



66 Stetson Court
Williamstown, MA 01267
413-884-0093
www.c-3-d.org

The State of Non-profit Organizations in Berkshire County

Prepared for the
Berkshire County Chamber of Commerce

Kay Oehler
Stephen C. Sheppard

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The State of Non-profit Organizations in Berkshire County

Executive Summary

In this report we provide an update to an earlier report on the economic impact of non-profits in Berkshire County.¹ In that report we examined data on non-profits for the years 1996, 2001, and 2006. In late 2007 Massachusetts, along with the US, entered a deep recession. It is natural to ask how non-profits in Berkshire County fared in the opening years of the recession. We extend our analysis to include data for 2008, the most recent year for which complete digitized data are available. We examine the non-profit sector in Berkshire County, beginning with a comparative look at the non-profit sector in Massachusetts and the US. This is followed by a more detailed analysis of the major non-profit sectors in Berkshire County: arts and culture, education, health, and human services sectors, as well as a combined sector for ‘other’ non-profits that includes the environment, animal welfare, international and foreign affairs, public/social benefit, and religion. We present figures on revenues, gifts and grants, expenditures, and assets of each non-profit sector for the years 1996, 2001, 2006, and 2008.

We also provide an estimate of the economic impact of the non-profit sector on the Berkshire County economy. We examine the economic impacts of arts and culture, education, health, human services, and ‘other’ non-profit organizations. We use a standard inter-industry model that examines the flow of purchases of goods and services among sectors of the economy and includes the impact of these purchases as they circulate throughout the local economy. An important dimension of estimating economic impact is the inclusion of the impact of visitors. We discuss and provide an estimate of impacts generated by visitors from outside Berkshire County who are attracted to Berkshire County non-profits.

Comparison of the non-profit sector in Berkshire County, Massachusetts and the US

- The *number of non-profits per resident* is higher in Berkshire County than Massachusetts; it is more than double that of the US.

	#Non-profits	#Non-profits per 10,000 Persons
US	356,728	11.73
MA	11,107	17.09
Berkshire County	349	26.97

- *Mean revenue* of non-profits is significantly higher in Massachusetts than in Berkshire County. This is due to the presence of some very large non-profits in the state, whose large revenues increase the mean.

¹ Stephen Sheppard and Kay Oehler. September 2009. “The Economic Impact of Non-profit Organizations in Berkshire County.” A copy of the report is available at www.c-3-d.org.

- **Median revenue** of non-profits is higher in Berkshire County than either US or Massachusetts medians. This indicates that non-profits in Berkshire County, even though they are smaller than those in the state, are relatively successful in raising revenues.
- **Median revenue** of non-profits in 2008 is about half that in 1996. In the US the 2008 median is 59% its 1996 level; in Massachusetts it is 51%; and in Berkshire County it is 52%. This reflects the ongoing interest in the non-profit sector, stimulating the formation of many new non-profit organizations whose revenues are modest.
- **Expenditures** of the Berkshire County non-profit sector in 2008 constitute about 25% of the total purchase of goods and services in Berkshire County, up from 21% in 2006. The \$1.4 trillion spent by non-profits in the US in 2008 constitutes 9.7% of total US Gross National Product.

	Expenditures
US	\$1.4 trillion
MA	\$76.2 billion
Berkshire County	\$1.3 billion

Berkshire County Non-profits, by Sector

The **number** of non-profits in Berkshire County grew in every sector except health between 2006 and 2008.

	#Non-profits 2006	#Non-profits 2008
Arts and Culture	68	74
Education	51	56
Health	59	58
Human Services	86	95
Other	63	66
Total	327	349

In spite of the severe recession that began in late 2007, **expenditures** of Berkshire County non-profits increased between 2006 and 2008 in every sector. **Assets**, however, grew only in education and the arts and culture sectors between 2006 and 2008.

	2006 Expenditures	2008 Expenditures	2006 Assets	2008 Assets
Arts and Culture	\$66,262,823	\$76,408,927	\$541,727,104	\$607,149,176
Education	\$273,057,044	\$299,486,259	\$2,548,002,146	\$2,712,107,228
Health	\$639,615,439	\$697,574,190	\$744,190,462	\$715,082,206
Human Services	\$163,622,048	\$176,635,088	\$252,167,874	\$249,847,610
'Other'	\$38,663,781	\$49,844,677	\$307,295,816	\$248,909,450
Total	\$1,181,221,135	\$1,299,949,141	\$4,393,383,402	\$4,533,095,670

- The *arts and culture sector* is the smallest sector in terms of total revenues (after ‘other’); it has, however, the highest growth rate in each of the variables we considered – number of organizations; revenues; public gifts and government grants; expenditures; and assets.
- The *education sector* has the highest level of assets of non-profits in Berkshire County. In all years the assets of the education sector are greater than those in all other sectors combined. The education sector also receives the largest amount of public gifts and government grants. While in 1996 the education sector received only 39% of all gifts and grants to non-profits in Berkshire County, in 2008 that number had grown to 50%.
- The *health sector* has by far the highest level of annual expenditures. In all time periods, expenditures in the health sector were more than double those in education, the next largest sector. In 2008, expenditures by health sector non-profits were greater than expenditures in all other sectors combined. The health sector is also the largest non-profit sector in terms of revenue; it has the lowest growth rate, however.
- In all years, the *human services sector* has the greatest number of non-profit organizations in Berkshire County. Between 2006 and 2008, revenue declined in the human services sector even though it grew in every other sector. Public contributions, public gifts, and government grants made up 20% of revenues to human services non-profits in 2006. In 2008 that figure had fallen to 9%.
- The ‘*other*’ sector, which includes the environment, animal welfare, international and foreign affairs, public/social benefit, and religion, relies most heavily on gifts and grants as a portion of their total revenue. In all periods, half of total revenues in the ‘other’ sector came from public contributions, public gifts and government grants. This contrasts with the health sector, where only 2-3% of total revenues came from gifts and grants.

Berkshire County Non-profits and Ten Comparison Cities

In a comparison with ten other cities, Berkshire County has the third highest number of non-profits per 10,000 residents.

Per capita revenue is the highest, in the regions studied, in Berkshire County.

Per capita expenditures increased in every region in every period.

Per capita assets are higher for Berkshire County than comparison regions. In 2008 per capita assets of non-profits in Berkshire County are more than double every other region except Providence, Rhode Island.

The Economic Impact of Berkshire County Non-profits

- Overall, the non-profit sector is of great importance to the Berkshire County economy. The non-profit sector in Berkshire County has annual *expenditures over \$1.3 billion*. The non-profit sector directly and indirectly *generates over \$2.2 billion economic impact* in Berkshire County. The non-profit sector directly and indirectly *supports over 24,000 full and part-time jobs* in Berkshire County.

	Expenditures	Economic Impact	Employment Impact
Arts and Culture	\$98,031,487	\$162,580,149	2,577
Education	\$323,846,259	\$544,377,824	6,548
Health	\$697,574,190	\$1,143,690,574	10,192
Human Services	\$176,635,088	\$289,125,667	4,073
Other	\$49,844,677	\$83,150,436	832
Total	\$1,345,931,701	\$2,222,924,650	24,222

- The *arts and culture sector*, through direct and indirect impacts, generates about \$163 million in economic activity and supports over 2,500 jobs. While smaller than the other non-profit sectors, it has exhibited robust growth during the period studied. It is also the draw for many of the visitors to the region.
- The *education sector* generates \$544 million in economic activity and supports over 6,500 jobs in Berkshire County.
- The *health sector* generates over \$1.1 billion in economic activity and supports over 10,000 jobs in Berkshire County.
- The *human services sector* generates \$289 million in economic activity and supports over 4,000 jobs in Berkshire County.
- The *'other' non-profit sector* generates \$83 million in economic activity and supports over 800 jobs in Berkshire County.

The Economic Impact of Visitors to Berkshire County Non-profits

Visitor impact is important in Berkshire County with its vibrant cultural sector. Tanglewood, the Clark Art Institute, the Norman Rockwell Museum, and MASS MoCA bring about 674,000 visitors annually from outside Berkshire County to their sites.

Economic Impact per 100,000 Cultural Visitors	Employment Impact per 100,000 Cultural Visitors	Economic Impact per 100,000 Non-cultural Visitors	Employment Impact per 100,000 Non-cultural Visitors
\$10,306,373	120	\$5,153,187	60

Every 100,000 cultural visitors from outside Berkshire County increase economic activity by \$10.3 million and support 120 jobs. Every 100,000 non-cultural visitors from outside Berkshire County increase economic activity by \$5.2 million and support 60 jobs.

I. Brief Introduction to the Non-profit Sector

What are non-profit organizations?

The goal of most businesses is to generate a profit for its owners. A non-profit organization has a different overarching goal. It might be to provide a community service, to engage in research or to provide a safety net for individuals in need. Although a non-profit organization does not generate a profit that is distributed to owners of the business, it can and frequently does have revenues that exceed total costs of its activities during the year. This excess revenue, rather than being distributed to an owner or to shareholders, contributes to the assets of the organization, which can grow from year to year. Assets will be used in future years to support the mission of the non-profit.

Public charities and other non-profits

Non-profit organizations include a very wide variety of groups and organizations ranging from traditional churches and charities to social clubs, veterans groups and sports associations. There are two characteristics that feature prominently in public perceptions of non-profits: that they pay no taxes and that donations made to them are exempt from individual income taxation. Neither of these characteristics is universally true for all non-profits. While all non-profit organizations are exempt from federal taxation of their excess revenues (which would correspond to profits), many are required to pay property taxes on some of the property they own, and many are required to collect sales taxes on products sold and the incidence or burden of these taxes falls partially on the organizations. The tax deductibility of donations or gifts to non-profit organizations is dependent upon the IRS classification of the organization.

The type of non-profit organization that is of central interest for this report is labeled by the IRS as the *Public Charity*. About half of all non-profits nationwide are public charities.² Most people naturally think of a charity in the sense defined by the Oxford English Dictionary: *A bequest, foundation, institution, etc., for the benefit of others, esp. of the poor or helpless.*³ While organizations identified by the IRS as *public charities* are indeed organized “for the benefit of others” they are not all oriented towards serving the poor or helpless.

Public charities are often referred to by the section of the IRS code that grants them their tax exempt status: 501(c)(3). Organizations whose non-profit status is authorized under section 501(c)(3) are of two types: *public charities* and *private foundations*. From the perspective of evaluating local economic impact, it is appropriate in most cases to focus exclusively on the ‘public charity’ type of 501(c)(3) organization. While private foundations may in some cases generate local economic benefits, often they are focused on broader institutional goals and serving a population that is national or even global in nature. When their giving is local in nature, it often consists of grants and gifts to other non-profits in the region. Most of these will already be accounted for in our analysis of 501(c)(3) ‘public charities’ and it would not be accurate to

²<http://nccs.urban.org/resources/faq.cfm>.

³http://dictionary.oed.com/cgi/entry/50036948?single=1&query_type=word&queryword=charity&first=1&max_to_show=10 accessed June 3, 2009.

count them as generating a county economic impact when they are given to the local non-profit and then again when the non-profit spends the funds. Finally, in the case of Berkshire County, private foundations are a small part of the total 501(c)(3) non-profit sector, comprising less than 1.4% of total expenditures by the sector. While we provide some descriptive statistics about the size and number of private foundations and how these figures have changed, the analysis of economic impacts in this report excludes private foundations.

While the focus of this report is on 501(c)(3) public charity non-profits, there are other types of tax exempt organizations: social welfare organizations 501(c)(4); labor and agricultural associations 501(c)(5); business leagues 501(c)(6); and fraternal beneficiary societies 501(c)(8). The categories refer to sections, subsections and paragraphs of the Internal Revenue Code that define each type of organization. While the law has provided different ways for an organization to achieve non-profit tax-exempt status, the term “501(c)(3)” has become almost synonymous with “tax-exempt organization.” An important characteristic of 501(c)(3) status is that contributions to these organizations are tax-deductible for the donor. This provides a special advantage when raising revenues, and is generally seen as being associated with an obligation to pursue a mission or set of activities that are broadly beneficial to the public rather than of benefit only to a small group of designated members, participants or key stakeholders.

Primary data sources

Just as individual households must report their income every year to the Internal Revenue Service using some version of Form 1040, there is a Form 990 that must be completed annually and filed with the IRS by 501(c)(3) organizations that have been certified by the Internal Revenue Service. This form provides information on the non-profit’s programs and finances. Non-profits with incomes less than \$25,000 are not required to file,⁴ nor are churches. These forms provide valuable details about each organization’s assets, expenditures and revenue sources. Unlike an individual’s tax return, Form 990s are publicly available. In exchange for tax exempt status, non-profits must accept that their financial reporting is open to public scrutiny. The IRS creates digital images of the Form 990s and makes them available to selected organizations that collect them specifically to make them publicly available. It is currently possible to view, free of charge at www.guidestar.org, the most recent Form 990s of non-profits that are required to file (although registration at the site is required).

The National Center for Charitable Statistics (NCCS) is located at the Urban Institute, a nonpartisan, non-profit research organization located in Washington, D.C. NCCS has an arrangement with the Internal Revenue Service to maintain and make publicly available data on the non-profit sector in the U.S. The data available through NCCS come primarily from information that tax-exempt non-profit organizations file with the IRS.⁵ Data are collected from the forms used to request IRS tax-exempt status and from Form 990s that are filed annually with the IRS to report financial information for tax-exempt non-profit organizations. While summary data on the number and basis for IRS certification of all non-profits at the county level is

⁴ The limit for filing a complete Form 990 has been raised to \$50,000 but was \$25,000 throughout the period studied. Smaller organizations are now required to submit a Form 990EZ that provides more limited information.

⁵ A discussion of the IRS data collected by NCCS can be found at <http://nccsdataweb.urban.org/kbfiles/742/NCCS-data-guide-2006c.pdf>, accessed 4/22/2009.

available from the NCCS web site, obtaining detailed information on the individual organizations and their activities requires obtaining access to the complete NCCS data. The information presented here is derived from these complete data sets, obtained through NCCS for the years 1996, 2001, 2006, and 2008. Some of the limitations of working with NCCS data are discussed in *Appendix A*.

Assessing the impact of non-profit organizations

Understanding and assessing the combined economic impact of the non-profit sector involves two general approaches: the descriptive and the analytic. In this report we use both approaches. We begin by describing the sector: the number of organizations, the broad types of activities in which they are engaged, and the level of their revenues, expenditures, and total assets. For each of these questions we present descriptive comparisons that show how the quantities have changed over the period under study, and we examine how these trends and values compare with the state of Massachusetts and the United States as a whole.

Organizations in the non-profit sector are classified by the IRS into ten major categories⁶ indicating general area of activity and service using the National Taxonomy of Exempt Entities (NTEE).⁷ These classifications have been double-checked and in some cases updated by NCCS. We provide comparison and separate descriptive information for the arts and culture, education, health, and human services sectors, as well as a combined category for ‘other’ non-profits that includes the environment, animal welfare, international and foreign affairs, public/social benefit, and religion.

In 2010 there were 1106 certified non-profit organizations based in Berkshire County.⁸ There were 730 organizations that were certified under the requirements of section 501(c)(3). Of these 730, about 360 had annual revenues of less than \$25,000 and so were not required by the IRS to file Form 990. There were 347 organizations that filed Form 990 in 2008, and were ‘public charities’ 501(c)(3). In addition, we include expenditure data for Tanglewood and Bard College at Simon’s Rock even though they do not file Form 990 separately from their parent organizations the Boston Symphony Orchestra and Bard College, respectively. This brings the number of non-profits in Berkshire County to 349. For these organizations we have reasonably complete data on their function and economic status.

Table 1 lists the ten major NTEE categories, with the number of organizations in each category, the combined expenditures and assets for each category and an example of a non-profit organization in Berkshire County to provide a representative illustration of the category.

⁶ The ten major categories of the NTEE-CC system are further broken down into 26 subcategories. The full list of codes is available at <http://nccs.urban.org/classification/NTEE.cfm>.

⁷ The NTEE-CC is used by both the IRS and the National Center for Charitable Statistics. A good history and description of the NTEE is available at <http://nccs.urban.org/classification/NTEE.cfm>, accessed 1/14/2009.

⁸ Data on the number of organizations, assets and gross receipts is made available by the NCCS more quickly than the more complete data that include assets, expenditures and other factors. Throughout this report we use the most recent data to which we have access.

Table 1
501(c)3 Non-profits Based in Berkshire County (2008)

NTEE Codes	NTEE Sector Description	Berkshire County example organization	Reporting Non-profits in Category	Combined Expenditures in Category	End of Year Combined Assets in Category	Ratio of Assets to Expenditures
A	Arts, Culture, & Humanities	Shakespeare & Co; Colonial Theatre	74	\$98,031,487 ⁹	\$607,149,176 ¹⁰	7.95 ¹¹
B	Education	MCLA Foundation; Hillcrest Educational Centers	56	\$323,846,259 ¹²	\$2,712,107,228 ¹³	9.06 ¹⁴
C, D	Environment, Animals	Berkshire Humane Society; Hoosic River Watershed Association	30	\$11,024,344	\$35,887,506	3.26
E, F, G, H	Health	United Cerebral Palsy; Berkshire Health Systems	58	\$697,574,190	\$715,082,206	1.03
I, J, K, L, M, N, O, P	Human Services	Berkshire County Regional Employment Board; Berkshire Community Action Council	95	\$176,635,088	\$249,847,610	1.41
Q	International/ Foreign Affairs	Institute for International Cooperation & Development; Hands in Outreach	4	\$2,544,204	\$910,337	0.36
R, S, T, U, V, W	Public/Society Benefit	Berkshire Taconic Community Foundation; Berkshire United Way	30	\$36,024,611	\$211,950,912	5.88
X	Religion	MercySong	2 ¹⁵	\$251,518	\$160,695	0.64
Y	Mutual Benefit	None	0	\$0	\$0	--
Z	Non-classifiable	None	0	\$0	\$0	--
	Total		349	\$ 1,345,931,701	\$4,533,095,670	3.49

⁹ This figure includes the expenditures of Tanglewood. Tanglewood is embedded in the Boston Symphony Orchestra and as such does not file a separate Form 990. We do, however, have an estimate of Tanglewood's annual expenditures.

¹⁰ Tanglewood's assets are not included here as they are held entirely by the Boston Symphony Orchestra.

¹¹ The ratio of assets to expenditures for the arts and culture sector is calculated without Tanglewood, since assets are not separately available for Tanglewood.

¹² This figure includes expenditures of Simon's Rock College. Although it is embedded in Bard College, we have separate expenditures for Simon's Rock.

¹³ The assets of Simon's Rock College are held as part of Bard College and are not available separately, so Simon's Rock College is not included in this amount.

¹⁴ The ratio of assets to expenditures for the education sector is calculated without Simon's Rock College, since assets are not separately available for it.

¹⁵ There are no churches included in this number. Generally speaking, churches are not required to file IRS Form 990.

Table 1 reveals 89% of expenditures in Berkshire County by non-profits occur in health, education, and human services organizations. Of assets held by non-profits in Berkshire County, 89% are held by education, health, and arts and cultural organizations. Additionally, the high ratio of assets to expenditures for arts and culture, education, and public/social benefit organizations is very noticeable. These organizations are most likely to have endowments, and to be limited by the percentage of their endowments they can draw upon for expenses each year. Given the high level of expenditures by health organizations, their low ratio of assets to expenditures is also notable, although the ratio is even lower for religious and international organizations.

To provide a more complete analysis of the non-profit sector on the Berkshire economy, this report makes use of a detailed inter-industry model of the local economy. This is the analytic part of our discussion. The model divides the local economy into 440 sectors based on the type of good or service produced, plus purchases from and sales to local households, and imports from and exports to firms and households outside the region. It is based on data collected by the United States Bureau of Economic Analysis that cover the patterns of goods and services that local producers buy and sell to each other as well as to local consumers or for export.

The detailed information about each local non-profit is important for this process because each organization must be assigned to one of the sectors of the economy. It might seem that this would be easy – simply assign the organization to the “non-profit” sector, but the sectors are based not on the tax status of the organization but on the type of good produced. For example, there can be both for-profit and non-profit publishers, schools, clinics or film producers. To estimate their economic impact we use the detailed information from the Form 990 to determine the type of good or service being produced, and assign the organization to the appropriate industrial sector. This process is discussed at length below.

II. Berkshire County Non-profits Relative to Massachusetts and the US

How do non-profits in Berkshire County compare with each other, and with non-profits elsewhere in the United States? In this section we present detailed descriptions and comparisons of the Berkshire non-profit sector. We present breakdowns of the change over time in five major categories – arts, culture, and humanities;¹⁶ education; health; human services; and ‘other’ – over the periods 1996, 2001, 2006, and 2008. Making these comparisons over time can be difficult when organizations change their classification.

The activity classification of twenty-five county non-profit organizations changed between 1996 and 2008. This can happen for several reasons. The organizations can actually change their activities and mission, and this can be recognized by the IRS which then changes the official classification of the organization. The NCCS (from whom the data are obtained) also undertakes regular checks of organization classifications and corrects errors or misclassifications that are found. For example, MASS MoCA, Barrington Stage Company, and Hancock Shaker Village all reported themselves as education organizations in 1996 and 2001 but as arts and culture organizations in 2006 and 2008. This change in reporting can cause problems in that a

¹⁶ For shorthand, we refer to this category as arts and culture.

longitudinal look at county non-profits would show a greater growth in arts and culture than actually occurred. Therefore, for the 25 organizations whose major category changed during the decade, we assign their more recent category for all four years of 1996, 2001, 2006, and 2008.

We begin by comparing Berkshire County with the Commonwealth of Massachusetts and the United States as a whole. We will see instances where the non-profit sector in the county parallels that in the US, and we will see instances where the non-profit sector in Berkshire County differs significantly from non-profits in the nation or Commonwealth. *Table 2* details the number of non-profit organizations in the years 1996, 2001, 2006, and 2008. *Table 2* shows significant growth in the number of non-profits in all three geographical areas.

Table 2
Total Number of Non-profits

	1996	2001	2006	2008
US	200,161	264,821	328,690	356,728
Massachusetts	6,964	8,658	10,482	11,107
Berkshire County	226	258	327	349

Table 3 presents the number of non-profits in each region per 10,000 individuals. Examining *Table 3*, we see that Berkshire County is well-endowed with non-profit organizations. In each time period the number of non-profits per 10,000 individuals is higher in Berkshire County than in Massachusetts, and more than double that of the US. In 2008 there were 27.0 non-profits in Berkshire County per 10,000 population, compared to 17.1 in Massachusetts and 11.7 in the US.

Table 3
Non-profits per 10,000 Persons

	1996	2001	2006	2008
US	7.43	9.29	11.00	11.73
MA	11.27	13.51	16.29	17.09
Berkshire County	16.54	19.29	25.09	26.97

Table 4 provides a reciprocal restatement of the data in *Table 3*, giving the number of residents per non-profit. In Berkshire County in 2008 there was one non-profit for every 371 individuals. This compares with the Massachusetts figure of one per 585 individuals, and the US figure of one non-profit for every 852 individuals.

Table 4
Residents per Non-profit Organization

	1996	2001	2006	2008
US	1,346	1,077	909	852
MA	887	740	614	585
Berkshire County	605	518	399	371

We focus on three economic measures for non-profit organizations: total revenue, or the monies that flow into the organization; expenses, or the monies that flow out of the organization; and assets measured at the end of each fiscal year, which provide a sense of the level of investment in the organization and its robustness to economic difficulty.

Revenues

Table 5 provides a comparison of the mean and median revenue of non-profit organizations. We see that in 2008 the mean revenue for Massachusetts non-profit organizations is \$8.3 million. Mean revenue for Berkshire County non-profits, at \$4.4 million, is slightly higher than the national mean of \$4.2 million. We also see that mean revenue of non-profit organizations declined in the US between 1996 and 2001, and in 2008 was still below 1996 levels.

Mean revenue grew in Berkshire County between 1996 and 2001, and in 2008 was at about 2001 levels. In Massachusetts mean revenue grew at every time period. Looking at median revenue of non-profit organizations we see that the figure of \$205,507 for Berkshire County in 2008 is noticeably higher than that for the state (\$155,591) or the US (\$135,241). For a county whose per capita income is significantly lower than the state, this suggests both a great willingness of county residents to support the sector as well as the revenue-raising skills of the county's non-profit organizations.

Table 5
Mean and Median Revenue of Non-profit Organizations (2008 dollars)

	1996	2001	2006	2008
	Mean			
US	\$4,588,264	\$4,033,693	\$4,329,612	\$4,165,286
MA	\$6,714,252	\$7,119,828	\$7,613,445	\$8,317,082
Berkshire County	\$3,965,833	\$4,436,842	\$4,519,727	\$4,424,366
	Median			
US	\$228,981	\$186,969	\$154,342	\$135,241
MA	\$302,917	\$232,546	\$174,150	\$155,591
Berkshire County	\$398,703	\$334,912	\$244,837	\$205,507

The trajectory of median figures for all three areas from 1996 to 2008 is notable. Generally speaking, median revenue for non-profit organizations in 2008 is about half that in 1996. In the US the 2008 median is 59% its 1996 level, in constant dollars; in Massachusetts it is 51%; and in Berkshire County it is 52%. In part this downward trend is the counterpart to the significant growth in the number of non-profit organizations. Over the past 12 years, the non-profit sector has seen a 54% increase in the number of organizations in Berkshire County. These newer organizations tend to be smaller and have fewer revenues than older, more established organizations. As a result, the median revenue has declined.

Expenditures

While revenue can be thought of as a driver for the organization, expenditures of non-profits are of special significance since it is through expenditures that economic impact occurs. Expenditures are associated with the purchase of inputs (labor, utilities, supplies, etc.) for producing the goods or services, and these purchases create local economic impact. *Table 6* shows that the non-profit sector in the US had total expenditures of \$1.4 trillion in 2008. In Massachusetts the non-profit sector spent \$76.2 billion, and in Berkshire County the non-profit sector had expenditures of \$1.3 billion.

Table 6
Non-profit Sector Total Expenditures (2008 dollars)

	1996	2001	2006	2008
US	\$834,526,347,992	\$990,253,280,632	\$1,284,000,000,000	\$1,383,933,410,560
MA	\$39,802,696,602	\$52,882,935,982	\$67,535,627,139	\$76,167,806,229
Berkshire County	\$791,659,130	\$874,408,872	\$1,181,221,135	\$1,345,931,701

The expenditure figures indicate a real impact on their respective economies. Total expenditures of the non-profit sector in Berkshire County, for example, constituted about 25% of the total purchase of goods and services in the county. This is an increase from 21% only two years earlier, suggesting that the non-profit sector is helping to support the economy of the county during the severe recession that began in late 2007. The \$1.4 trillion spent by non-profits in the US constituted 9.7% of total US GDP, so in this sense we can say that the non-profit sector is more than twice as important in Berkshire County than it is in the entire US.

We see in *Table 7* that mean expenditure per non-profit is \$6.9 million for Massachusetts, while it is \$3.9 million for US non-profits, and \$3.7 million for Berkshire County non-profits. The pattern of median expenditures exhibits the same trend as median revenues. In all three geographic areas, median expenditures decline across all time periods. For US non-profits, 2008 median expenditures are 63% their 1996 level; in Massachusetts it is 57%; and in Berkshire County it is 54%.

Table 7
Mean and Median Expenditures of Non-profit Organizations (2008 dollars)

	1996	2001	2006	2008
	Mean			
US	\$4,169,275	\$3,739,331	\$3,906,416	\$3,879,520
MA	\$5,715,494	\$6,107,985	\$6,443,009	\$6,857,640
Berkshire County	\$3,502,917	\$3,389,182	\$3,612,298	\$3,746,251
	Median			
US	\$197,580	\$166,274	\$136,037	\$125,344
MA	\$260,957	\$204,912	\$156,225	\$147,794
Berkshire County	\$345,982	\$291,500	\$230,077	\$187,361

Assets

Assets can provide real strength to a non-profit by providing funds that can be drawn upon for major projects or can be used as a cushion during rough economic times. To the extent that assets are used to provide annual operating funds, market fluctuations can lead to budget uncertainties and cutbacks. *Table 8* shows that non-profit organizations in the US hold a total of \$2.7 trillion in assets; Massachusetts non-profits have \$226 billion in assets; and Berkshire County non-profits have \$4.5 billion in assets.

Table 8
Total Assets of Non-profit Organizations (2008 dollars)

	1996	2001	2006	2008
US	\$1,594,811,472,275	\$1,912,297,233,201	\$2,514,500,000,000	\$2,718,049,399,192
MA	\$89,902,597,149	\$133,754,049,722	\$184,844,040,085	\$226,173,945,452
Berkshire County	\$1,834,757,863	\$3,332,865,475	\$4,393,383,402	\$4,533,095,670

The figures presented in *Table 8* are impressive, but they do not tell us how the non-profit sector in Berkshire County is doing compared to the state or nation as a whole. *Table 9* presents mean and median assets of non-profit organizations.

Table 9
Mean and Median Total Assets of Non-profit Organizations (2008 dollars)

	1996	2001	2006	2008
	Mean			
US	\$7,967,644	\$7,221,094	\$7,650,066	\$7,619,389
MA	\$12,909,621	\$15,448,609	\$17,634,425	\$20,363,189
Berkshire County	\$8,118,397	\$12,918,083	\$13,435,423	\$13,063,676
	Median			
US	\$221,365	\$207,429	\$159,999	\$142,622
MA	\$324,195	\$281,375	\$222,760	\$192,806
Berkshire County	\$454,446	\$491,047	\$355,949	\$314,073

Mean assets for Berkshire County (\$13.1 million) and Massachusetts non-profits (\$20.4 million) are significantly higher than mean assets for US non-profits (\$7.6 million). Looking at median assets, we see that the figure for Berkshire County non-profits is 2.2 times that for the US, and 1.6 times that for Massachusetts. Median assets rose in Berkshire County between 1996 and 2001; otherwise median assets of non-profit organizations fell in every time period in all three geographic area.

III. Exploring Berkshire County Non-profits, by Sector

We present descriptive data for five categories based on NTEE categories – arts, culture and humanities, education, health, human services and ‘other.’ In this section we take a closer look at the non-profits in Berkshire County that are required to report on the IRS Form 990.

Table 10
Number of Berkshire County Non-profits

	1996	2001	2006	2008
Arts and Culture	37	51	68	74
Education	32	35	51	56
Health	47	40	59	58
Human Services	67	77	86	95
Other	43	55	63	66
Total	226	258	327	349

We examine data for 1996, 2001, 2006, and 2008 to look for trends. All figures are reported in 2008 dollars. This takes inflation into account and allows us to examine real economic growth over the period. The variables we examine include the number of non-profits; total revenues; gifts and grants; expenditures; and assets. The data presented in *Table 10* on the number of non-profits in Berkshire County during the years 1996 to 2008 are shown visually in *Chart 1*.

Chart 1
Number of Berkshire County Public Charities

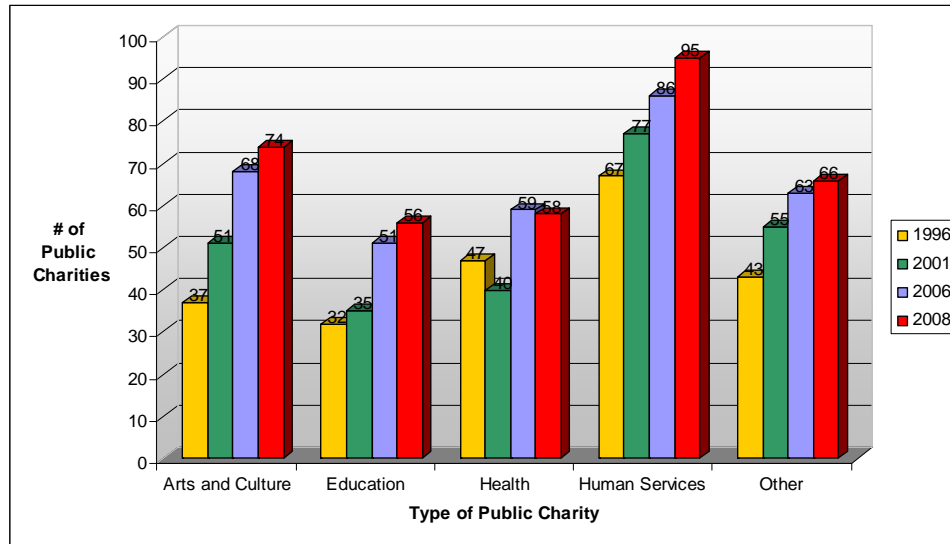
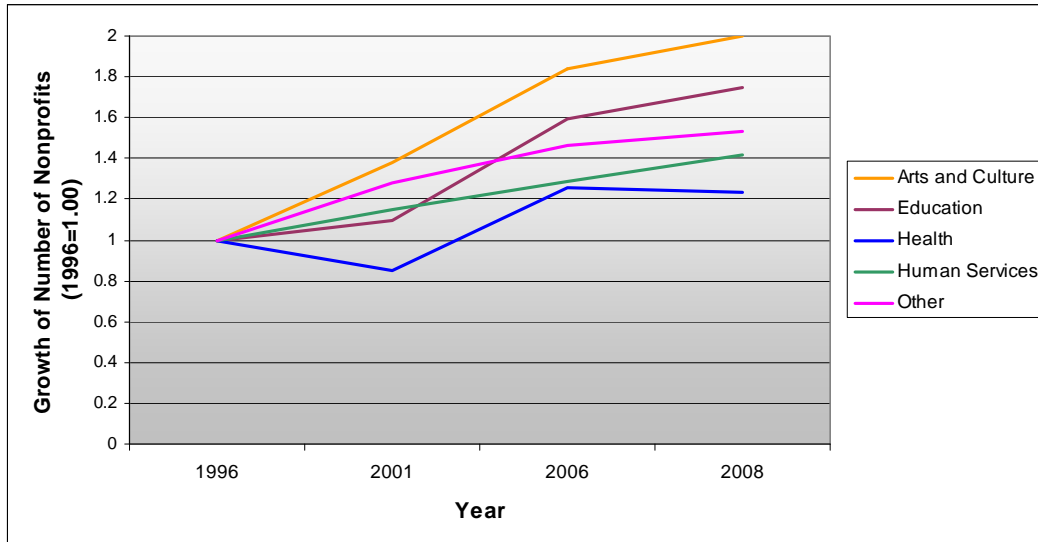


Chart 1 shows both the number of non-profits in each of the five sectors, as well as the growth of non-profits within each type. We see that the education sector has the smallest number of non-profits reporting throughout the period, and the human services sector has the largest number of non-profits in all four time periods. All areas except health show a continuous increase in the

number of organizations; health shows a decrease in the number of organizations between 1996 and 2001. In 2008, there were 2.0 times as many arts and cultural non-profits in Berkshire County as in 1996; there were 1.8 times as many education non-profits; 1.2 times as many health organizations; 1.4 times as many human services non-profits; and 1.6 times as many ‘other’ non-profits as in 1996. *Chart 2* maps the growth rate of non-profits in each of the five sectors. The greatest growth in the number of non-profit organizations in Berkshire County occurred in the arts and culture sector.

**Chart 2
Growth Rate of Number of Non-profits**



Revenues

While *Chart 1* makes it clear that the number of non-profits in Berkshire County grew during the period 1996 to 2008, it is perhaps even more important to know whether the financial situation of non-profits changed during this period.

**Table 11
Total Revenues of Non-profits in Berkshire County (2008 dollars)**

	1996	2001	2006	2008
Arts and Culture	\$29,274,223	\$61,674,413	\$93,954,665	\$101,545,858
Education	\$288,735,337	\$455,698,970	\$470,545,384	\$481,132,241
Health	\$466,311,827	\$436,720,341	\$683,176,529	\$724,236,045
Human Services	\$89,863,246	\$144,090,035	\$183,589,039	\$176,021,095
Other	\$22,093,738	\$46,521,266	\$46,685,236	\$52,319,734
Total	\$896,278,371	\$1,144,705,025	\$1,477,950,853	\$1,535,254,973

Table 11 provides data on total revenues of non-profit organizations in Berkshire County from 1996 to 2008. *Chart 3* maps the data in *Table 11* in a more visual form. We can see that, after the “other” sector, the arts and culture sector is the smallest non-profit sector in Berkshire County in terms of total revenues, and the health sector is the largest in all periods except 2001, when

education is the largest. We see that while the human services sector has the largest number of organizations, the health sector has the greatest total revenues in 2008.

Chart 3
Total Revenues of Non-profits in Berkshire County

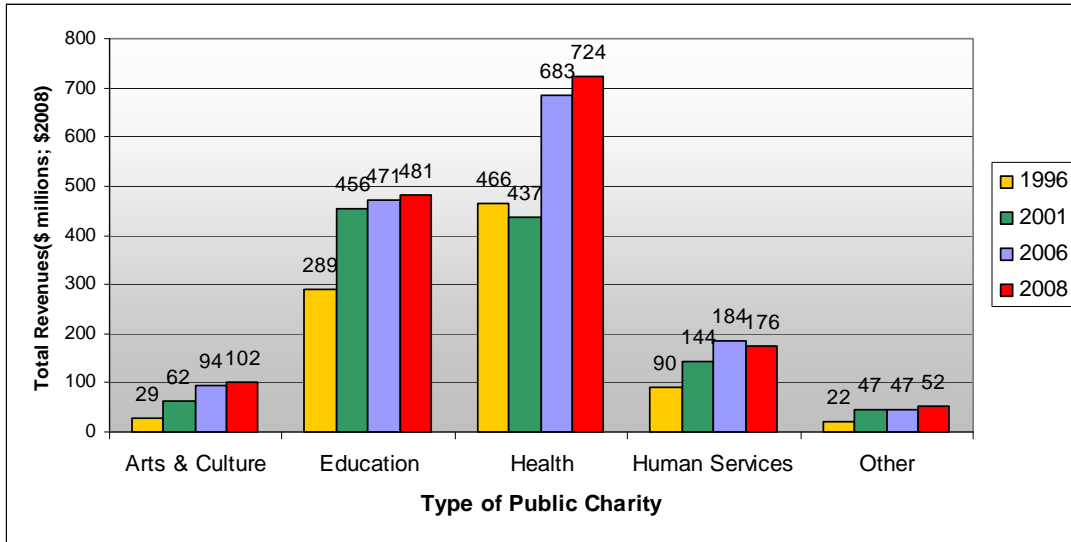
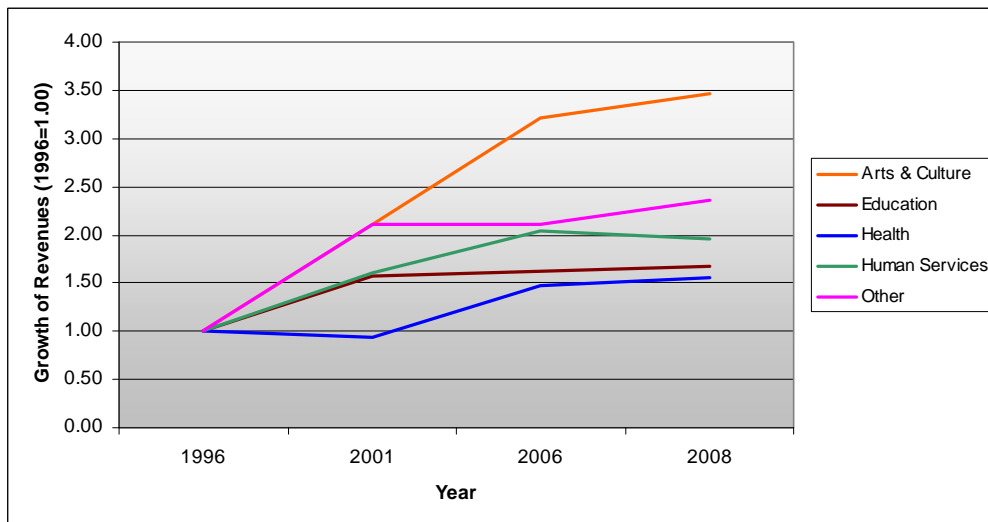


Chart 4 shows the growth rate of total revenues among the sectors during the period 1996 to 2008, with 1996 values set to 1.00. While arts and culture is the smallest non-profit sector in terms of total revenues (after 'other'), it is the fastest growing. Chart 4 shows that the real value of total revenues in the arts and culture sector in 2008 was 3.5 that in 1996. On the other hand, the health sector is the largest non-profit sector in the county, but has the lowest growth rate. Real value of total revenues in the health sector in 2008 was 1.6 times its level in 1996.

Chart 4
Growth Rate of Total Revenues



Gifts and Grants

Part of an organization’s revenue comes from gifts and grants. “Gifts and grants” consist of *public contributions, public gifts, and government grants* to the organization. Other sources of revenue for the organization include program revenue, membership dues, dividends, interest, rent, and the sale of inventory.

In this section we examine gifts and grants to non-profit organizations. Since gifts and grants play an important role in the financial well-being of a non-profit, the relative strength of this part of revenue is of particular interest to the study of the non-profit sector. *Table 12* provides the data for public contributions, gifts and government grants to the five sectors over the period 1996 to 2008.

Table 12
Gifts and Grants to Non-profits in Berkshire County (2008 dollars)

	1996	2001	2006	2008
Arts and Culture	\$8,937,055	\$18,921,192	\$40,858,920	\$47,106,000
Education	\$37,464,343	\$65,164,702	\$119,015,925	\$104,362,221
Health	\$14,897,380	\$11,527,568	\$12,276,645	\$15,237,599
Human Services	\$23,510,802	\$35,389,293	\$36,243,944	\$15,052,830
Other	\$11,989,032	\$26,780,815	\$23,218,899	\$28,634,339
Total	\$96,798,613	\$157,783,571	\$231,614,334	\$210,392,989

Chart 5 provides a visual representation of the gift and grant data. *Chart 5* reveals the tremendous growth in gifts and grant giving to the education sector, particularly in the period 2001 to 2006. We also see that, in real terms, gifts and grants to the health sector was about the same in 2008 as it was in 1996.

Chart 5
Gifts and Grants to Non-profits in Berkshire County

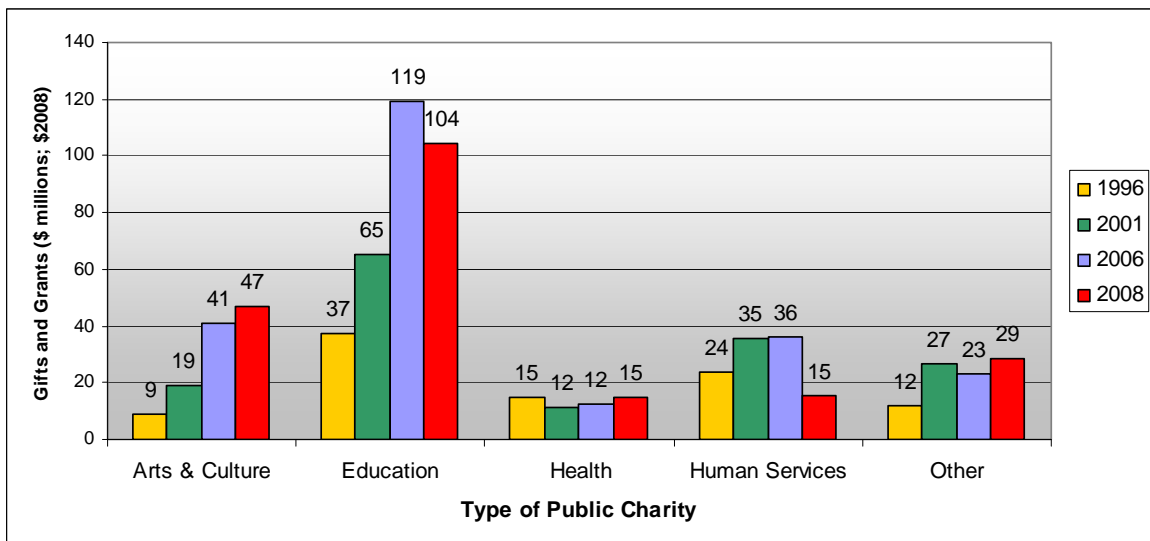
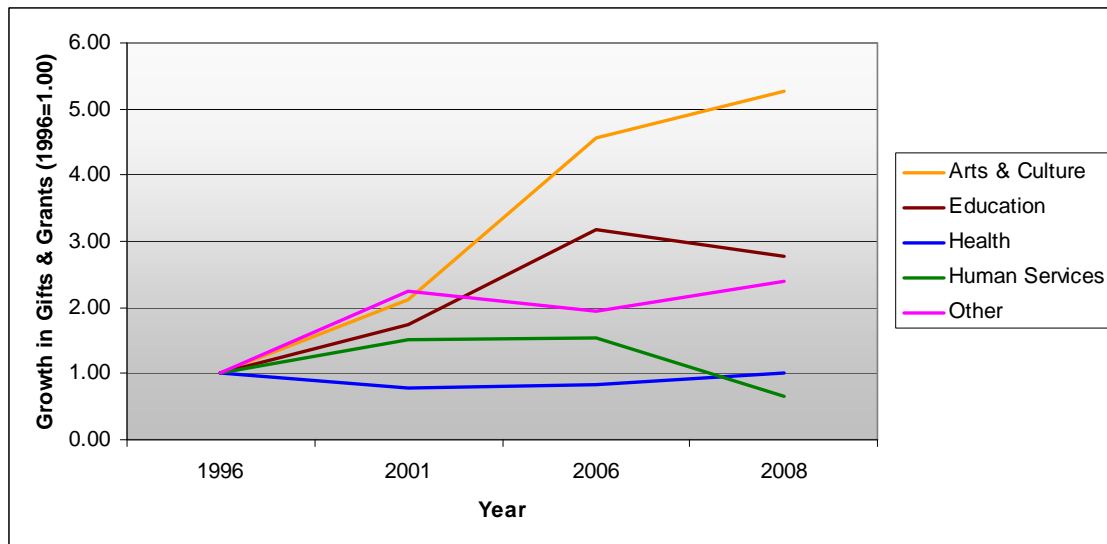


Chart 5 shows that the education sector receives by far the largest amount of gift and grant dollars. Indeed, in 2008 the amount of gifts and grants to the education sector (\$104 million) is close to gifts and grants to all other sectors combined (\$106 million).

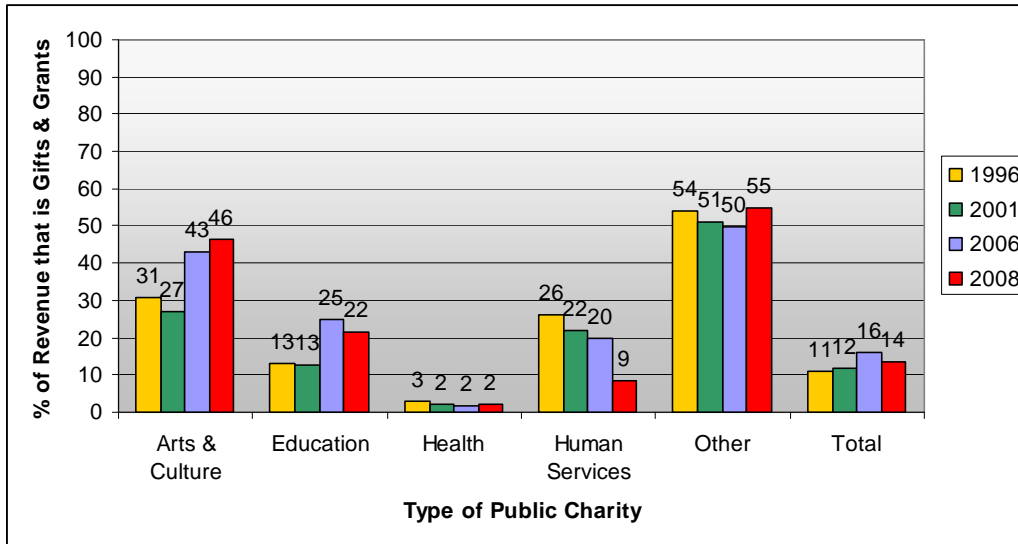
Chart 6 shows the growth of public gifts and government grants over the period 1996 to 2008. We see in *Chart 6* that gifts and grants grew most rapidly in the arts and culture sector (with the 2008 amount approximately 5.3 times the 1996 amount), followed by the education sector (where the 2008 amount is 2.8 times the 1996 amount). Gifts and grants to the human services sector grew somewhat between 1996 and 2001, was level from 2001 to 2006, and saw a serious decline between 2006 and 2008. Gifts and grants in the ‘other’ sector grew between 1996 and 2001, and then declined between 2001 and 2006. During the period of 2006 and 2008 gifts and grants to the ‘other’ sector experienced more than a 20% growth. Gifts and grants in the health sector is virtually the same in 2008 as it was in 1996.

Chart 6
Growth Rate of Gifts and Grants



What percentage of non-profit revenues are made up of gifts and grants, and is that share stable over time? *Chart 7* addresses this question. What we see in *Chart 7* is that non-profits in the ‘other’ category rely most heavily on public gifts and government grants as a share of their revenues. Gifts and grants make up 55% of the revenue of ‘other’ non-profits. We also see in *Chart 7* that non-profits in the health sector rely least on gifts and grants as part of their revenue. Two percent of total revenues of health non-profits come from gifts and grants. The period 2001 to 2006 showed a particularly high increase in the arts and culture sector and the education sector in the percentage of total revenue that was derived from gifts and grants. There was an even greater *decline*, however, in human services non-profits, where gifts and grants made up only 9% of revenue in 2008, compared to 26% in 1996. Human services non-profits appear to be under increasing pressure to identify alternative sources of revenue to compensate for this decline.

Chart 7
Percentage of Revenue made up of Gifts and Grants



Expenditures

The relationship between total revenues and gifts and grants raises the question of what happened to expenditures during the period 1996 to 2008, as well as assets. We look at these two financial variables next, starting with expenditures. When total revenues increase, an organization can increase its annual expenditures in a like amount, or it can keep expenditures steady and build assets. *Table 13* provides information on the annual expenditures of non-profits during the years 1996 to 2008.

Table 13
Expenditures of Non-profits in Berkshire County (2008 dollars)

	1996	2001	2006	2008	2008 ¹⁷
Arts and Culture	\$27,169,519	\$57,006,524	\$66,262,823	\$76,408,927	\$98,031,487
Education	\$208,467,080	\$212,269,539	\$273,057,044	\$299,486,259	\$323,846,259
Health	\$445,317,798	\$426,405,121	\$639,615,439	\$697,574,190	\$697,574,190
Human Services	\$90,795,028	\$139,755,632	\$163,622,048	\$176,635,088	\$176,635,088
Other	\$19,909,705	\$38,972,056	\$38,663,781	\$49,844,677	\$49,844,677
Total	\$791,659,130	\$874,408,872	\$1,181,221,135	\$1,299,949,141	\$1,345,931,701

¹⁷ The figures in this column include expenditures for Tanglewood and Bard College at Simon’s Rock, which were available to us even though these entities are embedded in the Boston Symphony Orchestra and Bard College, respectively.

The annual expenditures made by an organization, or a sector, are extremely important for the local economy. Expenditures flow from the organization into the local economy, where a certain proportion of the money circulates, causing additional economic impact, until they eventually ‘leak’ out of the local economy into the larger regional, national, and international economies. In a later section of this report we will return to expenditures of non-profits in Berkshire County and their economic impact. For now, we can see from *Table 13* that non-profits in Berkshire County had expenditures of \$1.3 billion, and more than half of these expenditures (\$698 million) came from the health sector.

Chart 8 provides a visual representation of the data in *Table 13*,¹⁸ and makes it easy to see that the health sector has the largest annual expenditures. Its 2008 expenditures of \$698 million are more than double those of the next sector, education. Next is the human services sector (\$177 million), followed by arts and culture, and ‘other.’

Chart 8
Expenditures of Non-profits in Berkshire County

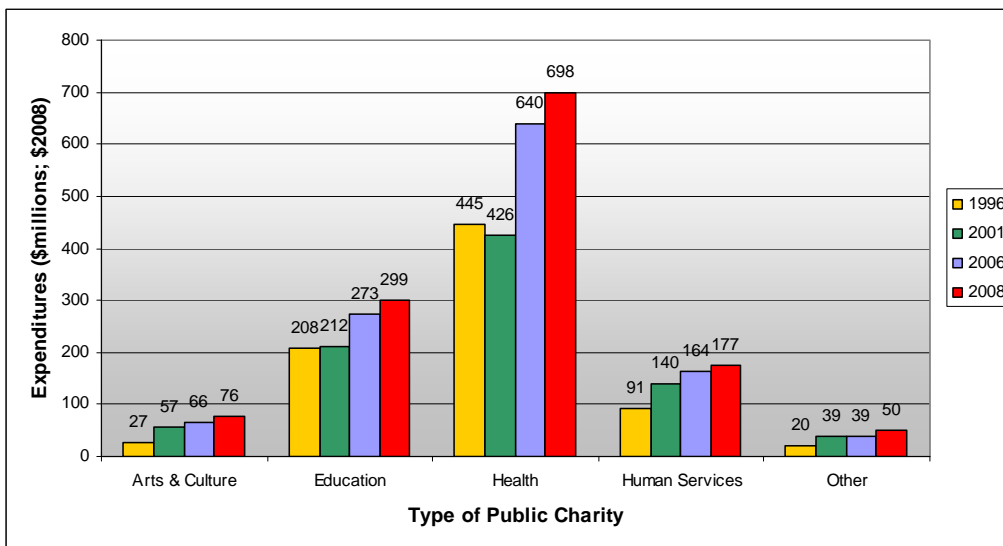
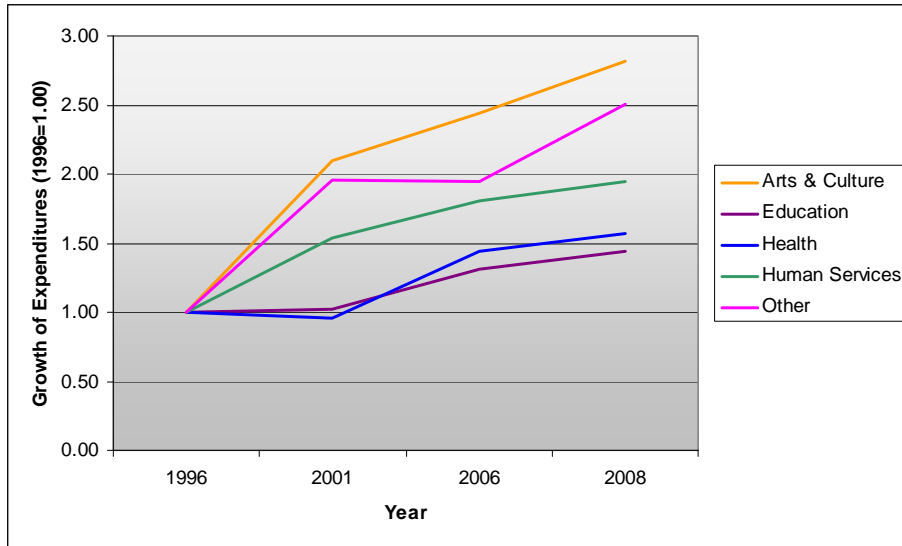


Chart 8 shows the absolute amount of annual expenditures (in 2008 dollars) made by each sector; *Chart 9* shows the relative rate at which expenditures grew in each sector over the years 1996 to 2008. While the expenditures of the arts and culture sector were small compared to all other sectors except ‘other’, the rate of growth of expenditures was highest in the arts and culture sector, increasing 2.8 times during the period 1996 to 2008.

¹⁸ For appropriate growth comparison over the period 1996 to 2008, *Chart 8* does not include expenditures of Tanglewood or Bard College at Simon’s Rock.

**Chart 9
Growth Rate of Expenditures**



Assets

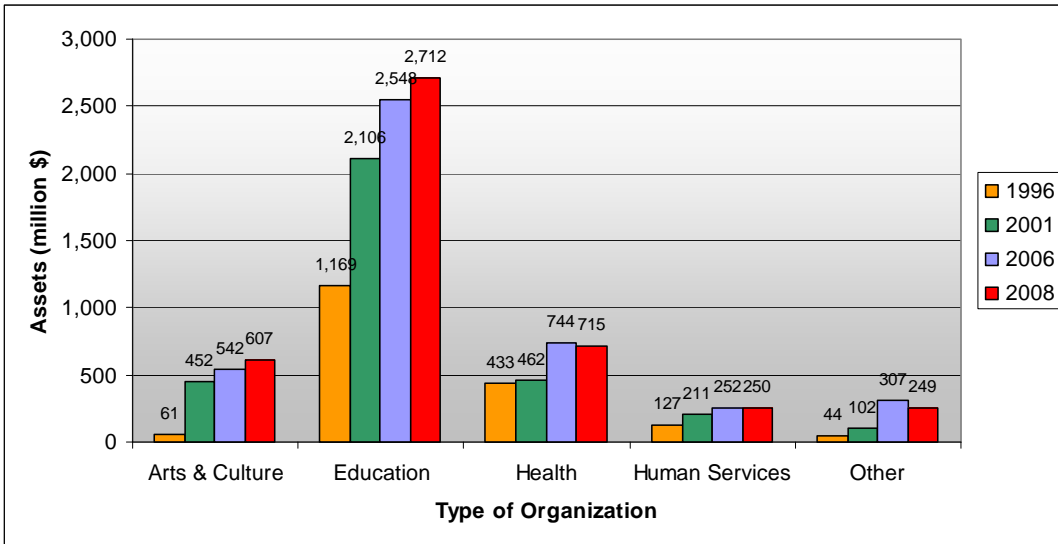
Having looked at revenues and expenditures of non-profits in Berkshire County, we will now look at the amount of assets held by these sectors. *Table 14* provides the assets of non-profits in Berkshire County over the period 1996 to 2008.

**Table 14
Assets of Non-profits in Berkshire County (2008 dollars)**

	1996	2001	2006	2008
Arts and Culture	\$61,065,035	\$452,206,664	\$541,727,104	\$607,149,176
Education	\$1,169,205,275	\$2,106,256,210	\$2,548,002,146	\$2,712,107,228
Health	\$433,245,995	\$461,800,129	\$744,190,462	\$715,082,206
Human Services	\$126,876,803	\$210,691,886	\$252,167,874	\$249,847,610
Other	\$44,364,757	\$101,910,587	\$307,295,816	\$248,909,450
Total	\$1,834,757,865	\$3,332,865,476	\$4,393,383,402	\$4,533,095,670

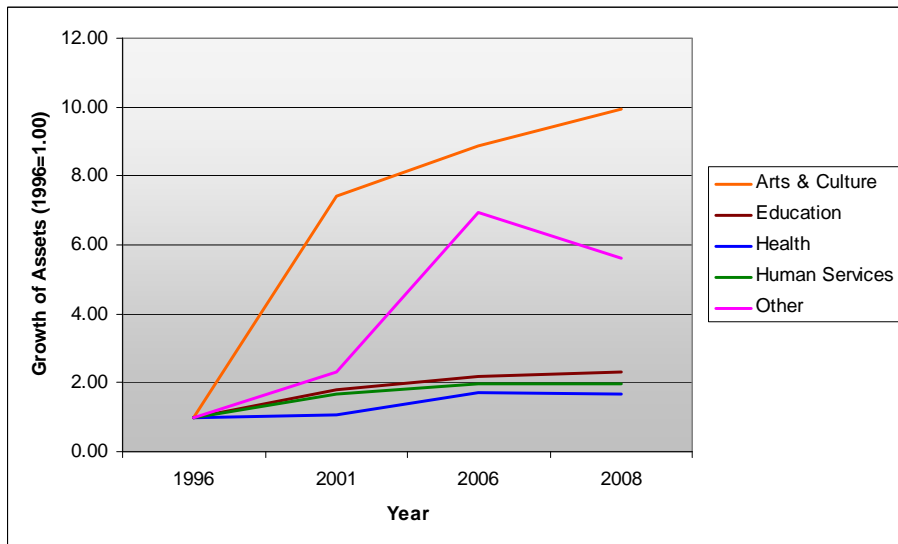
We see in *Table 14* that between 1996 and 2001 assets grew significantly in all sectors except health, which experienced modest growth. Growth continued in all sectors from 2001 to 2006. During the period 2006 to 2008 the change in assets is more variable by sector. There is growth in arts and culture, and growth in education, with a decline in ‘other’ non-profits. Assets in the health sector and the human services sector between 2006 and 2008 were basically stable, with only a small decline.

Chart 10
Assets of Non-profits in Berkshire County (2008 dollars)



We see in *Chart 10*, and it is confirmed in *Chart 11*, that the assets of arts and culture organizations grew dramatically during the period, particularly from 1996 to 2001. Indeed, the assets of arts and culture organizations in 2008 were almost 10 times their 1996 level. Assets of ‘other’ non-profits grew 5.6 times between 1996 and 2008. The sectors of education (2.3), human services (2.0) and health (1.7) all saw more modest growth, about doubling their assets during the period.

Chart 11
Growth Rate of Assets



Private Foundations

As discussed earlier, 501(c)(3) non-profit organizations consist of two groups – public charities and private foundations. *Table 15* presents data on private foundations in Berkshire County. We see that expenditures of private foundations in 2008 were \$17.7 million. This is much smaller than the nearly \$1.3 billion expenditures by public charities in 2008 (*Table 13* above).

Table 15
Private Foundations in Berkshire County (2008 dollars)

	1996	2001	2006	2008
Number	36	53	66	74
Revenues	\$7,740,578	\$11,727,356	\$31,781,847	\$12,837,632
Expenditures	\$7,918,870	\$12,869,451	\$16,542,784	\$17,714,827
Assets	\$38,597,731	\$113,821,265	\$181,144,819	\$90,754,886

Private foundations can nevertheless play an important role in the community in that they often provide grants to public charities to support their non-profit missions. Both the assets and revenues of private foundations in Berkshire County were particularly hard hit by the collapse of financial asset markets in 2008. While expenditures of private foundations increased slightly between 2006 and 2008, assets decreased to half their 2006 levels and revenues declined to forty percent of 2006 levels. Expectations are that private foundations will recover their economic footing as the general economy and financial markets improve.

IV. Berkshire County Non-profits Relative to Ten Comparison Communities

We have seen that the Berkshire County non-profit sector has per-capita numbers of organizations, median revenues, median expenditures and median assets that are large relative to similar figures for both the entire US and the state of Massachusetts. It is not clear whether Berkshire County's non-profit sector is unique, is unusual in a national context but typical for the region, or perhaps typical of all regions that share some of the characteristics of Berkshire County (such as being centered around a relatively modest-sized city; having a strong local tourist industry that attracts visitors from around the country; or is popular as a location for second homes or for households whose primary earners have retired). In order to provide a more complete context for comparison and evaluation, we examine and compare the Berkshire County non-profit sector with non-profits in ten other cities that have been used in previous studies as a basis for comparison with Berkshire County.¹⁹ We use ten communities that were selected as comparable regions nationwide or as regional neighbors, and present data for the county that contains each community. The comparison regions are listed in *Table 16*.

¹⁹ See *Rural Clusters of Innovation: Berkshires Strategy Project*, prepared by Monitor Company Group for the United States Department of Commerce and the Berkshire Economic Development Corporation, 2006.

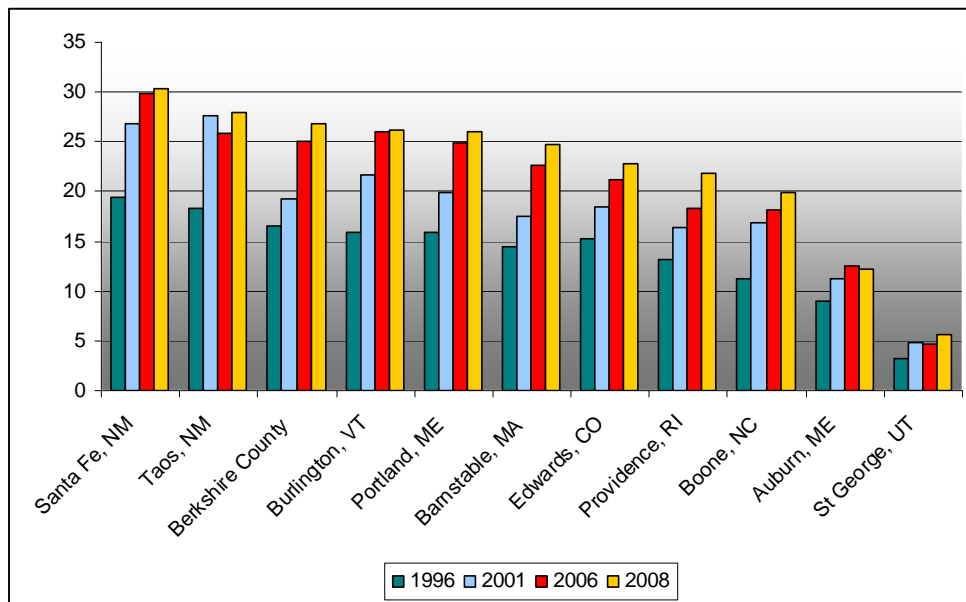
**Table 16
Comparison Regions for Evaluation**

Regional Neighbors	Comparable Regions Nationwide
Providence, Rhode Island	Boone, North Carolina
Portland, Maine	Taos, New Mexico
Barnstable, Massachusetts	Vail-Edwards, Colorado
Burlington, Vermont	Santa Fe, New Mexico
Lewiston-Auburn, Maine	St. George, Utah

These regions include some with important, nationally or regionally-recognized colleges or universities (Providence with Brown University, Lewiston-Auburn with Bates College, Burlington with the University of Vermont, and Boone with Appalachian State University). They include regions with significant local tourism and cultural attractions (Vail-Edwards and Santa Fe) and general large tourism and/or retirement communities (Boone, Taos, and St. George). They also include cities in the region that, like Pittsfield and other Berkshire County cities, have experienced significant economic transformations from manufacturing or other local industries to economies that are more diverse, more service-oriented and have an emphasis on increasing tourism and local amenities.

Charts 12 and 13 below compare each of these regions with Berkshire County over the period 1996 to 2008, showing non-profit organizations per 10,000 residents and total non-profit revenues per capita in constant (inflation-adjusted) 2008 dollars.

**Chart 12
Non-profit Organizations per 10,000 County Residents**



The regions are ordered in the chart according to the number of non-profits per capita in 2008, and this ordering is preserved for ease of comparison for all charts presented through the end of this section. For all regions except Berkshire County, we list the name of the city that serves as the focus of the region. The data presented, however, are for the entire county that contains that city. Thus each region includes both the urban center and some surrounding suburbs and rural area, and this facilitates comparison with the Berkshire County data.

Chart 12 shows that Berkshire County has the third highest number of non-profits per 10,000 residents of the 11 region group. It has 4.6 times the number of organizations per person as St. George and 2.2 times the number for Auburn. It is generally comparable to the other regions, being about equal to Taos, Burlington, and Portland, with only Santa Fe being noticeably higher. All of the regions except Taos, Auburn, and St George have shown consistent growth from each period to the next; it must be noted, though, that price increases during the timeframe studied have resulted in more organizations crossing the \$25,000 threshold that requires them to file a Form 990. Our revenue figures are adjusted for inflation, but the filing threshold itself is not indexed to the price level.

Revenues

Chart 13 indicates that real revenues per capita in the non-profit sector have been growing in every region except Santa Fe between 2006 and 2008. Taos also saw a decline during 2006 to 2008 but it was negligible. Berkshire County is a standout, however, with the highest per capita revenues in 2008. It has experienced a high rate of growth of per capita revenues (1.8 times its 1996 level), but Boone (2.9), St George (2.4), Auburn (2.0), and Taos (1.8) all experienced similar or greater growth.

Chart 13
Total Revenues of Non-profit Organizations per capita (2008 dollars)

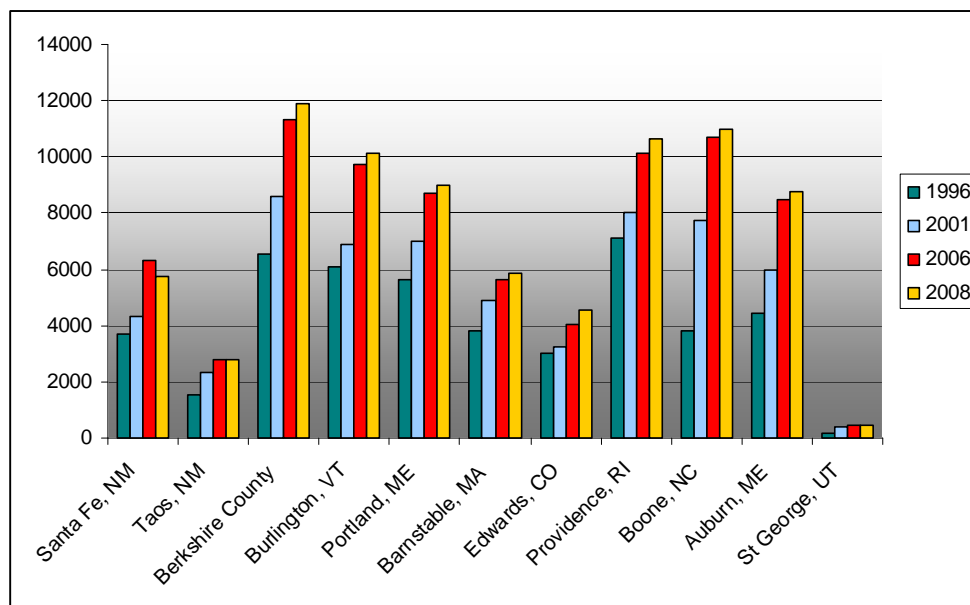
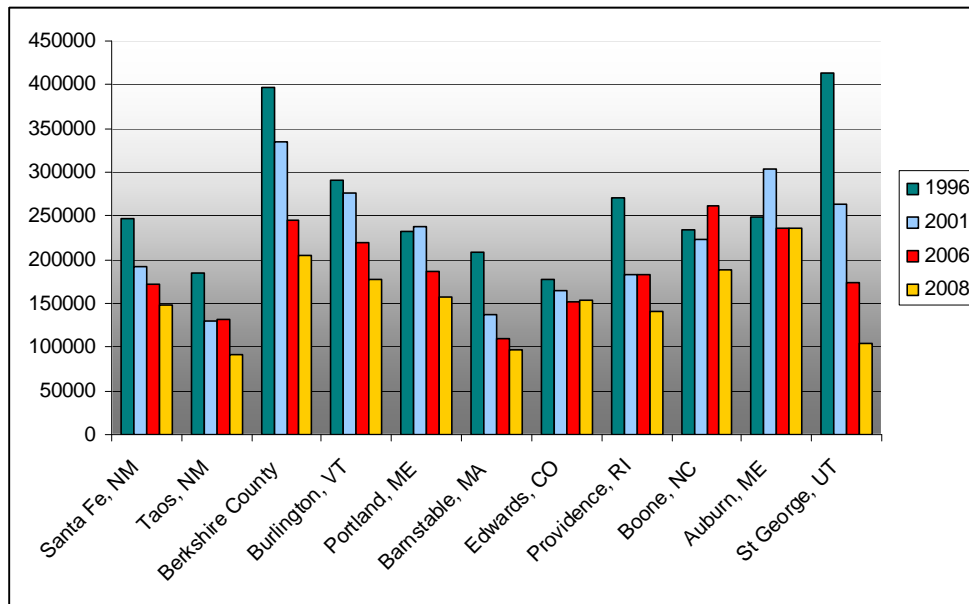


Chart 14 presents comparative analysis of the median revenues of all non-profit organizations (that file Form 990) in the regions. With the exceptions of Boone and Auburn, there is a general pattern of declining median revenues of non-profits. In the case of Boone we see a significant drop in the most recent period of 2006 to 2008, and in Auburn basically a leveling in this period. Juxtaposed against the data presented in *Chart 13* showing increasing per capita revenues, *Chart 14* implies not a decreasing non-profit sector, but rather a non-profit sector with growing numbers of smaller non-profit organizations. This increase in small non-profits, without a proportional increase in high-revenue organizations causes a decline in the median size of organizations in the sector.

There are numerous reasons that might be put forward for this situation. There may be a proliferation of social needs, along with expectations that smaller more carefully targeted non-profit organizations might be better able to address these needs. There may be an increase in awareness of the usefulness of non-profit organizations and/or an increase in understanding of how to form such organizations. Whatever is the case, the general pattern is clear. Amongst these regions, Berkshire County stands out as having generally larger non-profits than other regions. In 1996 Berkshire was second only to St. George in the median revenues of non-profits. In 2008 the County still had the second largest median revenues, although Auburn was the highest.

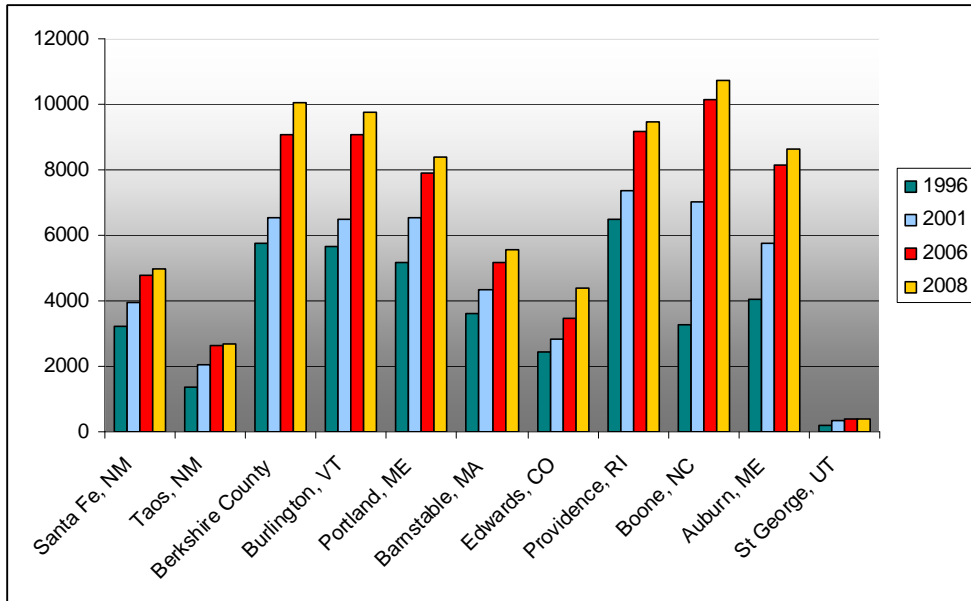
Chart 14
Median Revenues of Non-profits in County (2008 dollars)



Expenditures

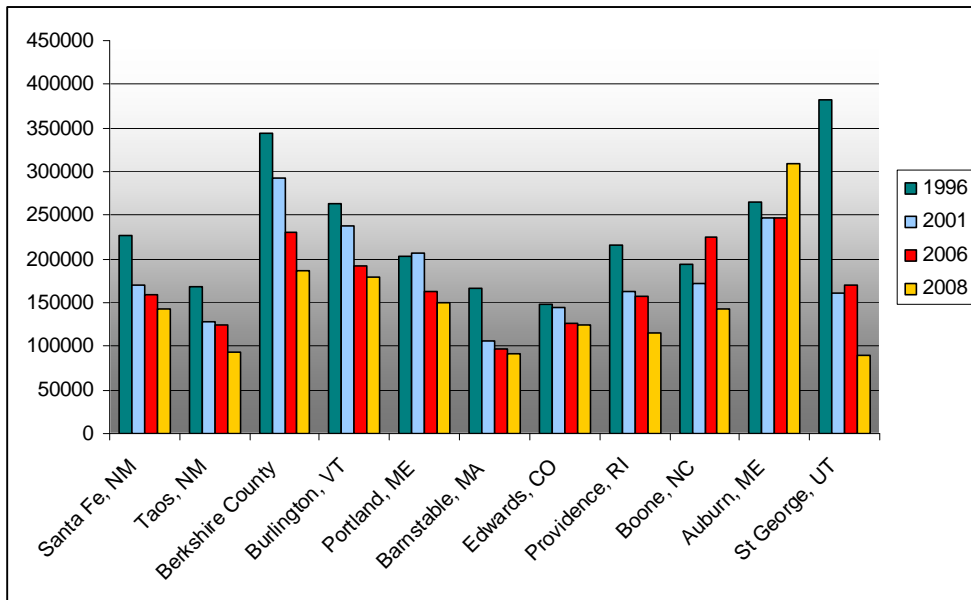
Chart 15 shows that per capita expenditures have increased in every region in every time period. Comparing the per capita revenue figures in *Chart 13* with the per capita expense figures in *Chart 15*, it is the case that in 2008 Berkshire County, Santa Fe, Providence, and St George are all spending only 85 to 90% of their per capita revenues.

Chart 15
Total Expenditures of Non-profit Organizations per capita (2008 dollars)



The pattern of median organization expenditure levels in the eleven regions shown in *Chart 16* follows the general pattern observed in revenues. Most regions show a decline in the median level of expenditures over the period. Only Auburn saw an increase in median expenditures during the period 2006 to 2008.

Chart 16
Median Expenditures of Non-profits in County (2008 dollars)



Again, Berkshire County’s non-profits have a higher median expenditure than the non-profits in most of the other regions, second only to St. George in 1996, and second to Auburn in 2008. Combining knowledge of declining median expenditures (*Chart 16*) with increasing total expenditures (*Chart 15*) implies a non-profit sector that consists of larger numbers of organizations with small expenditure levels.

Assets

While four regions seem to be following a pattern of “saving for a rainy day,” per capita assets as shown in *Chart 17* shows a clear difference between Berkshire County and the other regions. In every year from 1996 through 2008, Berkshire County non-profit assets per capita were much larger than those enjoyed by non-profits in the comparison regions. In 2008 per capita assets of non-profits in Berkshire County were more than double every other region except Providence. In part this is due to the unique economic model of private sector higher education and the success of Williams College in building its endowment. This interpretation is supported by the fact that the region with the second largest assets per capita is Providence, Rhode Island, home to Brown University.

These strong financial assets in the education sector can provide for continued stability of some portions of the local non-profit sector compared to regions without a strong private education sector. As the sharp decline in financial asset markets that occurred in 2008 reveals, however, this can also be a source of vulnerability. Difficult economic periods can sometimes be weathered more comfortably by non-profit organizations whose revenues are less dependent on asset earnings and more dependent on program service revenues. Berkshire County is clearly notable in its level of non-profit assets, and this fact warrants careful monitoring and perhaps more detailed study to determine its implications for the local economy.

Chart 17
Total Assets of Non-profit Organizations per Capita (2008 dollars)

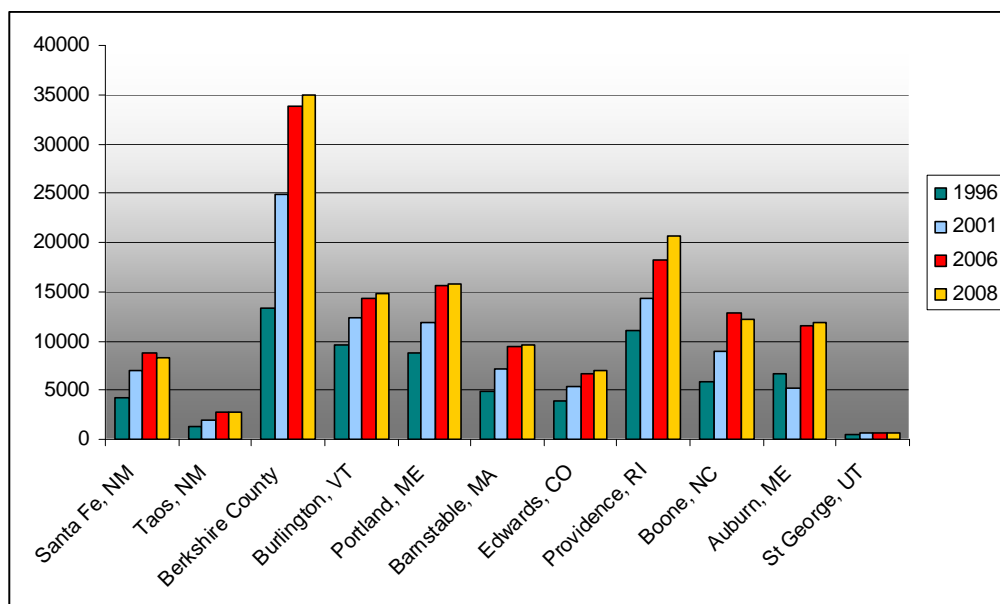
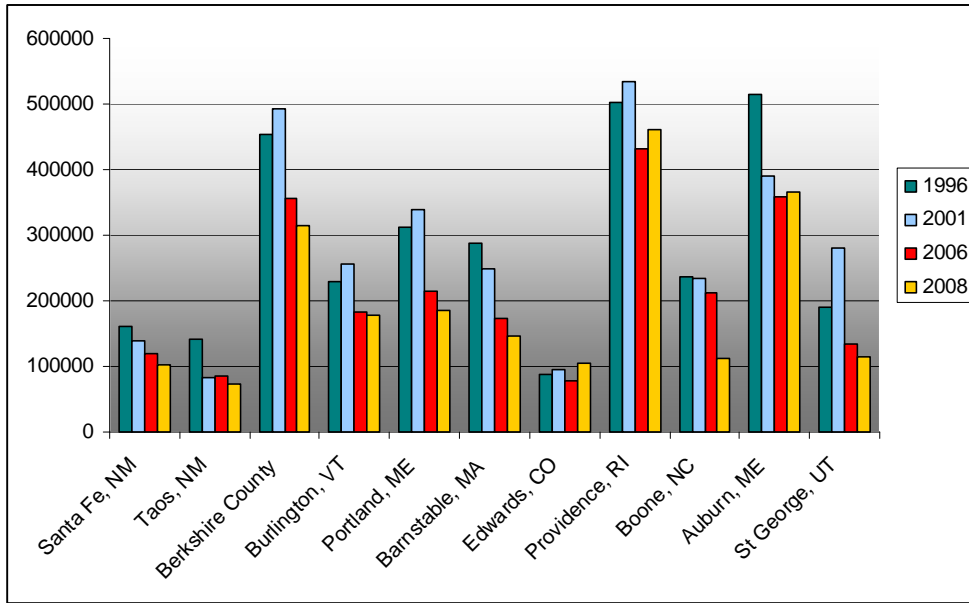


Chart 18 shows that this pattern is similar, but not as smooth for the median levels of assets of non-profit organizations. Every region has experienced decline in median asset levels from 1996 to 2008, except Edwards which has experienced a small increase. The change has not been a continuous one, however. Several regions show increases for 2001 followed by sharp declines in 2006. Berkshire County, which as seen in Chart 17 is a standout in terms of non-profit assets per capita, is high but less unusual in terms of the median level of non-profit assets.

Chart 18
Median Assets of Non-profits in County (2008 dollars)



The median level of assets of non-profits in Berkshire County in 2008 was somewhat lower than non-profits in Auburn and significantly lower than in Providence. These three regions, however, have considerably larger median asset levels than the other comparison regions. It seems likely that this difference is due in some measure to the presence of important private colleges or universities with relatively large endowments (Williams College, Bates College, and Brown University).

V. The Economic Impact of Berkshire County Non-profits

The preceding sections provided a description of the non-profit sector in Berkshire County; comparisons among Berkshire County, Massachusetts, and the US; and comparisons of Berkshire County with ten “peer” cities. The data show that the non-profit sector is relatively more important locally than it is in the state or national economy, and that the local sector as a whole is less dominated by large organizations. Even these data, however, fail to capture the full importance of the sector. Expenditures made by non-profits for inputs generate secondary local effects for local businesses, households, and other non-profits. These expenditures generate employment not only in the non-profit organizations themselves, but also in the retailers, restaurants, law offices and other businesses that either sell goods and services directly to the non-profits or to the people who work for them or travel to Berkshire County to visit them.

This section presents an analysis of these effects, including the direct effects of the spending of non-profits, the indirect effects of the businesses that trade directly with the non-profits, and the induced effects of the sales of goods and services to those who find employment or increase their incomes because of the presence of the non-profit sector. To estimate these effects we rely upon a model of the local economy that tracks the patterns of purchases and sales in 440 sectors of the economy. The model uses data on purchases and sales collected by the US Department of Commerce Bureau of Economic Analysis (BEA), along with data on employment patterns collected by the Bureau of Labor Statistics’ Quarterly Census of Employment and Wages (the ES202 data). These are combined so that our models can produce an estimate of the total impact on the local levels of economic activity and the total number of jobs associated with a change in each part of the non-profit sector.

The sectors in our economic model are based on the type of good or service being produced. The BEA collects data on the inputs purchased by sectors identified according to the North American Industrial Classification System (NAICS). The NAICS sectors are combined to produce 440 sectors in our model that range from “accounting and bookkeeping services” to “wood preservation”. We use the reported NTEE activity code from the Form 990 data to determine the sector of the economy that best represents the activity of each organization. The non-profit organizations in Berkshire County are active in 27 different sectors of our economy. The analysis presented here considers the direct expansion in each of these sectors that results from the activity of the non-profit organizations, and then calculates the indirect and induced impacts all of the sectors. Using the estimated levels of economic activity for each sector attributable to the operation of the non-profits, we use the ES202 data to estimate the total number of jobs in Berkshire County associated with the increased level of economic activity.

For many policy makers and labor market analysts, the total number of jobs generated in a sector is of greater interest than the FTE employment count, because it identifies the number of individuals whose livelihood is fully or partially sustained by the organization. Thus, the employment estimates are for total jobs, not “full time equivalent” employment positions. In the analysis presented below, it is perhaps most helpful to think of the estimated economic and employment impacts as the total income and number of livelihoods that would be lost in Berkshire County if the sector or subsector disappeared, and were not replaced by other local organizations.

Arts and Culture

Berkshire County's arts and culture non-profits fall into ten economic sectors. *Table 17* presents these sectors, the 2008 annual expenditures of these arts and culture non-profits, and the local economic impact of arts and culture non-profits in Berkshire County.

Table 17
Economic Impact of Arts and Culture Non-profits, 2008

Economic Sector	# of Non-profits	2008 Expenditures	Economic Impact	Employment Impact
Civic, social & professional	1	\$30,679	\$50,517	0.7
Grantmaking & social advocacy	4	\$11,935,336	\$20,194,251	205.0
Independent artists, writers & performers	2	\$2,457,846	\$3,774,192	28.8
Motion picture & video industries	4	\$840,507	\$1,218,378	10.8
Museums, historical sites & parks	21	\$33,822,805	\$52,329,489	431.2
Other educational services	4	\$3,100,900	\$4,857,621	74.7
Performing arts companies ²⁰	23	\$40,381,626	\$70,891,569	1,712.5
Printing & publishing	2	\$198,644	\$297,941	1.6
Promoters of performing arts	9	\$4,279,835	\$7,317,525	100.5
Radio & television broadcasting	4	\$983,309	\$1,648,666	10.8
Total	74	\$98,031,487	\$162,580,149	2,577

All of the seventy-four non-profits in this sector are involved in arts and culture but, as reflected in Table 17, in different ways. Forty-four of the organizations are museums and historical sites or performing arts companies. There are also non-profits dedicated to motion pictures, radio and television broadcasting, and publishing. The arts and culture sector, one of the five major sectors analyzed in this report, is itself made up of a rather diverse group of non-profits. In 2008 the 74 arts and culture non-profits in Berkshire County had combined expenditures of \$98 million. Without these expenditures, economic activity in Berkshire County would have been \$162.6 million less and there would have been 2,577 fewer jobs.

²⁰ We have included an estimate of the 2008 expenditures of Tanglewood, even though Tanglewood is embedded in the larger organization of the Boston Symphony Orchestra and does not file a separate Form 990.

Education

Berkshire County's education non-profits fall into seven economic sectors. *Table 18* presents these sectors, as well as annual expenditures in 2008 and economic impact of each economic sector.

Table 18
Economic Impact of Education Non-profits, 2008

Economic Sector	# of Non-profits	2008 Expenditures	Economic Impact	Employment Impact
Civic, social & professional	11	\$685,213	\$1,128,289	15.5
Colleges & universities ²¹	2	\$230,360,000	\$390,069,712	4,058.4
Elementary & secondary schools	13	\$55,259,595	\$92,877,509	1,488.4
Grantmaking & social advocacy	7	\$2,302,199	\$3,861,894	36.7
Information services	4	\$1,209,169	\$2,028,982	21.2
Management consulting services	4	\$1,598,188	\$2,611,524	20.3
Other educational services	15	\$32,431,895	\$51,799,914	907.8
Total	56	\$323,846,259	\$544,377,824	6,548

When we think of the education sector in Berkshire County, we may think first of colleges. *Table 18* shows that while non-profit colleges are indeed a large portion of the education sector, there are fifty-four non-profits that are not colleges yet are dedicated to education, including private elementary and secondary schools and providers of other educational services. In 2008 the 56 education non-profits had combined expenditures of \$323.8 million. Without these expenditures, economic activity in Berkshire County would have been \$544.4 million less and there would have been 6,548 fewer jobs.

²¹ We have included Bard College at Simon's Rock 2008 annual expenditures even though it is embedded in Bard College and does not file a separate Form 990. Its 2008 budget was available at the Simon's Rock web site. <http://www.simons-rock.edu/newsroom/media-toolkit/quick-facts/?searchterm=operating%20AND%20budget>, accessed 2/23/2009.

Health

The non-profit health organizations in Berkshire County operate in eight economic sectors. *Table 19* presents the 2008 expenditures of health non-profits and their economic impact on Berkshire County.

Table 19
Economic Impact of Health Non-profits, 2008

Economic Sector	# of Non-profits	2008 Expenditures	Economic Impact	Employment Impact
Civic, social & professional	3	\$18,677,231	\$30,754,409	421.2
Grantmaking & social advocacy	9	\$44,067,356	\$73,922,130	701.7
Group health practice & ambulatory health care services	13	\$43,699,323	\$71,279,872	631.2
Home health care services	4	\$9,100,691	\$14,813,164	218.2
Hospitals & community health systems ²²	6	\$425,488,112	\$698,991,423	5,143.6
Management consulting services	3	\$463,095	\$756,722	5.9
Nursing & residential care facilities	18	\$154,039,890	\$249,770,369	3,045.6
Scientific research & development	2	\$2,038,492	\$3,402,485	24.7
Total	58	\$697,574,190	\$1,143,690,574	10,192

There are fifty-eight non-profits in Berkshire County dedicated to health. The largest group of these health non-profits includes the eighteen nursing and residential care facilities in Berkshire County. While there are only six non-profits in ‘hospitals and community health systems’ by comparison, the expenditures and economic impact of these organizations are responsible for a large portion of the non-profit expenditures in the health sector. In 2008 the 58 health non-profits had combined expenditures of \$697.6 million. Without these expenditures, economic activity in Berkshire County would have been \$1.14 billion less and there would have been 10,192 fewer jobs.

²² This sector includes North Adams Regional Hospital, Fairview Hospital, Berkshire Medical Center, Austen Riggs Center, Northern Berkshire Health System and Berkshire Health Systems.

Human Services

There are human services non-profits in eleven economic sectors of the Berkshire County economy. *Table 20* shows those sectors as well as the 2008 expenditures of non-profit human services organizations and their economic impact.

Table 20
Economic Impact of Human Services Non-profits, 2008

Economic Sector	# of Non-profits	2008 Expenditures	Economic Impact	Employment Impact
Spectator sports	1	\$52,974	\$84,010	0.6
Agriculture & forestry support activities	1	\$176,656	\$291,706	8.7
Management consulting services	1	\$256,395	\$418,963	3.3
Other amusement & recreation industries	10	\$646,266	\$974,641	13.0
Civic, social & professional organizations	2	\$825,297	\$1,358,955	18.6
Fitness & recreation centers	2	\$1,030,057	\$1,715,136	36.8
Grantmaking & social advocacy	5	\$3,127,200	\$5,245,817	49.8
Community food, housing & relief services	21	\$6,270,956	\$10,493,271	159.9
Child day care services	3	\$12,124,433	\$19,496,744	292.3
Nursing & residential care facilities	12	\$55,197,308	\$89,500,531	1,091.3
Individual & family services	37	\$96,927,546	\$159,545,893	2,398.7
Total	95	\$176,635,088	\$289,125,667	4,073

There are ninety-five non-profits in Berkshire County dedicated to working in the human services sector. The largest group of these non-profits (37) are providers of individual and family services. It is notable that while there are twenty-one non-profits working on issues of food, housing and relief services, the expenditures of this group is about half that of the three child day care services non-profits in Berkshire County. In 2008 the 95 human services non-profits had combined expenditures of \$176.6 million. Without these expenditures, economic activity in Berkshire County would have been \$289.1 million less and there would have been 4,073 fewer jobs.

‘Other’ Non-profits

The remaining non-profit organizations in Berkshire County, which we group under the category of ‘other’, operate in six economic sectors. *Table 21* shows these sectors as well as 2008 expenditures and the economic impact of these expenditures.

Table 21
Economic Impact of ‘Other’ Non-profits, 2008

Economic Sector	# of Non-profits	2008 Expenditures	Economic Impact	Employment Impact
Civic, social & professional	18	\$9,218,188	\$15,178,906	207.9
Grantmaking & social advocacy	42	\$33,960,847	\$56,968,658	540.8
Museums, historical sites & parks	2	\$1,143,467	\$1,778,255	15.7
Other educational services	1	\$15,684	\$24,569	0.4
Religious organizations	2	\$251,518	\$428,873	3.1
Scientific research & development	1	\$5,254,973	\$8,771,175	63.7
Total	66	\$49,844,677	\$83,150,436	832

The ‘other’ category includes non-profits dedicated to the environment, animal welfare, international and foreign affairs, public/social benefit, and religion. The bulk of this group consists of non-profits that engage in grantmaking and social advocacy for these issues. In 2008 the 66 ‘other’ non-profits had combined expenditures of \$49.8 million. Without these expenditures, economic activity in Berkshire County would have been \$83.2 million less and there would have been 832 fewer jobs.

Impacts of tourism and visitors to non-profit organizations

In addition to the economic impact generated by the expenditures of non-profit organizations, many of the non-profits in Berkshire County attract visitors from outside of the county to their site, and these visitors spend money in the county that otherwise would not be spent. Cultural venues, health care, and colleges all attract visitors in varying degrees to partake in their services and offerings.

It is difficult to provide a precise estimate of the economic impact generated by visitors to all Berkshire County non-profits since most non-profits do not collect data on the number of visitors they have per year nor their addresses. This makes it impossible to distinguish those who are coming into the county and bringing income that they would otherwise spend in their home region. We can, however, discuss generally the impact of visitors so that any non-profit that has data on its number of non-local visitors per year can estimate the economic impact of these visitors. We can also provide examples where we do have data in the areas of culture, education, and health care.

Table 22
Visitor Impact (2008 dollars)

Economic Impact per 100,000 Cultural Visitors	Employment per 100,000 Cultural Visitors	Economic Impact per 100,000 Non-cultural Visitors	Employment per 100,000 Non-cultural Visitors
\$10,306,373	120	\$5,153,187	60

Table 22 provides the economic and employment impact of 100,000 nonlocal visitors to the county. We differentiate visitors to cultural venues from non-cultural visitors because research in Massachusetts has found that cultural visitors spend approximately twice as much as non-cultural visitors during their visit. We see from *Table 22* that every 100,000 nonlocal visitors to Berkshire County cultural organizations increase economic activity in Berkshire County by \$10.3 million and support 120 jobs. The figure for visitors to non-cultural organizations is one-half this amount. *Appendix B* presents a more detailed look at the impacts of visitors. *Table B1* lists all sectors in the Berkshire County economy that realize at least a \$10,000 per year increase in economic activity for every 100,000 nonlocal visitors to Berkshire County non-profits.

Table 23
Impact of Visitors to Illustrative Berkshire County Non-profits (2008 dollars)

Non-profit Organization	# Nonlocal Visitors Annually	Economic Impact	Employment Impact
Tanglewood	310,000	\$31,949,756	372
Clark Art Institute	157,000	\$16,181,006	188
Norman Rockwell Museum	117,000	\$12,058,456	140
MASS MoCA	90,000	\$9,275,736	108
Williams College	12,000	\$618,382	7
North Adams Regional Hospital	11,000	\$566,851	7

Table 23 presents data we have on a subset of non-profits in the county in terms of their nonlocal visitors and the economic and employment impact of these visitors. It is important to keep in mind that these are the number of visitors to the organization from outside of the county, not the total number of annual visitors. We see from *Table 23* that many non-profit organizations in Berkshire County have significant economic impact beyond that generated by their organizational expenditures alone. Attracting visitors into the county, where they spend money that would not otherwise be spent here, creates its own significant level of economic impact.

Summary of the economic impact of Berkshire County non-profits

We are now in a position to summarize the impact of the entire non-profit sector on the Berkshire County local economy. Before doing so, it is worth emphasizing the special character of the non-profit sector. One of the primary reasons for granting tax-exempt status to these organizations is that they exist to serve a broader mission that includes public service and the creation of public benefits. This organizing principal is scrutinized and certified by the Internal Revenue Service in granting them status under section 501c3 of the Internal Revenue Code.

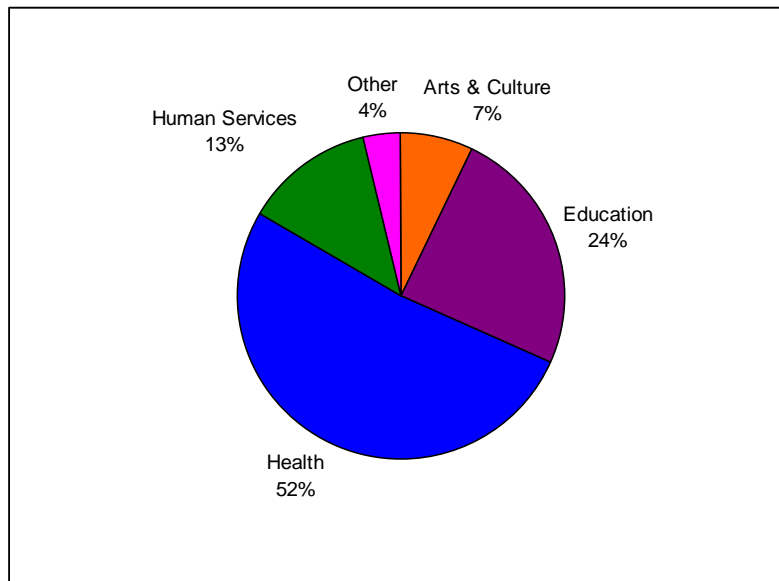
Debates persist about the ability or responsibility of non-profits to serve their communities or even to make payments-in-lieu of taxes. Despite this, each of these organizations has been determined to be contributing to a community-service or charitable goal, and many Berkshire County communities would be less attractive and less livable places without them.

Table 24
Expenditures and Economic Impact of the Non-profit Sector in Berkshire County, 2008

	2008 Expenditures	Economic Impact	Employment Impact
Arts & Culture	\$ 98,031,487	\$ 162,580,149	2,577
Education	\$ 323,846,259	\$ 544,377,824	6,548
Health	\$ 697,574,190	\$1,143,690,574	10,192
Human Services	\$ 176,635,088	\$ 289,125,667	4,073
Other	\$ 49,844,677	\$ 83,150,436	832
Total	\$1,345,931,701	\$2,222,924,650	24,222

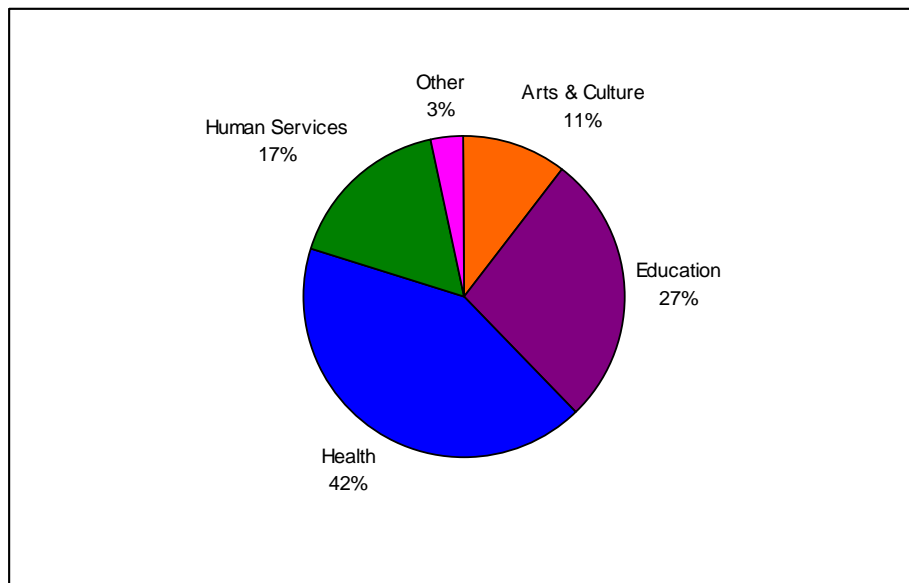
Beyond the services non-profits make available to Berkshire County residents and visitors, we have seen in the pages above how they compare with other communities and regions and how they contribute to the local economy. *Table 24* summarizes the expenditures and economic impacts of non-profits in Berkshire County. The non-profit sector in Berkshire County has annual expenditures over \$1.3 billion. The impact of non-profits on the Berkshire County economy exceeds \$2.2 billion annually. Berkshire County non-profits directly or indirectly support over 24,000 jobs. *Chart 19* illustrates the distribution of economic impact among the five non-profit sectors.

Chart 19
Distribution of Economic Impact of Non-profits in Berkshire County, 2008



We see from *Chart 19* that health non-profit organizations are responsible for over half of the economic impact generated by non-profits in Berkshire County. *Chart 20* shows the distribution of employment impact among the five non-profit sectors. *Chart 20* shows that the distribution of employment impacts of non-profits is the same as for economic impact in terms of rank of the five sectors. In the case of employment, however, the health sector is responsible for 42 % of employment impact compared with its 52% share of the economic impact of non-profits on Berkshire County.

Chart 20
Distribution of Employment Impact of Non-profits in Berkshire County, 2008



The economic and employment impacts of each economic sector in which Berkshire County non-profits operate are presented in *Table 25*. Economic impact is the result of a specific pattern of input purchases as they flow through the local economy. It is not the result of the organization being non-profit or for-profit. Nor is it the result, for instance, of a non-profit working in scientific research and development in the health sector rather than in the ‘other’ sector. Scientific research and development organizations are more like each other economically than they are like hospitals or nursing homes, even though they may all focus on health.

The first two columns of figures in *Table 25* show the economic and employment impacts of the economic sector in which Berkshire County non-profits operate. The last two columns can be used to estimate the economic impacts of changes in expenditures in any of these sectors. In Berkshire County all the non-profits operating in “child day care services” are in the human services sector. Their economic impact of \$19,496,744 in *Table 25* matches their economic impact in *Table 20*. Two non-profits working on “scientific research and development,” however, focus on health and one is in the ‘other’ sector. While the economic impact of all non-profits in scientific research and development as \$12,173,660, as shown in *Table 25*, we see from *Table 19* that \$3,402,485 of this impact is in the health sector, and from *Table 21* that \$8,771,175 of this impact is in the ‘other’ sector.

Table 25
Sectors in which Berkshire County Non-profits are Active

Economic Sector in which the Non-profit Operates	Total 2008 Economic Impact	Total 2008 Employment	Economic Impact of marginal \$1 million spent	Employment Impact of marginal \$1 million spent
Agriculture & Forestry Support Activities	\$291,706	8.7	\$1,615,168	48.8
Child Day Care Services	\$19,496,744	292.3	\$1,651,624	24.5
Civic, Social & Professional	\$48,471,076	663.9	\$1,671,149	22.8
Colleges & Universities	\$390,069,712	4,058.4	\$1,693,305	15.9
Community Food, Housing & Relief Services	\$10,493,271	159.9	\$1,673,313	23.5
Elementary & Secondary Schools	\$92,877,509	1,488.4	\$1,680,749	24.1
Fitness & Recreation Centers	\$1,715,136	36.8	\$1,665,088	35.8
Grantmaking & Social Advocacy	\$160,192,750	1,534.0	\$1,691,972	17.2
Group Health Practice & Ambulatory Health Care Services	\$71,279,872	631.2	\$1,640,764	15.6
Home Health Care Services	\$14,813,164	218.2	\$1,657,664	27.1
Hospitals	\$698,991,423	5,143.6	\$1,661,367	13.1
Independent Artists, Writers & Performers	\$3,774,192	28.8	\$1,567,829	13.1
Individual & Family Services	\$159,545,893	2,398.7	\$1,665,887	21.3
Information Services	\$2,028,982	21.2	\$1,706,755	19.4
Management Consulting Services	\$3,787,209	29.5	\$1,658,874	13.9
Motion Picture & Video Industries	\$1,218,378	10.8	\$1,470,703	14.7
Museums, Historical Sites & Parks	\$54,107,744	446.9	\$1,555,143	13.7
Nursing & Residential Care Facilities	\$339,270,900	4,136.9	\$1,657,201	22.6
Other Amusements & Recreation	\$974,641	13.0	\$1,523,698	22.3
Other Educational Services	\$56,682,104	982.9	\$1,487,538	23.0
Performing Arts Companies	\$70,891,569	1,712.5	\$1,755,540	42.4
Printing and Publishing	\$297,941	1.6	\$1,507,769	8.8
Promoters of Performing Arts	\$7,317,525	100.5	\$1,732,410	26.8
Radio & Television Broadcasting	\$1,648,666	10.8	\$1,701,837	12.3
Religious Organizations	\$428,873	3.1	\$1,717,661	13.5
Scientific Research & Development	\$12,173,660	88.4	\$1,691,733	13.2
Spectator Sports	\$84,010	0.6	\$1,613,566	11.6
Total	\$2,222,924,650	24,222		

Table 25 is particularly useful for understanding the impact of existing, and even prospective non-profit organizations. The last two columns can be used to estimate the economic impact in Berkshire County of a change in expenditures in any of these twenty-seven economic sectors. An increased level of expenditures of \$1 million per year in “community food, housing and relief services,” for instance, would increase the overall level of economic activity in Berkshire County by \$1.67 million and support 23.5 new jobs. These calculations can be scaled proportionately up or down to provide an estimate of economic impact of smaller or larger organizations, or expansions or contractions of existing non-profits.

The Berkshire economy has experienced significant, and in some cases traumatic, changes in the past four decades. As with other regions in the US, the county has seen a decline in manufacturing and a rise in the share of the economy generated through production of services. In Berkshire County many of these services are being generated in the non-profit sector. Is this “healthy” for the local economy? This study has not directly considered this question. We can note, however, that comparing Berkshire County with 10 “peer” regions from around the US, the local economy does not seem unbalanced. Berkshire County does not have the largest number of non-profits per capita (Santa Fe and Taos have more, and Burlington is not far behind Berkshire County). Berkshire County does not have the highest expenditures per capita (Boone, NC has higher levels). Berkshire County does have the highest levels of revenues per capita and total assets per capita, but this is indicative of the relative strength of the local sector and its ability to contribute to the local economy.

It is clear that the non-profit sector plays an important role in Berkshire County. Non-profits generate direct and indirect economic impacts. They attract visitors to the county who generate additional economic impacts. Non-profits also provide a wide array of community and public services. Collectively, non-profits are one of the largest engines of the local economy generating both income and employment for thousands of residents. A diverse local economy with employment and income generation in many sectors is an important goal for economic development and regional prosperity. The non-profit sector is contributing towards this goal in Berkshire County.

Appendix A

Working with the National Center for Charitable Statistics (NCCS) Dataset

There are some limitations of the data collected from Form 990s that are identified and explained by the NCCS.²³ In examining the data for Berkshire County we have come across all four of the issues raised and we have addressed them to the extent possible.²⁴

1. *Large organizations that dominate a sector, such as education or healthcare, may change reporting practices over time, and this change may make it appear as though a trend exists when in fact there is none.* We found cases where the code for a non-profit organization changed over the time period we studied. For instance, an organization might be listed as educational in its 1996 IRS filings but as cultural in its 2006 and 2008 filings, even though its mission and primary focus remained the same throughout the period. Examples of this include Hancock Shaker Village, MASS MoCA, and Barrington Stage Company. In examining growth trends in non-profit sectors we assigned, in situations such as these, the more recent code to all four years (1996, 2001, 2006, and 2008) so as to not inflate the growth in one sector (such as the cultural sector).
2. *Parent organizations may file returns for its affiliates, inflating the number of non-profit organizations that appear in one city and deflating the number in another city.* There are two significant instances where non-profit organizations are a significant part of the Berkshire County non-profit sector but are absent in the NCCS data because they are ‘embedded’ in larger organizations based outside the county. One is Tanglewood, summer home of the Boston Symphony Orchestra, which reports a single set of financial data on its Form 990. Similarly Simon’s Rock College in Great Barrington is ‘embedded’ in Bard College located in Annandale-on-Hudson, New York. No separate Form 990 is filed for Simon’s Rock College and Simon’s Rock is not mentioned specifically in Bard College’s 990. As a result we do not have trend data for Tanglewood and Simon’s Rock College. We have obtained information on the 2008 annual expenditures of the two organizations, however, and include them in our analysis of the economic impact of non-profits in Berkshire County.
3. *Some dominant organizations may appear as suspicious financial outliers and may need to be checked one by one.* There exist some large non-profits in Berkshire County with which we are unfamiliar. We have verified, where possible, the data of these organizations by checking their 990 filings available on GuideStar.²⁵
4. *Errors may be found as one works closely with the data.* The most common error we found that was easily verified and corrected involved data entry mistakes related to the name of the town where the organization is located. For instance, in the data received from NCCS, Pittsfield is misspelled as ‘Dittsfield’ in two instances; Great Barrington is misspelled at ‘Great Barrington’, etc. We corrected obvious mistakes in the data set as we came across them.

²³ Guide to Using NCCS Data, August 2006, <http://nccsdataweb.urban.org/kbfiles/742/NCCS-data-guide-2006c.pdf>, pp. 9-11, accessed 4/22/2009.

²⁴ In working with data for the Commonwealth of Massachusetts, it is not possible to check the data one organization at a time in the same way due to the sheer volume of non-profit organizations in Massachusetts.

²⁵ <http://www.guidestar.org/>, accessed 4/20/2009.

Appendix B

Table B1: Economic and Employment Impacts of Visitors to Non-profits, by sector impacted

Sector Being Impacted	Economic Impact of 100,000 Cultural Visitors	Employment Impact of 100,00 Cultural Visitors	Economic Impact of 100,00 Non-cultural Visitors	Employment Impact of 100,000 Non-cultural Visitors
Total	\$10,306,373	119.62	\$5,153,186	59.81
Hotels/motels incl casino	\$3,549,007	31.87	\$1,774,504	15.94
Food/drinking places	\$2,408,289	43.53	\$1,204,145	21.76
Retail - general mdse	\$637,645	13.04	\$318,822	6.52
Retail - gas stations	\$415,003	4.70	\$207,502	2.35
Imputed rental value	\$328,794	0.00	\$164,397	0.00
Real estate	\$293,320	2.91	\$146,660	1.45
Hospitals	\$161,612	1.19	\$80,806	0.60
Health practitioners	\$140,202	1.05	\$70,101	0.53
Insurance carriers	\$138,615	0.45	\$69,307	0.23
Power generation	\$124,367	0.19	\$62,184	0.09
Wholesale trade	\$98,485	0.62	\$49,242	0.31
Services to buildings	\$86,233	1.30	\$43,116	0.65
Telecommunications	\$82,715	0.23	\$41,357	0.11
Monetary authorities	\$82,152	0.35	\$41,076	0.17
Oth state/local enterprises	\$69,360	0.27	\$34,680	0.13
Natural gas distrib	\$65,457	0.05	\$32,728	0.02
Printing	\$63,346	0.41	\$31,673	0.20
Postal service	\$57,819	0.60	\$28,910	0.30
Newspaper publishers	\$55,924	0.66	\$27,962	0.33
Management of companies	\$55,899	0.30	\$27,949	0.15
Periodical publisher	\$48,727	0.23	\$24,363	0.12
Nonres maintenance	\$47,493	0.51	\$23,747	0.25
Waste management	\$45,834	0.23	\$22,917	0.11

Sector Being Impacted	Economic Impact of 100,000 Cultural Visitors	Employment Impact of 100,00 Cultural Visitors	Economic Impact of 100,00 Non-cultural Visitors	Employment Impact of 100,000 Non-cultural Visitors
Nursing/residential care	\$41,988	0.71	\$20,994	0.35
Retail - food and bev	\$41,286	0.74	\$20,643	0.37
Accounting, tax prep	\$38,681	0.49	\$19,340	0.24
Cable programming	\$34,748	0.14	\$17,374	0.07
Colleges/universities	\$32,957	0.39	\$16,479	0.20
Legal services	\$32,258	0.32	\$16,129	0.16
Medical labs	\$31,142	0.31	\$15,571	0.15
Nonfinan intangible lessors	\$31,117	0.02	\$15,558	0.01
Automotive repair	\$28,210	0.33	\$14,105	0.17
Retail - Nonstore	\$26,921	0.25	\$13,460	0.12
Child day care svcs	\$26,807	0.61	\$13,403	0.30
Retail-motor vehicle, parts	\$26,642	0.37	\$13,321	0.18
Pharma prep mfg	\$24,708	0.02	\$12,354	0.01
Architectural svcs	\$24,099	0.18	\$12,049	0.09
Civic, social, prof orgs	\$23,967	0.46	\$11,983	0.23
Insurance brokers	\$23,833	0.15	\$11,916	0.07
Radio/TV broacasting	\$23,232	0.15	\$11,616	0.07
Advertising	\$21,917	0.21	\$10,959	0.11
Truck transportation	\$21,874	0.16	\$10,937	0.08
Retail - building material	\$20,878	0.26	\$10,439	0.13
Retail - clothing	\$20,469	0.43	\$10,235	0.21
Retail - health care	\$19,984	0.26	\$9,992	0.13
Management svcs	\$19,882	0.16	\$9,941	0.08
Laundry services	\$18,486	0.29	\$9,243	0.15
Home health care svcs	\$17,741	0.38	\$8,871	0.19
Office admin svcs	\$17,396	0.15	\$8,698	0.07
Individual, family svcs	\$15,932	0.34	\$7,966	0.17
Securities, investments	\$15,647	0.16	\$7,823	0.08

Sector Being Impacted	Economic Impact of 100,000 Cultural Visitors	Employment Impact of 100,00 Cultural Visitors	Economic Impact of 100,00 Non-cultural Visitors	Employment Impact of 100,000 Non-cultural Visitors
Amusement parks	\$15,321	0.25	\$7,660	0.12
Residential maintenance	\$14,040	0.13	\$7,020	0.07
Bakery/bread mfg	\$13,954	0.10	\$6,977	0.05
Retail - misc	\$13,914	0.38	\$6,957	0.19
Grantmaking orgs	\$13,536	0.14	\$6,768	0.07
Personal care svcs	\$13,524	0.21	\$6,762	0.11
Couriers, messengers	\$13,380	0.18	\$6,690	0.09
Motion picture industry	\$13,355	0.14	\$6,677	0.07
Nondepository credit	\$12,701	0.03	\$6,350	0.02
Internet publishing	\$12,524	0.11	\$6,262	0.06
Employment services	\$12,293	0.36	\$6,146	0.18
Religious organizations	\$12,265	0.08	\$6,133	0.04
Plastics material mfg	\$12,184	0.01	\$6,092	0.00
Other plastics mfg	\$12,085	0.05	\$6,042	0.03
Support for businesses	\$12,016	0.25	\$6,008	0.12
Other educational svcs	\$11,441	0.26	\$5,721	0.13
Auto equip rental	\$11,361	0.05	\$5,681	0.03
Environmental consulting	\$10,721	0.15	\$5,360	0.08
Elementary/secondary schools	\$10,380	0.22	\$5,190	0.11