

Kansas City Nonprofit Sector At a Glance (2006)

Produced by the Midwest Center for Nonprofit Leadership
Henry W. Bloch School of Business & Public Administration
University of Missouri – Kansas City

Nonprofit public service organizations play a unique and vital role in the growth and development of the Greater Kansas City metropolitan region. These organizations are an integral element of the region's economy, and they are central to the overall health of the community. Therefore, each year the Midwest Center for Nonprofit Leadership organizes and analyzes data from multiple sources (including the IRS, the Census Bureau, and others) to continue to track the size and scope of the region's nonprofit sector and analyze important trends in sector growth and development. This "snapshot" presents highlights from the current year's research.

Kansas City's charitable nonprofit sector demonstrated renewed growth in the most recent year, increasing in both the number of organizations and in the amount of total revenue generated by these organizations. In total, there are 7,473 charitable nonprofit organizations (501c3s) in the Kansas City metro area, an increase of 137 (about two percent) over the previous year. Approximately forty-two percent of these organizations, 3,141, are large enough (i.e., have revenues of more than \$25,000 per year) that they must file annual tax returns with the IRS. These numbers do not reflect religious congregations -- for the same period, the Association of Religion Data estimates there are 1,552 religious congregations in the Greater Kansas City metro region. Growth in nonprofit revenue reflects a reversal in the trend of the two previous years, each of which showed a decline in nonprofit revenues for the region. Many organizations in the nonprofit community continue to be challenged with financial viability issues, but the increases in the number of organizations and revenue levels may signal the beginning of improved economic health for the region's nonprofit sector, overall. A more detailed report on the areas covered in this summary, as well as additional five-year trend information and a special report on nonprofit salary and benefits trends, will be available on the Midwest Center's website (www.mcnl.org) in November 2006.

The Nonprofit Share of the Kansas City Economy

- The nonprofit sector comprises 3.8 percent of the number of organizations in Kansas City, an increase of almost one percent over 2005. Yet the sector generates about 7.7 percent of total revenue for the region's economy (see figure 1 below). Importantly, its economic activity comprises more than 13 percent of Kansas City's estimated Gross Metropolitan Product!

Figure 1: Nonprofits as Part of the Kansas City Economy

	Number	% of Total	Revenue	% of Total Revenue
All Other Organizations	79,922	96.2%	\$115,683,589,191	92.3%
Charitable Organizations	3,141	3.8%	\$9,644,910,809	7.7%
Total	83,063	100.0%	\$125,328,500,000	100.0%

How the Number of Kansas City Nonprofits Compares With Other Metropolitan Areas

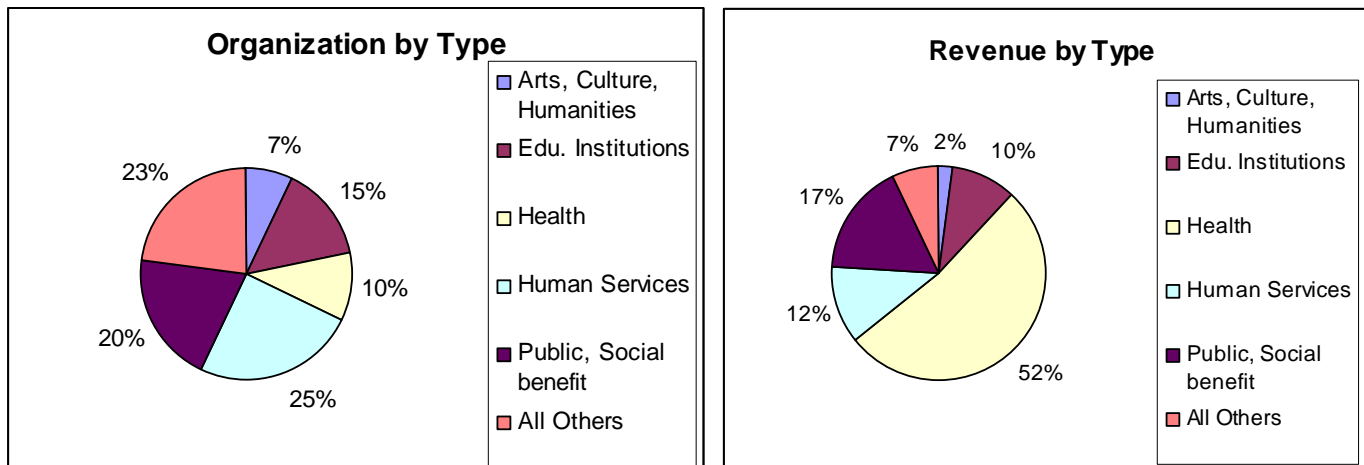
- Compared to other metropolitan regions, Kansas City has a similar but slightly greater-than-average number of nonprofits for its size. Kansas City's nonprofit sector tends to fall near the lower end in most categories, as illustrated in the table below. However, relatively speaking, the sector maintained the same position it held in 2005 when compared to other metros. Further, Kansas City's nonprofit organization growth is comparable to that of most other U.S. metropolitan areas.

Figure 2: Metro Area Nonprofit Sector Comparison

	Nonprofit Organizations	Revenue (in billions)	Assets (in billions)	Region Population	Nonprofits per 1,000 People	Sector Share of GMP*
Chicago	14,035	\$63.78	\$98.29	9,157,540	1.53	16.25%
Atlanta	6,734	\$20.88	\$36.02	4,112,198	1.64	10.54%
Minneapolis	6,221	\$24.69	\$35.67	2,968,806	2.10	16.93%
Denver	5,076	\$11.56	\$22.59	2,581,506	1.97	10.65%
Milwaukee	3,996	\$17.30	\$20.13	1,689,572	2.37	27.55%
St. Louis	3,953	\$23.07	\$30.73	2,603,607	1.52	22.62%
Cincinnati	3,158	\$11.03	\$19.68	1,979,202	1.60	14.10%
Kansas City	3,141	\$9.64	\$19.39	1,776,062	1.77	13.04%
Indianapolis	2,737	\$18.24	\$16.72	1,607,486	1.70	27.68%
Orlando	2,291	\$8.11	\$10.65	1,644,561	1.39	11.17%

Nonprofit Categories and Market Share

- The table below illustrates the distribution of missions and resources for various types of nonprofits in Kansas City. Revenues and numbers of organizations do not align especially well. For example, human service organizations comprise a quarter of all Kansas City charitable organizations that file with the IRS, yet they receive only twelve percent of the revenues. Health organizations comprise only ten percent of the agencies, yet they account for more than half of all revenues received by the sector. In reverse, nonprofits in the arts and culture mission area comprise seven percent of all agencies yet secured only about two percent of the sector's resources.



Foundations and Philanthropy

- Kansas City has a very strong foundation community, for a metro region of its size. Just over 23 percent of all foundations in Missouri and Kansas are based in the Kansas City metro area, yet these foundations hold almost 54 percent of all foundation assets and pay out more than 43 percent of all grant funds.

Figure 4: Kansas City Metro Area Foundation Statistics (2004)

	Number	% Of MO/KS	Assets (in millions)	% Of MO/KS Assets	Total Giving (in millions)	% Of MO/KS Total Giving
Independent	403	23.54%	\$4,485.49	53.24%	\$196.46	45.05%
Corporate	20	20.62%	\$105.44	22.59%	\$15.96	14.66%
Community	2	14.29%	\$910.81	75.26%	\$65.14	71.11%
Operating	21	20.00%	\$21.73	14.50%	\$1.43	35.22
KC MSA Total*	446	23.05%	\$5,523.58	53.88%	\$278.99	43.55%
MO/KAN Total*	1,935	100%	\$10,251.11	100%	\$640.61	100%

Source: Foundation Center

* Due to rounding, figures may not add up.

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The Midwest Center for Nonprofit Leadership is the nonprofit research and leadership education center of the Department of Public Affairs of the Henry W. Bloch School of Business and Public Administration at the University of Missouri – Kansas City. The mission of the Midwest Center is to enhance the effectiveness and performance of individuals and organizations in the region's nonprofit sector through high quality programs of community-oriented education, applied research, problem solving and service. The center services more than 4,000 nonprofit leaders each year through more than 40 public programs and numerous retreats and contracted workshops and programs. For more information about the Midwest Center and its programs and services, please visit our web site at www.mcnl.org, or call us at 816-235-2305. We are building a healthier community through strengthened nonprofit leadership.