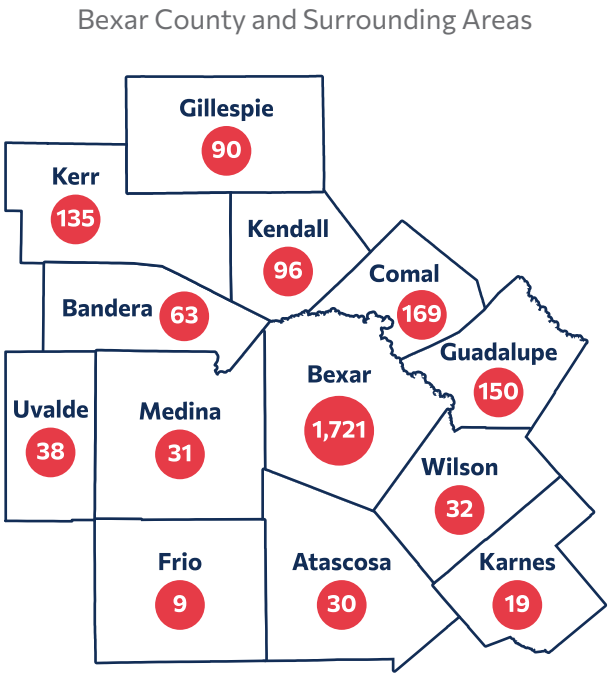
Organizational characteristics such as geographic location, organizational age, and financial health serve as a snapshot of the nonprofit landscape in Bexar County and surrounding areas. Varying widely on nonprofits' size, scope, and mission, these factors reflect local needs, resource distribution, operations scale, and impact extent. Moreover, they give insight into a nonprofit's ability to fulfill its mission, maintain operations, and grow sustainably.

Distribution by County

Fig. 1.1 shows the number of 990-filer nonprofits in Bexar County and surrounding counties based on the most recent year, which varies by nonprofit depending on their most recent filing. Of note, while nonprofits are required to report their primary address on Form 990, this address may not accurately reflect an organization's operational locations or the full extent of the areas it serves.

In the most recent filing, there were a total of 2,583 990-filers in the area studied. 67% were in Bexar County, with the second-ranking county, Comal, making up only 7% of the total. Moreover, the number of nonprofits for all surrounding counties combined (862) makes up only 50% of Bexar County's number (1,721). Among the surrounding counties, the top six counties are concentrated north of Bexar County, while the bottom six are located west and south of Bexar County.

Fig. 1.1 | Number of 990-filer nonprofits by county, most recent filing

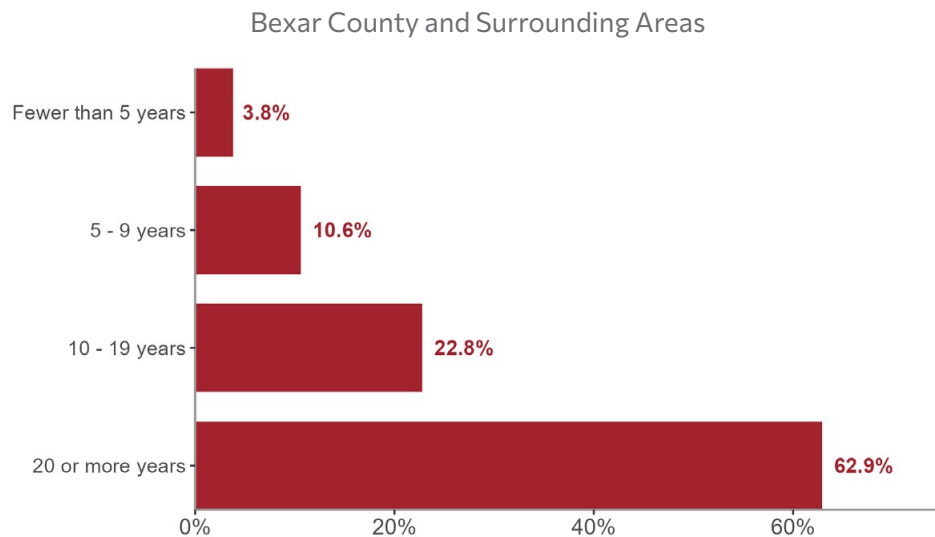


Source: Department of the Treasury Internal Revenue Service, Form 990
Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

Organizational Age

There are significant differences in nonprofits' organizational age in Bexar County and surrounding areas when reviewing 990-filer nonprofits (Fig. 1.2). The percentage of nonprofits tends to increase with increasing organizational age, with nonprofits 20 years or older making up 62.9% of the total.

Fig. 1.2 | Percent of 990-filer nonprofits by organization age, most recent filing



Source: Department of the Treasury Internal Revenue Service, Form 990
Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

Financial Overview

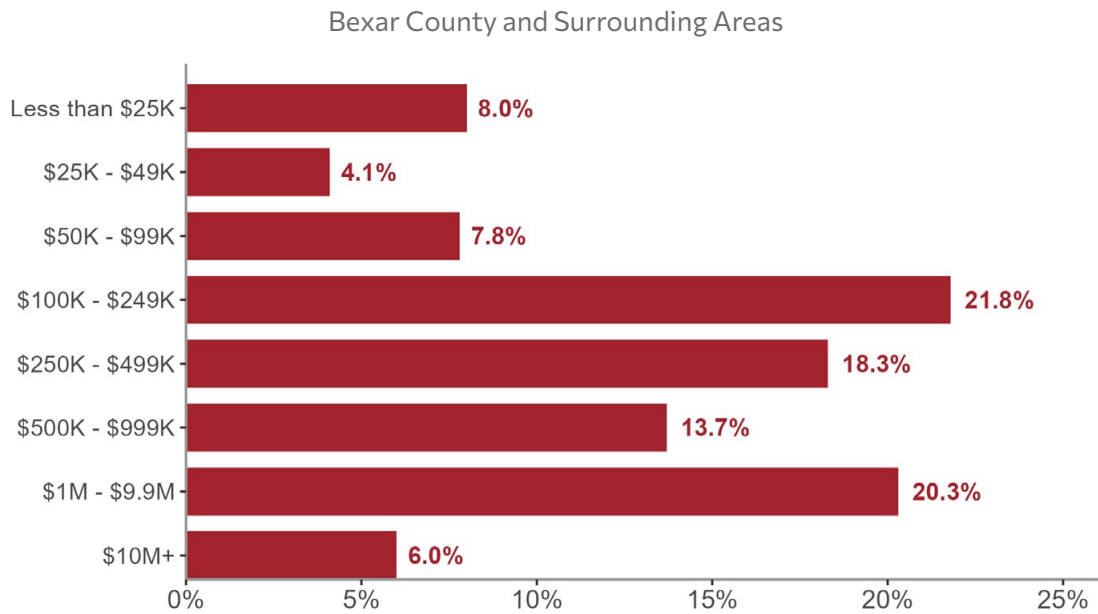
“Total revenue” refers to the nonprofit organization's total income during a fiscal year before any deductions or expenses are subtracted. This income includes revenue earned from services or goods related to the organization's charitable mission, as well as donations, contributions, grants, and other revenue. Reported through Form 990, revenue is one way to look at nonprofits' financial health and operational scale.

For 990-filer nonprofits in Bexar County and surrounding areas, total revenue ranges from less than \$25K to over \$10M and generally falls within the broad range of \$100K to \$9.9M (Fig. 1.3). A clearer pattern in total revenue distribution is seen when broken down into four revenue size categories: small (less than \$300K), medium (\$300K to less than \$1M), large (\$1M to less than \$7M), and extra-large (\$7M or more) (Fig. 1.4). The percentage of 990-filer nonprofits in each revenue size category decreases as the categories increase, with the small revenue size accounting for almost half (47.3%) of nonprofits and the medium revenue size accounting for roughly a quarter of nonprofits (26.4%).

Importantly, it must be pointed out that the extra-large nonprofit category includes foundations, which could not be easily separated from the data set. Foundations differ significantly from most nonprofits like

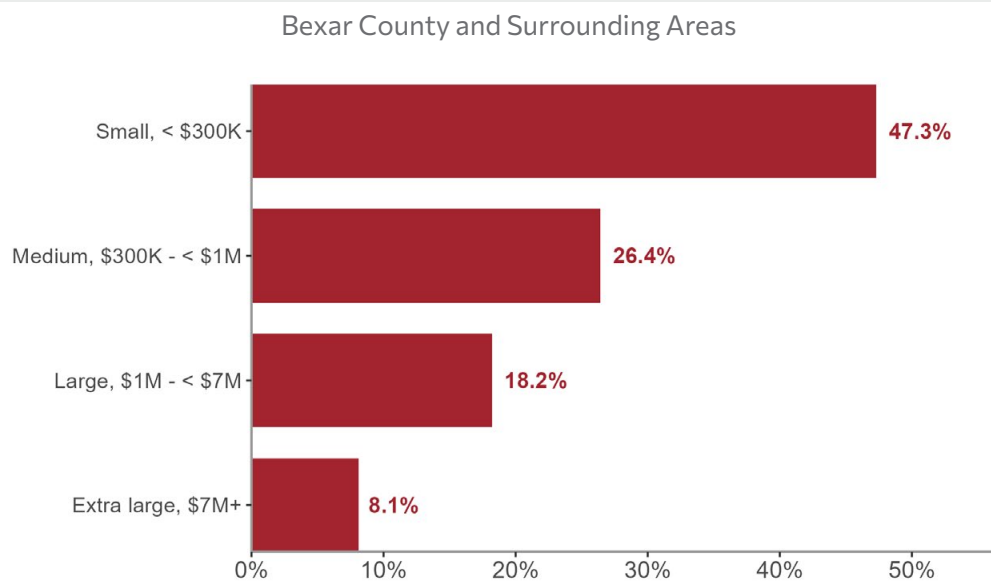
community-based and volunteer-run organizations. They are typically much larger and have much greater revenue and assets, inflating the revenue figures for the extra-large category.

Fig. 1.3 | Percent of 990-filer nonprofits by total revenue, most recent filing



Source: Department of the Treasury Internal Revenue Service, Form 990
Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

Fig. 1.4 | Percent of 990-filer nonprofits by revenue size, most recent filing

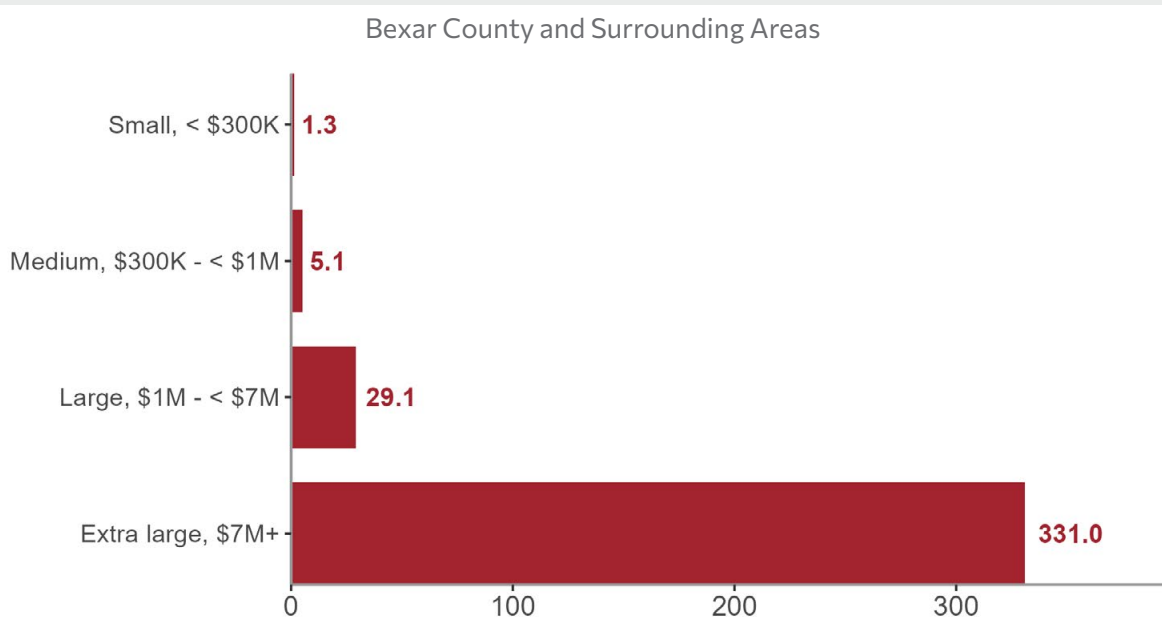


Source: Department of the Treasury Internal Revenue Service, Form 990
Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

The following two charts, Fig. 1.5 to 1.6, show the average number of employees and the average revenue and expenses stratified by nonprofit revenue size in the most recently reported year.

Though the average number of employees tends to increase as the 990-filer nonprofit revenue grows, significant differences exist between the revenue sizes themselves (Fig. 1.5). Small and medium-revenue nonprofits tend to have very small teams, with averages of 1.3 and 5.1 employees, respectively, especially compared to the 331-employee average of extra-large nonprofits. Even when combined, the employee averages for the small, medium, and large revenue sizes constitute only 11% of the extra-large employee average.

Fig. 1.5 | Average number of employees by 990-filer nonprofits revenue size, most recent filing



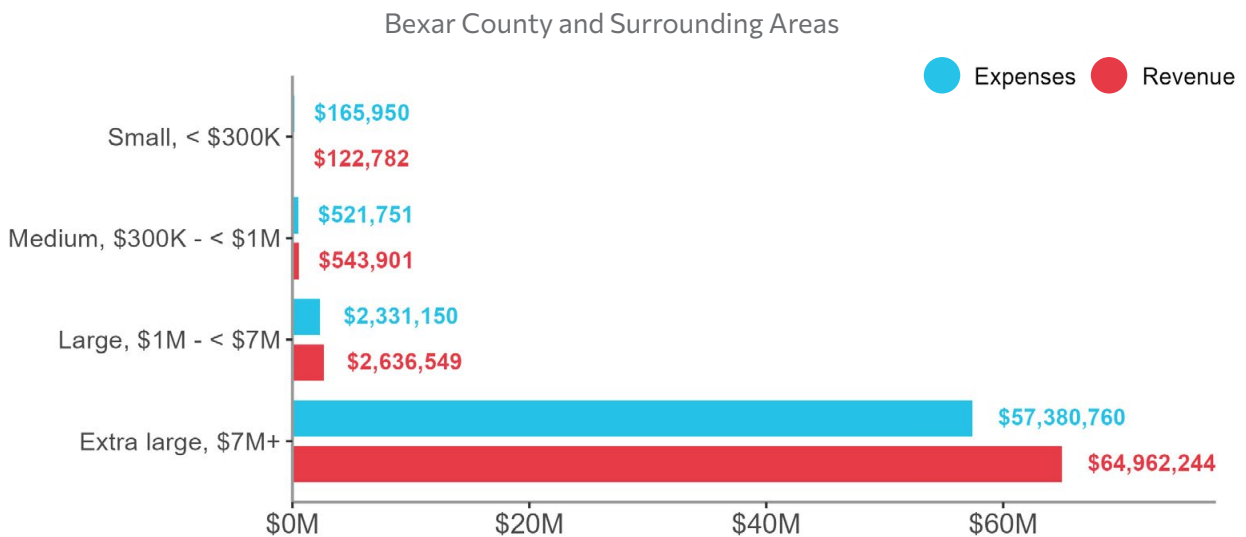
Source: Department of the Treasury Internal Revenue Service, Form 990
Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

Revenue and expenses are especially important for assessing a nonprofit's financial health, as the difference between them can indicate a surplus or deficit. If a nonprofit is at a surplus, they are generating more revenue than what they are spending which aids in financial stability. In contrast, if a nonprofit is in a deficit, this signals financial distress. A big difference between nonprofit and for-profit businesses is how they handle revenue and expenses. Nonprofits reinvest revenue to support their mission rather than distribute profits to shareholders or owners. Likewise, they are expected to designate most of their expenses to services and programs that promote their charitable mission.

Altogether, the average revenue and expenses for 990-filer nonprofits in Bexar County and surrounding areas increase drastically with increasing revenue size (Fig. 1.6). Of all the revenue categories, the small 990-filers

are the only group operating at a deficit, with their expenses exceeding their revenue by 35.1%. Put another way, this means that they only generate about 74% of what they are spending, which indicates that they are struggling to make ends meet. In contrast, large and extra-large 990-filers are operating at a surplus of 13%. Although this percentage might seem modest, their revenue far exceeds expenses, especially when looking at the actual dollar amounts: large 990-filers report surpluses of \$305,399, while extra-large 990-filers report surpluses of \$7,581,481. Overall, this shows that smaller nonprofits are increasingly burdened while larger nonprofits continue to thrive, highlighting the widening gap between those with access to resources and those with less access.

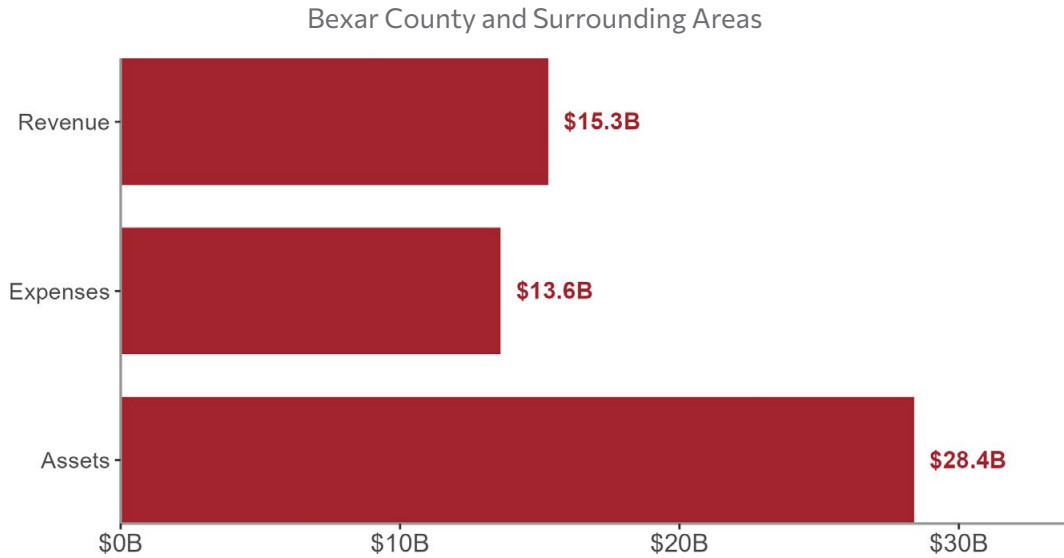
Fig. 1.6 | Average 990-filer nonprofits revenue and expenses by revenue size, most recent filing



Source: Department of the Treasury Internal Revenue Service, Form 990
Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

Fig. 1.7 compares total revenue, expenses, and assets for 990-filers as a whole, including small and extra-large 990-filer nonprofits in the same group. 990-filer nonprofits' total revenue tend to exceed total expenses by about 12%. Having a surplus is especially important in a post-COVID world as many businesses and nonprofits are still navigating financial challenges like shifts in income sources and evolving needs of the communities they serve. This chart also demonstrates that total assets for the average 990-filer are much higher, almost double the total revenue. Nonprofit assets include the resources and property, like cash and endowments, that the organization has and can use to support its mission and operations. Assets are crucial in financial stability, helping to sustain the organization long-term.

Fig. 1.7 | Total 990-filer nonprofit revenue, expenses and assets, most recent filing



Source: Department of the Treasury Internal Revenue Service, Form 990
Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

501(c)(3) Nonprofits in 2022



1,026

Average
Establishments



48,677

Average Annual
Employment



\$57,663

Average Annual
Wage

Nonprofit jobs made up just over 5% of all private sector jobs.

Source: US Bureau of Labor Statistics, see Fig. 5.5 in section *Shifts, opportunities, and looking ahead: What's changed?* for a full comparison and explanation.

PURPOSE, PROGRAMS, AND SERVICES

Since January 1995, the IRS has used the National Taxonomy of Exempt Entity (NTEE) classification system to organize and describe nonprofits using their self-reported four-digit NTEE code. Each digit of the code captures a different characteristic of the organization as follows:¹

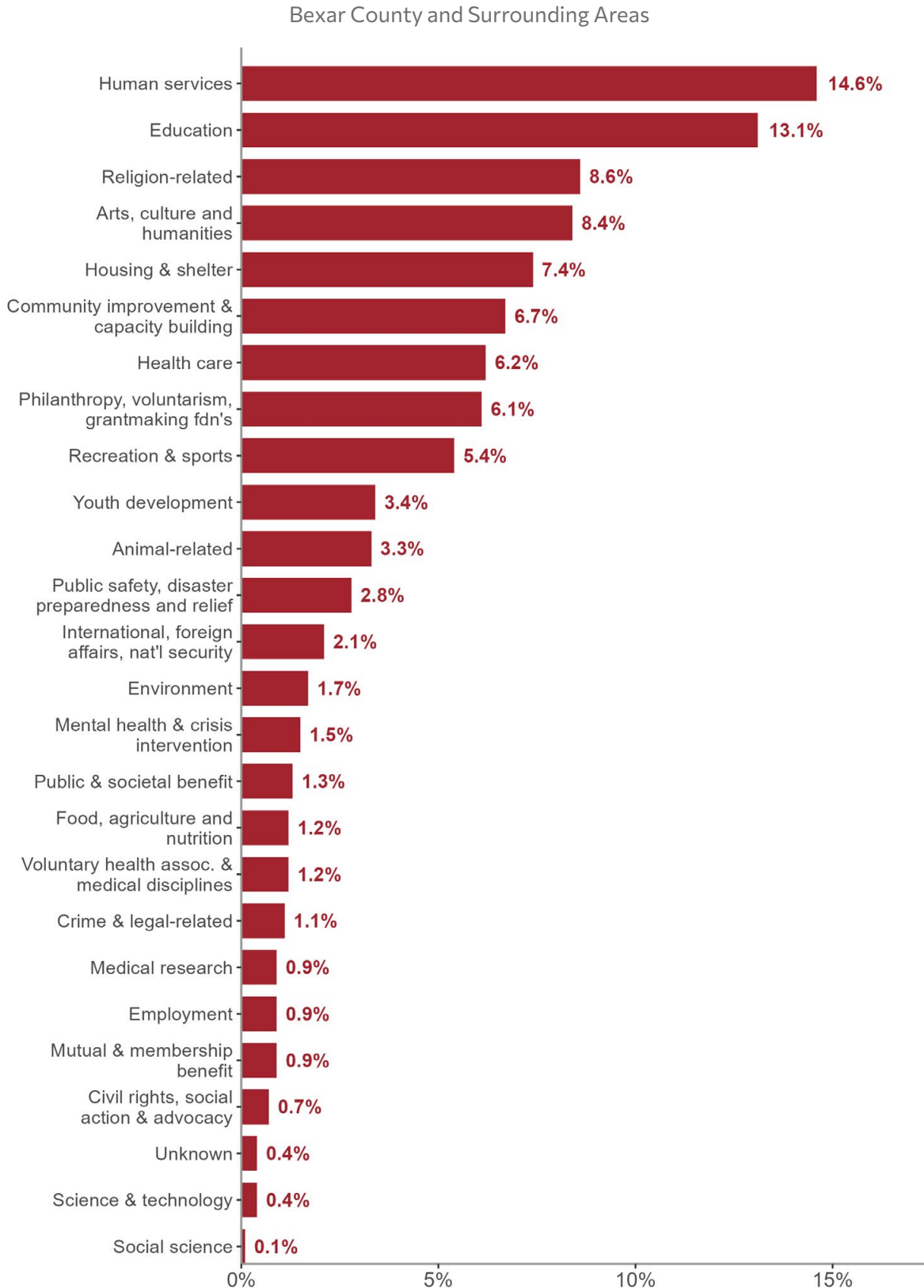
- 1st** Represents the nonprofit's primary high-level purpose or function, called a Major Group. Examples are *B - Education*, *T - Philanthropy, Voluntarism and Grantmaking Foundations*, and *X - Religion-Related*
- 2nd** Represents a subgroup within the Major Group, such as *Higher Education* within *Education* and *Museums & Museum Activities* within *Arts, Culture, and Humanities*
- 3rd** Further divides each subgroup, such as community colleges versus universities within *Higher Education*
- 4th** Describes an activity that cuts across Major Groups, such as research, advocacy, or fundraising

Purpose (Major Group)

The following chart (Fig. 2.1) summarizes the number of nonprofits in Bexar County and surrounding areas by Major Group as entered on their initial application for tax-exempt status or subsequently changed with IRS approval. Significantly, over 50% of nonprofits fall within the five largest Major Groups, which are Human Services; Education; Religion-Related; Arts, Culture, and Humanities; and Housing and Shelter. By comparison, the five smallest Major Groups only account for 2.5%. It is important to note that this chart only represents the total number of nonprofits serving these Major Groups and does not provide insight into the actual financial resources being allocated to each of them. Therefore, the chart does not capture the extent of funding or investment directed toward these sectors.

¹ Jones, D. (2019, April 2). *National Taxonomy of Exempt Entities (NTEE) Codes*. Urban Institute National Center for Charitable Statistics. Retrieved October 18, 2024, from <https://urbaninstitute.github.io/nccs-legacy/ntee/ntee-history.html>

Fig. 2.1 | Percent of 990-filer nonprofits by NTEE Major Group, most recent filing



Source: Department of the Treasury Internal Revenue Service, Form 990
Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

Services, Issues, and Activities

The charts in the following sub-sections focus on self-reported information from the State of the Nonprofit Sector Survey to illustrate what nonprofit respondents identify as issues, demands, and needs in their work around Bexar County and surrounding communities. This subsection specifically shows what issues and activities their services focus on.

About the “N” number

The “N” number represents the number of respondents who answered each specific question (which is shown on the charts as “N=163”, for example).

In surveys, not all respondents answer every question, so the “N” number is useful in determining the reliability of the responses and insights drawn from the data. A larger “N”, especially one close to the total responses (in this case 243), indicates more precise estimates. Conversely, responses with a lower “N” number should be interpreted with caution because they may not accurately reflect the broader population’s views or characteristics.

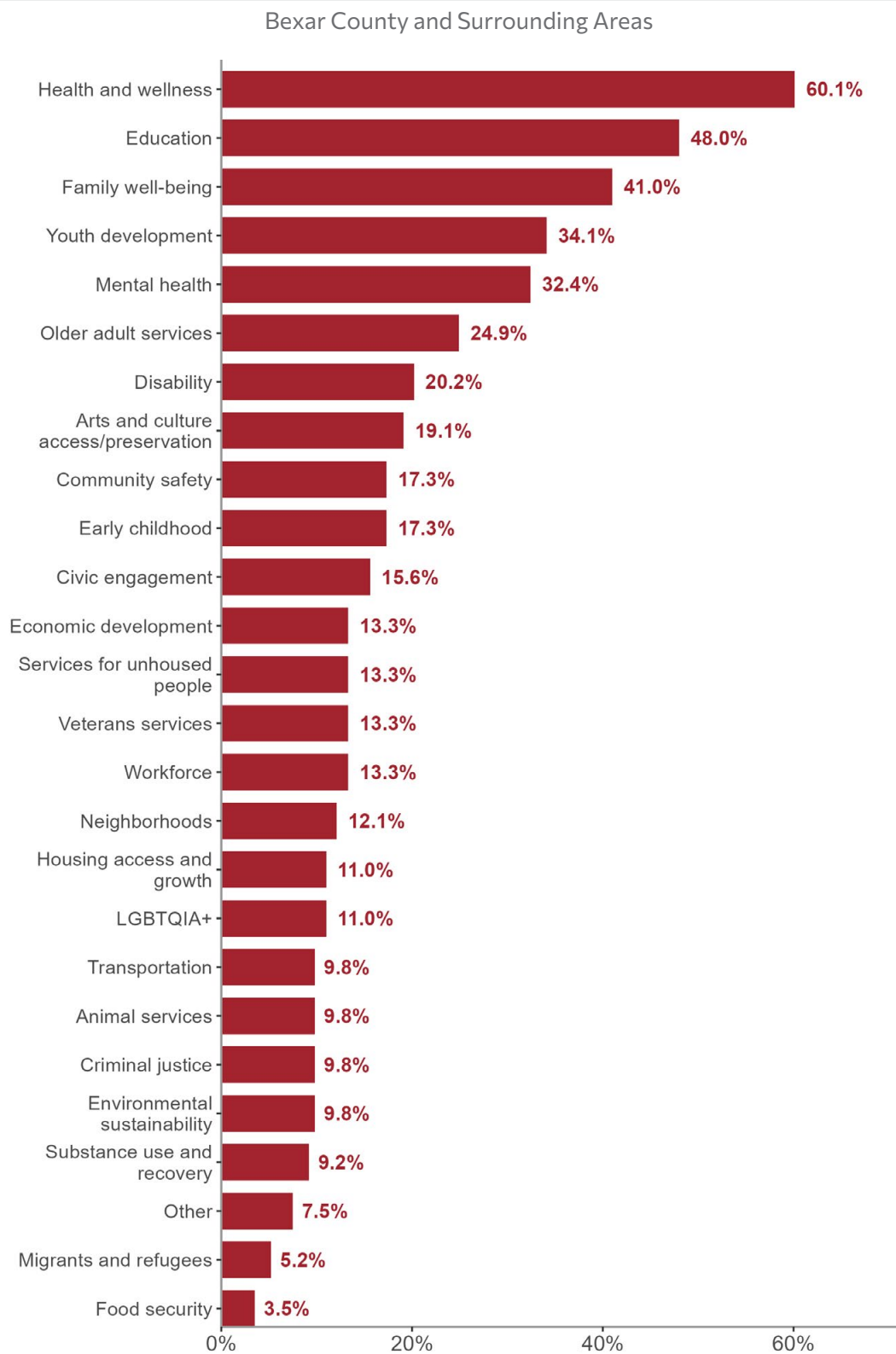


Nonprofit respondents reported addressing a variety of issues, as shown in Fig. 2.2. Note that with the option to “Select all that apply,” the category order does not necessarily reflect the main issues addressed by nonprofits. More than half of the survey respondents (60.1%) identified “Health and wellness” as the top issue area addressed, followed by “Education” (48%) and “Family well-being” (41%). Interestingly, fewer than a quarter of survey respondents identified issues outside the largest five categories, suggesting that many issues might be under-represented in the nonprofit sector. Regarding the “Other” category, some open-ended miscellaneous responses for issues addressed included: Spiritual development, Digital equity, Clothing distribution, Foster care, and Outdoor recreation.

“We are one of only a handful of organizations committed to offering individuals with higher Levels of Need and their families with quality day program services.”

- State of the Nonprofit Sector Survey Respondent

Fig. 2.2 | Percent of nonprofit respondents by issue(s) addressed, 2024



N= 173 organizations

Source: State of the Nonprofit Sector Survey

Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

“We are the only nonprofit that serves youth who have spent any time in foster care, regardless of their current status (adopted, aged out, etc.)”

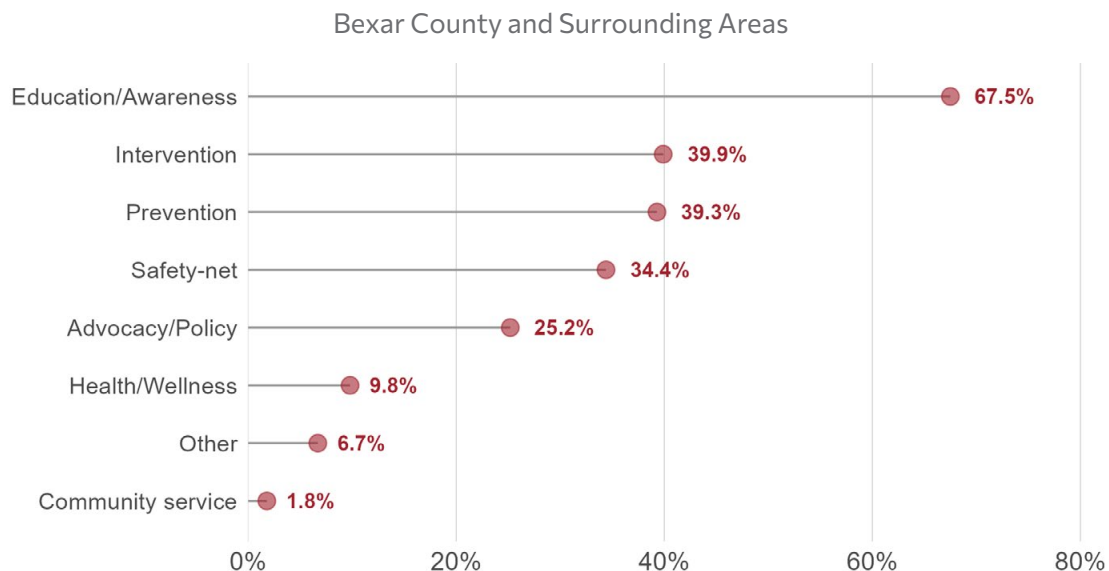
- State of the Nonprofit Sector Survey Respondent

“Our organization remains laser focused on providing support to cancer patients and survivors. We infuse those collective stories to educate the community on the challenges that come along with a diagnosis.”

- State of the Nonprofit Sector Survey Respondent

The primary issues addressed by a nonprofit not only influence its self-reported NTEE code but also shape what activities it engages in to fulfill its mission. Given six characterizations of organization activities, including an “Other” option and the chance to “Select all that apply,” most nonprofit respondents (67.5%) reported that their organizations center on education and awareness activities (Fig. 2.3). Following that were intervention and prevention activities at 39.9% and 39.3%, respectively. Open-ended responses for “Other” organization activities include: Funding, Spiritual development, Housing, and Entertainment.

Fig. 2.3 | Percent of nonprofit respondents by organization activities, 2024



N= 163 organizations

Source: State of the Nonprofit Sector Survey

Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

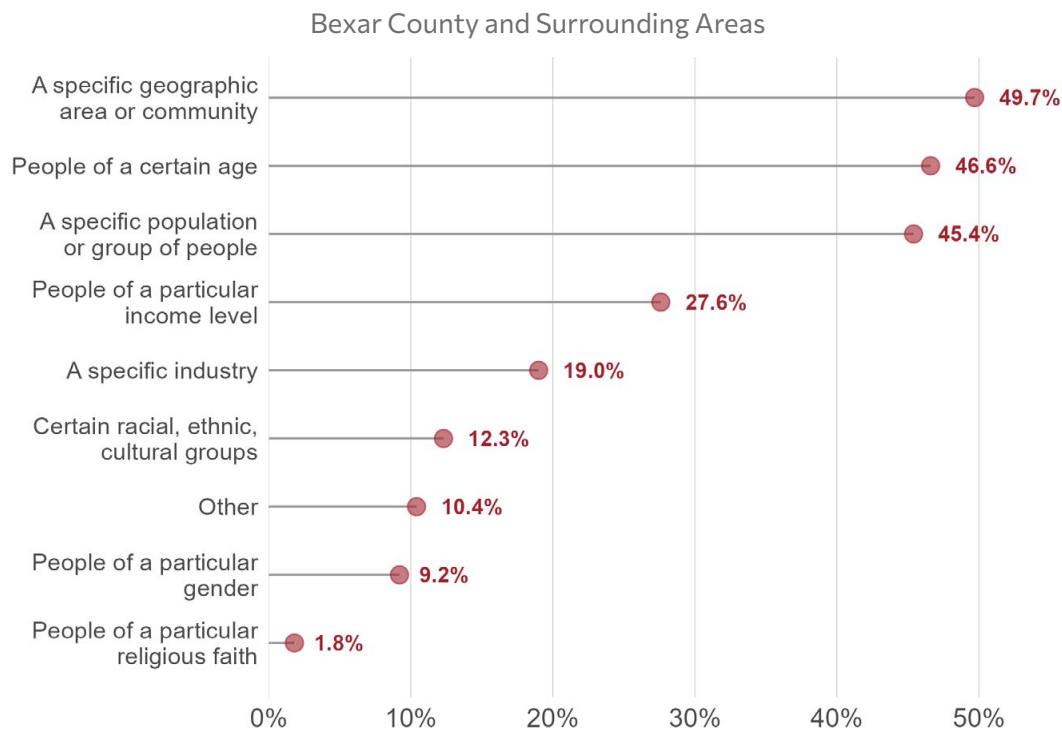
“We advocate for stopping arrests of and for granting clemency to women who are abused survivors who acted under duress. We include their voices in our email blasts and social media posts. We also recently premiered an exhibit featuring the stories and photos of four formerly incarcerated survivors.”

- State of the Nonprofit Sector Survey Respondent

Populations Served, Demand, and Need

Many of these nonprofits' activities focus on serving specific populations. All nonprofit survey respondents, whether they focus on human services or not, were asked if they serve specific populations by answering “yes” or “no” to each of the following categories in Fig. 2.4. A little under half of the respondents answered yes to serving, “A specific geographic area or community” (49.7%), “People of a certain age” (46.6%), and “A specific population or group of people” (45.4%). Though these categories had similar percentages, the rest of the categories had significantly lower responses, with “People of a particular gender” and “People of a particular religious faith” ranked lowest and selected by only 9.2% and 1.8% of respondents, respectively.

Fig. 2.4 | Percent of nonprofit respondents by population(s) served, 2024



N= 163 organizations

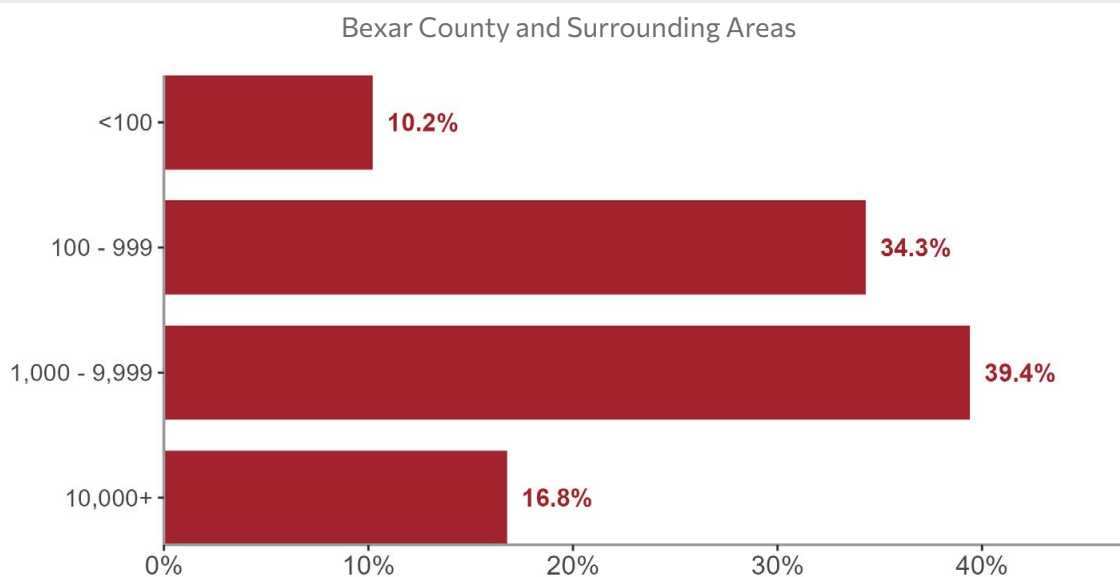
Source: State of the Nonprofit Sector Survey

Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

The number of people and organizations that benefit from a nonprofit's programs and services is a key metric that demonstrates impact and capacity. It also directly influences a nonprofit's financial health by generating confidence and trust that the organization can manage its resources effectively while fulfilling its mission.

Understanding service reach includes counting the number of people and organizations receiving services or participating in programming as “unduplicated” during a certain period of time, such as a fiscal year. Unduplicated counts tally individuals and organizations only once, regardless of how many times they access services or how many service types they access. In the most recent fiscal year, about four in 10 nonprofit respondents served between 1,000 and 9,999 unduplicated individuals (Fig. 2.5), while about three in 10 served between 100 and 999. Only 10.2% of nonprofit respondents served fewer than 100 unduplicated individuals, and 16.8% served more than 10,000.

Fig. 2.5 | Percent of nonprofit respondents by unduplicated individuals served in the most recent fiscal year, 2023



N= 138 organizations

Source: State of the Nonprofit Sector Survey

Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

“To better serve our clients with transportation challenges we: a) Offer remote options for some support group meetings and counseling services b) Purchased a van to transport teen clients to our facility c) Provide onsite services in New Braunfels ISD at the alternative school, at the Comal Crisis Center, and at the Comal County Jail-Day Treatment Program.”

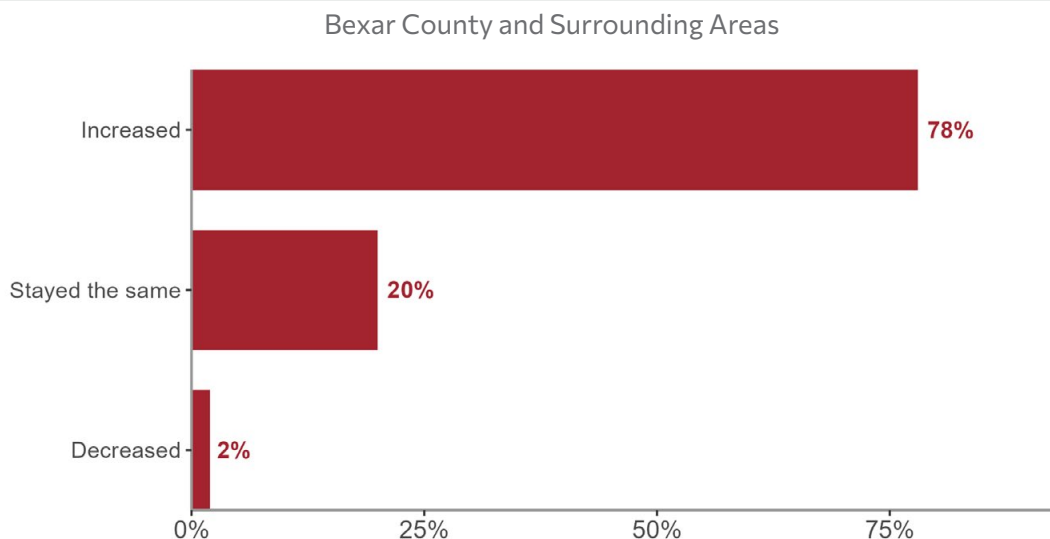
- State of the Nonprofit Sector Survey Respondent

“We offer unique adaptive skateboarding experiences with different disability groups and organizations across the state. We are not tied down to one region or area. We provide services where services are void, which is everywhere, no one else teaches adaptive skateboarding.”

- State of the Nonprofit Sector Survey Respondent

The following three charts (Fig. 2.6 to 2.9) highlight changes in demand and survey respondents' ability to meet that demand, particularly in 2024. When asked whether demand for services increased, decreased, or stayed the same over the last fiscal year, a majority of nonprofit respondents reported an increase (78%) (Fig. 2.6). A fifth said demand stayed the same (20%) and very few (2%) identified a decrease.

Fig. 2.6 | Percent of nonprofit respondents reporting demand for services in the last fiscal year have..., 2023

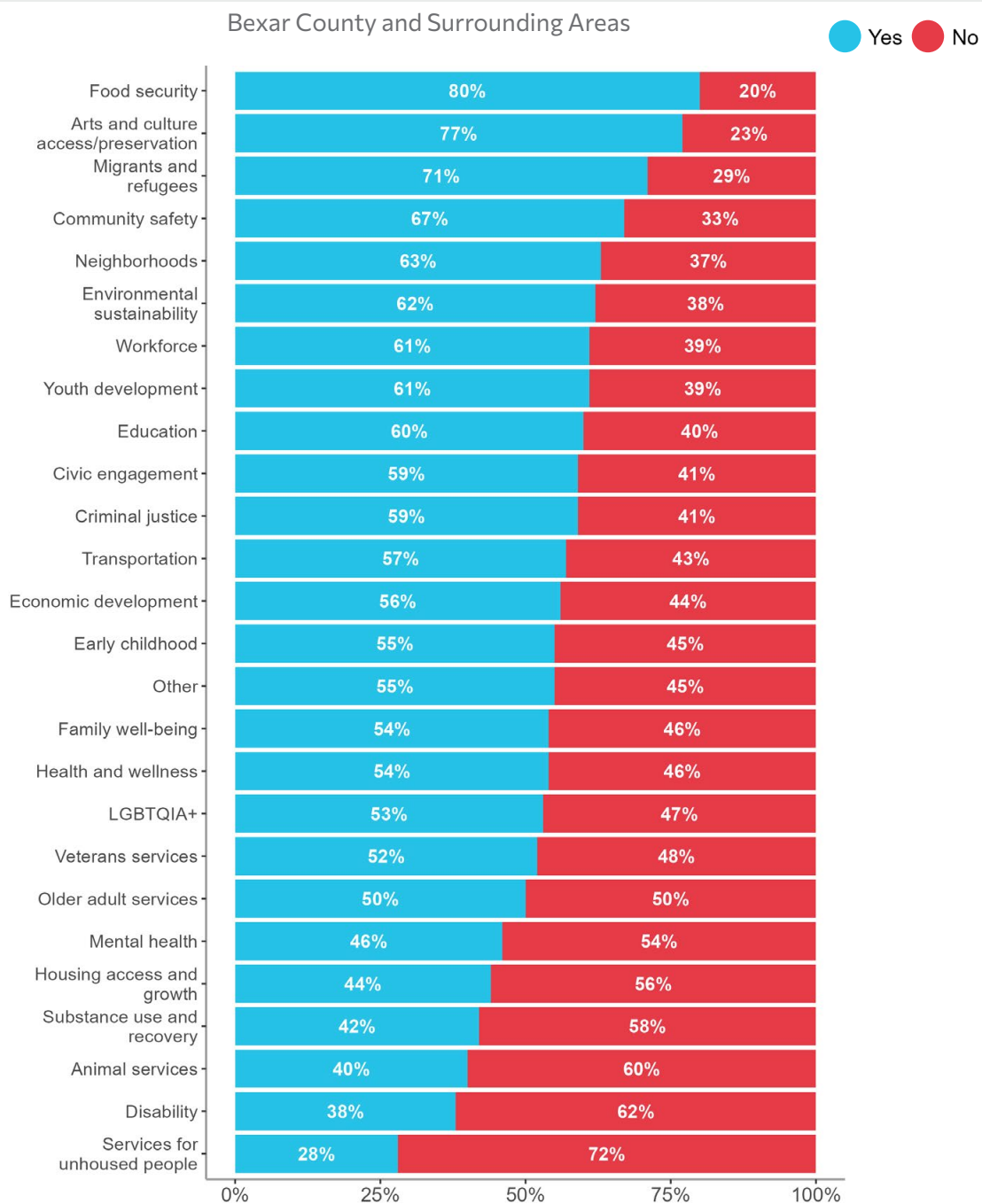


N= 163 organizations
Source: State of the Nonprofit Sector Survey
Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

Of those who reported an increase in demand for services, the percentage reporting being able to meet that increased demand varied by issue addressed (Fig. 2.7) and organization activity (Fig. 2.8). Eight in ten respondents addressing food security and reporting increased demand were able to meet that demand (Fig. 2.7), followed by nonprofit respondents addressing arts and culture access/preservation (77%), migrants and refugees (71%), and community safety (67%). Only 28% of nonprofit respondents providing services for unhoused people were able to meet the increased demand, with only slightly higher percentages among nonprofit respondents addressing disability (38%), animal services (40%), substance use and recovery (42%), housing access and growth (44%), and mental health (46%).

Nonprofit respondents engaged in prevention, intervention, and health/wellness were least likely to be able to meet demand (Fig. 2.8). It should be reiterated here that the survey response rate was low, and the results shown in Figures 2.7 and 2.8 may not reflect the true picture of nonprofit capacity in Bexar and surrounding counties.

Fig. 2.7 | Percent of nonprofit respondents reporting being able to meet increased demand by issue(s) addressed, 2024

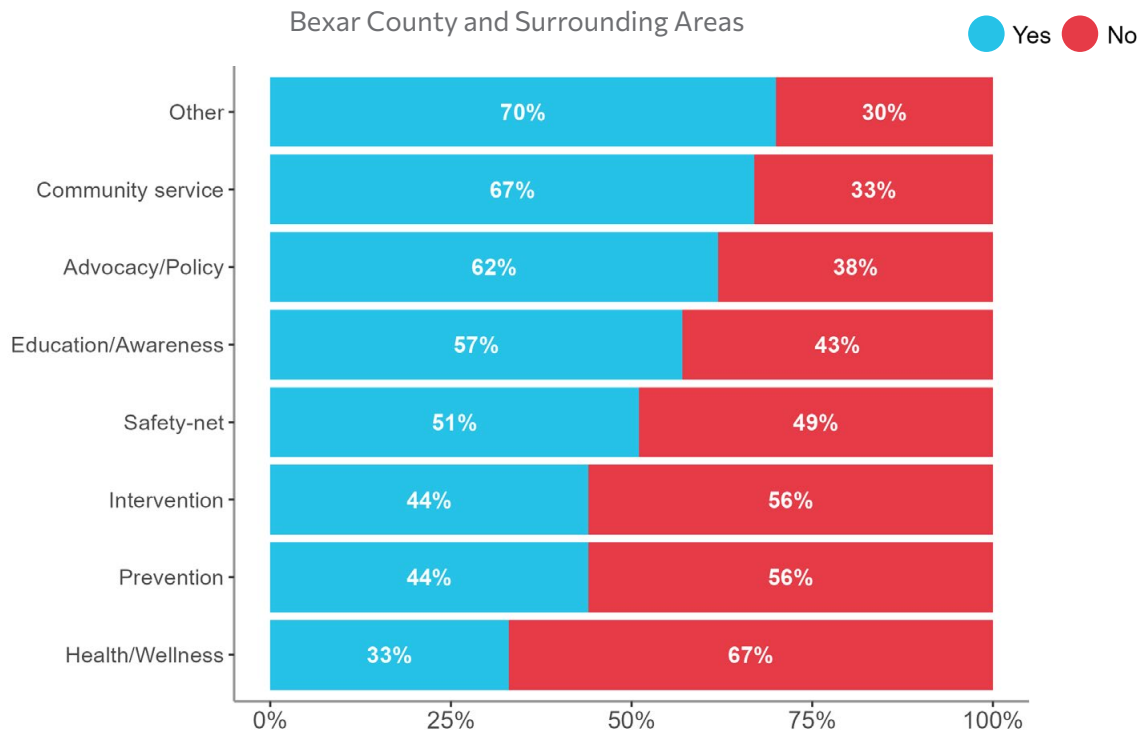


N= 5-84 organizations

Source: State of the Nonprofit Sector Survey

Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

Fig. 2.8 | Percent of nonprofit respondents reporting being able to meet increased demand by organization activity, 2024



N= 3-82 organizations

Source: State of the Nonprofit Sector Survey

Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

“We listen to feedback from parents and students and will make adjustments to our programming if it still aligns with our mission.”

- State of the Nonprofit Sector Survey Respondent

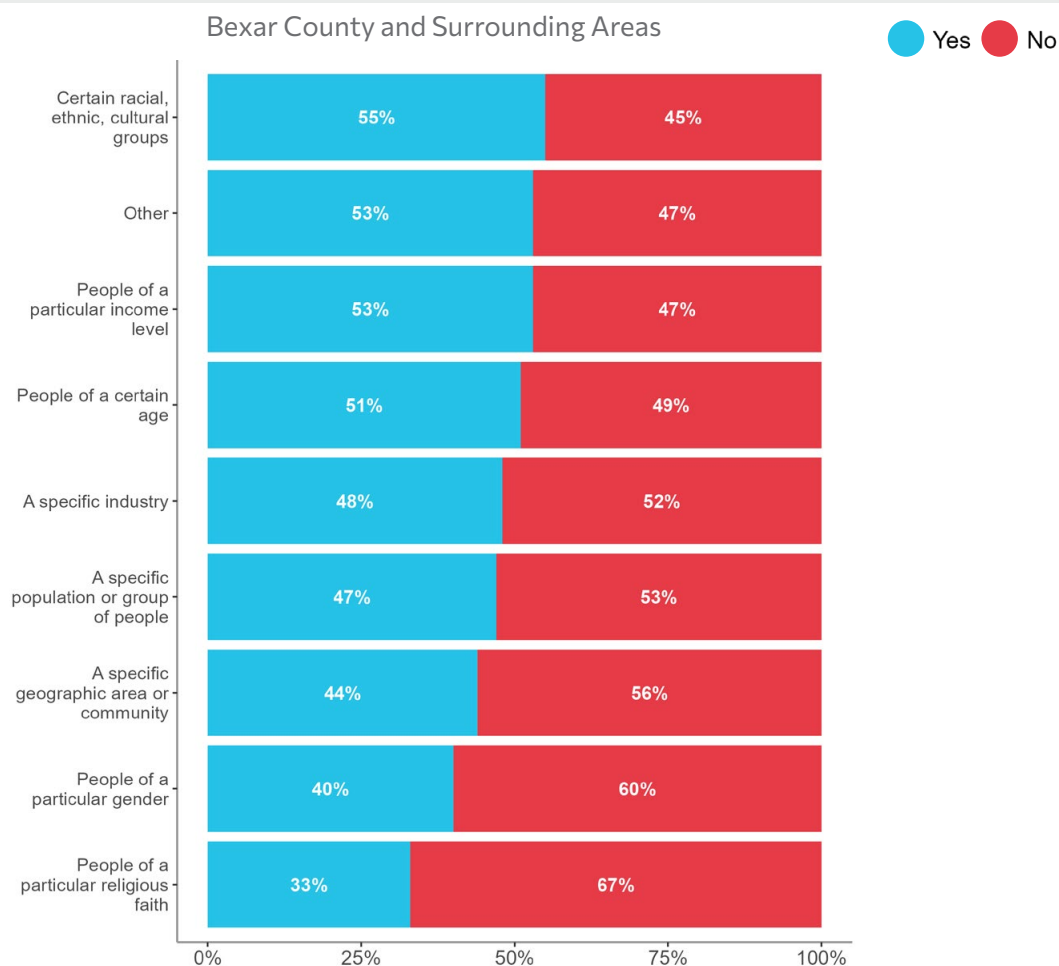
“We regularly ask our program participants about their needs and gaps in service. We design classes and programs to meet those needs.”

- State of the Nonprofit Sector Survey Respondent

Nonprofits typically operate with limited funding, staff, and physical resources, and sometimes demand for services exceeds the organization’s capacity to provide them. In this case, waitlists may be necessary, especially for nonprofits with high-demand services and limited resources. Many nonprofit survey

respondents reported currently having a service waitlist, with the proportion highest among nonprofits serving certain racial, ethnic, or cultural groups and lowest among nonprofits serving people of a particular religious faith (Fig. 2.9).

Fig. 2.9 | Percent of nonprofit respondents reporting having a service waitlist by population(s) served, 2024



N= 3-81 organizations

Source: State of the Nonprofit Sector Survey

Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

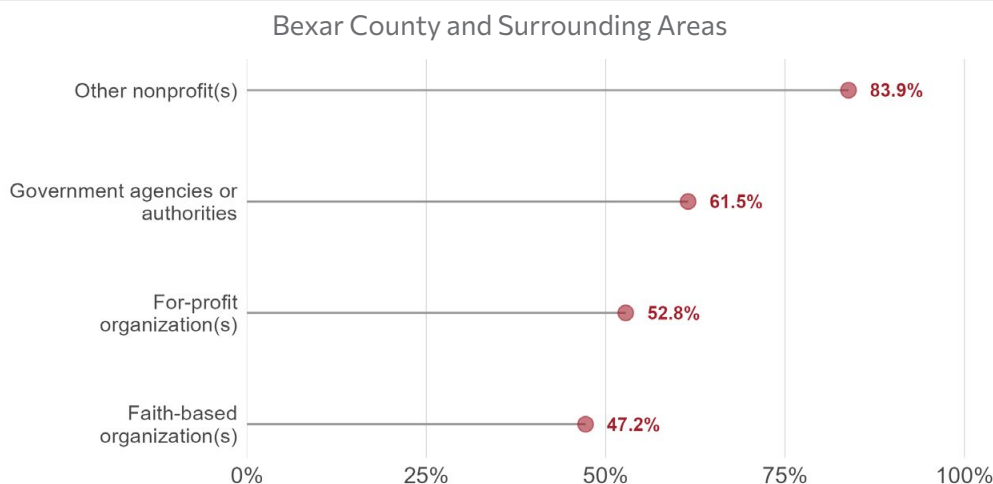
Collaborative Work

Collaboration among nonprofits, government agencies, businesses, and other partners brings several significant benefits, including resource sharing, enhanced impact, increased efficiency, diverse expertise, greater visibility and credibility, shared risk and accountability, and leveraging strengths. Overall, strategic collaborations can help nonprofits achieve their mission more effectively while fostering a spirit of community and shared purpose.

A majority of nonprofit respondents report collaborating in their work. Of the nonprofit respondents who do leverage collaboration, a vast majority (83.9%) collaborate with other nonprofits (Fig. 2.10). Further, over half of them reported working with “Government agencies or authorities” (61.5%) and “For-profit organization(s)” (52.8%). Of note, the least-reported organizational type of collaboration was “Religious or faith-based organizations” at 47.2%.

Collective impact initiatives are a structured form of collaboration and involve a higher level of coordination and involvement, making them different from traditional collaborations. They are also a powerful approach

Fig. 2.10 | Percent of nonprofit respondents that work or collaborate with the following organizational types, 2024



N= 161 organizations, None of the above responses= 5%

Source: State of the Nonprofit Sector Survey

Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

“We collaborate with non-profit partners in the area to help be a part of a "case management" style service in our community. What we don't provide, most often another community partner does and [vice] versa.”

- State of the Nonprofit Sector Survey Respondent

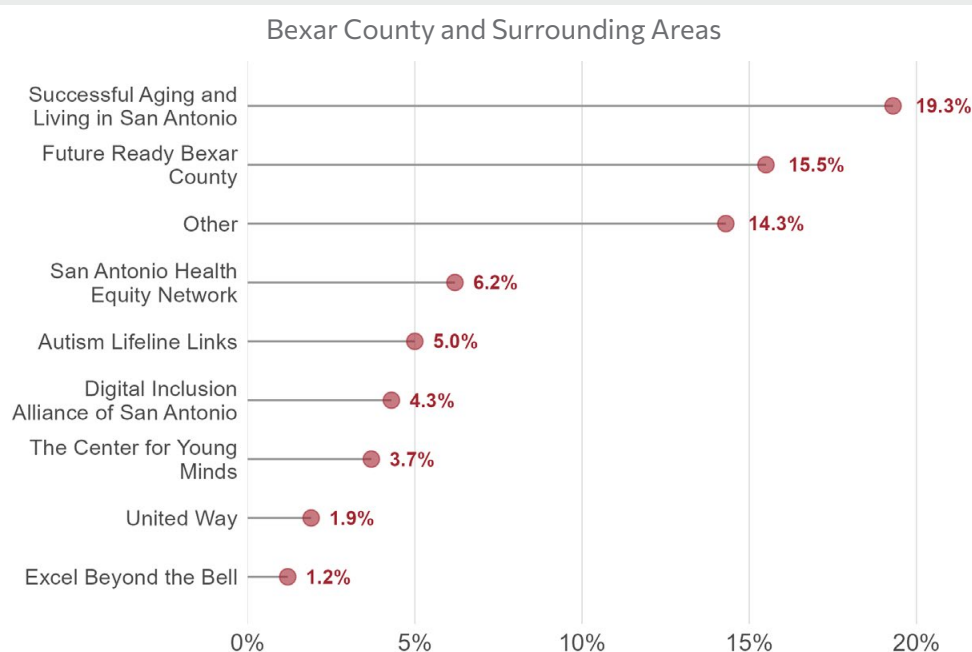
“We are collaborating with other non-profits who reach some of the same target group that we aim to serve. This is helping us do more in our community as some projects are too expensive for one organization's budget, but working together, it becomes affordable.”

- State of the Nonprofit Sector Survey Respondent

to bringing together nonprofit organizations with similar or intersecting missions, sometimes from different sectors, to broaden reach, impact, and social change. The following chart (Fig. 2.11) shows collective impact initiative participation. Importantly, even with two “Other” options in the survey, 57% of respondents chose “None of the above”, indicating that more than half of the question’s respondents do not participate in any collective impact initiatives.

Of the nonprofit respondents in Bexar County and surrounding areas who report participating in one or more local collective impact initiatives, most identified working with Successful Aging and Living in San Antonio (SALSA) (19.3%), followed by Future Ready Bexar County (15.5%) and “Other” (14.3%). Lastly, the rest of the options were only selected by 6.2% or fewer respondents.

Fig. 2.11 | Percent of nonprofit respondents by collective impact initiative(s), 2024



N= 161 organizations, None of the above responses= 57%

Source: State of the Nonprofit Sector Survey

Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

“Leveraging funds through co-enrollments through various other programs offered has been key to collaborating and holistically serving a person. ex a family [may be] enrolled in United Way Dual Generation for coaching, basic needs, childcare assistance and the parent is co-enrolled into the Cities Ready to Work Initiative. Alamo Area Community Network is another innovative way to connect with other non profits easier than a cold hand off.”

- State of the Nonprofit Sector Survey Respondent

STAFFING AND GOVERNANCE

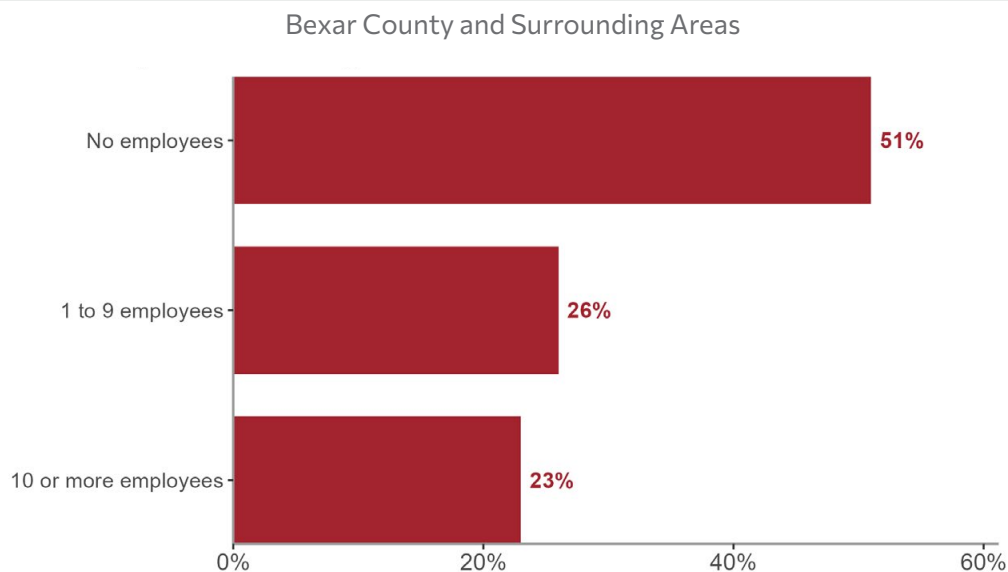
As with any organization, staffing is vital in carrying out a nonprofit's charitable mission, and effective management involves recruiting, training, and retention. Staff can range from volunteers to part-time and full-time employees to senior leadership and board members. Many nonprofits operate with limited budgets, which influences their ability to hire full-time staff as well as the salaries and benefits they can offer. Nonprofits, then, must balance resource constraints with ensuring that their staff have the necessary skills and leadership to fulfill their mission effectively and efficiently.

Nonprofit Staff

The number of employees staffed in nonprofits in Bexar County and surrounding areas ranges from zero to over 500. These numbers likely vary due to the differences in nonprofits' size, mission, budget, and scope. For instance, social service nonprofits that provide and focus on direct services may require more staff members to deliver programs and services.

Generally, most nonprofits have a smaller staff count. In fact, just over half (51%) of 990-filers report having no employees, and among those that do, most have fewer than 10 employees (Fig. 3.1). Reflected in the low employee counts, nonprofit staff often fulfill several roles in order to meet the demands of their organization. Because nonprofit staffing includes a variety of staff, a low employee count does not necessarily mean nonprofits have entirely small teams. Having no employees or staff with paid wages or salaries could mean that these nonprofits heavily rely on volunteers.

Fig. 3.1 | Percent of 990-filer nonprofits by employee count, most recent filing



Source: Department of the Treasury Internal Revenue Service, Form 990
Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

“Burnout is rampant because organizations can't afford to hire more staff, leaving those staff already there taking on more and more responsibilities.”

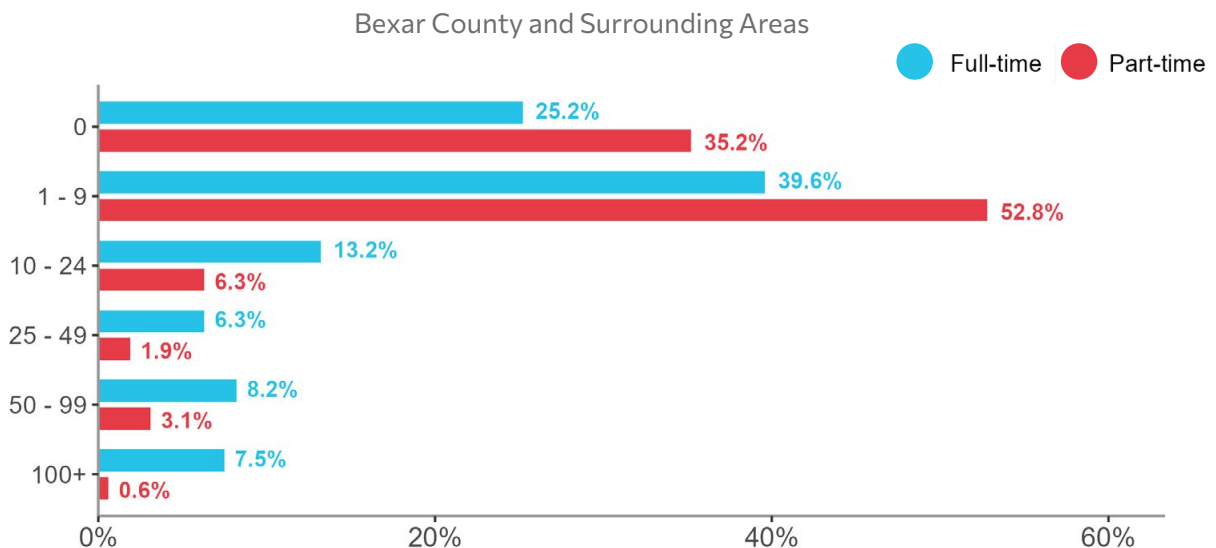
- State of the Nonprofit Sector Survey Respondent

Workforce Types

Non-leadership staffing includes employees, full-time and part-time, as well as volunteers. The proportion of nonprofit respondents by staff size is summarized in the following two charts (Fig. 3.2 to 3.3).

Although the proportions vary across full-time and part-time employee counts, a higher concentration of nonprofit respondents is found in the zero to nine range (Fig. 3.2). Over a quarter (25.2%) of nonprofits have no full-time staff, and over a third (35.2%) of them have no part-time staff. Of those with more than one full-time or part-time staff member, most have only one to nine (39.6% and 52.8%, respectively).

Fig. 3.2 | Percent of nonprofit respondents by staff count



N= 159 organizations

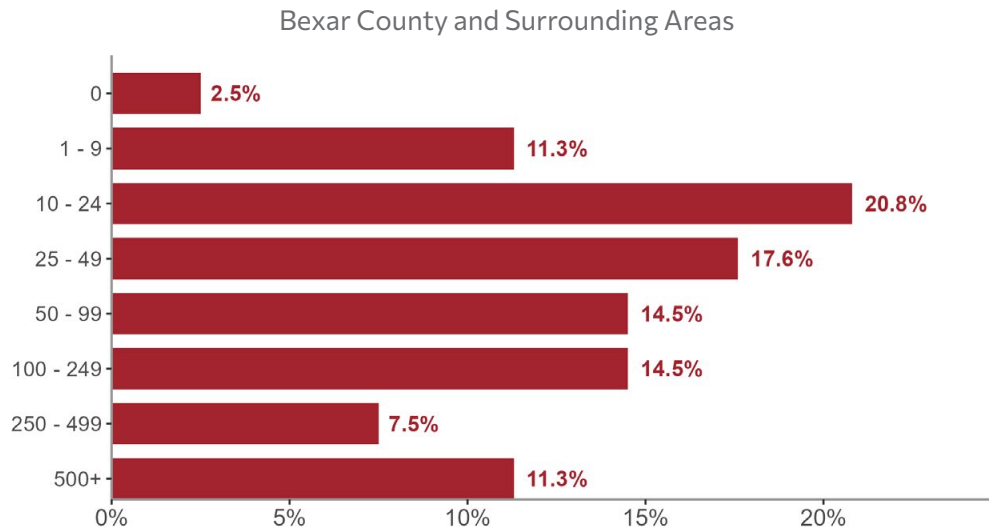
Source: State of the Nonprofit Sector Survey

Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

Nonprofit respondents were much less likely to have no volunteers than to have no employees, highlighting the critical importance of volunteer (unpaid) labor—including volunteer leadership—in the nonprofit sector. In fact, only 2.5% reported having zero volunteers (Fig. 3.3). A significant majority of them identified having at least one volunteer (97.5%), with most having between 10 to 24 volunteers (20.8%). Notably, these

estimates include unpaid board members and interns. While 33.3% of nonprofit respondents reported over 100 volunteers, only 7.5% of respondents had over 100 full-time staff. A large volunteer force highlights how crucial volunteer (unpaid) labor—including volunteer leadership—is in nonprofit work, especially in organizations with low employee counts.

Fig. 3.3 | Percent of nonprofit respondents by volunteer count, 2024



N= 159 organizations

Source: State of the Nonprofit Sector Survey

Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

“We need more funding to hire staff [and] to replace our CEO, who works primarily as a volunteer. We need to find someone(s) to step into /for our CEO, who will be retiring in 2025.”

- State of the Nonprofit Sector Survey Respondent

“Innovation can be difficult for staff to prioritize when wearing several different hats at the same time within an organization. We strive to look for new solutions and different ways of going about things, such as adjustments that were made in order to keep the doors open and serve more people during the height of the pandemic.”

- State of the Nonprofit Sector Survey Respondent

About the “N/A responses” number

Some questions in the survey included “Not Applicable (N/A),” “Unknown,” and “None of the above” response options, but for ease of reading some charts, they are not shown as separate bars. Instead, the percentage of organizations that selected one of these response types is listed as a note in each chart.

For questions with multiple response categories, this number is presented in ranges. For instance, if the chart note reads, “N/A responses=20-38%”, this means that if shown, the N/A bar for each of the response options on the y-axis would reflect between 20% and 38% of respondents. Not showing N/A responses as a separate bar results in the percentages shown not totaling 100%.



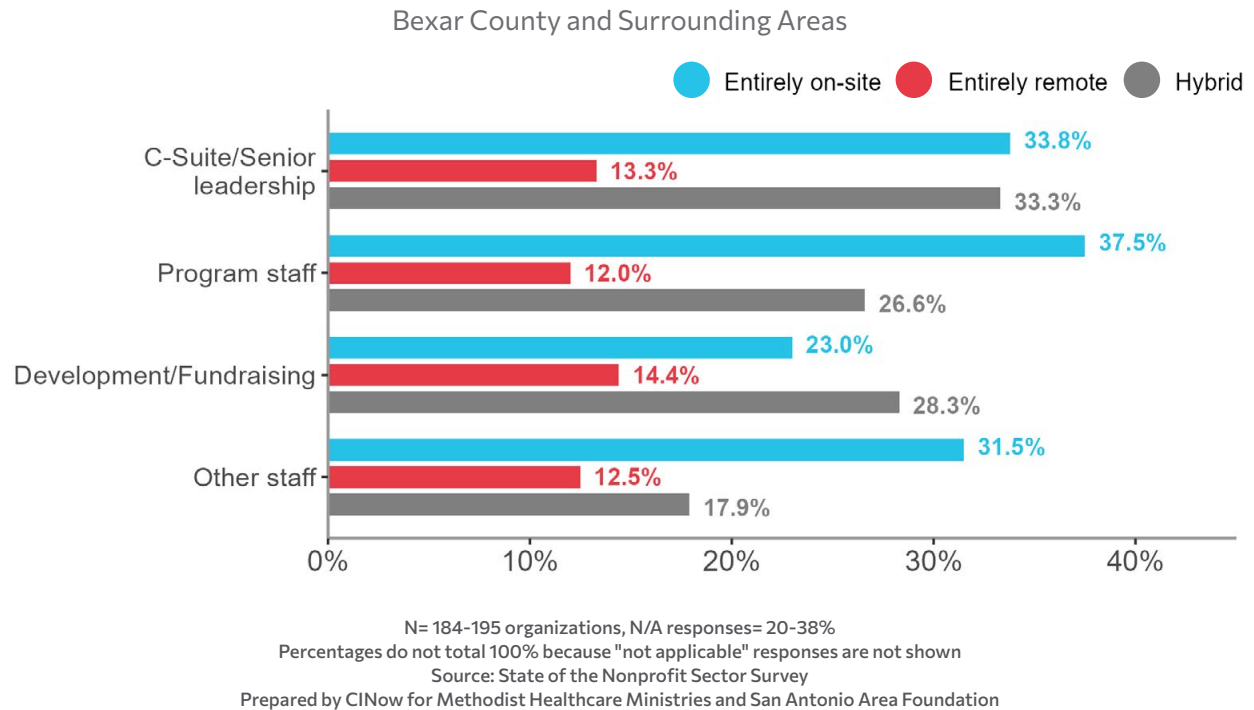
The COVID-19 pandemic undoubtedly changed how we work, especially in adopting remote and hybrid work models. While remote work allows employees to work entirely from a location outside of the office, usually the home, hybrid work is a mix of in-office and remote work where staff split their time between the two. Both offer benefits such as flexibility, cost savings, and employee satisfaction. Still, the effectiveness of remote or hybrid work relies on proper digital tools and effective communication, collaboration, and project management.

Increased acceptance of these models has allowed many types of organizations, including nonprofits, to embrace and continue remote and hybrid work after the world returned to the office setting. There are clear differences in how many of the survey respondents’ staff and which type of staff work remotely, on-site, or hybrid (Fig. 3.4), no doubt heavily driven by the reduced feasibility of remote work for front-line and field-based program staff as compared to desk workers. Working entirely remotely is by far the least common model. Of the four staff type options, three are majority on-site with percentages between 31.5% and 37.5%, except for development and fundraising staff, for whom it's more common to have a hybrid work model (28.3%). Notably, the difference between entirely on-site and hybrid work is most comparable for “C-suite/Senior leadership” (33.8% versus 33.3%, respectively) and most different for “Other staff” (31.5% versus 17.9%).

“...our business applications have also been moved to platforms that allow us to work from anywhere and thus workflow is more efficient including donor relations.”

- State of the Nonprofit Sector Survey Respondent

Fig. 3.4 | Percent of nonprofit respondents by staff work type, 2024



Senior leadership and board members in nonprofits are crucial for supporting staff and guiding the organization toward its mission. These roles require a combination of strong management skills and a deep understanding of the sector that the nonprofit belongs to. While board members provide governance, financial oversight, executive support and evaluation, and strategic planning, senior leadership implements board decisions, helps manage staff, oversees day-to-day operations, and promotes fundraising.

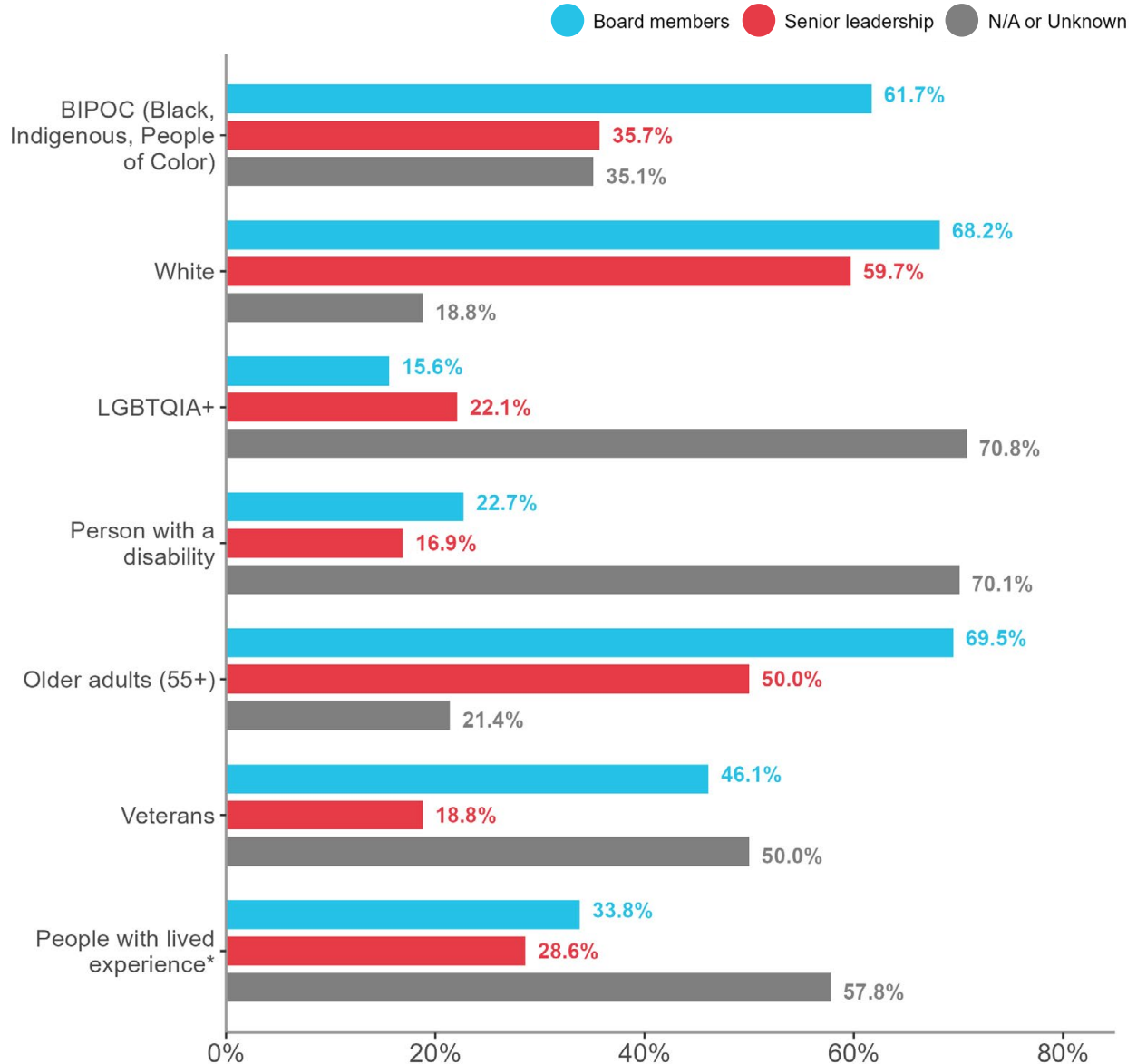
Fostering an inclusive and supportive workplace is especially crucial within senior leadership and board membership. It is not only important that nonprofit leadership reflects the communities that they serve, but a diverse staff enhances a nonprofit's impact by ensuring broader reach, fostering a range of perspectives, and building trust.

To gauge inclusion and diversity in staffing, the State of the Nonprofit Sector survey asked respondents to share if any of their senior leadership or board members identify with any of the groups listed in Fig. 3.5. The question was structured as a list of groups with checkbox response options of "Senior Leadership", "Board Members", and "Information not collected, unknown, or N/A". The latter category by default captures those nonprofits who would have selected a "neither" response option had it been offered. By far, the "Information not collected, unknown, or N/A" response option was selected least often for the white (19%) and BIPOC (38%) question items, indicating either that this information is routinely collected or the person responding to the survey is comfortable making an assumption without data. That response option was selected most often for LGBTQIA+ (71%), person with a disability (70%), and person with lived experience (58%) with the issues or circumstances the nonprofit addresses.

Looking just at board members, the greatest proportions of survey respondents reported board members identifying as older (70%) or white (68%), followed by BIPOC (62%) and veterans (46%). Compared to board members, much lower proportions of survey respondents reported senior (staff) leadership identifying as BIPOC (36%) or veteran (19%).

Fig. 3.5 | Percent of nonprofit respondents by senior leadership and board member identity, 2024

Bexar County and Surrounding Areas



*E.g., direct experience with mental health challenges

N= 154 organizations

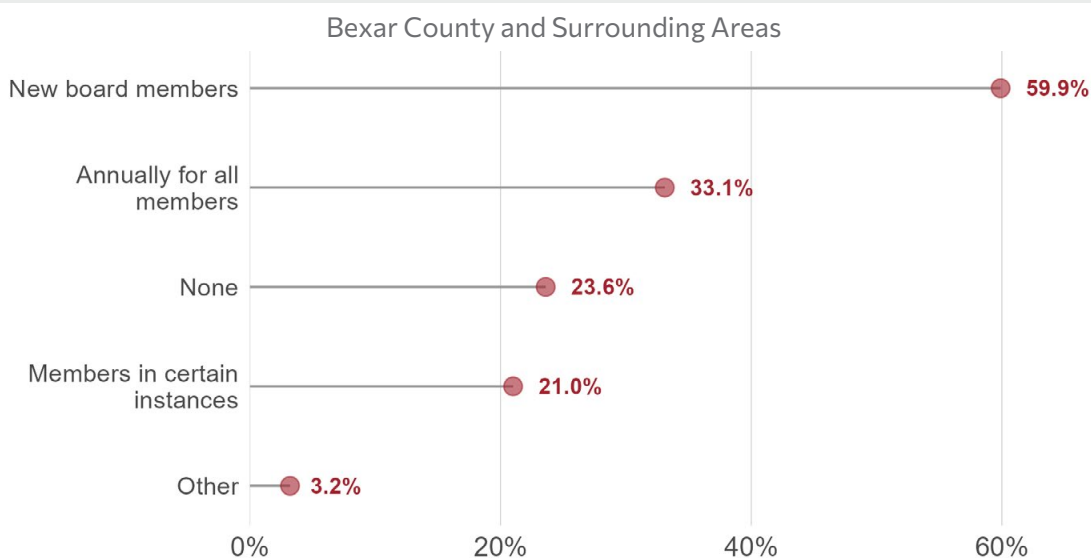
Source: State of the Nonprofit Sector Survey

Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

Board training in the nonprofit field involves educating and preparing members of a nonprofit's board to fulfill their roles and responsibilities as effectively and efficiently as possible. Board members play a crucial role in nonprofit governance, guiding the organization, overseeing its financial health, and promoting its mission through transparency and accountability. Nonprofits often work in specialized areas, and training not only ensures compliance but also equips board members to meet the specific needs and demands of the communities they serve.

Still, almost one in four nonprofit respondents (23.6%) reported requiring no board training (Fig. 3.6). Of those with some type of required training, most require it for new board members (59.9%), a third require it annually (33.1%), and about 24.2% seem to require it as needed. It should be noted that many nonprofits fall into multiple categories here, for example, requiring standardized training of all new board members and ad-hoc or targeted training in certain instances but not training all board members every year.

Fig. 3.6 | Percent of nonprofit respondents that require board training, 2024



N= 157 organizations

Source: State of the Nonprofit Sector Survey

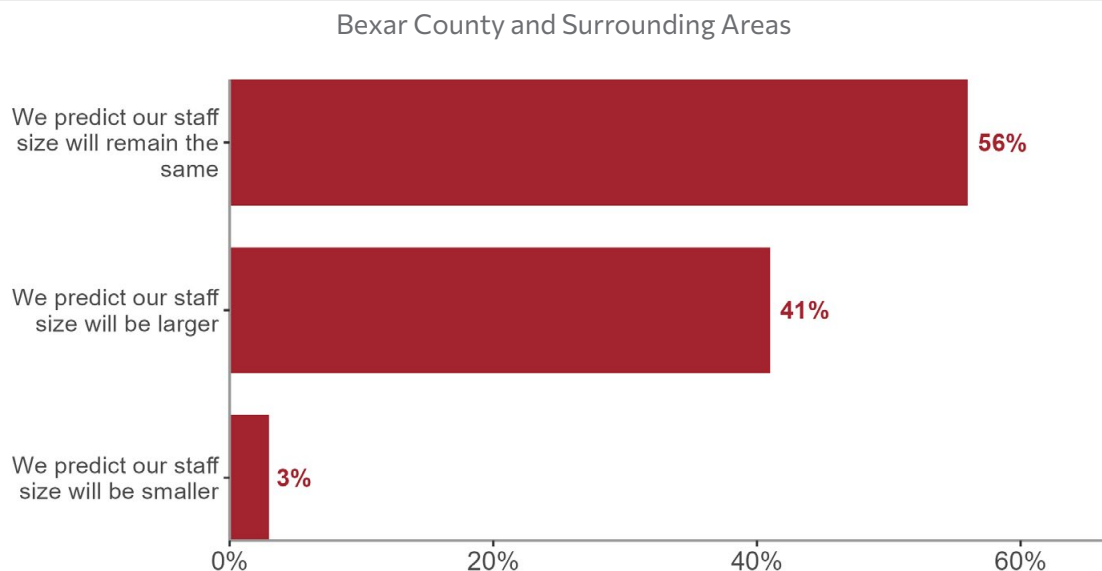
Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

Staff Retention

Nonprofit financial health influences their ability to hire staff, retain them, and what salaries and benefits they can offer. With this in mind, patterns in staff retention reflect organizational health, effective leadership, and a supportive work environment.

When asked if they predicted staff size changes in the next 12 months, almost all nonprofit survey respondents reported that they expected their staff size to either remain the same (56%) or to expand (41%) (Fig. 3.7). Only 3% of the respondents who answered this question predicted that their staff size would decrease.

Fig. 3.7 | Percent of nonprofit respondents by predicted staff size change in 12 months, 2024



N= 154 organizations

Source: State of the Nonprofit Sector Survey

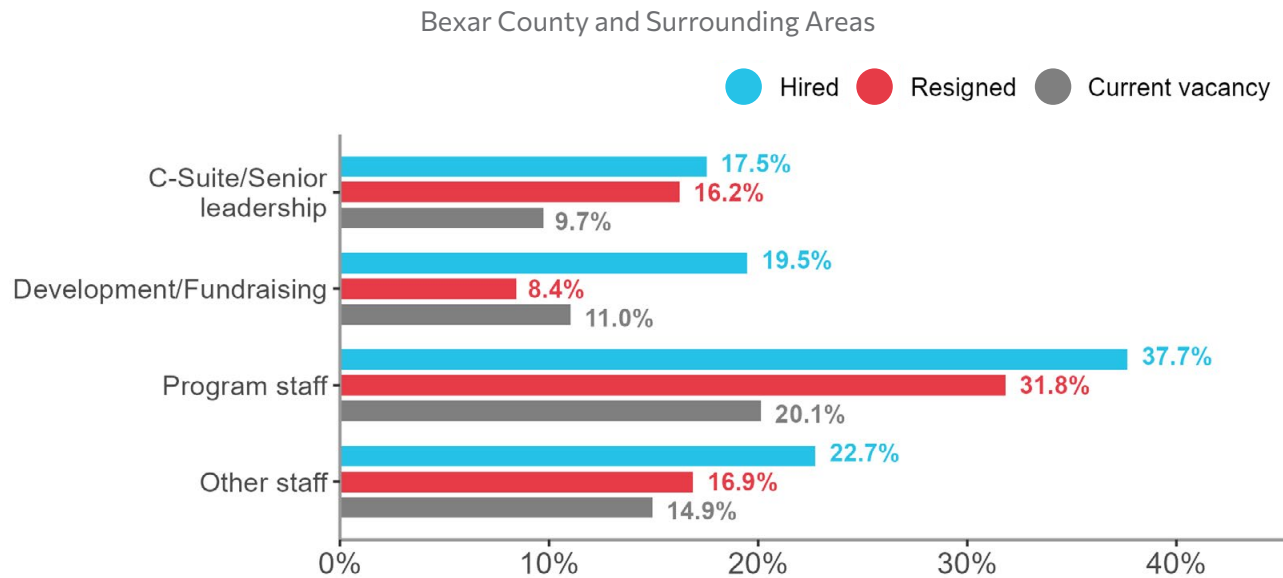
Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

“We have been serving our community for 36 years, we are innovative, and consistent, and we do our best to remain debt free in order to put all our finances directly into client care. As a people-centered organization it takes well-trained staff at reasonable staff to client ratios to maintain quality care and service. So, when funds shift from allowing us to best apply funds where needed (operating funds)—it limits our impact in the community.”

- State of the Nonprofit Sector Survey Respondent

Comparing hiring, resignations, and vacancies among nonprofits in the previous 12 months, hiring percentages were the highest across all four staff types (Fig. 3.8). Despite this, nonprofit respondents reported current vacancies in all staff types, with the fewest vacancies in “C-Suite/Senior Leadership” (9.7%) and the most in “Program Staff” (20.1%). “Program Staff,” in fact, was the most selected staff type for hiring, resignations, and current vacancies. Notably, the proportion of nonprofits reporting resignations for “Program Staff” (31.8%) is almost twice that of the second- and third-highest resignation percentages (16.9% and 16.2%). The staff type with the lowest percentage of nonprofits reporting resignations was “Development/Fundraising” at 8.4%.

Fig. 3.8 | Percent of nonprofit respondents by types of staff that have been hired or have left in the last 12 months, 2024



N= 154 organizations; N/A responses= 48% program staff, 69% all other staff
 Percentages do not total 100% because "not applicable" responses are not shown
 Source: State of the Nonprofit Sector Survey
 Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

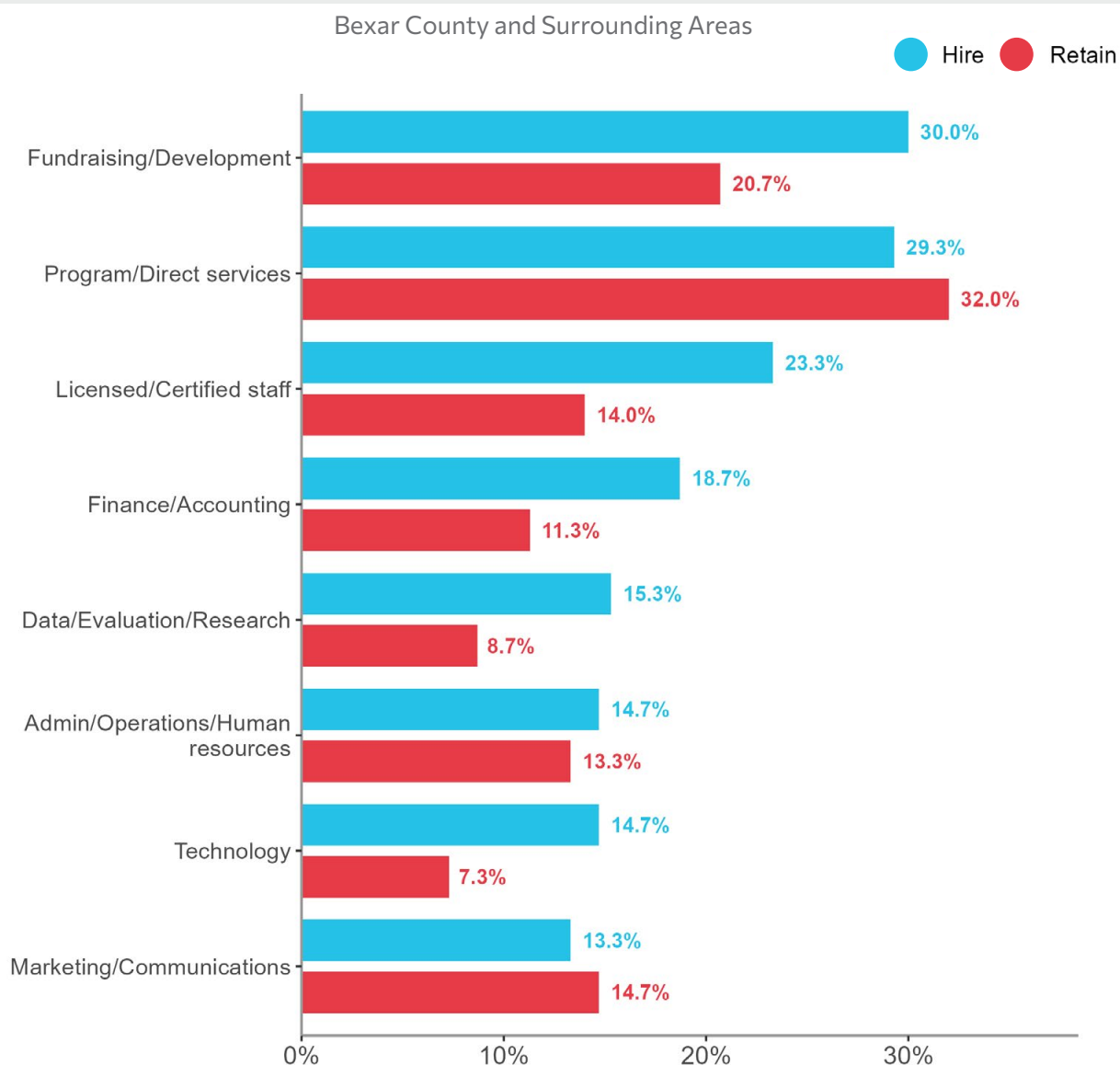
Given eight general position types, listed in Fig. 3.9, nonprofit respondents were asked to identify which roles were most difficult to hire for or retain, or if the question was not applicable (N/A) to their organization. Overall, respondents were more likely to report the most difficulty in hiring versus retention for all position types, with the exceptions of “Program/Direct Services” and “Marketing/Communications.” For these two roles, respondents were slightly more likely to report that it was more difficult to retain than to hire. Nevertheless, “Program/Direct Services” positions ranked as the second most difficult position to hire at 29.3% while also recognized as the most difficult position to retain at 32%.

Similarly, “Fundraising/Development” ranked high among the most challenging to hire, with the highest percentage at 30%, and it was also among the top for most difficult to retain (the second-highest at 20.7%). The position type least reported as “most difficult to hire” was “Marketing/Communications” at 13.3%, and the position type least reported as “most difficult to retain” was “Technology” (7.3%).

Respondent expressed “difficulty hiring licensed chemical dependency counselors; difficulty hiring behavioral health technicians AND paying them a living wage.”

- State of the Nonprofit Sector Survey Respondent

Fig. 3.9 | Percent of nonprofit respondents by position types most difficult to hire and retain, 2024

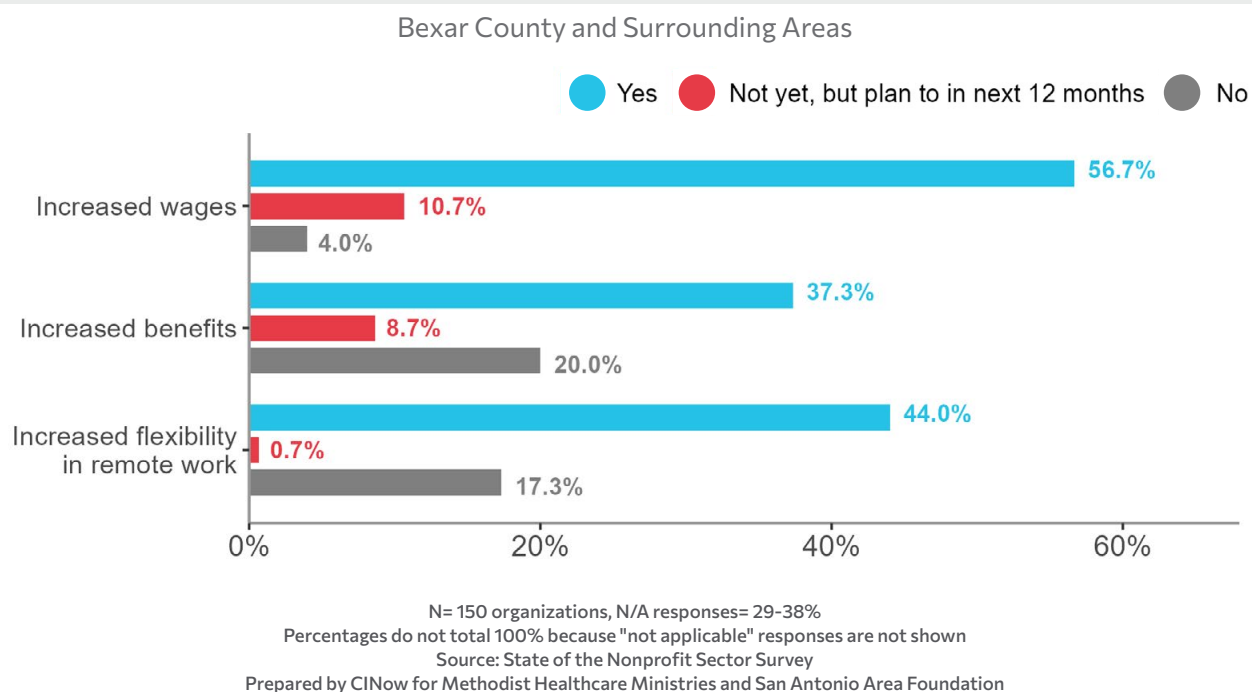


N= 150 organizations; N/A responses= 54-83%
 Percentages do not total 100% because "not applicable" responses are not shown
 Source: State of the Nonprofit Sector Survey
 Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

Nonprofits can take several actions to retain staff, including increases in wages, benefits or perks, and flexibility in remote work. Nonprofit respondents were asked if they had taken any of these actions in the last 12 months by responding “Yes,” “Not yet, but plan to in next 12 months,” “No,” or “N/A.” For each of the actions listed, a majority of those who answered this question have taken one or more of these actions to retain employees, mostly through increased wages (56.7%) (Fig. 3.10).

Of the actions not explored or taken, most have not increased benefits or perks (20%), and increased wages were the least “not tried” option (4%). Of the actions not yet tried but planned to be taken in the next 12 months, increased wages seem to be the most likely action (10.7%), and increased flexibility in remote work seems to be the least likely (0.7%).

Fig. 3.10 | Percent of nonprofit respondents by action taken to retain employees over the past 12 months, 2024



“It would be greatly appreciated if there were more multi-year grants awarded from the community so non-profits don't have to stress over year after year and be able to support salaries so non-profits can pay a living wage. We are losing people to other agencies that can properly pay the individuals we are looking to hire.”

- State of the Nonprofit Sector Survey Respondent

“We are a small organization that needs to offer Health insurance. It is [not] affordable as most grants will not pay for it.”

- State of the Nonprofit Sector Survey Respondent

FINANCIAL HEALTH AND CAPACITY

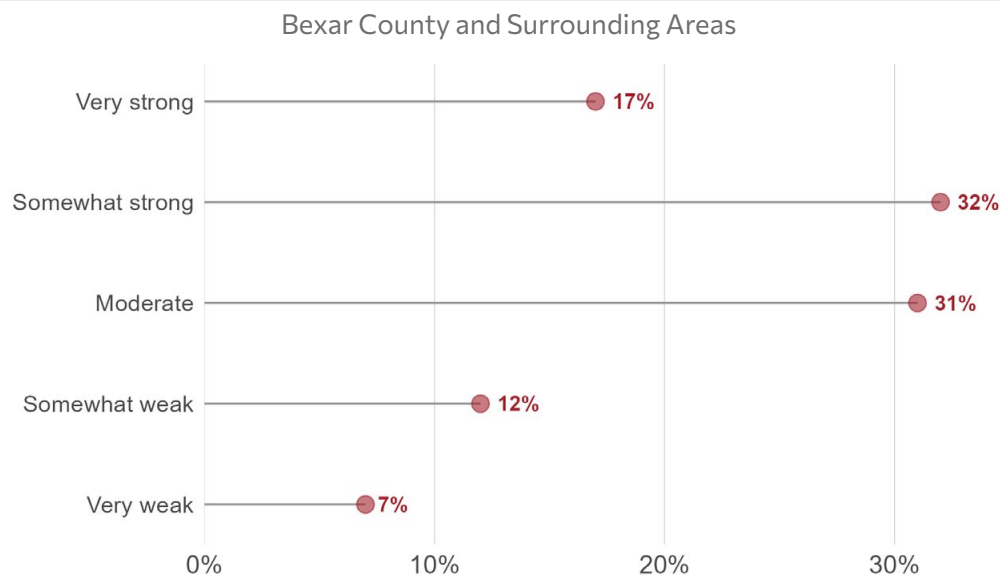
Financial health and capacity directly impact a nonprofit's ability to fulfill its mission, sustain operations, ensure program stability, and achieve long-term success and sustainability. Moreover, financial resources are the foundation for fulfilling programs and services and supporting staffing; therefore, insufficient and unsustainable funding can compromise nonprofit operations. On the other hand, having financial stability, or positive financial health, gives nonprofits security to engage in long-term strategic planning and the power to invest in new initiatives that broaden their scope and enhance their impact. On top of that, it also helps nonprofits build trust with their donors, other funders, stakeholders, and the community at large.

Nonprofits are often expected to disclose financial information publicly to sustain transparency and accountability in their financial operations, especially to qualify for and maintain tax-exemption status. Several indicators are used to monitor financial stability and resiliency as well as the effective use of funds, including measurements of and changes in total revenue and total expenses. The State of the Nonprofit Sector survey examined other indicators such as the variety and balance of income sources, operating reserves, funder type, service capacity, and fundraising efforts.

Financial Trends, Changes, and Projections

The following two charts, Fig. 4.1 and 4.2, highlight how nonprofit respondents described their current and expected future financial health. Most nonprofit respondents reported that their organization's current

Fig. 4.1 | Percent of nonprofit respondents by current financial health, 2024



N= 143 organizations

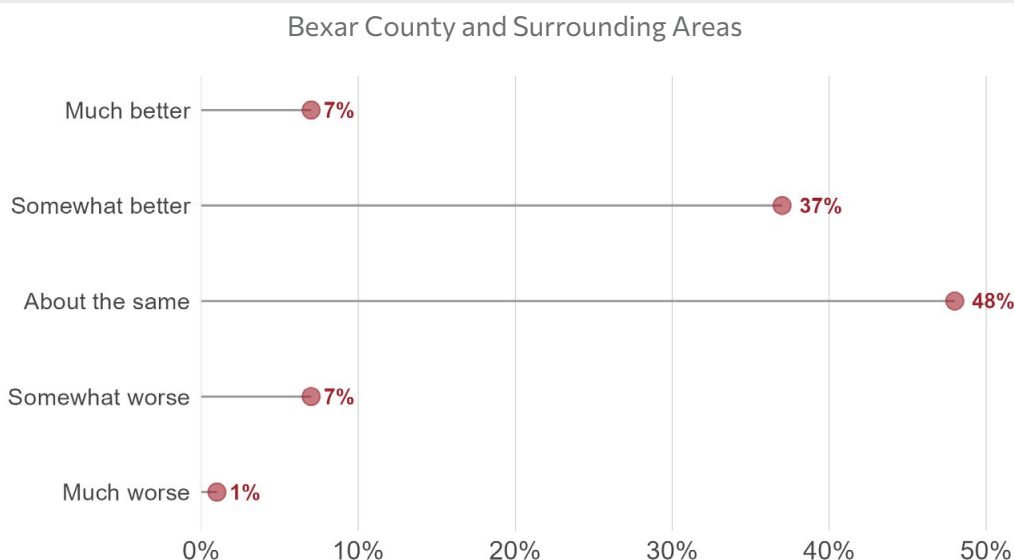
Source: State of the Nonprofit Sector Survey

Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

financial health was either “Somewhat strong” (32%) or “Moderate” (31%) (Fig. 4.1). Comparably, only 17% of them described their current financial health as “Very strong,” and a combined 19% reported it to be either “Somewhat weak” or “Very weak.”

As far as projected financial health in 12 months, almost half of the nonprofit respondents described it as “About the same” (48%) as their current financial health, followed by over a third saying it might be “Somewhat better” (37%) (Fig. 4.2). While only 1% reported that their financial health would likely be “Much worse,” the outlook for it being “Somewhat worse” or “Much better” was the same at 7% of nonprofit respondents.

Fig. 4.2 | Percent of nonprofit respondents reporting expected financial health in 12 months to be..., 2024



N= 143 organizations

Source: State of the Nonprofit Sector Survey

Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

“My frustration with funders stems from a lack of understanding regarding our constant struggle for funding. Ever-changing priorities and strategic shifts significantly impact nonprofits. The philosophy of “don’t count on us every year” makes long-term planning nearly impossible for organizations, much less figuring out how to make a yearly budget.”

- State of the Nonprofit Sector Survey Respondent

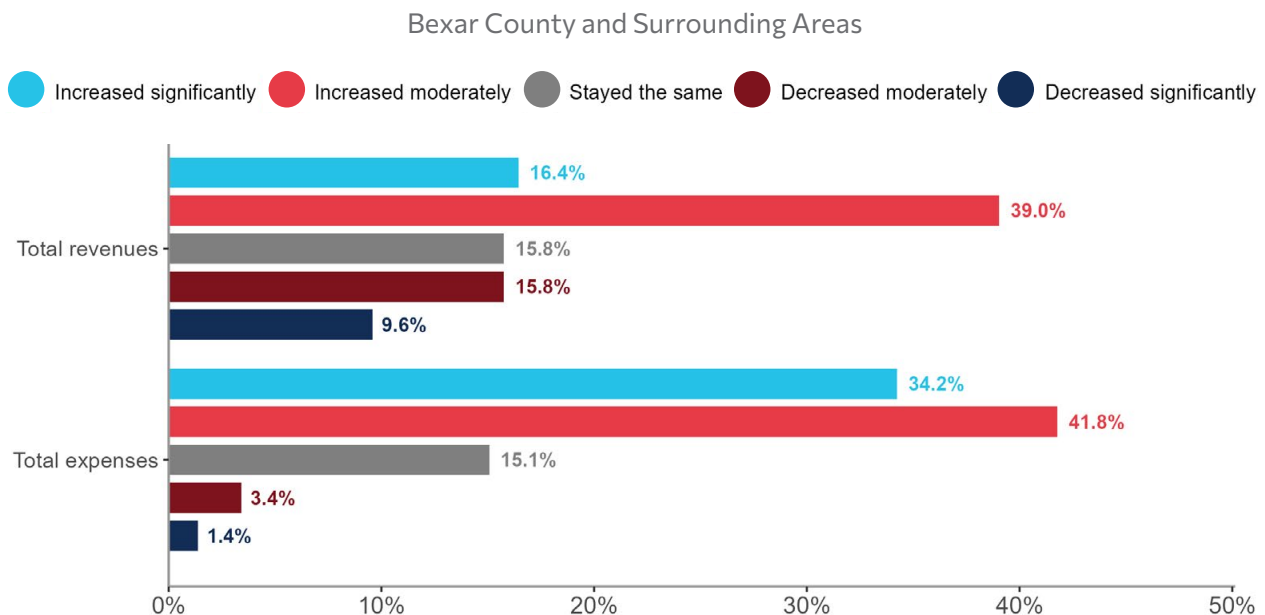
“We need to enter into multi-year funding contracts. Applying for a grant every year is tedious and does not allow us to accurately plan our annual budgets on time.”

- State of the Nonprofit Sector Survey Respondent

Total revenue and total expenses, which again, vary depending on a nonprofit’s size, scope, and mission, are indicators of financial health and operational scale. A difference between the two indicates a surplus or deficit, and changes reflect projected financial health. According to the survey, changes in nonprofit total revenue and total expenses over the last three years were somewhat similar to each other (Fig. 4.3).

For both total revenue and total expenses, moderate and significant increases were reported the most (in that order), and moderate and significant decreases were reported the least (in that order). Moderate increases in financial indicator change were reported by a significant majority of respondents, at 39% for total revenues and 41.8% for total expenses. Conversely, significant decreases were reported the least, at 9.6% for total revenues and 1.4% for total expenses.

Fig. 4.3 | Percent of nonprofit respondents by financial indicator change over the last 3 fiscal years, 2024

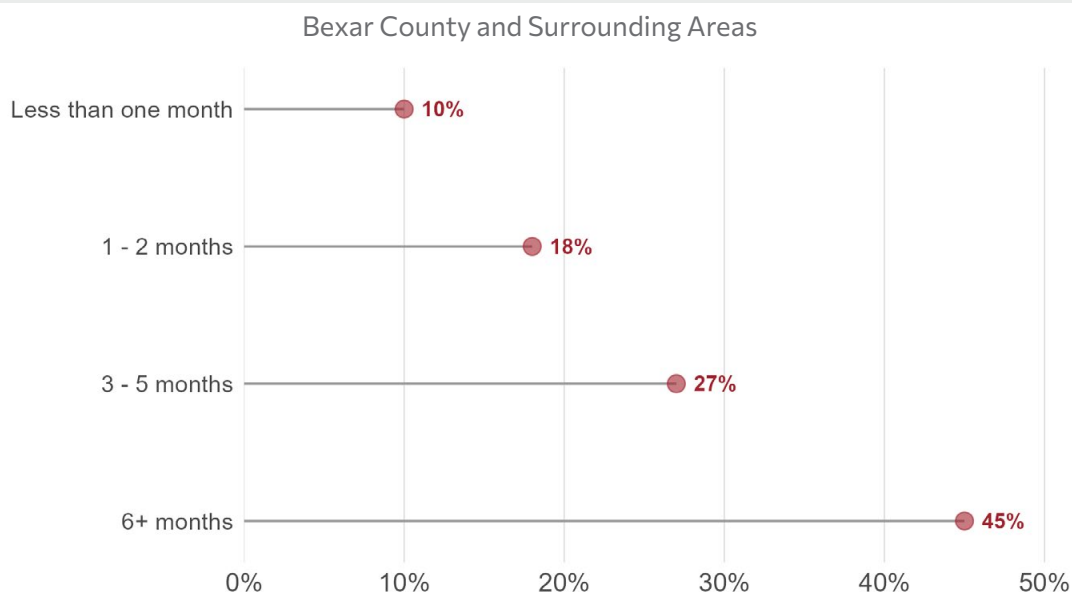


N= 146 organizations, N/A or Unknown responses= 3-4%
Percentages do not total 100% because "not applicable" or unknown responses are not shown
Source: State of the Nonprofit Sector Survey
Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

Cash reserves are funds set aside to withstand unexpected challenges and expenses during times of financial uncertainty, such as economic downturns or reductions in funding. Having enough financial reserves contributes to a nonprofit's resilience by allowing it to continue functioning without compromising its operations. Having excessive reserves, however, may indicate that the organization is unable to make effective use of revenue in service of its mission. Two common examples are service nonprofits that experience a sudden influx of revenue but are not scaling up operations timely to expend the funds, and foundations that see a dramatic increase in assets but fail to increase the payout rate despite clear evidence of unmet community needs and nonprofits struggling to survive.

Almost half of the nonprofit respondents reported having over six months of cash reserves (45%), and a little over a quarter have three to five months' worth (27%) (Fig. 4.4). Still, 18% of nonprofit respondents have only one to two months' worth of reserves, and 10% have less than one month – a high-risk and frightening situation for a nonprofit.

Fig. 4.4 | Percent of nonprofit respondents by months of cash reserves, 2024



N= 143 organizations

Source: State of the Nonprofit Sector Survey

Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

“We need more sustainability, so that we are not constantly raising \$ for the year that we are spending it—we need more time to plan [for the] big picture without having to worry about the current day.”

- State of the Nonprofit Sector Survey Respondent

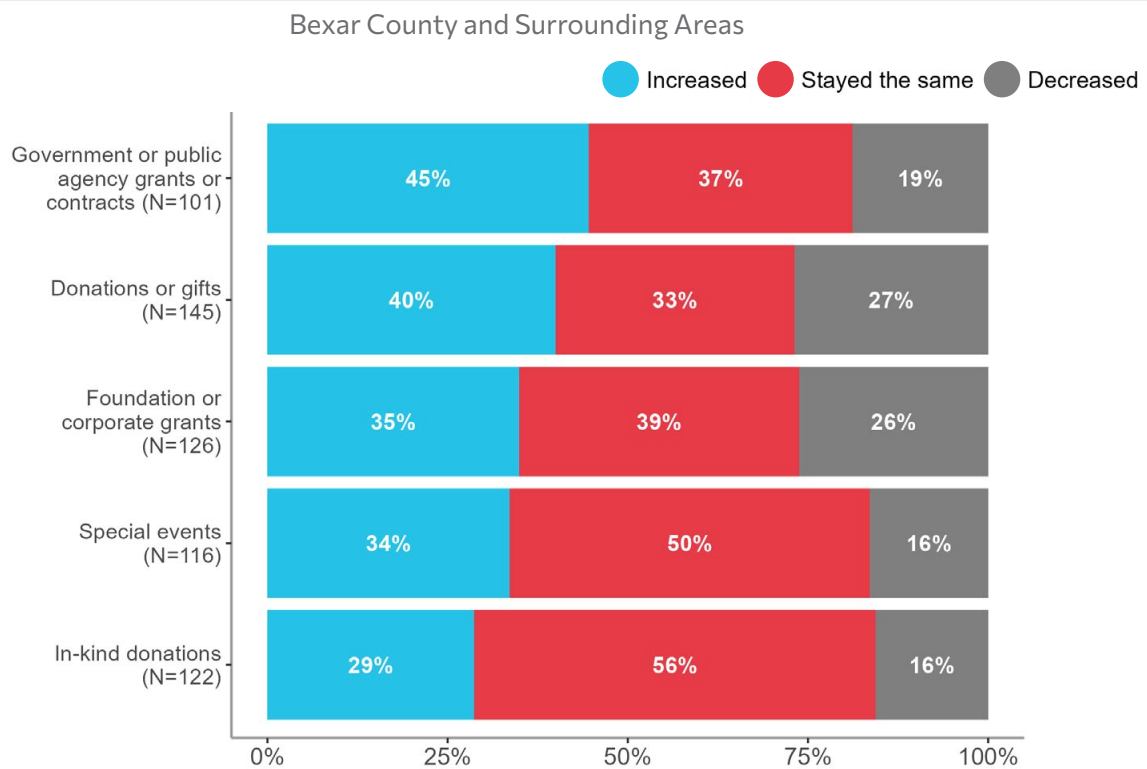
Funding sources

Diverse funding sources are crucial for financial health by reducing nonprofits' dependency on a single source, which mitigates the risk of financial instability. To assess the variety and balance of revenue sources, The State of the Nonprofit Sector Survey asked respondents how different revenue sources changed over the last three fiscal years (Fig. 4.5).

Decreases in revenue source changes over the last few fiscal years were reported the least across categories. For the most part, nonprofit respondents reported no changes. In fact, both the "Special events" and "In-kind donations" revenue sources showed the highest proportion of no changes, with at least half of the respondents for each of these categories indicating that they "Stayed the same". At only a slightly higher proportion, "Government or public agency grants or contracts" and "foundation or corporate grants," were more likely to be reported as having "increased" rather than "stayed the same".

Each category of revenue source had a different number of responses, as indicated by the "N=" number next to the category name. Additionally, the question allowed respondents to submit "Other" revenue sources and report changes. Not included in the chart are 18 "Other" source responses, which, in total, were primarily reported as having "increased" (50%), while a significant number also indicated "decreased" (39%) changes over the last few years.

Fig. 4.5 | Percent of nonprofit respondents by revenue source change over the last 3 fiscal years, 2024



N= 104-152 organizations, N/A or Unknown responses= 5-83%

Source: State of the Nonprofit Sector Survey

Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

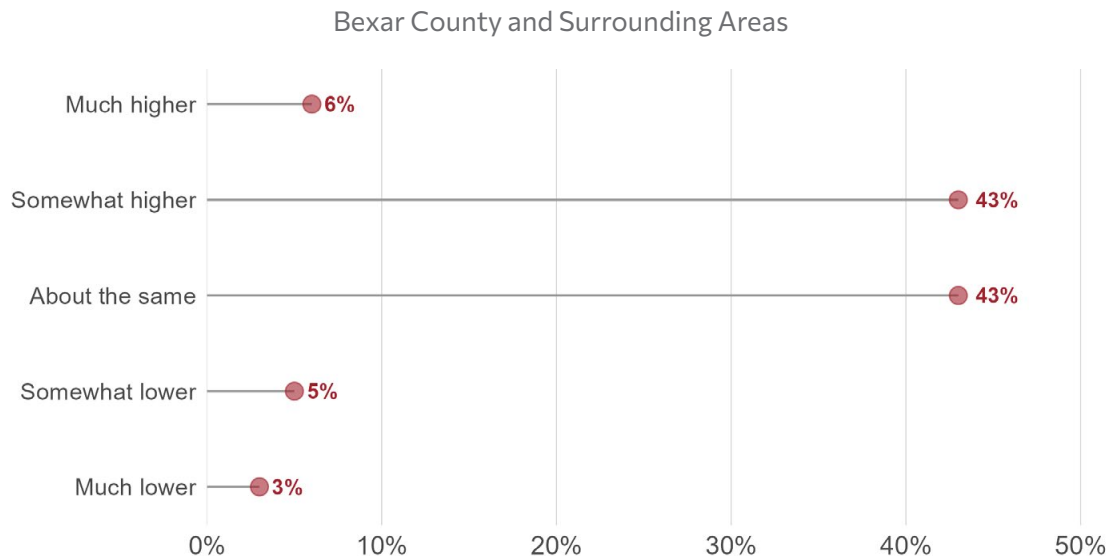
“We find that very few funders are willing to give to programs that do not define specific activities within specified time frames - leaving our most crucial work to be funded by donations from individuals.”

- State of the Nonprofit Sector Survey Respondent

A crucial source of revenue, fundraising, helps provide essential funds for nonprofit organizations. Fundraising monies usually have fewer restrictions and limitations than other revenue sources like grants or government funding, giving nonprofits increased flexibility in using those funds for a wide range of needs. As such, they can also be used to support innovative programs and projects that might not be eligible for traditional grant funding. Other fundraising benefits include deepening relationships with current donors and supporters while attracting new ones.

When asked, “Compared to today, what do you expect your organization’s fundraising revenue to be in 12 months?”, survey respondents mostly reported that this revenue would likely be either the same (43%) or somewhat higher (43%) (Fig. 4.6). While only 6% said it might be “Much higher,” only a combined 8% felt that it could be “Somewhat lower” or “Much lower.”

Fig. 4.6 | Percent of nonprofit respondents reporting expected fundraising revenue in 12 months to be..., 2024



N= 143 organizations

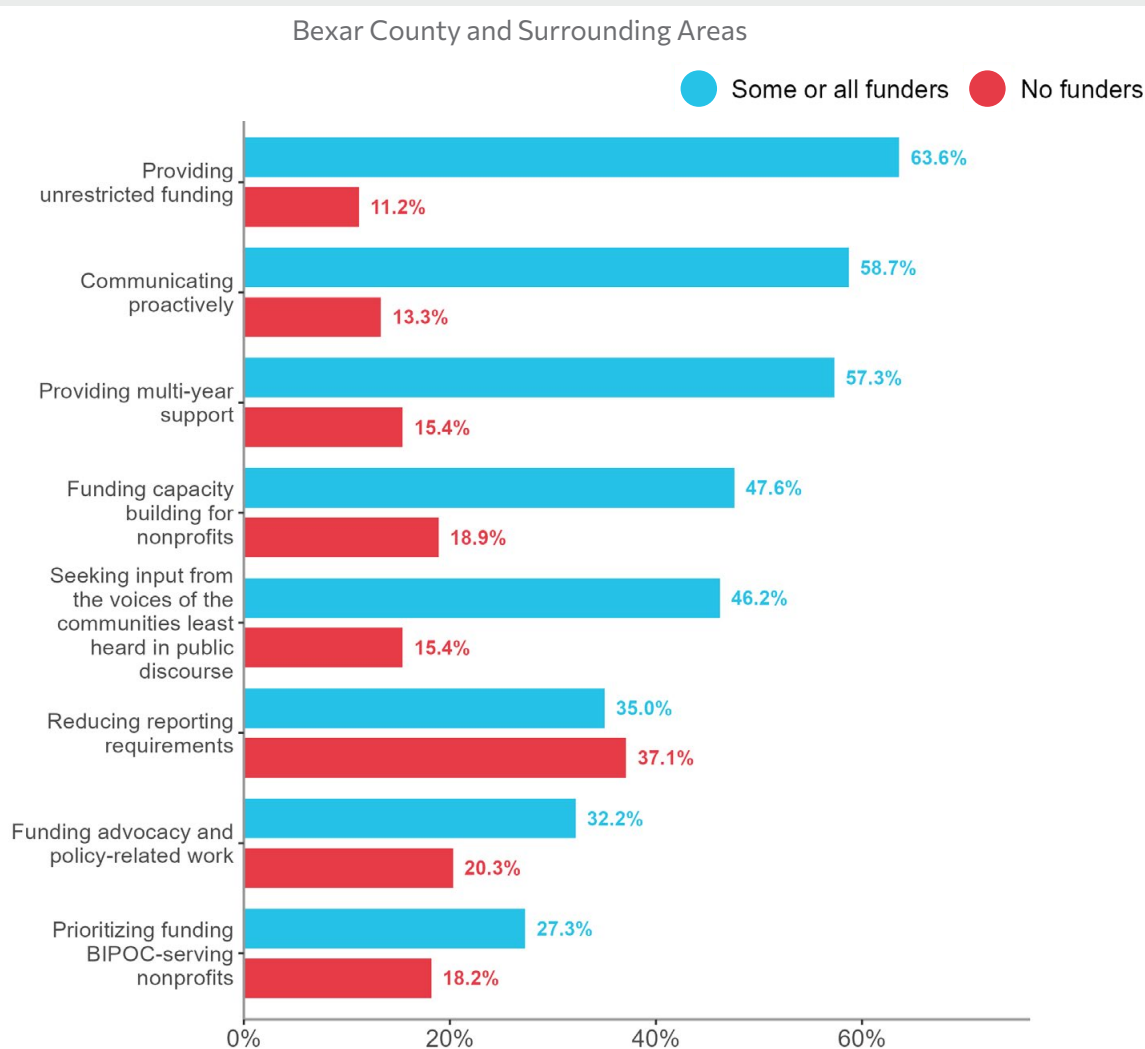
Source: State of the Nonprofit Sector Survey

Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

Nonprofit respondents were asked whether they were aware of local funders engaging in the practices listed in Fig. 4.7. The most commonly reported practices appear to be providing unrestricted funding, proactive communication, and multi-year support, but the results are highly influenced by how nonprofit respondents interact with funders. For example, nonprofits are much more likely to have direct knowledge about funders' grant restrictions, grant length, communication, and reporting requirements than about their advocacy and policy work and whether they prioritize BIPOC-serving organizations.

Markedly, this question and its responses reflect only the nonprofit respondents' perceptions of funder engagement, rather than an accurate representation of what funders are truly involved in. That said, a majority of nonprofit respondents reported that some or all funders are involved in all but one practice.

Fig. 4.7 | Percent of nonprofit respondents reporting of local funders engagement in the following practices, 2024



N= 143 organizations, N/A or Unknown responses= 25-55%
 Percentages do not total 100% because "not applicable or unknown" responses are not shown
 Source: State of the Nonprofit Sector Survey
 Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

The exception, “Reducing reporting requirements,” had more respondents reporting no funder engagement (37.1%), the highest proportion of no funder engagement. The highest proportion of funder engagement was in “providing unrestricted funding” at 63.6%, which also had the least reported “No funder” engagement (at 11.2%).

“We love our funding partners and we encourage them to listen to stories of those we serve and to come and observe our work and spaces to assess for themselves to see the impact their funds are having with the hope that they continue to trust us with their gifts—we are wonderful stewards of what we receive, both financial and in-kind.”

- State of the Nonprofit Sector Survey Respondent

“Please continue to encourage funders to give trust-based, multi-year, general operating support. This allows an organization to spend the \$ where they need it most--which can often flex and change from when the proposal was first submitted. Multi-year support ensures that we can truly use the support to leverage additional or new support. Also, please encourage funders to not require full applications or heavy-duty reports when continuing funding is at the same level. Giving nonprofits back their time is a valuable gift.”

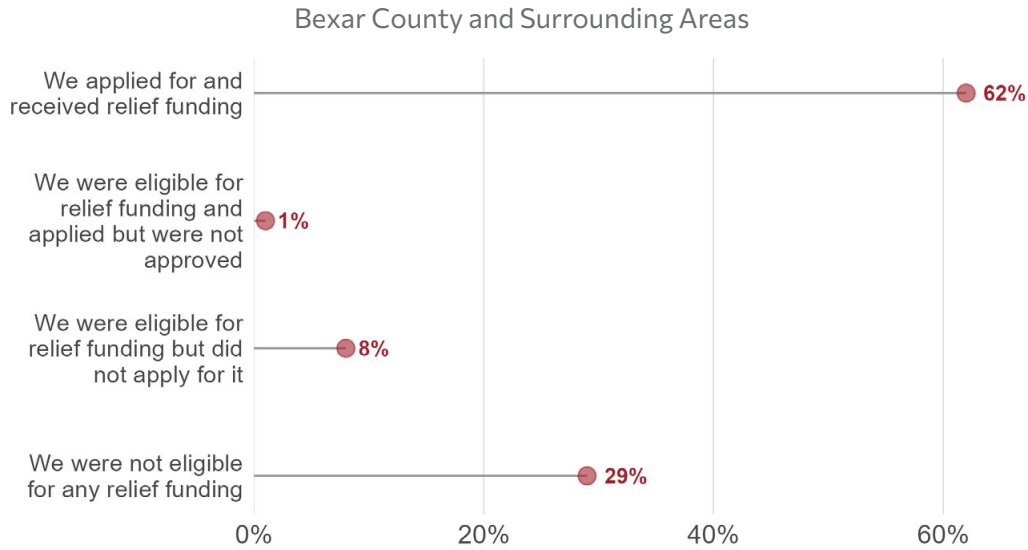
- State of the Nonprofit Sector Survey Respondent

Emergency Relief Funding and Projections

With the COVID-19 pandemic not far behind us, measuring a nonprofit's ability to shift from crisis response and relief funding gives insight into its financial resiliency. The following three charts, Fig. 4.8 to 4.10, highlight nonprofit respondent receipt of COVID-19 emergency funding and their confidence in transitioning from emergency relief funding to other funding streams and back to pre-pandemic funding streams.

Most nonprofit respondents (62%) reported that they applied for and received COVID-19 emergency funding (Fig. 4.8). One percent reported that they were eligible and applied but were not approved, and 8% were eligible but did not apply. Of note, 29% of respondents disclosed that they were not eligible for any relief funding.

Fig. 4.8 | Percent of nonprofit respondents by receipt of COVID-19 emergency funding, 2024



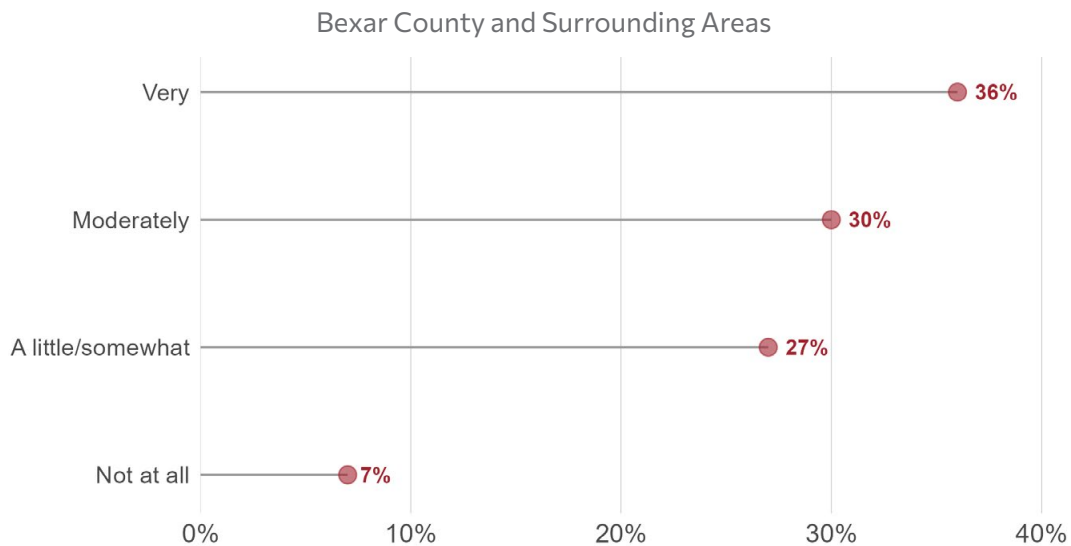
N= 143 organizations

Source: State of the Nonprofit Sector Survey

Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

Of the 88 nonprofit respondents who applied for and received relief funding, 93% of them reported having at least some confidence in transitioning from emergency relief funding to other funding streams (Fig. 4.9). The most reported rating was “Very” confident (36%), and the least reported rating was “Not at all” confident (7%).

Fig. 4.9 | Percent of nonprofit respondents reporting confidence in transitioning from emergency relief funding to other funding streams, 2024



N= 88 organizations

Source: State of the Nonprofit Sector Survey

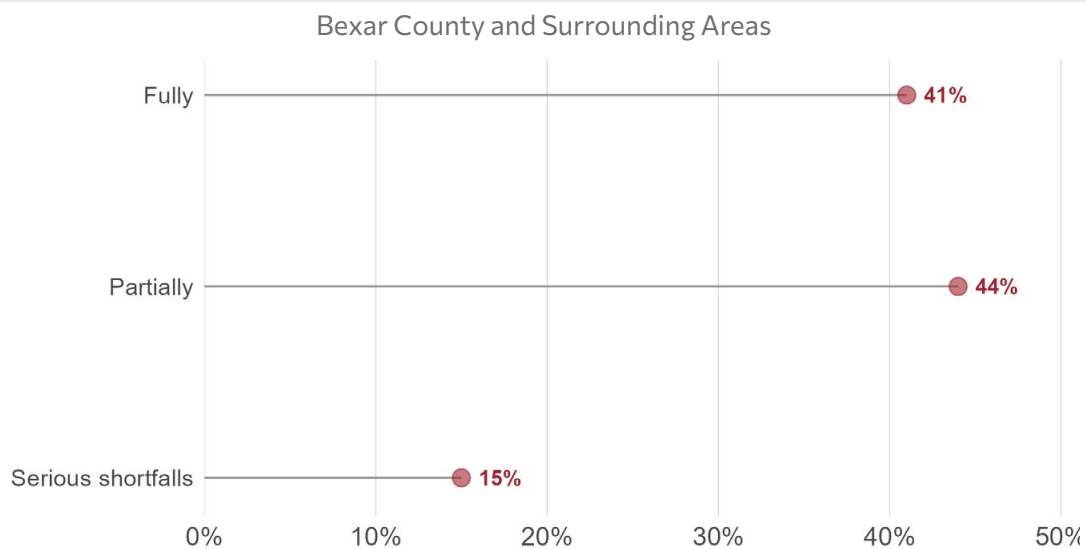
Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

“We are probably one of the largest non profits in our area but that growth has mostly happened over the last three years and we have more growth to come. There really isn't a mechanism for us to communicate the change to our organization more broadly. Groups and Individuals that know our work know but we have struggled with the general population being engaged in what we do now-- we are traditionally known as a foster care agency but we do SO much more now.

- State of the Nonprofit Sector Survey Respondent

Further, the majority of nonprofit respondents who applied for and received relief funding reported that they are able to transition fully (41%) or partially (44%) from emergency relief funding back to pre-pandemic funding streams (Fig. 4.10). Importantly, 15% of nonprofit respondents said they expect to face “Serious shortfalls,” which will likely impair their ability to fulfill their mission – and perhaps even to continue operating at all.

Fig. 4.10 | Percent of nonprofit respondents reporting ability to transition from emergency relief funding back to pre-pandemic funding streams, 2024



N= 88 organizations

Source: State of the Nonprofit Sector Survey

Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

SHIFTS, OPPORTUNITIES, AND LOOKING AHEAD

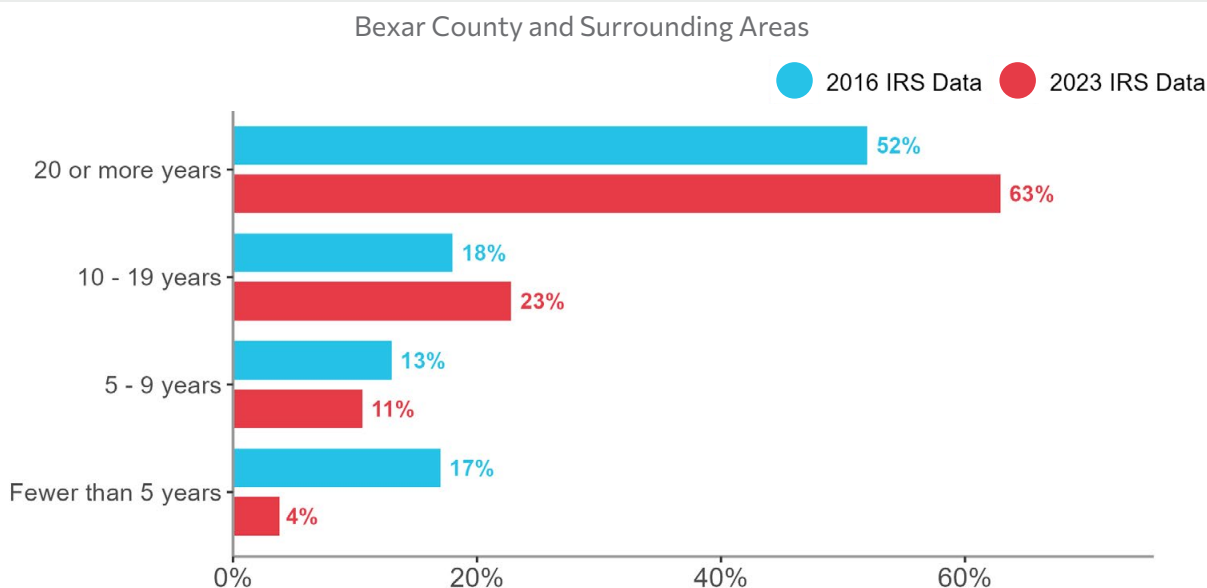
What's Changed?

In 2017, The Nonprofit Council released the first comprehensive examination of the nonprofit sector in Bexar County and surrounding counties through a collaborative partnership effort.¹ This year's report builds upon the previous one and aims to showcase the progress made, or the absence of it, since that time. Both reports are meant to bolster understanding and support for the vital role of the nonprofit sector in the San Antonio community and the impact on the community's economic and other health and well-being factors.

990-filer data is reliably comparable across the reports, as explored in the following charts (Fig. 5.1 to 5.3). It is important to note that the 2023 IRS 990-filer dataset consists primarily of returns from organizations' fiscal year 2022, with smaller proportions from FY2023, FY2021, and previous years. Similarly, the 2016 dataset consists primarily of FY2016 returns, with smaller proportions from FY2015 and previous years.

When categorized by how long ago they were founded, most 990-filers are over 20 years old as of both the 2016 and 2023 IRS data (Fig. 5.1). The chart shows the continued aging of established nonprofits, with the proportion of nonprofits that are at least 10 years old growing from 70% in 2016 to 86% in 2023. On the

Fig. 5.1 | Percent of 990-filer nonprofits by organization age



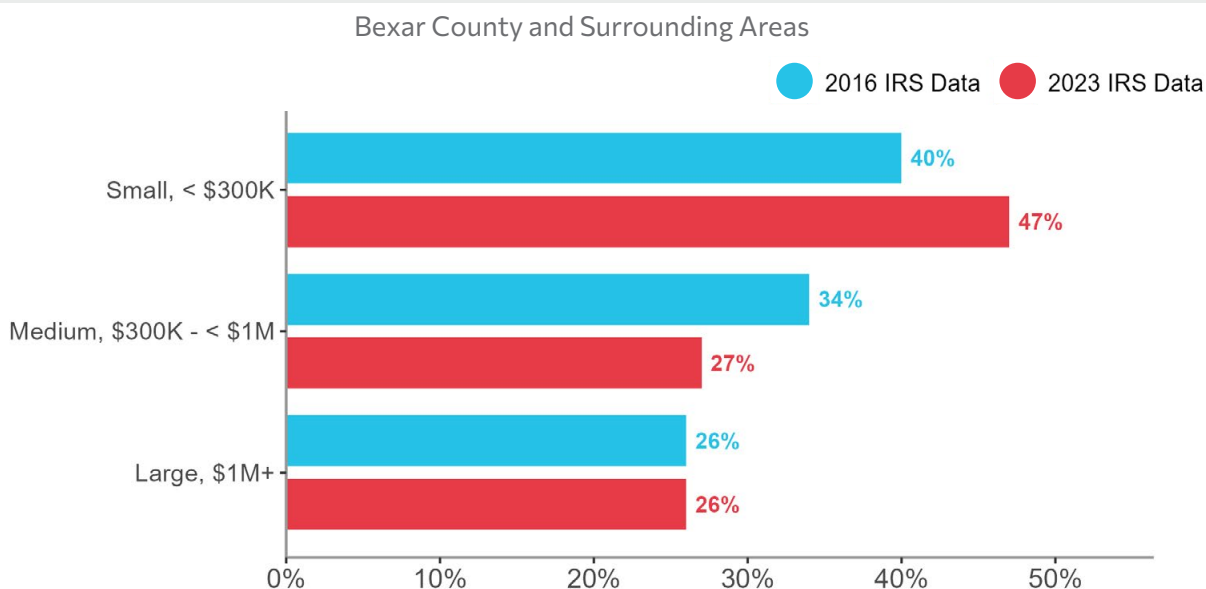
Source: Department of the Treasury Internal Revenue Service, Form 990
Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

¹ Fernandez, Ph.D., K., & Alexander, Ph.D., J. (Dec. 2017). *State of The Nonprofit Sector: San Antonio and Surrounding Counties* [Report, The Nonprofit Council, Methodist Healthcare Ministries of South Texas Inc.].

other hand, the proportion of nonprofits founded fewer than five years ago plummeted, with the proportion in 2023 (4%) less than one-quarter of the proportion in 2016 (17%). Although the reasons for that drop are unknown, it seems likely that the COVID-19 pandemic played a part.

Nonprofit sizes can be differentiated by their revenues as they were earlier in this report, categorized here as small (less than \$300K), medium (\$300K to less than \$1M), and large (more than \$1M) (Fig. 5.2 to 5.3). The proportion of 990-filers falling in the “large” category remained consistent at 26% in both 2016 and 2023 IRS data. However, the proportion categorized as small grew in 2023, with a corresponding decrease in the medium category. The picture is greatly complicated by inflation, as \$250,000 (small size) in organization revenue in 2016 would be about \$317,000 (medium size) in 2023 dollars. If nonprofit revenues had kept up with inflation, however, the proportion of nonprofits falling in the medium-size or large-size category would have increased. The shift toward the small category, then, likely represents real shrinkage in organizational budgets and operations.

Fig. 5.2 | Percent of 990-filer nonprofits by revenue size



Source: Department of the Treasury Internal Revenue Service, Form 990
Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

In order to show the change in average revenue for each revenue size category, 2023 IRS data was compared to more current and inflation-adjusted 2019 IRS data here (Fig. 5.3). Comparing the average revenue for each revenue size category for both 2019 and 2023 highlights significant differences between the years and revenue sizes themselves.

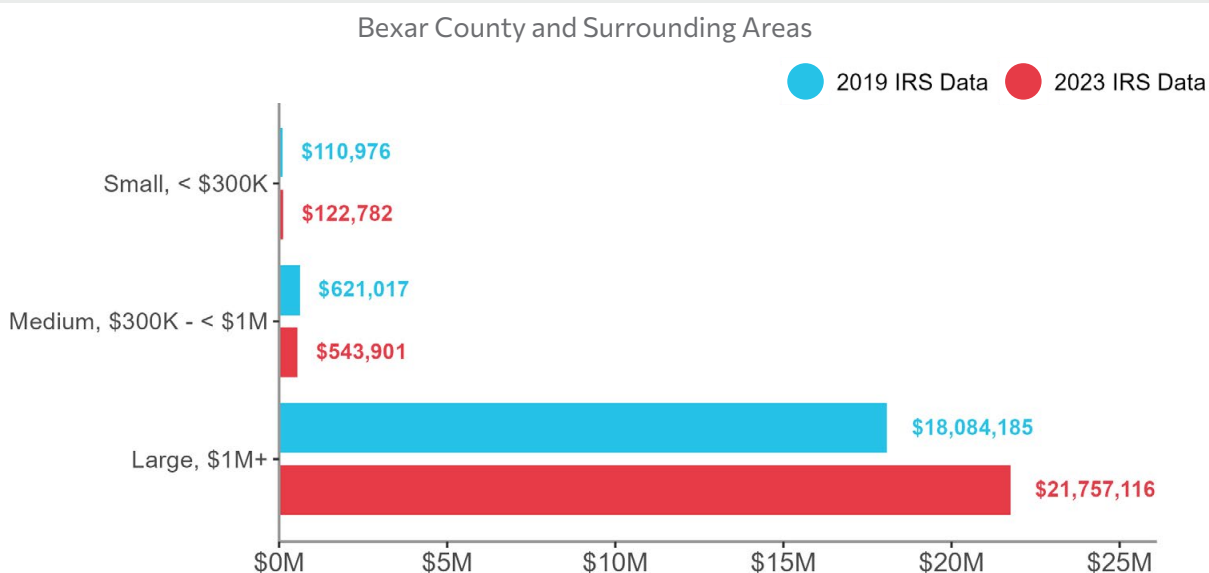
For both sets of IRS data, the average revenue not only increases with increasing revenue sizes, but most evidently, the large 990-filers have a substantially larger average revenue than the rest. The difference is stark

when compared to small 990-filers, which is especially concerning considering that in 2016 and 2023, over 40% of the 990-filers fell under the small category, as seen in the previous chart (Fig. 5.2).

There is also a significant difference in large 990-filer average revenue from one year to the next, with an increase of about 20%. At the same time, small 990-filers only experienced about a 10% increase from 2019 to 2023, underscoring a widening gap between smaller and larger nonprofits over the years.

Unfortunately, 2016 IRS data could not be adjusted for inflation to current dollars, however, we do know the percent change in revenue between 2016 and 2023 IRS data.² In terms of percent change, or the relative change in value from one year to the next, there is a similar pattern as above. Between 2016 and 2023 IRS data, large 990-filers saw a much larger positive percent change in average revenue than small 990-filers (134% versus 37%). The significant difference between the two further emphasizes the escalated and ongoing pattern of a widening disparity between smaller and larger nonprofits.

Fig. 5.3 | Average 990-filer nonprofit revenue by revenue size



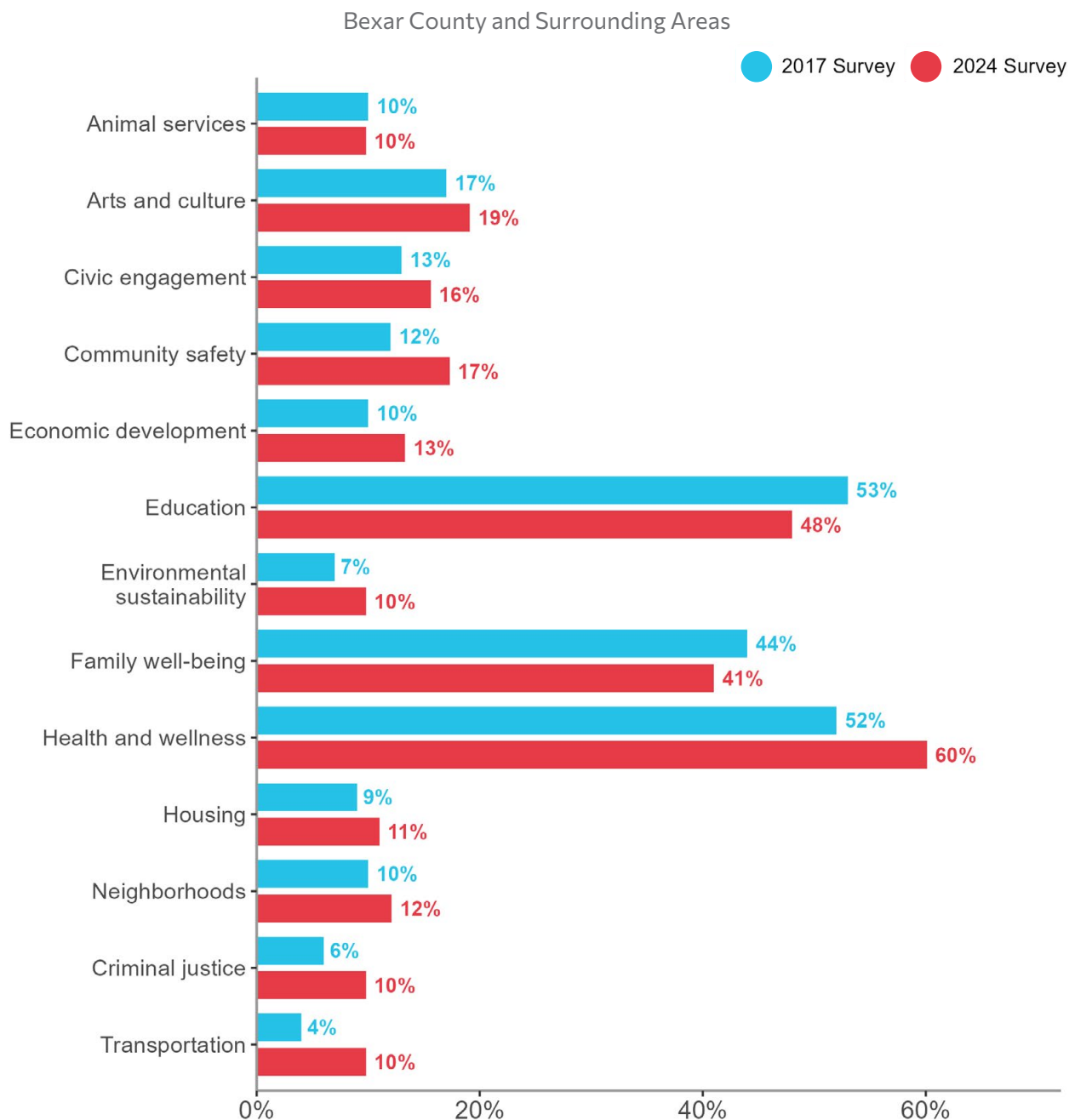
Source: Department of the Treasury Internal Revenue Service, Form 990
Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

While this year's survey was developed based on the previous reports' survey, a key difference is that the earlier survey received a much larger response. Moreover, there is no guarantee that respondents from the earlier survey also participated in the recent one. Therefore, there could possibly be zero similar respondents. A significantly different sample size and potential lack of overlap among respondents from each survey represent the nonprofit population in distinct ways, complicating the ability to draw meaningful comparisons between the two in terms of survey data.

² 2016 IRS data could not be adjusted for inflation to current dollars and then disaggregated by revenue size category because of missing organization-level data. In order to provide a comparison between 2016 and 2023 IRS data, 2023 IRS data was inflation-adjusted to 2016. Since this method of inflation adjustment is uncommon, only the percent change was calculated to provide reliable comparative insights into trends over time.

That being said, the proportion of nonprofit survey respondents by issue area addressed shown in Fig. 5.4 is tricky to compare between 2017 and 2024 because we cannot know to what degree differences reflect real changes in issue areas addressed or simply which nonprofits responded to each anonymous survey. The 2017 and 2024 percentages are similar for a good half of the issue areas, but 2024 saw noticeably higher

Fig. 5.4 | Percent of nonprofit respondents by issue(s) addressed, 2024



Source: State of the Nonprofit Sector Survey
Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

percentages for Transportation (10%, more than twice the 4% in 2017), Community Safety (17% versus 12%), Criminal Justice (10% versus 6%), and Environmental Sustainability (10% versus 7%). It also appears that overall, nonprofit respondents in 2024, on average, address a larger number of issue areas than did 2017 respondents.

The following chart shows the percent change, or the relative change in value from 2018 to 2022, for three metrics that offer insights into the economic health of nonprofits as compared to the private sector as a whole (Fig. 5.5). While the private sector encompasses businesses owned and operated by individuals or companies from a wide range of industries in Bexar County and surrounding areas, 501(c)(3) nonprofits specifically refers to nonprofits in the region that are federally recognized as tax-exempt.

The change in the number of establishments from 2018 to 2022 demonstrates that 501(c)(3) nonprofits grew more than the private sector. Because the nonprofit sector is a small subset of the private sector, the actual number increase for 501(c)(3) nonprofits is relatively small (the private sector added about 5,516 new establishments while 501(c)(3) nonprofits grew by 109 establishments). Still, 501(c)(3) nonprofits are not only growing, but expansion is happening faster than the private sector overall.

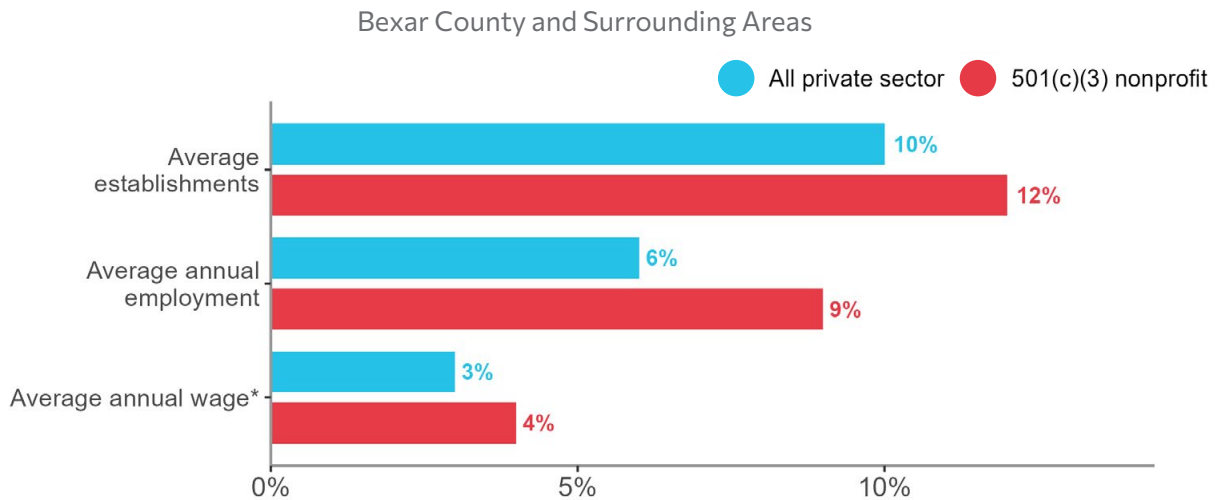
Growth for both is positive for the U.S. economy, as it often comes with new jobs and increased services. As expected, average annual employment also increased for both from 2018 to 2022. The percent change for 501(c)(3) nonprofits was slightly higher, indicating both sector expansion and increased capacity to meet heightened demands for services. The actual numbers show that in 2022, the private sector added 51,626 jobs with 501(c)(3) nonprofits accounting for 4,198 of those additions. In terms of the total number of jobs, 501(c)(3) nonprofit jobs made up just over 5% of all private sector jobs in 2018 and 2022, with the percentage rising slightly from 5.1% to 5.2%.

Even if average annual employment does not increase, businesses and nonprofits must still adapt their wages to economic changes. In particular, offering competitive wages is especially beneficial because it helps attract talent and maintain a skilled workforce. After adjusting 2018 wages to 2022 dollars, we see that the average annual wage increased for both the private sector overall (3%) and 501(c)(3) nonprofits (4%). Although the percent change for this metric was lower than the others shown in the chart, once more, the percent change was slightly higher for 501(c)(3) nonprofits.

Looking at the average annual wages themselves reveals that, though comparable, the wages for the private sector overall are higher than 501(c)(3) nonprofits. In 2022, the average annual wage for the private sector was \$58,639, and for 501(c)(3) nonprofits, it was \$57,663. Even with positive changes in these metrics, especially compared to the private sector overall, nonprofits still face limitations in accessing resources or funding to offer their employees higher or more competitive compensation.

Ultimately, nonprofits remained resilient, which is especially positive considering that the 2018 and 2022 range included the pandemic, which brought about significant challenges to many facets of society along with increased needs for social services. Undoubtedly, nonprofits' successes, like sector growth and expansion, more jobs, and increasing wages, in the face of unprecedented challenges, underscore nonprofits' significant role in the economy and our community's well-being.

Fig. 5.5 | Percent change between 2018 and 2022 in average number of establishments, annual employment, and annual wage by sector



*2018 wage has been inflation-adjusted to 2022 dollars
No data available for Frio, Karnes, and Medina Counties

Source: US Bureau of Labor Statistics

Prepared by CINow for Methodist Healthcare Ministries and San Antonio Area Foundation

What's Recent?

The world and our community have undergone significant changes since the last report was published. We have witnessed a substantial rise in demand driven by historical events, including the COVID-19 pandemic, climate disasters, and significant shifts in our population such as population growth. Other notable occurrences have also heightened awareness and focus on civil rights issues. In fact, in June of 2020, San Antonio declared racism a public health issue as a result of a need to advocate for systemic change to address disparities in the conditions of our communities.

As essential support providers and stewards of community resources, nonprofits have always been at the forefront of addressing emergency relief needs, building sustainable solutions, and fostering community resilience. In recent years, nonprofits have been particularly challenged by the need to stabilize the economy while advocating for social issues, addressing a new array of demands, and dealing with funding challenges.

Faced with a highly infectious disease that took a much higher toll on already vulnerable groups of people, nearly every aspect of people's lives, including barriers to care, social isolation, and economic disparities, were disrupted. Most notably, the COVID-19 pandemic stressed the relationship between public health and healthcare, pushing the U.S. to advance federal, state, and local efforts to strengthen public health infrastructure after a history of chronic underinvestment.³ Not only did the pandemic introduce a new age of public health attention, but it also amplified and deepened existing disparities present long before. This

3 (2022). *Access to Healthcare in Bexar County During COVID-19* [Report, City of San Antonio Metropolitan Health District, Health Collaborative, Community Information Now]. <https://www.sanantonio.gov/Portals/0/Files/health/News/Reports/Access-to-Care-Assesment-Report-2023.pdf>

prompted communities to advocate more intensely for social justice, access to care, and economic support for at-risk communities.

Confronted with unprecedented challenges to a nonprofit's ability to serve, nonprofits were pushed to work and offer services remotely, adapt to new technologies, and adhere to new health and safety protocols. Nonprofits are still trying to meet increased demands, with around half of nonprofits surveyed reporting that they could not meet that demand and almost as many reporting having waitlists for their services. In a more optimistic light, this urged nonprofits to increase collaborations, develop new partnerships, and adopt innovative work practices.

Since the release of the 2017 report, the San Antonio and Bexar County populations have continued to grow. Notably, in 2023, San Antonio saw the largest population growth of any U.S. city, adding approximately 22,000 residents and reaching nearly 1.5 million people.⁴ The influx of newcomers has further enriched San Antonio's already vibrant and diverse community, introducing both increased demands and new community needs. Overall, some changes are permanent and it is safe to say that this is our new normal. Because the nonprofit sector plays a critical role in addressing community needs and providing essential services, we must continue to invest in understanding its challenges and opportunities.

Financial trends are especially important because of the nonprofit sector's vital role in shaping the economy through jobs, social services, and enhanced quality of life. Although we saw an increase in funding, especially in response to the pandemic, a significant portion of it went to the larger nonprofits despite small nonprofits making up almost half of nonprofits in Bexar County and surrounding areas. With larger nonprofits enjoy a surplus, small nonprofits increasingly struggle to make ends meet, highlighting the widening gap between those with access to resources and those with less access. Funding not only affects nonprofits' ability to serve their mission and provide much-needed programs and services, but it also influences their ability to hire and offer incentives for staffing. Although survey respondents experienced more hiring across all staff types over the last year, nonprofits still rely heavily on volunteers, and of those who do have full-time and part-time staff, most only have less than 10.

What's Next?

The public health crisis highlighted critical needs and inequities, and a need for workforce diversity. It also underscored the urgent need to build and maintain data capacity to identify and quantify these inequities. With health equity and social determinants of health receiving increased attention and discussion, nonprofits in Bexar County and surrounding counties will likely need to continue to invest in diversity, equity, and inclusion, especially in senior leadership positions.

As community needs evolve post-pandemic, the future of nonprofits in Bexar County and surrounding areas will likely continue to involve changes we have already seen, like increased collaboration, continued adoption of technology, and innovative work practices. Especially with health and wellness emerging as the top issue

⁴ (2024, May 16). *Population Rebounds for Many Cities in Northeast and Midwest*. United States Census Bureau. Retrieved October 18, 2024, from <https://www.census.gov/newsroom/press-releases/2024/subcounty-population-estimates.html>

area since 2017 and nonprofit work largely centering on education and awareness activities, there is a growing need for targeted programs that address community health disparities and promote overall well-being.

At the height of the pandemic, the federal American Rescue Plan Act (ARPA) of 2021 provided substantial federal funding to aid the nation's economic and public health recovery from the COVID-19 pandemic. Although these relief funds were essential and much needed, it is one-time funding, and their large size and time-limited nature posed challenges for states and localities in allocating and spending them without risking a crisis once the funds are exhausted and the spending period ends.⁵ Because funds must be spent by the end of 2024, nonprofits that relied on and greatly benefited from them are needing to strategically plan and adapt in order to continue their vital work in the community.

Transitioning away from disaster-relief funding poses significant challenges for many nonprofits, potentially leading to budget shortfalls as they find alternative funding sources to sustain their operations. This shift could hinder their ability to effectively serve the community and meet the rising demand for their services. Small nonprofits are especially vulnerable to unstable funding which is particularly concerning because they represent a significant portion of nonprofits in Bexar County and surrounding areas.

Compounding this issue, most organizations expect their financial health to merely remain stable or improve slightly, despite facing challenges in meeting increasing demand and addressing ongoing needs related to funding, staffing, and workspaces. Additionally, slightly less than half of the respondents have more than six months' worth of cash reserves to navigate unexpected challenges and expenses during times of financial uncertainty. With nonprofit revenue sources having remained stagnant over the past few fiscal years, diversifying funding streams and investing in financial security within the nonprofit sector is increasingly important.

One thing is certain: nonprofits will continue to be at the forefront of responding to and addressing evolving social policies and emerging community needs. As integral members of our community, nonprofits are always improving and adapting which leads the charge toward positive change for us all. The impact of a nonprofit's ability to serve and fulfill its mission resonates throughout the community, highlighting our collective responsibility to support the sector. Further, our investment in nonprofits has the power to influence the effectiveness of these organizations profoundly and, in turn, the well-being of our communities, which is vital as we move forward and look ahead.

⁵ Thiess, R., & Muller, P. (Dec. 2023). *Pandemic Aid: How States Safeguarded Against Future Budget Challenges* [Report, Pew]. https://www.pewtrusts.org/-/media/assets/2023/12/ffi_one-time_federal_aid_report.pdf



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