Communicating Your Economic Impact: Identifying Trends & Customizing Data

CT Nonprofit Conference
October 2, 2018
Overview

• Global Trends
• National Trends
• U.S. Industry Changes
• Connecticut’s Economy
• Nonprofit Sector
Global Trends

Strengthening Economic Activity as a Whole
Percentage of World GDP

Source: World Development Indicators Database, World Bank, Feb, 2017

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World Output Estimates

Source: World Economic Outlook, October 2017
National Trends

Economic growth trends
2018 Q2 U.S GDP Components

- Personal consumption expenditures: 64%
- Gross private domestic investment: 17%
- Government consumption expenditures and gross investment: 16%
- Net exports of goods and services: -3%

Source: St. Louis Fed
U.S. Stock Market

S&P 500 Index

2,846.13 +5.44 (0.19%) ↑
Aug 17, 12:01 PM EDT - Disclaimer

Source: Google Finance
U.S. Housing Market

S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index

Source: S&P
U.S. Consumer Confidence

Source: Trading Economics
U.S Industry

Affects How Businesses Anticipate Consumer Demand, Profitability and Competitiveness
Retail: 25% of U.S. Malls to Close by 2022

Unit Closings (Full Year Estimate)

Source: Credit Suisse
Warehousing

- Rapid delivery
- Smaller packages
- Variety of goods

VS.

Large number of same goods on pallets
Financial Services

New trends:

- User friendly online interface
- Fewer/no local bankers
- International expansion

Longer-term goals:

- Enhancing cyber security
- Responding to breaches in a transparent and customer friendly way
• Automation and robotic technology becomes more widespread for manufacturing businesses
• Will cause disruption or displacement of jobs but will also create approximately 15 million new jobs in the U.S. over next ten years
Construction – Slow Growth

ADVANTAGES OFFSET BY CHALLENGES

Technology advancements:
Drones, self-driving vehicles, visualization software and hardware

Increased costs in raw materials and labor
Why Millennials Aren’t Buying Homes?
Housing is less affordable for millennials

Source: BofA Merrill Lynch Global Research, National Association of Realtors, Census Bureau
Student debt makes it hard to take on a mortgage loan
Millennials are spending more on renting

Table 1: Changes in the composition of consumer spending from 2004 to 2015 for 25-34 year olds (share of consumer basket, %)

<table>
<thead>
<tr>
<th>Category</th>
<th>2004</th>
<th>2015</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owned shelter</td>
<td>11%</td>
<td>8%</td>
<td>-2.6%</td>
</tr>
<tr>
<td>Apparel</td>
<td>5%</td>
<td>4%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Transportation</td>
<td>20%</td>
<td>19%</td>
<td>-1.1%</td>
</tr>
<tr>
<td>Food at home</td>
<td>7%</td>
<td>7%</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Furnishing</td>
<td>4%</td>
<td>3%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Entertainment</td>
<td>5%</td>
<td>5%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Food away from home</td>
<td>6%</td>
<td>6%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Household operations</td>
<td>2%</td>
<td>3%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>4%</td>
<td>5%</td>
<td>1.8%</td>
</tr>
<tr>
<td><strong>Renter shelter</strong></td>
<td><strong>9%</strong></td>
<td><strong>12%</strong></td>
<td><strong>3.2%</strong></td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics Consumer Expenditure Survey
Millennials are more likely to live with their parents
Connecticut
Modest Economic Growth Yet Needs a Boost
Top 10 CT Industries

Percentage of 2016 GDP

- Finance, Insurance, Real Estate, Rental and Leasing: 27.5%
- Professional and Business Services: 12.1%
- Manufacturing: 10.9%
- Government: 10.5%
- Educational Services, Health Care and Social Assistance: 10.1%
- Wholesale Trade: 6.5%
- Retail Trade: 5.5%
- Information: 5.1%
- Construction: 3.2%
- Arts, Entertainment, Recreation, Accommodation and Food Services: 3.2%

Source: U.S. Bureau of Economic Analysis, Nov. 2017
CT 2016-2017 Employment Change

Source: CT Department of Labor
CT Median Household Income

Source: U.S Census Bureau
CT Resident Population

In Thousands

Resident Population in CT

Source: Federal Reserve Economic Data
CT Population by Age

Source: U.S Census Bureau
CT Population by Race

Source: U.S Census Bureau
CT Native and Foreign Born

Source: U.S Census Bureau
Components of Population Change Pre- and Post-recession

Housing Unit Vacancy Rates

Source: U.S. Census Bureau
Education Attainment: CT and U.S.

Education Attainment for Population 25 and over, 2016

Source: U.S. Census American Community Survey
Education Attainment: CT and Cities

2016 Educational Attainment by Cities and State

Source: American Community Survey
Unemployment Rate: CT and U.S.

Source: US BLS
## CT Employment Changes by Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>2017 Employment</th>
<th>12-14</th>
<th>14-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health care and social assistance</td>
<td>267,590</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Total Government</td>
<td>227,238</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail trade</td>
<td>183,501</td>
<td>↑</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>158,810</td>
<td>↓</td>
<td></td>
</tr>
<tr>
<td>Accommodation and food services</td>
<td>128,235</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>100,207</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional and technical services</td>
<td>96,354</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Administrative and waste management</td>
<td>89,707</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Other services, except public administration</td>
<td>64,284</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>62,553</td>
<td>↓</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>58,311</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Educational services</td>
<td>57,860</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Transportation and warehousing</td>
<td>46,012</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Management of companies and enterprises</td>
<td>32,309</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Information</td>
<td>31,513</td>
<td>↑</td>
<td></td>
</tr>
<tr>
<td>Arts, entertainment, and recreation</td>
<td>28,285</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Real estate and rental and leasing</td>
<td>19,864</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Utilities</td>
<td>5,333</td>
<td>↑</td>
<td></td>
</tr>
<tr>
<td>Agriculture, forestry, fishing and hunting</td>
<td>4,767</td>
<td>↑</td>
<td></td>
</tr>
<tr>
<td>Mining</td>
<td>538</td>
<td>↓</td>
<td></td>
</tr>
<tr>
<td>Nonclassifiable establishments</td>
<td>498</td>
<td>↑</td>
<td></td>
</tr>
</tbody>
</table>

Source: CT DOL
Nonprofit Sector
Impacts economies on multiple levels
# Nonprofit Organizations

<table>
<thead>
<tr>
<th>501(c)(3) Public Charities</th>
<th>501(c)(3) Private Foundations</th>
<th>Other Exempt Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts, higher education, hospitals, human services &amp; more • Register with IRS • Unregistered</td>
<td>• All must register and file • Most rely on investment income generated from their endowments</td>
<td>• 501(c)(4) Social Welfare • 501(c)(5) Labor unions, farm bureaus &amp; more • 501(c)(6) Business leagues • 501(c)(7) Social &amp; recreational clubs • 15-20 other small categories</td>
</tr>
</tbody>
</table>

Source: National Center for Charitable Statistics
Sectors in the Non-Profit Industry

The largest sector within the nonprofit industry in terms of economic value and employment is Health Services.
Data That Matter to Nonprofits

To Identify Donors and Volunteer Data
U.S Census- American Community Survey
• Educational Attainment
• Income
• Real estate ownership
• Population working part time

To Evaluate Goals, Activities, Short-term and Long-term Outcomes
• Surveys
• Demographic and economic data
• Economic impact assessments
• Feasibility studies
Facts and Figures about the Nonprofit Industry

1.6 Million

From churches to food banks to cultural centers, there are more than 1.570.000 tax-exempt 501(c) organizations in the United States.

10% of the workforce

Behind only manufacturing and retail, the charitable sector is the third largest workforce in the U.S. It provides 11.4 million jobs and employs 10 percent of the nation’s population.

https://independentsector.org/about/the-charitable-sector/
CT Ranks #12 in Nonprofit Employment

Employment as percentage of labor force

Source: Bureau of Labor Statistics; Calculated by CERC
Largest Nonprofit Organizations in CT

Largest Nonprofit Organizations by Total Assets

- Yale University
- Yale New Haven Hospital
- Hartford Hospital
- Quinnipiac University
- Wesleyan University
- Hartford Health Care Corporation
- Trinity College
- Danbury Hospital

Source: The National Center for Charitable Statistics
Facts and Figures about the Nonprofit Industry

$193 Billion
In 2016, Americans contributed approximately $193 billion in value to their communities through volunteer hours.

$24.14 per hour
Each hour volunteered generated $24.14 in value.

63 Million Volunteers
Twenty-five percent of America's adults volunteer their time, talent, and energy to making a difference in their communities.

$390 Billion
Americans are generous. Total charitable giving in the U.S. in 2016 was about $390 billion, a 2.7 percent increase from the previous year.

https://independentsector.org/about/the-charitable-sector/

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The Nonprofit Sector in Connecticut

<table>
<thead>
<tr>
<th>Number of Connecticut Nonprofit Organizations</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>All Nonprofit Organizations</td>
<td>18,602</td>
</tr>
<tr>
<td>501(C)(3) Public Charities (Includes Some Religious Organizations)</td>
<td>11,860</td>
</tr>
<tr>
<td>501(C)(3) Private And Public Foundations</td>
<td>1,770</td>
</tr>
<tr>
<td>Other 501(C) Nonprofit Organizations</td>
<td>4,972</td>
</tr>
</tbody>
</table>

Source: independentsector.org
Economic Impact of CT Nonprofit Sector

- Employs 14% of state labor force
- Holds $121B in assets
- Generates $37B in annual avenues
- Each year, CT residents give $3.4B to charity
- CT foundations give over $999M annually

Source: independentsector.org
Analyzing Your Nonprofit’s Impact

• Economic impact of jobs, investments, capital
• Client, volunteer and/or donor satisfaction and progress toward goals
• How a population has changed or succeeded over time given economic conditions
Looking Ahead

• **World:** steady economic growth
• **U.S.:** rising consumer spending, low unemployment, overall robust economy
• **CT:** sluggish economy relative to the nation
• **Nonprofit sector**
  • Show relevance and impact to communicate with stakeholders
  • Tell a story with data: economic, demographics, survey and impact data
Thank You

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