



Johns Hopkins University
Center for Civil Society Studies



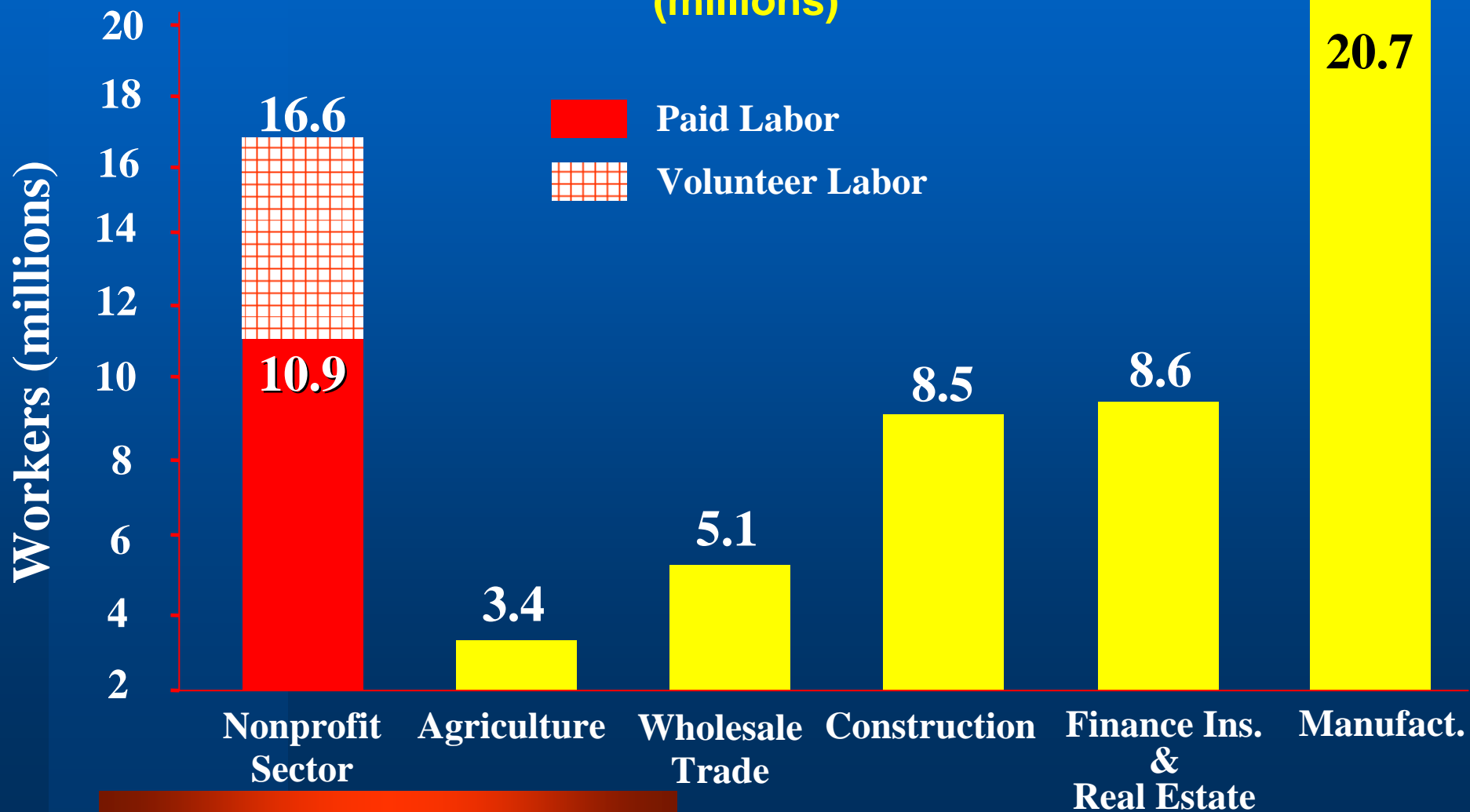
***THE STATE OF
NONPROFIT AMERICA***
The Boston Foundation
January 28, 2004

Lester M. Salamon



NONPROFIT EMPLOYMENT IN RELATION TO EMPLOYMENT IN MAJOR U.S. INDUSTRIES, 1998

(millions)



THE STAKES

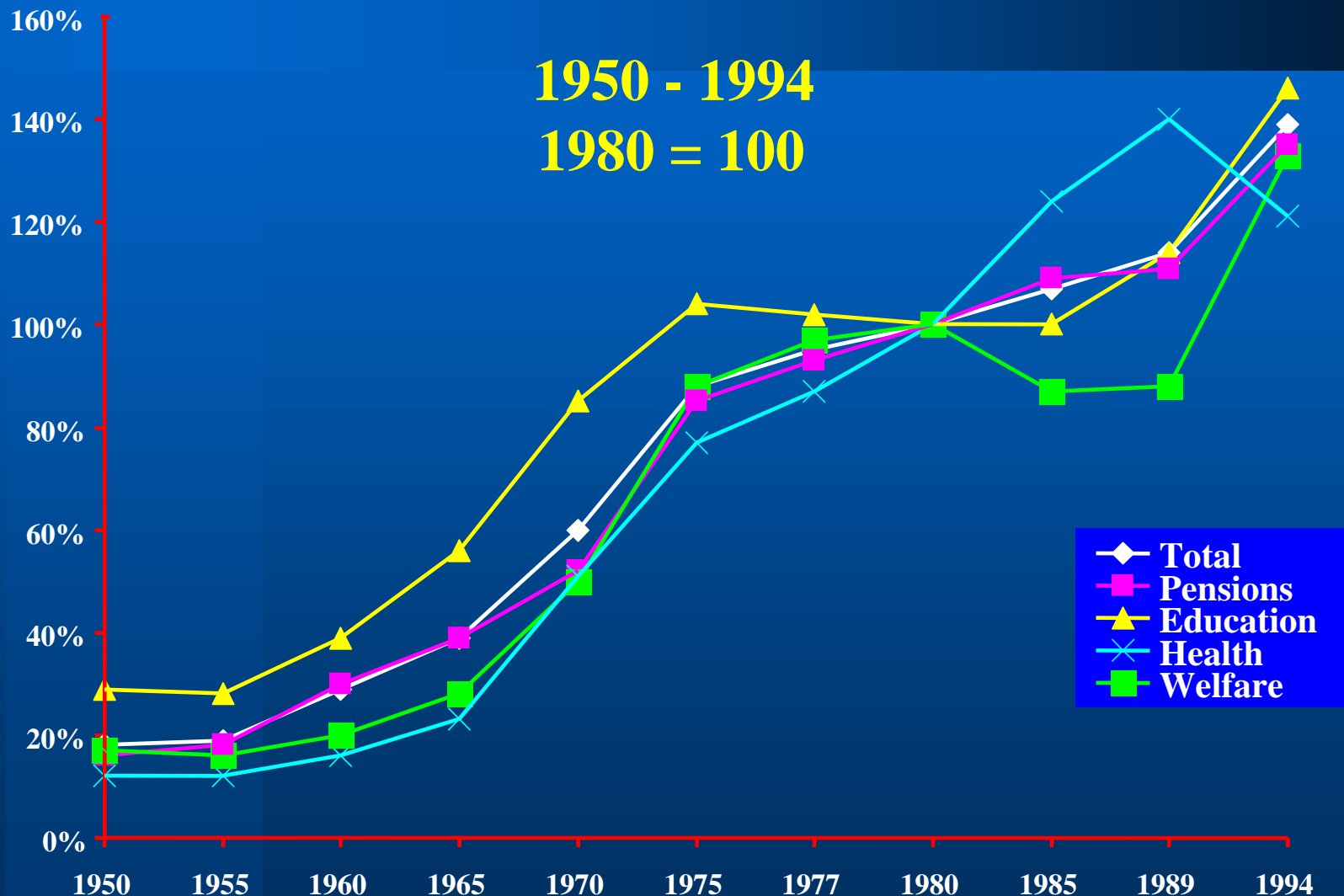
- The Service Role
- The Advocacy Role
- The Expressive Role
- The Community-Building Role
- The Value Guardian Role

CHALLENGES

- THE FISCAL CHALLENGE
- THE COMPETITION CHALLENGE
- THE EFFECTIVENESS CHALLENGE
- THE TECHNOLOGY CHALLENGE
- THE LEGITIMACY CHALLENGE

GOVERNMENT SOCIAL WELFARE SPENDING

1950 - 1994
1980 = 100





PRIVATE GIVING AS A SHARE OF PERSONAL INCOME, 1970-1995

PERIOD	Giving as % of Personal Income
1970-79	1.86
1980-89	1.78
1990-97	1.64



The State of Nonprofit America

NONPROFIT and FOR-PROFIT ROLES IN SELECTED FIELDS, 1982-1997

	% Nonprofit		% Change in
	1982 ^a	1997 ^b	Relative N/P Share
<u>Employment</u>			
Child day care	52	38	-27%
Job training	93	89	-4%
Individual and Family services	94	91	-3%
Home health	60	28	-53%
Kidney dialysis centers	22	15	-32%
<u>Facilities/Enrollment</u>			
Dialysis centers	58 ^a	32	-45%
Rehabilitation hospitals	70 ^a	36	-50%
Home health agencies	64 ^a	33	-48%
Health Maintenance orgs.	65 ^a	26	-60%
Psychiatric Hospitals	19 ^a	16	-16%
Hospices	89 ^c	76	-15%
Mental Health Clinics	64 ^b	57	-11%
Higher Education Enrollments	96 ^d	89	-7%



PUBLIC ATTITUDES TOWARD VARIOUS INSTITUTIONS

1994

2002

Institution

“A Great Deal” or
“Quite a Lot” of Confidence

“A Lot”
of Confidence

Small business

53%

The military

49

Private higher educ.

48

Health organizations

36

N/P human service orgs

33

18%

State government

21

Federal government

19

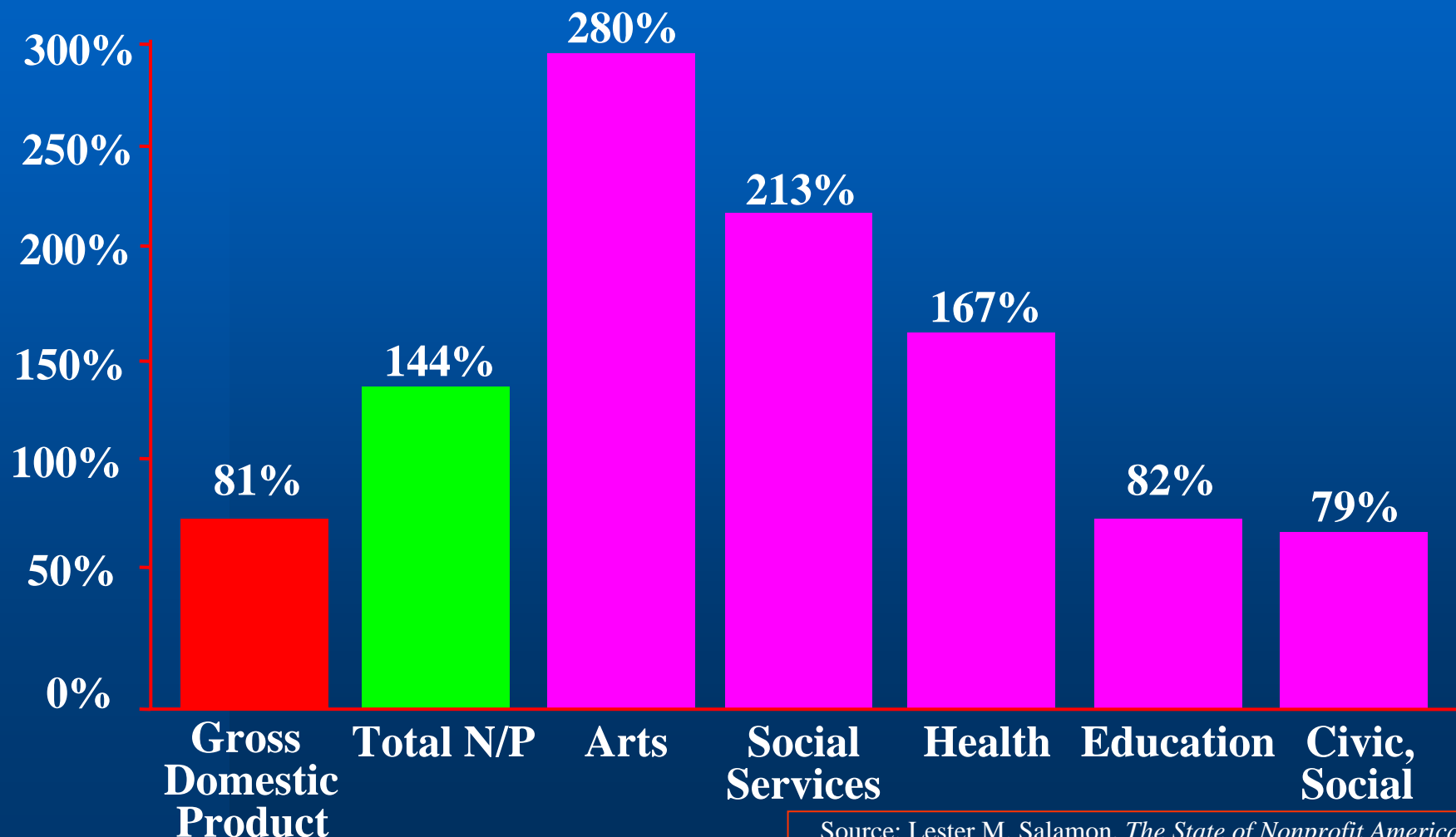
OPPORTUNITIES

- FAVORABLE SOCIAL AND DEMOGRAPHIC SHIFTS
- NEW PHILANTHROPY
- VISIBILITY AND POLICY SALIENCE
- RESUMPTION OF GOVERNMENT SPENDING GROWTH

NONPROFIT RESPONSE

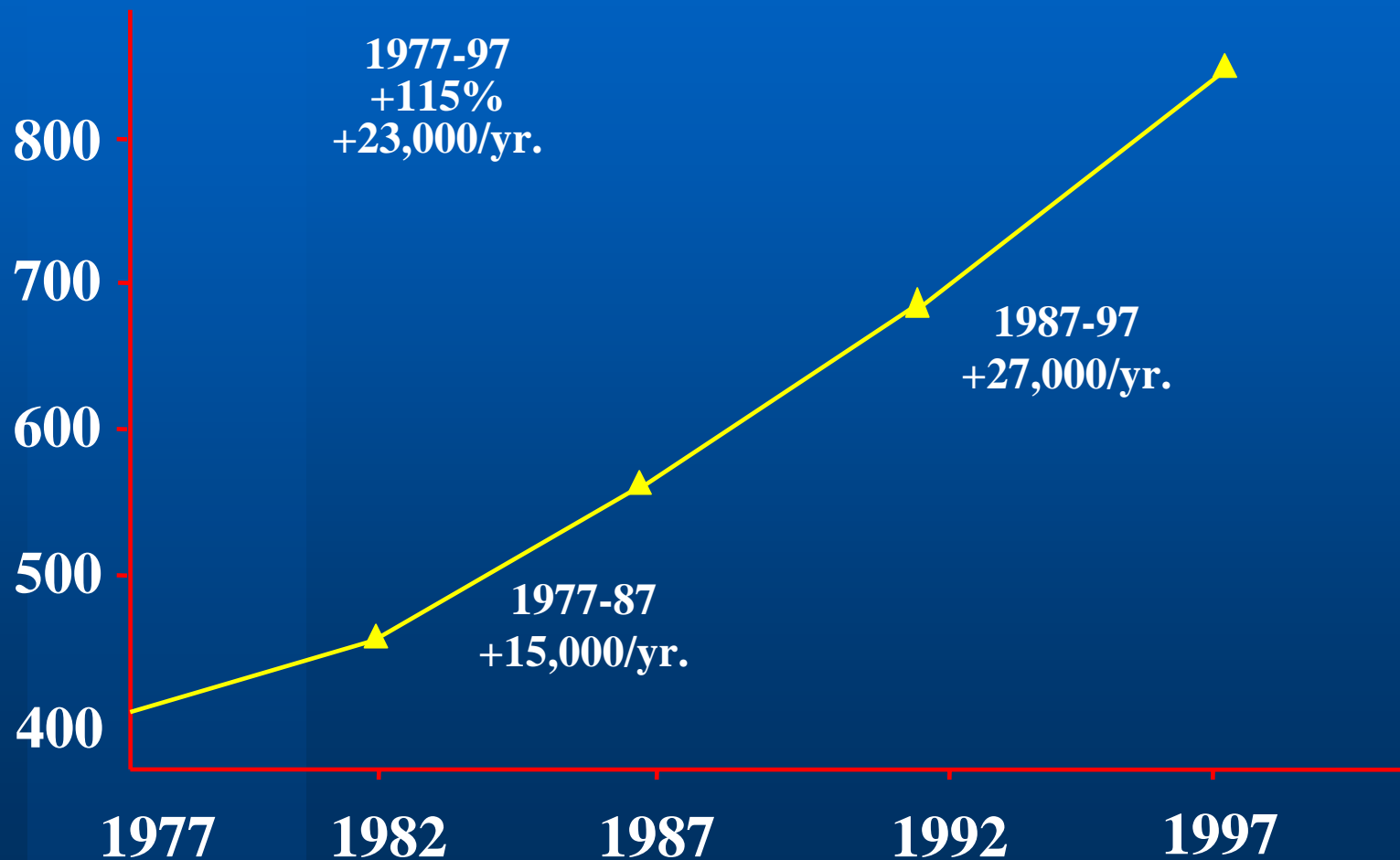
- 1) OVERALL GROWTH
- 2) COMMERCIALIZATION
- 3) PROFESSIONALIZATION
- 4) MEETING THE COMPETITION
 - For services
 - For political influence

CHANGES IN NONPROFIT REVENUES, BY SUBSECTOR, 1977-1997, IN CONSTANT DOLLARS



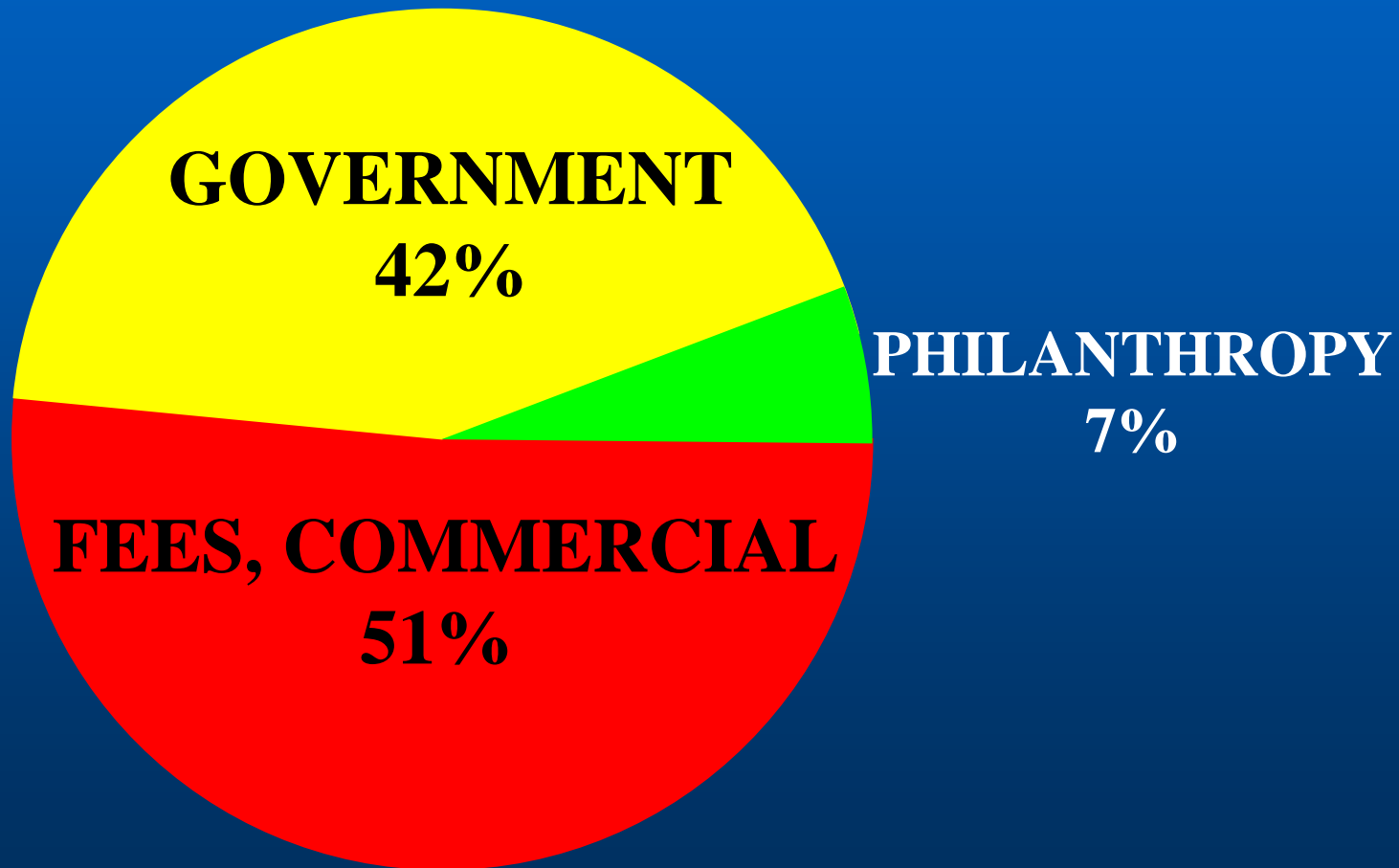
Source: Lester M. Salamon, *The State of Nonprofit America* (Washington, D.C.: The Brookings Institution Press, 2002)

GROWTH IN NUMBER OF REGISTERED CHARITABLE ORGS IN THE U.S., 1977-97



Source: Lester M. Salamon, *The State of Nonprofit America* (Washington, D.C.: The Brookings Institution Press, 2002)

SOURCES OF NONPROFIT GROWTH, 1977-1997



NONPROFIT RESPONSE

2) COMMERCIALIZATION

- Successful marketing to paying customers
- Successful pursuit of public funds
- Revolution in charitable fundraising
- Venture activity/partnerships with corporations
- Adoption of market culture

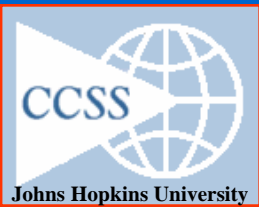
NONPROFIT RESPONSE

3) PROFESSIONALIZATION

- Infrastructure
- Fundraising profession
- Management support organizations
- Degree/certificate programs

THE RISKS

- Growing Identity Crisis
- Increased Demands on Nonprofit Managers
- Threat to Nonprofit Missions
- Disadvantaging Small Agencies
- Potential Loss of Public Trust



RESETTING THE BALANCE

- The Distinctiveness Imperative
- The Survival Imperative

CONCLUSION

“It has been said that the quality of a nation can be seen in the way it treats its least advantaged citizens. But it can also be seen in the way it treats its most valued institutions.”