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PITTSFIELD

Berkshire County nonprofits prove resilient



BEN GARVER — THE BERKSHIRE EAGLE

Professor Stephen Sheppard speaks at Tuesday's Nonprofit Business Network meeting about the state of nonprofits in the Berkshires.

Leading the way: Activities helped provide additional spring through Great Recession

By Tony Dobrowolski

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PITTSFIELD » Local nonprofits have held their own in recent years — even through the Great Recession, a report has found, and that resilience has provided additional spring to Berkshire County's economic recovery.

Berkshire nonprofits generate

\$2.4 billion in local economic activity, almost half of the county's total economy of \$5.6 billion, according to an update of a report that was officially released on Tuesday.

Local nonprofits also generate \$1.44 billion annually in expenditures, are responsible for 27,439 jobs, provide \$100 million in tax revenue for state and local governments, and have led the

Berkshire economy in recovering from the recession, according to the report, which was commissioned by the Berkshire Chamber of Commerce.

"They're helping to bring back the Berkshire economy," said Williams College Economic Professor Stephen C. Sheppard. "Everything is not necessarily sunny in Berkshire County, but it's better than it otherwise

would be."

"It would be a wildly different place," in the Berkshires without the local nonprofit sector, he said.

This is the third version of a report compiled by Sheppard and collaborator Kay Oehler. It examines five types of nonprofits: arts and culture; education; health; human services and

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“other.” The original report was released in 2009. It was amended three years ago.

The original report found that Berkshire nonprofits generated \$1.9 billion in local economic activity in 2006. The second version, which covered 2008, upped that total to \$2.2 billion. This version is based on data from 2012, four years after the Great Recession hit.

“I think the local nonprofit community, despite the struggles that it continues to face, has done pretty well,” Sheppard said, when asked to compare the amount of growth from 2006 to 2008 and from 2008 to 2012.

During a news conference at Barrington Stage Company’s Blatt Performing Arts Center, Sheppard said the nonprofit sector has rebounded to its pre-recession levels in 2006 faster than other areas of the Berkshire economy.

“Other sectors of the economy have not come

back to those (pre-recession) levels,” he said, “so the overall economy remains 14 percent below its previous peak.”

The nonprofit sector was able to rebound quicker due to the considerable assets that some organizations have, which provided them with a “cushion” during difficult economic times, “and allow them to spring back more rapidly,” Sheppard said.

He also attributed the “entrepreneurial spirit” of the operators of nonprofits as a reason for the quicker rebound.

“A lot of the nonprofits are led by people who are creative, and energetic and scrappy,” he said.

When asked the types of jobs that nonprofits support, Sheppard said the report contained “limited data on wages,” but that those positions included a “whole range of occupations.”

Other highlights from the report:

- Berkshire County nonprofits held \$4.86 billion in assets in 2012, a increase of \$3.55 billion since 2002. Education nonprofits hold the bulk of those assets at \$2.7

billion, followed by health care (\$926.6 million); arts and culture (\$701 million); “other” nonprofits (\$337.6 million) and human services (\$190.8 million). Human service agencies were the only group to experience a serious decline in that field; they held \$221.5 million in assets in 2002.

- Total nonprofit revenue in 2012 was \$1.52 billion compared to \$1.11 billion in 2002 (in 2012 dollars adjusted for inflation). Health nonprofits led the way with \$870 million in revenues.

- Nonprofit expenditures totaled \$1.39 billion in 2012, up from \$1.09 billion in 2002. Health nonprofits were responsible for \$801.8 million of that total, while arts and cultural organizations contributed \$73.8 million, fourth among the five groups listed.

- There were 373 nonprofit organizations listed in the Berkshires in 2012 led by human service agencies with 106.

Copies of the report are available at www.berkshirechamber.com/nbn.

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Professor Stephen Sheppard speaks at Tuesday’s Nonprofit Business Network meeting about the state of nonprofits in the Berkshires with Jim Kolesar.