



# 2021 ECONOMIC IMPACT OF SAN JOAQUIN COUNTY'S NONPROFITS

NONPROFIT CEO  
**LEADERSHIP  
FORUM**

UNIVERSITY OF THE  
**PACIFIC**

Eberhardt  
School of Business

Center for Business and Policy Research  
Westgate Center for Leadership and Management Development

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## ACKNOWLEDGMENTS

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# Glossary

<b>990 series</b>	Also known as Form 990 series, which is the series of filings all tax-exempt organizations, non-exempt charitable trusts, and section 527 political organizations must provide annually to the Internal Revenue Service.
<b>990-N</b>	Also known as Form 990-N, which is the 990 series return that can be used by tax-exempt organizations whose annual gross receipts are normally less than or equal to \$50,000.
<b>990-EZ</b>	Also known as Form 990-EZ, which is the 990 series return that can be used by tax-exempt organizations whose annual gross receipts are less than \$200,000 and whose total assets are less than \$500,000.
<b>990</b>	Also known as Form 990, which is the 990 series return that must be filed by tax-exempt organizations whose annual gross receipts are greater than or equal to \$200,000 and whose total assets are greater than or equal to \$500,000.
<b>Direct Effects</b>	Changes in expenditures (output), value (value-added), wages (personal income), and jobs (employment) directly supported by San Joaquin County nonprofits.
<b>Employment</b>	The number of full- and part-time jobs based on an annual average of monthly jobs. In other words, employment is measured as a full year of employment. Thus, three (3) temporary jobs that lasted for four (4) months are reported as one (1) job year.
<b>Indirect Effects</b>	The iterative impacts of inter-industry transactions as supplying industries respond to demand from the sector(s) where the initial expenditures occurred. An example of an indirect impact would be sales from a food supplier to a nonprofit food bank.
<b>Induced Effects</b>	Reflect the expenditures made by recipients of wages in the direct and indirect industries. Examples of induced impacts include employees' expenditures on items such as retail purchases, housing, food, education, banking, and insurance.
<b>Labor Income</b>	The sum of employee compensation and proprietor income. Employee compensation includes wages, salaries, benefits, and all other employer contributions, while proprietor income consists of payments received by self-employed individuals, and unincorporated business owners.
<b>NTEE</b>	National Taxonomy of Exempt Entities Code
<b>Output</b>	Represents the value of industry production. It accounts for the total change in the value of production in an industry for a given time. Output varies as a measure across industries. For agriculture and service sectors, the value of production equals their sales. For manufacturers, the value of production is sales plus or minus any change in inventories. While for retail and wholesale trade, the value of production equals their gross margin and not their gross sales.
<b>Value Added</b>	Equates to industry production (output) less the cost of intermediate inputs. It consists of labor income, business profits, and taxes. An industry's value added equals its contribution to Gross Regional/Domestic Product. Therefore, the sum of all industries' value added equals the Gross Regional Product.

## Dear Friends,

What we have long known is that San Joaquin County is home to over 2,000 nonprofit or community based organizations whose impact each day sustains

the livelihood of our neighborhoods, our schools, our educational and healthcare systems and provides us with the quality of life that is renewing and socially rejuvenating. Nonprofits make us a better community.

The creation of this report did not happen by accident. With the advent over two years ago of a leadership cohort, called the *Nonprofit CEO Leadership Forum* - a consortium of our counties largest and most influential nonprofit leaders, we teamed together in partnership with United Way of San Joaquin County and the Westgate Center for Leadership and the Center for Business and Policy Research at University to provide leaders in San Joaquin County with this important economic report.

What many of us do not know nor acknowledge is that nonprofits are economic power houses, not just social engines. They are contributors to the humanitarian fabric of each community they serve but are formidable employers and major contributors to the economic viability of our county.

We introduce you to this important economic report, which catalogs the power and influence of our county's nonprofits, yet equally shares the heart felt stories of how and why our nonprofits exist.

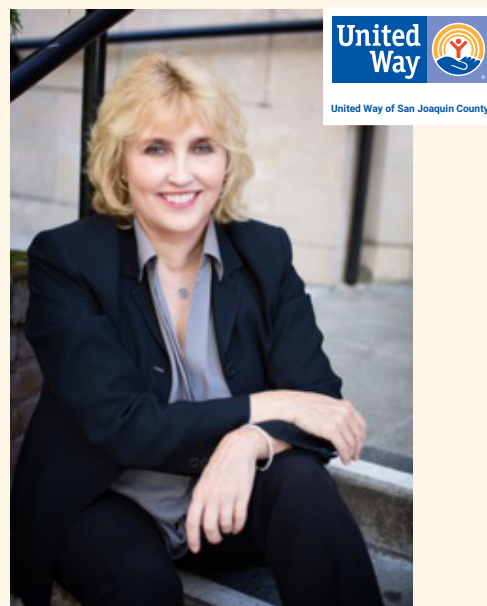
If you have a take-away from reading this impressive study please know that

the strength contained in the data on indirect and direct costs, volunteer hours, employment income or capital expansion is relevant, but the "behind the scenes" stories of impact are a testament to the human spirit of caring that emerges from each one of these nonprofits. Imagine our county without nonprofits, without a nucleus of caring agencies who if not viable would be superseded to an explosion in poverty, homelessness, and crime.

We need to be thankful every day for the gracious and compassionate work of our nonprofits and the leaders from the Nonprofit CEO Leadership Forum whose vision drives the spirit and value of those diverse organization, teams and volunteers who change lives every day.

*Kristen*

Kristen Spracher Birtwhistle  
President/CEO of United Way of San Joaquin County



**Kristen Spracher-Birtwhistle**  
President/CEO of United Way  
of San Joaquin County

## Introduction

Nonprofit organizations are integral parts of our lives, our families' and friends' lives, and the communities in which we reside. Nonprofits are the hospitals our children are born and the sports organizations and summer camps they attend. As our children grow older, nonprofits may be the elementary and high schools, as well as the colleges or universities, they attend. Nonprofits are the fabric of our community's arts and culture scene, providing music, theatre, and visual arts that inspire, reflect, and entertain. They are also social and cultural organizations, preserving and promoting the diverse heritages and recreational opportunities in San Joaquin County.

Some nonprofits are the safety nets of our community and provide resources to people in need of assistance. That help takes many forms, ranging from food and shelter to health and behavioral health care. In line with their mission and values, nonprofits advocate for racial and social justice, and they help raise awareness of a variety of issues in society while working to address them. In addition to helping people, they protect animals, our heritage and the broader environment in which we live. Member-focused nonprofits may function as a utility, credit union, a labor union, or a business association. Other nonprofits might manage your retirement benefits, your retirement community, and help you or your loved at the end of life through hospice and cemeteries.

Despite the many roles of nonprofits, their importance is often not adequately recognized. This report brings attention to San Joaquin County's nonprofits by reviewing some of their impacts on the local economy and community well-being. However, it is important to recognize two significant limitations to this analysis. Firstly, nonmonetary resources are often very significant for nonprofits. In addition to volunteer hours, donated facilities and equipment is not captured in this analysis with its focus on community expenses made by San Joaquin County's nonprofits. Secondly, this analysis focuses on quantifying economic impacts from the operations of San Joaquin County's nonprofits. While we discuss and review some of the many broader impacts of nonprofits, estimating the economic value of those broader impacts was beyond the scope of this analysis. With those limitations in mind, this analysis begins with a review of the size and scope of the nonprofit sector. The second section examines San Joaquin County's nonprofits through an economic impact analysis that highlights the sector's quantitative significance. The report concludes with discussion of some of the additional impacts of nonprofits, which include issues around equity, advocacy, and opportunity.

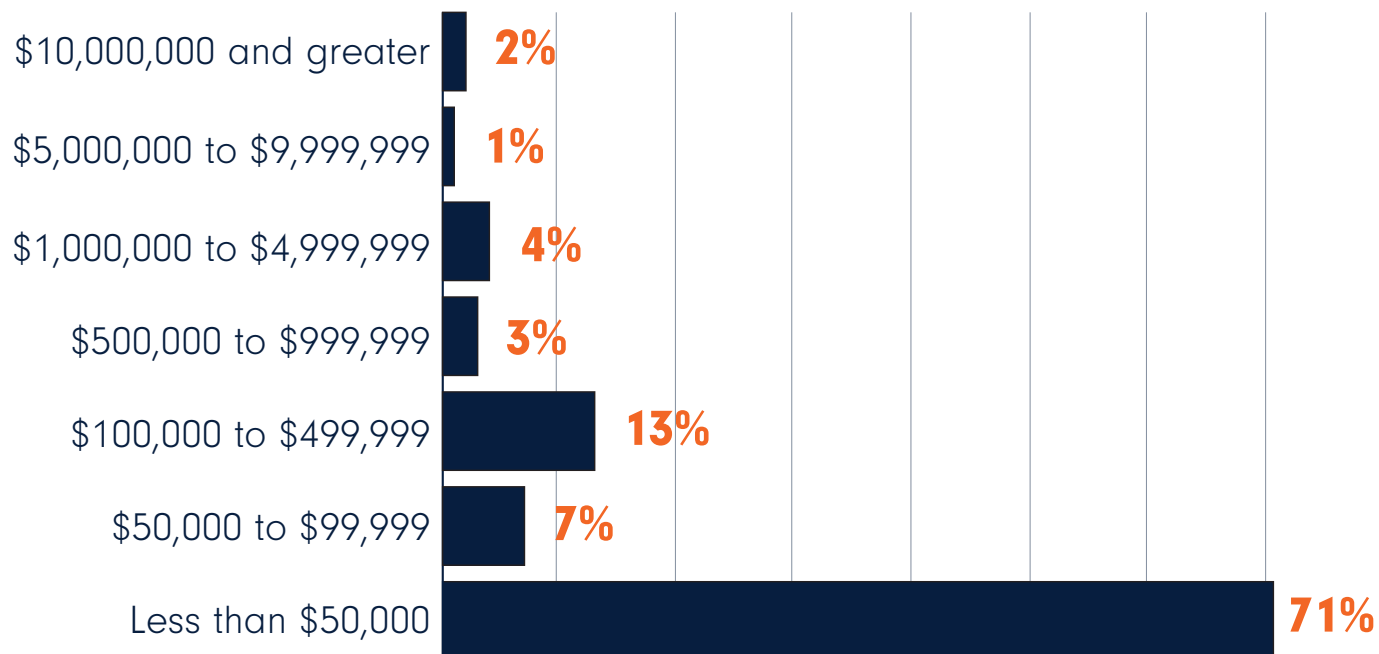
## How Many Nonprofits are in San Joaquin County?

There are some 2,585 nonprofit organizations with business addresses in San Joaquin County. Of these just over 80% are classified as 501(c)(3) or "tax-exempt charities". In addition to the tax-exempt charities, other types of nonprofits include chambers of commerce, labor organizations, membership associations, volunteer fire departments as well as similar organizations that are member and/or community serving and not driven specifically to maximize profits.

This report uses information from Federal Form 990 circa 2019 as its source of financial information. Since religious

charities (such as churches and other houses of worship) are not required to file the 990, although some do, we do not cover the impacts of religious charities in this analysis. A few other types of nonprofits are also not required to file the 990 and, during our period of analysis, there were about 125 of these other organizations within the county. With these two groups of nonprofits removed, we are left with about 1,900 nonprofits with a known annual income. Figure 1 reports those nonprofits' annual income across seven categories. It shows that in San Joaquin County, as in the rest of California and the USA, the vast majority of nonprofits have income of less than \$50,000 per year. However, despite their small total share, more than 120 nonprofit

**FIGURE 1: Annual Income Distribution of San Joaquin County's Nonprofits**



## TWO-THIRDS

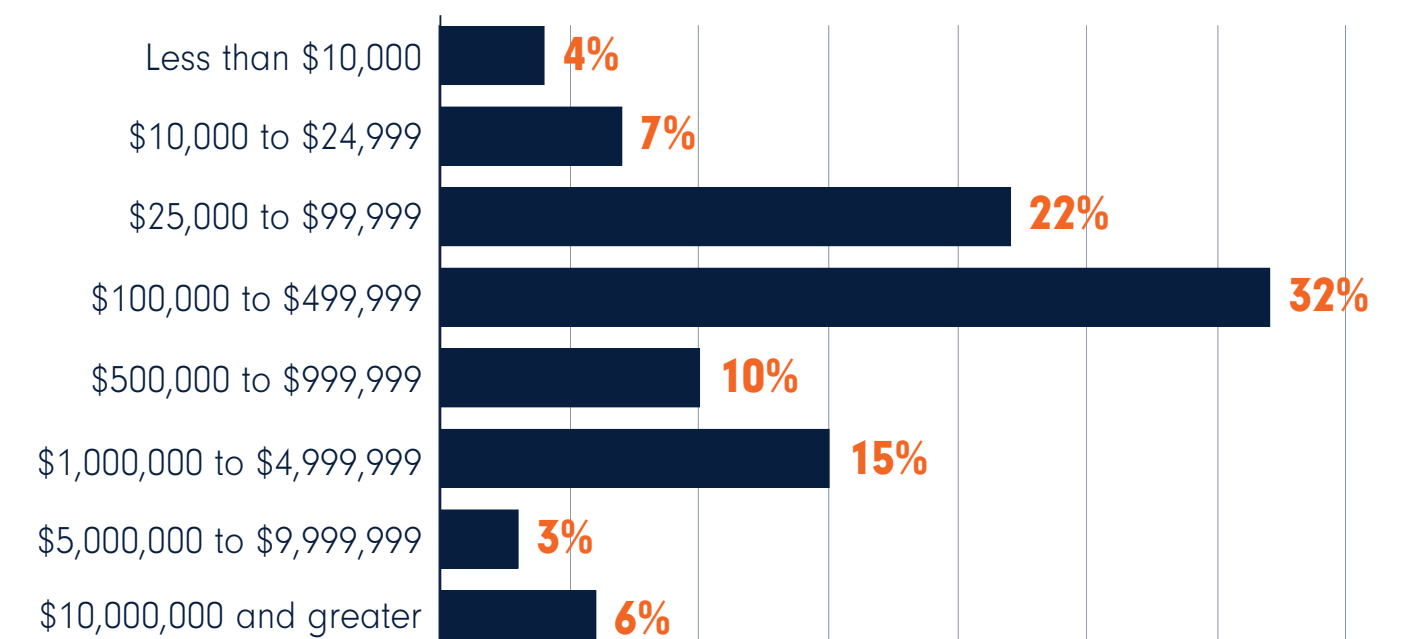
of these medium to large-sized nonprofits have assets over **\$100,000** and a quarter have assets of over **\$1 million**.

organizations in San Joaquin County reported income in excess of \$1 million per year.

In further analyzing the county's nonprofits, an additional challenge arose because nonprofits with annual income of \$50,000 or less are eligible to complete Form 990-N that does not ask for other financial information. The lack of further financial information for these smaller nonprofits

excludes approximately 1,330 additional organizations. In total then, there are 575 nonprofits in San Joaquin County with adequate financial information for analysis. Figure 2 reports the distribution of those nonprofits' assets across eight categories. It is notable that two-thirds of these medium to large-sized nonprofits have assets over \$100,000 and a quarter have assets of over \$1 million.

**FIGURE 2: Assets of San Joaquin County's Nonprofits**



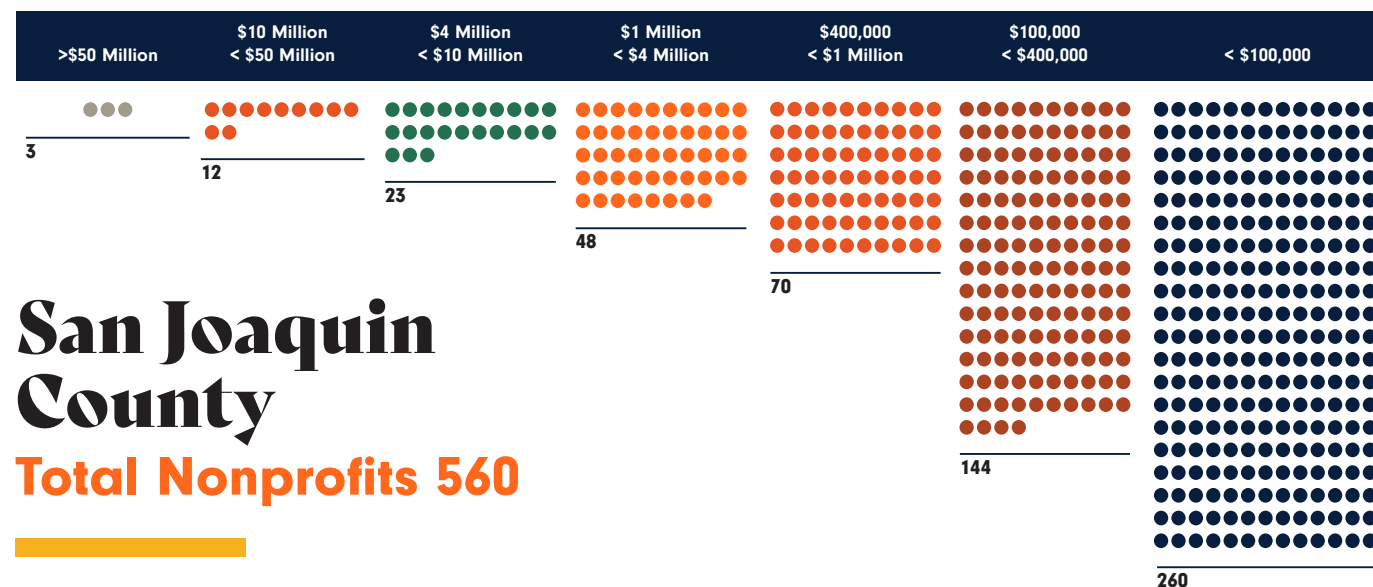
## San Joaquin County Nonprofits Economic Impact

Financial data is a useful tool to describe the size and scope of the San Joaquin County nonprofit sector. However, in examining the list of 575 nonprofit organizations, a few of the nonprofits filing 990s in San Joaquin were found to be trusts and other worker-benefit nonprofits targeting employees and retirees outside of the county. Given our interest in local impacts these organizations were also removed from the financial data used to estimate economic impacts. The county hospitals created an additional challenge. While most of them are nonprofits, typically they also encompass for-profit divisions which makes collecting information on the totality of their operations beyond the scope

of this analysis. Therefore, the economic impact of the county's nonprofit hospitals has also been excluded from the present analysis. When these two additional groups of nonprofits were removed, we were left with 560 nonprofits whose expenditure impacts were analyzed.

To analyze the impacts from expenditures associated with these nonprofits, we utilized economic modelling software called IMPLAN, which allows us to develop a model of the San Joaquin County economy. This model is effectively a general accounting system of transactions between industries, businesses, and consumers that estimates a range of economic impacts. We thereby create a complete, extremely detailed Social Accounting Matrix and Multiplier Model of the county's economy

**FIGURE 3: Distribution of San Joaquin County Nonprofits' Direct Expenditures**



**San Joaquin County**  
**Total Nonprofits 560**

**TABLE 1: Nonprofit Direct Expenditures and Count by Broad Activity Type**

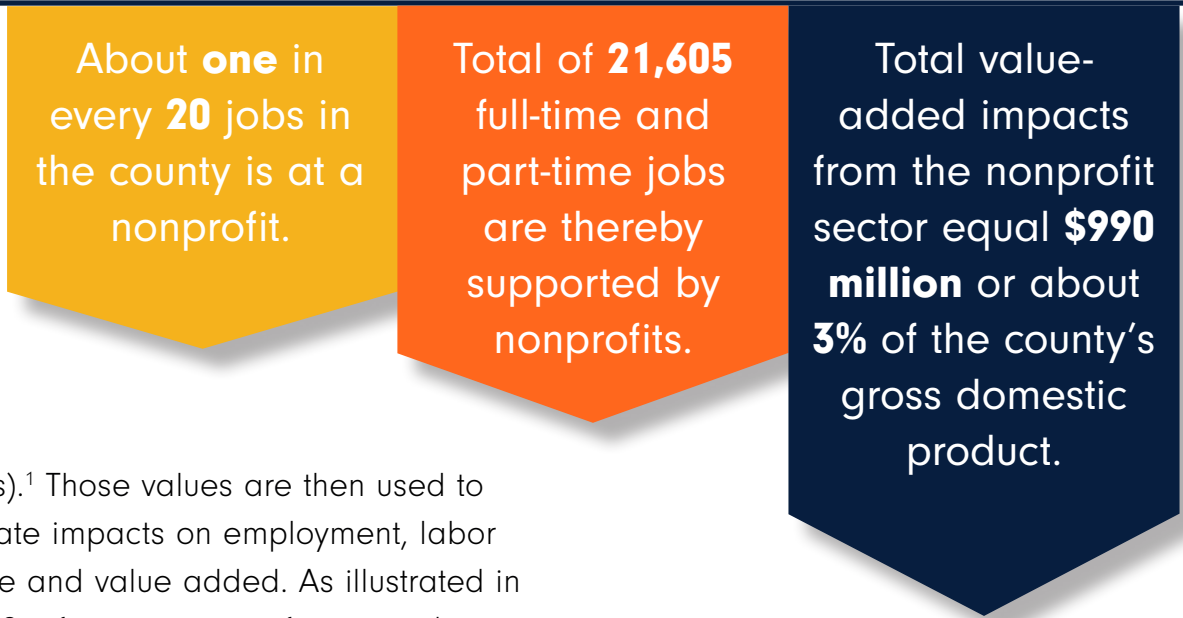
Category of Activity	Expenditures
Arts, Culture, and Humanities	\$11,400,000
Education	\$504,300,000
Environment and Animals	\$5,300,000
Health	\$102,800,000
Human Services	\$550,300,000
International, Foreign Affairs	\$1,700,000
Mutual/Membership Benefit	\$4,900,000
Public, Societal Benefit	\$96,100,000
<b>Total</b>	<b>\$1,276,800,000</b>

that enables in-depth examination of the impacts associated with the nonprofits' expenditures.

Each nonprofits' annual expenditures are reported in the 990 and 990-EZ filing data. After subtracting for fundraising costs, total expenditures by San Joaquin County's nonprofits are estimated to be \$1.28 billion or an average annual expenditure of \$2.28 million per nonprofit. As seen in Figure 3, expenditures by the vast majority of the county's medium to large non-profits are well below the average, but that does not mean that all nonprofits are comparatively small. In fact, Figure 3 shows that there are over 80 nonprofits in San Joaquin County with annual expenditures in excess of a million dollars.

The next step in estimating the economic impacts of these expenditures is to identify the types of services and goods these nonprofits produce. On their 990 filing, nonprofits are required to report their organizations' primary activity according to a National Taxonomy of Exempt Entities (NTEE) Code. Table 1 is a summary of the expenditures of San Joaquin County's nonprofits across eight broad activities based on the NTEE Codes. The complete four-digit NTEE code was then linked to the economic activities defined in our model to estimate the nonprofits' economic impact on the county.

Using the model, the direct expenditures are applied to estimate indirect and induced effects (also known as multiplier



effects).<sup>1</sup> Those values are then used to calculate impacts on employment, labor income and value added. As illustrated in Table 2, after accounting for expenditures made outside of the county, there were approximately \$1.03 billion in direct expenditures by the county's nonprofits. Those expenditures generated an additional \$600 million in indirect and induced impacts, creating \$1.63 billion in total output impact on the San Joaquin County economy.

Similarly, the expenditures are estimated to support some 17,490 full-time and part-time jobs which means that about one in

every 20 jobs in the County is at a nonprofit organization. When multiplier effects are added, a total of 21,610 full-time and part-time jobs are thereby supported by nonprofits. Table 2 also includes value-added estimates from the model. Those estimates suggest that total value-added impacts from the nonprofit sector equals \$990 million or about 3% of the county's gross domestic product.

<sup>1</sup> Please refer to the Glossary for definitions of terminology

**TABLE 2: Economic Impacts of Nonprofits on San Joaquin County's Economy**

Impact Type	Output	Labor Income	Employment	Value Added
Direct Effect	\$1,029,000,000	\$559,000,000	17,490	\$648,000,000
Indirect Effect	\$241,000,000	\$72,000,000	1,670	\$119,000,000
Induced Effect	\$359,000,000	\$113,000,000	2,440	\$223,000,000
<b>Total Effect</b>	<b>\$1,629,000,000</b>	<b>\$745,000,000</b>	<b>21,610</b>	<b>\$990,000,000</b>

Note: Component impact effects may not equal associated Total Effect because of rounding.

## Additional Impacts of San Joaquin County's Nonprofits

While economic impacts of the County's nonprofits are significant, the breadth of impacts are much wider ranging than those numbers alone. We conclude this analysis of the San Joaquin County nonprofit sector with a brief review of some of the many broader impacts of nonprofits.

### Volunteers and Diverse Workforce

Volunteers bring significant economic and intangible value to San Joaquin County's nonprofits of all sizes and types. Statewide

nonprofits each work on average with 214 part-time volunteers and 19 full-time (more than 20 hours per week) volunteers.<sup>2</sup> Beyond the jobs, these volunteers' unpaid hours of service equate to a large donation of labor income to the nonprofit sector through their direct contributions to the nonprofits' work. Volunteering also benefits the volunteers by facilitating connections to the community, building and developing social connections, as well as teaching and learning skills and building work experience.

In addition, the diversity of the nonprofits'

<sup>2</sup> California Nonprofit Survey (2018-2019)

## IMPACT BEYOND NUMBERS

Stories of how nonprofits help the community.

### CHILD ABUSE PREVENTION COUNCIL (CAPC)

It was a Saturday and over 110 degrees in Stockton. The CAPC staff was greeted through the window of a camper by 5-year-old Tina. Bags of ice are what it took to get the family to open the door of the dilapidated camper on the levee in downtown Stockton that they called home for the past seven months after a series of unfortunate events left the family of six homeless and struggling to survive.

The day before, the CAPC had encountered the family during one of the homeless outreach activities coordinated by the DA's office. Having been betrayed by unscrupulous property owners, confused by the complex regulations governing the safety nets intended to help them, and living in fear for the safety of their children while on the streets, TRUST was not easily given.

After much listening and empathizing, CAPC staff were able to convince the family that we were there to help. By showing up every day with small, thoughtful items that met their immediate needs, the parents placed their trust in the CAPC.

Through a partnership between United Way, Visionary Builders and the CAPC, this family was able to move into a home and receive intense case management services to continue their journey to permanency and stabilization.

**85%**

of Californians recognized that nonprofits improve quality of life

workforce is another important dimension of their broader impacts. According to the California Association of

Nonprofits, statewide nonprofits employ a significantly higher percentage of women and a slightly higher percentage of people of color than the overall civilian workforce.<sup>3</sup> Related to the diversity of employment is a tendency among many nonprofits to create job opportunities for marginalized groups and thereby assist in accessing untapped talent. This opportunity for steady employment reduces vulnerability and increases stability for the many diverse and marginalized populations in San Joaquin County.

### Disparities, Social Justice and Equity

Nonprofits often see themselves as mitigating disparities. They work to reduce inequalities, inequities, and injustices. Nonprofits in and of communities of color typically play many more roles than simply service providers. They are important employers, and they provide training grounds for young people and apprenticeships for leadership in fundraising, advocacy, management, and navigating complex environments. Importantly, nonprofits in communities of color often take

### GOODWILL INDUSTRIES

Although Goodwill is known for its stores that provide quality low-cost preowned items, there is another important, yet less known value created by Goodwill: providing jobs for people with barriers to employment. Today more than ever it is challenging to find quality workers. Goodwill is providing jobs to this untapped workforce and has a year-to-date retention rate of over 93%. 100% retention in 2020 and 83% in 2019.

Hear in Daniel Abrey's own words why he likes working at Goodwill Industries.

It was December 2013 and United Cerebral Palsy assisted in placing me here. They help people find and keep employment.

Before Goodwill I was struggling to find a job for four years. Things are going really well for me now. I've been talking to more people, which helps with my confidence. Before I came to Goodwill, I was always the shy type and now I'm more open to other people. I'm really good at putting new stuff out, pulling the old stuff, and reorganizing the store. And if I'm pulling but someone needs me to do something else so we can speed up production, I will always help and do what's best for the store and the team.

I was Employee of the Month twice in November 2014 and again in April 2018!

**"He has really come a long way in so many areas, particularly in his confidence. He's great at customer service, and really focuses on safety and his surroundings. Daniel is a valued part of our team. Every day he amazes us. He INSPIRES me."**

—Angelina Arias, Supervisor



### VISIONARY HOME BUILDERS OF CALIFORNIA, INC. (VHB)

Throughout the past year while dealing with the devastation of COVID-19, VHB was recognized by Dignity Health for their efforts in supplying the community with Personal Protection Equipment (PPE) to fight the pandemic and reduce illnesses, particularly in the agricultural and farm labor community developments. In addition, staff suited up with hazmat protection gear to move 54 families (216 individuals) into a new development in Oakdale. All measures of protection were put into place to ensure that families would be able to access their new homes without delay and compromising anyone's health.

Over 90,350 children's books have been donated to the community and the children who reside at VHB properties. Twenty-six 'Little Libraries' have been placed at each VHB property and books continue to be replenished every month for children to access. VHB has partnered with community members to assist in their efforts to provide backpacks, school supplies, food, COVID-19 testing and vaccination events, and PPE to thousands of individuals in the community.

### COMMUNITY MEDICAL CENTERS (CMC)

A distressed mother has an urgent request: Her 8-year-old son, who has leukemia, is due for treatment at the hospital but they cannot admit him without COVID-19 test results. It's late in the afternoon but CMC staff keep the testing site open until she and her son can get there. Staff expedite the results, pay for the family's Lyft ride home, and ensure the child can get the care he needs.

A 51-year-old man is recovering from substance abuse disorder and can't pay the rent because his financial aid is late. The man is in danger of being evicted from the clean-and-sober facility where he is recovering. His case manager at CMC steps in and finds funding for the man, who now takes classes at Delta College. He plans to become a substance-abuse counselor.

a power-broker role for the community with local government, local businesses and philanthropists.

Beyond the economics, nonprofits work to improve the quality of life, culture, knowledge, values, and morality of society. Indeed, 85% of Californians recognized that nonprofits improve quality of life.<sup>4</sup> They champion causes often otherwise left unaddressed. They serve as a safety net and stopgap, they raise awareness of important issues and inspire action. They build coalitions and uplift, mobilize, and empower communities, including those most in need and most vulnerable. They advance social justice and equity by centering their mission and values above economic profit incentives.

### Nonprofits, Public Confidence and Advocacy

Nonprofits engage in public dialogue – staff and volunteer leaders meet with public officials, participate in policy coalitions, speak at hearings, and take positions on policy matters that affect their constituents, values, and mission. While the services produced by nonprofits are important, they also often have an important role advocating for values and working to reduce inequality and inequity.

While nonprofits are frequently seen as serving their communities directly, research reveals that nonprofits also serve their

<sup>3</sup> Causes Count: The Economic Power of California's Nonprofit Sector (2019)

<sup>4</sup> Causes Count: The Economic Power of California's Nonprofit Sector (2019)

communities by standing up for them in the broader public policy arena. Reflective of this role, Californians trust nonprofits more than government and for-profit businesses. Indeed, 99% of Californians think nonprofits are important to society—and 71% of Californians think they are very or extremely important.<sup>5</sup>

### Government and Nonprofits

Government and nonprofits often partner to serve their communities, but at the same time nonprofits build diverse coalitions and advocate to government on behalf of those communities. Government also has other distinct roles with nonprofits, including the funding nonprofit services and regulating their operation. In addition to healthcare, state and local government strategically use nonprofits to facilitate delivery systems in human services, education, environment, the arts, and animal welfare.

At a county level, governments across California dedicate between one and 15% of their budgets to nonprofits. Whereas 34% of nonprofits in the San Francisco Bay Area receive government funding, just 6% of nonprofits in the San Joaquin region receive government funding, which reflects and helps perpetuate disparities that negatively impact communities of color, poorer communities, and rural communities. While government funding is an important and significant portion of many nonprofits' revenue, it is often nonprofits who bring together a variety of funding opportunities to an applied outcome.

5 Causes Count: The Economic Power of California's Nonprofit Sector (2019)

**34%**  
of nonprofits in the **San Francisco** Bay Area receive government funding, just

**6%**  
of nonprofits in the **San Joaquin** region receive government funding

### EMERGENCY FOOD BANK



Throughout the Pandemic of 2020-21 the Emergency Food Bank has made adjustments in the way food is distributed to keep clients, volunteers and staff safe during the COVID-19 Emergency. They moved to "Touchless Tailgate" delivery, which has staff on the street conducting intake on laptops, clients remaining in their cars and National Guard volunteers filling the trunks of the cars with food. On average, 250 vehicles, representing approximately 950 family members are served within 3-hour timeframe 5 days a week.

They have added Pop-Up pantries that serve church sites and 6 homeless encampments (in partnership with the United Way). Watch this 1-minute video of their Food Bank crew serving 170 homeless clients. <https://bit.ly/3toUVDQ>

They are proud to be a part of a multi-organization partnership with Community Medical Clinics, El Concilio, PHI-Community Wellness Centers and Abbot Fund (Foundation arm of Abbott Laboratories). Currently 400 patients have been recommended by CMC to receive DoorDash deliveries of specific food boxes and educational Zoom support by our nutrition educators. This project will grow to 5 distribution hubs in 5 specific Stockton neighborhoods serving over 3,000 clients with diabetes. In addition, a similar educational campaign with Health Net was established for patients with high blood pressure. All of the changes have enabled the food bank to handle a 43% increase in demand for food.

### BOYS & GIRLS CLUBS OF TRACY



"I have such big respect for all of you at Boys & Girls Clubs of Tracy because you called to check on our family during COVID and you asked what we needed. I was in tears when I got off the phone call because I couldn't believe you took the time to see how my family was doing. Staff was ready to give me any resources and food, whatever I needed. I was able to come by and get food boxes at the Club which really helped my family. My daughter enjoyed being on Zoom for the virtual programming at the beginning of the pandemic and was able to start attending the small cohort that opened in-person in the summer. Being able to come to the Club allowed my daughter to be a kid again. No matter what was going on around her, she was able to have fun, play with her friends, learn and be a kid. I can't thank the Boys & Girls Clubs of Tracy enough for all they do for my daughter."

- Parent, Central Boys & Girls Clubs of Tracy





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**SUPPORTED BY NONPROFIT CEO LEADERSHIP FORUM:**

Boys & Girls Clubs of Tracy

Child Abuse Prevention Council of San Joaquin  
County

Children's Home of Stockton

Community Medical Centers

El Concilio (Catholic Council for the Spanish  
Speaking of the Diocese of Stockton)

Emergency Food Bank

Family Resource & Referral Center

Goodwill Industries of San Joaquin Valley, Inc.

Gospel Center Rescue Mission

Hospice of San Joaquin

Second Harvest Food Bank

St. Mary's Dining Room

United Way of San Joaquin County

Visionary Home Builders of California

Women's Center Youth & Family Services

YMCA of San Joaquin County