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Guest Columnist

The dollars and \$en\$ of charitable giving – Why non-profits matter in a for-profit world

The non-profit sector provides more than 500,000 jobs across our state. In fact, if state and local governments in Georgia had to provide the services delivered by Georgia's non-profits, it would create a budget deficit for the state government between \$13 and \$22 billion per year, depending on the financing approach. For local governments, the budget deficit would be between \$1 and \$3 billion per year. What state or local government can even begin to contemplate those kinds of negative numbers?

A recent study conducted by Thomas C. Tanner and Charles D. Taylor of the Carl Vinson Institute of Government at the University of Georgia entitled "The Economic Impact of Georgia's Non-Profit Sector" reflects amazing growth in this industry over the last 10 years.

By every measure, the economic impact of Georgia's non-profits is more significant than most businesses, governments, and individuals realize. The entire study is available through the Georgia Center for Non-Profits' website: www.gcn.org, but here are a few highlights to consider:

- In 2003, there were more than 22,249 non-profit organizations in Georgia, an increase of over 57% since 1977.
- The value of assets held by these organizations reached \$432.7 billion - almost three times the assets of the last 10 years.
- There were 1,276 foundations in Georgia, with total assets of almost \$9 billion and a total giving of \$648 million.
- Based on the employment and payroll figures for Georgia non-profits, there will be between \$17.6 and \$26.8 billion in revenue generated each year for Georgia businesses because of the presence of the Georgia non-profit sector.
- During the study period years of 2000-2035, these figures represent a total of \$635 to \$934 billion in revenues.

In the early years of the study, the nonprofit sector accounted for approximately \$24 billion of the gross regional product. By 2035, the impact is forecasted to exceed \$62 billion.

And, finally, here's a national statistic that places Georgia above the national average: Georgians who itemize deductions on their tax returns contributed 4.7% of their annual income in charitable giving, well above the national average of 3.7%! Although it must also be duly noted here that our Southern neighbors in Alabama, Mississippi, Tennessee, and South Carolina all contributed more than 5% of total income to charitable giving, some of the highest percentages in the entire country.

So what do all these numbers mean anyway, and why should it matter to all of us? By every measure, the non-profit industry is a strong and vital economic force across the entire state of Georgia, generating over \$22 billion in revenue each year, indirectly creating three jobs in other industries for every one job in the non-profit sector, and providing valuable services that impact virtually every Georgia resident. Together with the public and private sectors, the non-profit sector creates the quality of life that defines and sustains our communities today and will empower them not only to meet but to solve the challenges of the future.

In the final analysis though, perhaps the whole case for non-profits is best summed up by the inimitable Winston Churchill who wisely observed: "We make a living by what we get, but we make a life by what we give."

The Community Foundation for Cobb County is a non-profit foundation that was established in 1993 to provide a vehicle for individuals, families, and organizations to create long-term Endowment Funds for the benefit of our community. We work to connect donors with critical community needs through creative, cost-effective, and tax-efficient charitable giving.