

Many happy returns

Study: County profits from nonprofits

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Lancaster County's nonprofit organizations are a vibrant part of the local economy and have a huge positive impact on the county's gross annual product and job market.

Those are the preliminary findings of a study on the impact of nonprofit groups on the county's economy conducted by the Center for Local Economy at the Center for Opinion Research at Franklin & Marshall College.

The preliminary report was delivered Thursday to some 150 representatives of nonprofit organizations from the city and county during a program sponsored by Lancaster County Community Foundation.

The purpose of the event was to introduce the group leaders to LeadWell, a new foundation program whose goals are to provide techniques and guidance that will allow the directors of local nonprofits to strengthen and improve their organizations. The report on nonprofits was delivered by Antonio Callari of the Center for Local Economy, who said local nonprofits raised \$1.7 billion in 2005. Of that, \$79 million was from government sources and \$171 million from public contributions.

On the other side of the ledger, nonprofits in 2005 spent \$259 million on administrative costs and \$1.3 billion on providing programs and services to county residents.

That figure is 84 percent of expenses, Callari said, which is "very nice."

"That's a very good performance level," he said, "so when people give you money, you can tell them where it is going."

The nonprofit groups provide 21,584 jobs of the county's total work force of 221,246, making nonprofits the fourth-largest employment sector, ahead of the hotel and food industry, construction, wholesale trade and agriculture.

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Those employees, as well as the nonprofit groups themselves, pump \$2.6 billion a year back into the local economy, a figure that amounts to 14 percent of the county's gross annual domestic product.

All of which, Callari said, "generates additional jobs."

"That's a significant direct economic impact," Callari said.

Callari said the study used figures from Internal Revenue Service, Pennsylvania Department of Labor and Industry and U.S. Department of Commerce.

Principal speaker for the event was Robert Egger who in 1989 founded the DC Central Kitchen in Washington, D.C.

His organization gets surplus or unserved food donated by restaurants, cafeterias and hotels and provides more

than 4,000 meals a day for the needy. It also offers a 12-week job-training program in which people work alongside a chef, learning to prepare food.

Egger said programs like LeadWell are "really rare" and that nonprofit directors should "take this kind of opportunity for the gift that it is."

He feels nonprofits, though they constitute a large segment of the job market and help the economy, suffer from a self-inflicted weakness.

Even the word "nonprofit," he said, perpetuates a stereotype and "internalizes a feeling of inferiority."

"That very word makes us feel weak, humble, quiet," Egger said.

"Any other industry of our size and scope in America would be a roaring force politically and economically. We're nowhere near that. We have to wake up."