Alaska’s Nonprofit Sector: Generating Economic Impact

January 2018

The Foraker Group
A note to policy makers: Alaska’s nonprofit sector represents a wide variety of organizations that provide public service and have an impact on the lives of nearly everyone living in the state. Although most Alaskans do not think of nonprofits as an economic powerhouse, they play a critical role in the state’s economy both as major employers and as revenue generators. No industry in Alaska can prosper without the nonprofit sector. We provide both a financial and social return on investment by leveraging public and private resources. We are part of the healthcare, utilities, fisheries, and oil and gas industries, and provide essential services such as firefighting, early child care, basic utilities, housing, and food security – just to name a few. We are the safety net across Alaska. Every Alaskan is the beneficiary of a nonprofit because nonprofits are woven into the fabric our communities.

Nonprofits – part of the solution for a healthy Alaska economy

Given the state of Alaska’s economy, nonprofits are not only waiting on solutions from government, they are changing the story today – becoming more creative, spurring innovation, and looking for efficiencies. Five themes in this report show how we’re doing our part. **We are ready to work with you – as a partner – for all Alaskans.**

Nonprofits are a major economic driver

Nonprofits are a significant source of Alaska jobs. We often lose sight of this because nonprofits are not considered to be a single industry. When the state tracks jobs, it classifies them by industries – oil and gas, tourism, healthcare – not by the sector where the work originates – nonprofit, government, or for-profit. In fact, all three sectors are integrated, and a vibrant nonprofit community helps generate jobs, both directly and indirectly, in all the state’s industries. When nonprofits spend money on supplies, services, or payroll, it circulates around the state creating more jobs. **We create jobs for Alaskans and their families.**

Nonprofits leverage public funds for maximum return

While Alaska’s nonprofits are resourceful and innovative, many struggle to meet the increasing demand for services as state and local governments cut programs and federal funding falls flat. Nonprofits are doing their best to carry out their critical role in the community. Their use of earned income, private philanthropy, and limited public resources is judicious. Every day nonprofits work to maximize and leverage each resource. **This is a public/private partnership that must continue.**
Nonprofits ensure community well-being and quality of life
Prosperous economies and healthy communities create a rich quality of life. As a partner to local governments and industry, Alaska nonprofits provide essential services like medical care, housing, and utilities. Nonprofits also bring us joy and purpose through art, religious and cultural expression, education, and recreation. Let’s celebrate nonprofits for caring for our people, our pets, and our planet. Together, we can foster healthier and more prosperous communities.

Nonprofits provide community investment and civic engagement
The economic engine of philanthropy from foundations, corporations, and individuals coupled with Alaska’s high rate of volunteerism has a powerful influence on programs, infrastructure, education, and jobs across Alaska. At the same time, local, state, and federal policies have a profound impact on philanthropy as does any financial investment from government. Each donation leverages another. We need to be realistic and excited about the possibilities for growth, while understanding that philanthropy alone cannot replace the role of government. To increase Alaska’s civic engagement and private investment, we need to work together to encourage – not stifle – philanthropy of all kinds.

Nonprofits partner with government in delivering essential services
Nonprofits work hand-in-hand with government to deliver essential services. Federal, state, local, and tribal governments often contract with nonprofits to perform key responsibilities efficiently and effectively. Particularly in rural and unincorporated areas, nonprofit organizations deliver a variety of public services – like public safety, water and sanitation, fire service, and workforce development – that normally are associated with government. This social safety net strengthens the fabric of Alaska communities. This is the time to infuse government resources into nonprofit organizations to maintain critical public services.

It is a challenging time in our state – our resources are limited, our safety net is thin, and the tendency to cut rather than invest is high. Today, we can change that story.
Take action

Nonprofits, like all other businesses, want a stable and healthy economy that ensures all of our communities thrive. As policymakers, your decisions have significant impacts on how Alaskans live, prosper, care for their families, and find value in their lives. You bear serious responsibility to serve our state and people while shepherding our financial resources. You have an opportunity to strengthen the state through the nonprofit sector.

Today we call on you to:

1. Use the data in this report to better understand the economic impact of Alaska nonprofits as you develop public policy.

2. Engage nonprofit leaders in finding solutions to our common challenges and strengthening what works for Alaska.

3. Use the stories here as a reminder that the sector is a place of innovation and opportunity if we nurture rather than stifle it.

4. Use your position of influence to stabilize our safety net, secure our points of leverage, and collaborate to maximize our resources.

5. Enact a stable, long-term fiscal plan for Alaska to ensure a vibrant place for all Alaskans to work, grow, and engage.
Gathering the data
This is the fourth economic impact study conducted by The Foraker Group. Every three years we embark on this analysis to better inform policy makers, industry, and nonprofit leaders about Alaska’s nonprofit sector. This report requires an enormous amount of research to produce because no single source exists for comprehensive data on the sector at either the state or federal levels. We are confident that we are using the best and most trusted sources available for both raw data and research from the field. Those sources include the IRS, State of Alaska Department of Labor, U.S. Census Bureau, National Center for Charitable Statistics, Institute of Social and Economic Research, and our new partners at the Center for Economic Development, a program of the UAA Business Enterprise Institute. The data in this report is from 2015-2016, the last years when complete data sources were available. While we make every attempt to replicate the data from one report to another, the data sources do shift as better information is available. Therefore, we will note when direct comparisons are valid from one report to another.

The economic impact of Alaska nonprofits is significant

The nonprofit sector at a glance

**44,100**
directly employed in Alaska

In 2015, the nonprofit sector directly employed 44,100 Alaskans. Counting indirect and induced effects, nonprofits were responsible for sustaining 66,700 jobs in the state. If nonprofits were treated as their own industry, they would be the second largest source of non-government employment behind oil and gas in Alaska.

**17%**
of all employment in Alaska

Nonprofits make up 17% of all employment in Alaska, compared to the national average of 10%. Over a quarter of the non-government employment in the state is tied to nonprofits through indirect and induced effects.

**UP TO 40%**
of all employment in rural Alaska

Nonprofits are the largest source of employment in many rural communities. In three rural census areas in Western Alaska, nonprofits make up over 40% of all direct employment.

**STRENGTHENING Alaska’s industries**

Alaska’s major industries – oil and gas, mining, seafood, and the visitor industry – all benefit from nonprofit organizations. Industry and trade associations, convention and visitor bureaus, oil spill response organizations, and aquaculture associations are some examples of nonprofits making Alaska’s industries stronger.
Who are Alaska’s nonprofits?

When most people think about nonprofits, they focus on the 501(c)(3)s - or charitable nonprofits with missions like health, arts, conservation, or education. While the majority (70%) of Alaska’s nonprofits are charitable, it is important to note that the other types of nonprofits are large contributors to the economy. These other nonprofit classifications include:

- 501(c)(4) organizations like civic leagues and volunteer fire departments
- 501(c)(6) business leagues like chambers of commerce
- 501(c)(12) entities such as electric utilities
- 501(c)(14) entities like state-chartered credit unions

We invite you to look around and see the nonprofits that impact your life every day in Alaska. **We are working hard alongside you to make Alaska work.**
Understanding the total number

In our last report, we noted that the number of nonprofit organizations in Alaska had fallen significantly between 2007 and 2013. In large part this was the result of a 2010 IRS rule that disbands nonprofits if they fail to submit the tax form 990 for three years in a row. (Note: Religious congregations are exempt from this filing requirement.)

While continued enforcement of the three-year rule is resulting in nonprofits dissolving, the introduction of the IRS nonprofit filing form 1023 EZ in 2014 simultaneously made it easier to form a nonprofit with roughly 99 percent of all applications accepted by the IRS. These two trends are offsetting each other, resulting in flat growth. New data shows that between 2013 and 2016, the total number of nonprofits in Alaska stayed flat at roughly 5,700 organizations. Of these, the number of 501(c)(3) organizations decreased by about 350, offset by an increase in other nonprofit classes. Because of these trends, one nonprofit existed for every 130 Alaskans in 2016, compared to one for every 100 residents in 2010.
Nonprofits are a significant source of Alaska jobs. We often lose sight of this because nonprofits are not considered to be a single industry. When the state tracks jobs, it classifies them by industries – oil and gas, tourism, healthcare – not by the sector where the work originates – nonprofit, government, or for-profit. In fact, all three sectors are integrated, and a vibrant nonprofit community helps generate jobs, both directly and indirectly, in all the state’s industries. When nonprofits spend money on supplies, services, or payroll, it circulates around the state creating more jobs. **We create jobs for Alaskans and their families.**

The nonprofit sector directly employs 44,092 Alaskans. Counting indirect and induced effects, nonprofits are responsible for sustaining 67,567 jobs in the state. These jobs translate into $3.89 billion in total income generated by the nonprofit sector which ripples through our communities.

**Nonprofits create Alaska jobs**

- **44,092** Direct jobs
  - employment within nonprofit organizations

- **10,820** Indirect jobs
  - employment within businesses as a result of selling goods or services to nonprofits

- **67,567** Total jobs

- **12,655** Induced jobs
  - jobs created when nonprofit employees and employees of supplier businesses spend their paychecks

**Nonprofit wages and salaries ripple through the community**

- **$2.68B** Direct jobs
- **$605M** Indirect jobs
- **$605M** Induced jobs
- **$3.89 BILLION** in total income

**SOURCE:** 2015 IRS DATA AND ISER CALCULATIONS.
Nonprofits provide jobs to Alaskans

In fact, when taking into account both public and private employment, only the oil and gas industry supports more jobs than the nonprofit sector with one in four jobs as compared to the nonprofit sector with one in six jobs. When looking at only private employment, the nonprofit sector supports one in four jobs.

Providing jobs to Alaskans

- **Oil and Gas**: 103,875 jobs
- **Nonprofit sector**: 67,600 jobs
- **Tourism**: 39,700 jobs
- **Seafood**: 36,800 jobs
- **Mining**: 8,600 jobs

Nonprofits constitute Alaska's second largest industry, by total impact.

One in four non-government jobs tied to nonprofits

- **67,600 / 26% Tied to nonprofits**
- **255,300 Private sector jobs in 2015**

OIL AND GAS, SEAFOOD, AND MINING DATA FROM MCDOWELL GROUP REPORTS.

BASED ON ISER CALCULATIONS AND 2015 EMPLOYMENT FIGURES FROM BUREAU OF LABOR STANDARDS.
Nonprofits have regional economic importance

Nationwide, nonprofits employ 10% of the workforce. Statewide, nonprofits employ roughly 17% of the workforce. However, in some rural areas, nonprofits are responsible for up to 40% of direct employment. In 12 of the 30 boroughs and census areas, nonprofits provide 20% or more of all employment. This is largely because of the importance of the tribal health system, which is run by nonprofits and is often the largest employer in these areas. Additionally, over a quarter of non-government jobs are tied to nonprofits through indirect and induced effects. Reflected in these numbers is the physical location of the job rather than the location of the employer. This is a significant change from previous reports and provides a more accurate reflection of Alaska’s nonprofit workforce.

Nonprofits create jobs throughout Alaska

Nonprofit share of employment by borough or census area in 2015. Based on data from the BLS and Alaska Department of Labor and Workforce Development, and calculations by the Center for Economic Development, IRS and Bureau of Economic Analysis.
Nonprofits strengthen Alaska’s other leading industries

Nonprofits contribute to Alaska’s economy by playing critical roles within the state’s major industries. From associations engaging in the policy-making process, to economic development agencies promoting job opportunities, nonprofits contribute to the vitality of commercial enterprises. For the business community, nonprofits are often a vehicle for collaboration to improve the business climate or pursue shared objectives like visitor marketing. In some cases, the major players in an industry are the nonprofits themselves, such as hospitals, credit unions, and the state’s largest electric utilities. Alaska’s seafood industry hosts unique nonprofit entities like Community Development Quota (CDQ) groups that generate revenue for community investments and aquaculture associations that enhance salmon runs.

### Generating and supporting for-profit jobs in Alaska

**Resource Development**
- Oil and Gas, Mining Industry Associations
- Vendor/Supplier Associations
- Oil Spill Removal Organizations
- Workforce Development

**Seafood**
- Commercial Fisheries Associations
- Regional Aquaculture Associations
- Seafood Processors Associations
- Community Development Quota (CDQ) Groups

**Finance**
- Associations for Banks and Credit Unions
- Community Development Financial Institutions (CDFIs)
- Credit Unions

**Healthcare**
- Hospitals
- Tribal Health System
- Associations for Healthcare Professionals
- Research

**Economic Development (All Industries)**
- Local/Regional Economic Development Organizations
- State and Local Chambers of Commerce
- Vocational programs

**Visitor Industry**
- Industry Associations
- Local Convention and Visitors Bureaus
- Recreational Associations
- Environmental Conservation

**Construction**
- Contractors Associations
- Homebuilders Associations
- Research Organizations
- Homeowner Associations

**Utilities**
- Industry Associations
- Electric Cooperatives
- Trade Unions

**Alaska Native Corporations**
- Regional and Village Corporation Associations
- Education Foundations
- ANCSA Regional Nonprofits

**Telecommunications**
- Industry Associations
- Telephone Cooperatives

(29% of industry employment is with nonprofits)
Healthcare drives economic impact

Healthcare nonprofits, while fewer in number compared to other categories, account for the most revenue and jobs generated in the sector. Often Alaskans don’t realize that they receive health care from a nonprofit hospital or clinic. But in fact, 51% of healthcare jobs are generated by nonprofits. The healthcare industry often comes under fire for its large amount of assets. Indeed, when compared by asset base, seven of the top 10 nonprofits are healthcare organizations. Excluding Providence Health and Services, which combines its Alaska assets with those in Washington state, six of the top healthcare organizations account for 33% of Alaska’s 501(c)(3) assets, or $2.5 billion. That said, these vital assets to Alaska translate into community facilities, local jobs, and accessible local healthcare.

Nonprofit employment by sector, for fields with more than 300 jobs

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>17,645</td>
</tr>
<tr>
<td>Educational Services</td>
<td>8,517</td>
</tr>
<tr>
<td>Social Assistance</td>
<td>6,374</td>
</tr>
<tr>
<td>Other Services</td>
<td>4,084</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>2,043</td>
</tr>
<tr>
<td>Arts, Entertainment, and Recreation</td>
<td>1,240</td>
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<tr>
<td>Utilities</td>
<td>1,233</td>
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<tr>
<td>Professional Services</td>
<td>746</td>
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<tr>
<td>Information</td>
<td>715</td>
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<tr>
<td>Real Estate</td>
<td>393</td>
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<tr>
<td>Administrative</td>
<td>329</td>
</tr>
<tr>
<td>Waste Management</td>
<td></td>
</tr>
<tr>
<td>Agriculture, Forestry, Fishing</td>
<td>313</td>
</tr>
</tbody>
</table>

Alaska’s top 501(c)(3) nonprofits by asset base

1. Providence Health and Services
2. Rasmuson Foundation
3. Alaska Native Tribal Health Consortium
4. Southcentral Foundation
5. Greater Fairbanks Community Hospital
6. University of Alaska Foundation
7. Norton Sound Health Corporation
8. Yukon-Kuskokwim Health Corporation
9. Central Peninsula General Hospital, Inc.
10. Tanana Chiefs Conference

Healthcare organizations indicated in bold

SOURCE: 2016 DOL&WD AND CED.

SOURCE: 2015 IRS DATA AND ISER CALCULATIONS.
Nonprofits generate revenue

Nonprofit revenues increased by a modest 6% between 2013 and 2016, which is roughly equal to the rate of inflation over the three-year period. Revenue is up slightly from 2012, from $6.5 billion to $6.98 billion. The greatest increase was in 501(c)(4) organizations, with most others remaining stable. At the same time, state economic output as measured by gross domestic product (GDP) fell by about 15%, from $59.8 billion to $50.7 billion. This illustrates how nonprofits are a stabilizing force in the economy.

Alaska nonprofits generate more revenue in 2016

$6.98 BILLION in revenue for 2016

68% 501(c)(3) charitable, religious, scientific, educational, or other public purpose

49% Health

27% Public and societal

13% Human services

3% Environment and animals

2% Education

1% Arts, culture and humanities

1% Recreation and sports

1% Philanthropy

.4% Religion related

.1% International, foreign affairs

22% other classes including credit unions and utilities

9% 501(c)(4) social welfare organizations like civic leagues, rotary clubs, and employee associations

1% 501(c)(6) business leagues like chambers of commerce

SOURCE: 2016 IRS MASTERFILE AND ISER.
While Alaska’s nonprofits are resourceful and innovative, many struggle to meet the increasing demand for services as state and local governments cut programs and federal funding falls flat. Nonprofits are doing their best to carry out their critical role in the community. Their use of earned income, private philanthropy, and limited public resources is judicious. Every day nonprofits work to maximize and leverage each resource. This is a public/private partnership that must continue.

All sectors in Alaska rely on support from the federal government. Each sector uses these funds to leverage other funding opportunities. Federal grant funding to Alaska includes formula, project, and block grants. Taken together, these grants account for about 40% of total federal dollars to the state. In 2016, $3.2 billion in federal grants was awarded to Alaska, of that, nonprofits received $1.15 billion or 18%. The largest share of funds went to state and local government. Importantly, federal funding to the sector is often triggered by state funding and vice versa. Nonprofits understand that leveraging funding sources is a key strategy for a diversified budget.
A win-win system

Sometimes a modest public investment can produce large impacts and even end up saving the state money in the long run. Just ask the staff at Southeast Alaska Independent Living (SAIL), a Juneau-based nonprofit dedicated to helping Alaska elders and people with disabilities remain in their homes or the least restrictive environment. Living independently is a matter of pride and self-determination, but there’s another benefit as well. Each year the cost to reside in Alaska’s nursing homes averages $147,302 and $34,344 to live in assisted living homes. Allowing individuals to remain in their own homes with personal care services only costs $16,917* per year. In this way, SAIL and Centers for Independent Living throughout Alaska saved the government about $4,120,039 in FY17 alone, with half of that savings going directly to the State of Alaska. This is a win-win for individuals and the state.

To achieve its mission, SAIL maintains a diversified mix of federal, state, and municipal funds, as well as support from donors and fees for service. Leverage is key, because many federal grants require matching funds. SAIL’s key programs are usually funded through federal grants requiring 10% state matching funds. This means that one dollar of state money attracts nine dollars from the federal government, which is then used to provide services that save the state money.

Centers for Independent Living assist Alaskans to live as independently as possible in their community of choice, and save money in doing so. **For every dollar of state money, Centers attract nine dollars from the federal government.** We are truly a wise investment.”

– Joan O’Keefe, Executive Director, SAIL
How nonprofits generate their revenue may be surprising. As part of their relationships with government, some nonprofits receive funds to carry out their missions. These funds are only a part of the financial health of organizations and regardless of the size of the investment, it helps leverage additional resources for a diversified portfolio. As nonprofits seek financial resiliency, each one will make a strategic decision whether to focus predominately on mission-based earned income or charitable contributions. Indeed, each organization has a strength and leverages the other. Nonprofits in Alaska exceed the national average in their ability to generate mission-related earned income, which in 2016 comprised 60% of revenue. There are hundreds of examples of this kind of leveraging of resources across the nonprofit sector. Organizations like thread and SAIL use a blend of government grants, donations, and earned income to carry out their missions.
Saving money for a lifetime

Eighty percent of the human brain develops by age three, and during this stage language and skill acquisition are at their peak. The development of these skills later in a student’s educational journey is costly and often times prohibitive. thread, a statewide nonprofit, advocates and supports quality early care and learning programs. Research shows that investment in programs like this is a cost-effective intervention the state cannot afford to cut. For every $1 invested in quality early learning the state saves an average of $3, and the return on investment is even higher for children from low-income families. The state and every resident will see these savings materialize through higher graduation rates, higher lifetime earnings, reduced reliance on public services, and reduced incarceration rates for students who receive quality early care and learning services. thread’s efforts are helping prepare Alaska’s children for success while reducing public expenditures for a lifetime.

For every $1 invested in quality early learning opportunities, the state saves an average of $3.

~ Stephanie Berglund, CEO, thread
Nonprofits work hand-in-hand with government to deliver essential services. Federal, state, local, and tribal governments often contract with nonprofits to perform key responsibilities efficiently and effectively. Particularly in rural and unincorporated areas, nonprofit organizations deliver a variety of public services—like public safety, water and sanitation, fire service, and workforce development—that normally are associated with government. This social safety net strengthens the fabric of Alaska communities. **This is the time to infuse government resources into nonprofit organizations to maintain critical public services.**

**Doing the work of governments every day**

Nestled into a hillside just a few miles from Fairbanks lies the community of Ester. Known for its lively arts scene and colorful mining history, Ester embodies self-sufficiency and community spirit. Nowhere is this more apparent than in the nonprofit Ester Volunteer Fire Department. Like hundreds of communities across Alaska with a limited tax base and no municipal government, the community cannot afford to hire enough firefighters to cover its 30-square-mile service area. Instead, it relies on a structure that includes three paid staff and 32 highly trained volunteers. Chief Tori Clyde calculates that for every $1 received in borough and other government funds, the department leverages $2 in volunteer hours. Comparable firefighter salaries to do the same work would cost the small nonprofit roughly $800,000 a year. Because of their ability to engage volunteers, the department has an incredible service record, responding to an average of nearly three calls per week over a sprawling service area of gravel roads, hillsides, and dense forests in 2016 alone. The Ester Volunteer Fire Department is an excellent illustration of how nonprofits leverage public funding and resources to provide essential, life-saving services to Alaskans.

For every **$1 received** in borough and other government funds, the department **leverages $2 in volunteer hours.**

— Chief Tori Clyde
Saving money for households and government

The Alaska Village Electric Cooperative (AVEC) has the largest service area of any retail cooperative in the world. The nonprofit cooperative provides electricity to 58 rural communities spanning from the southeast panhandle to the northwestern corner of the state. While most utilities in rural Alaska serve only a single community, AVEC is unique in relying on a shared administration to operate all utility functions. This structure reduces overhead costs and saves households as much as 38% compared to single-community utilities. These savings are vital to the AVEC communities, which have some of the lowest incomes in the state. In the Kusilvak Census Area, where several AVEC communities are located, per capita income is less than $12,000 per year. The energy savings AVEC provides ensures families can focus additional money on other essentials like food, healthcare, and housing.

Lower operating costs also save the state money through reduced need for Power Cost Equalization (PCE) payments. PCE is a form of state support that “pays down” the cost of electricity for rural households.

AVEC’s multi-community business model means savings for rural Alaskans and state government alike.

— Meera Kohler, President/CEO, AVEC

Based on analysis by CED of Alaska Energy Authority’s Power Cost Equalization Statistical Reports. U.S. Census Bureau, American Community Survey, 2015. The Kusilvak Census Area reported a per capita income of $11,569.
The economic engine of philanthropy from foundations, corporations, and individuals coupled with Alaska’s high rate of volunteerism has a powerful influence on programs, infrastructure, education, and jobs across Alaska. At the same time, local, state, and federal policies have a profound impact on philanthropy as does any financial investment from government. Each donation leverages another. We need to be realistic and excited about the possibilities for growth, while understanding that philanthropy alone cannot replace the role of government. To increase Alaska’s civic engagement and private investment, we need to work together to encourage—not stifle—philanthropy of all kinds.

Healthy communities are often cited globally as having strong and active civic participation including volunteerism and charitable giving. Alaska ranks among the top five states in the country for civic volunteering, and consistently exceeds the U.S. average. Additionally, just as in 2010, those living in rural Alaska volunteer more than those living in urban centers.

### Percentage of residents who volunteer each year

<table>
<thead>
<tr>
<th>Year</th>
<th>Alaska</th>
<th>U.S.</th>
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<tbody>
<tr>
<td>2002</td>
<td>40%</td>
<td>35%</td>
</tr>
<tr>
<td>2005</td>
<td>35%</td>
<td>30%</td>
</tr>
<tr>
<td>2010</td>
<td>30%</td>
<td>25%</td>
</tr>
<tr>
<td>2015</td>
<td>25%</td>
<td></td>
</tr>
</tbody>
</table>

Alaskans volunteer more than U.S. average

### Percentage of individuals in urban and rural areas who volunteered in 2015

| Rural Alaska | 38%  |
| Urban Alaska | 26%  |

Rural Alaskans volunteer more than urban Alaskans
Charitable giving

Data from the IRS indicates that the 22% of Alaskans who itemize their personal income taxes contribute less than the U.S. average. This is true in all income levels with 16% of Alaskan tax returns showing charitable donations versus a U.S. average of 24%. It should be noted, however, that this data does not capture contributions by individuals who do not itemize their tax returns or those who give financially in their communities not associated with a 501(c)(3) charitable organization. Changes to the tax code at the end of 2017 mean we will have less ability to track charitable donations because fewer Americans have less incentive to itemize. Nonetheless, Alaska nonprofits will continue to encourage and advance philanthropy and we are confident that Alaskans will continue to donate. State and local governments along with large and small businesses in Alaska can also do more to encourage local philanthropy by highlighting the importance of giving, promoting Pick.Click.Give as a working strategy, and steering clear of sales tax gimmicks that snare local fundraising events. Alaska has the potential to grow individual giving and to catch, if not exceed, the national average. This will take all of us to make it happen.

As a share of tax returns with charitable contributions, Alaska is below the U.S. average.

SOURCE: 2016 IRS DATA.

Percentage of IRS tax returns with charitable contributions, by household income group
Individual giving - room for improvement

Looking at the average contribution from itemized tax returns, Alaska again fell below the U.S. average in 2016. Interestingly, the largest average donations come from rural parts of the state led by the Southeast Fairbanks Census Area, which makes up a large swath of the eastern interior of the state. The Northern and Western regions of the state also outpace the rest of the U.S. Of those who itemize, only the North Slope Borough has a higher share of filers with charitable contributions compared to the national average.
Growing philanthropy through foundations

A growing part of Alaska philanthropy is made up of community foundations – like the Alaska Community Foundation with assets of $78,942,600 and the Juneau Community Foundation with assets of $50,819,039 in 2015 – and private foundations like those listed below. Each has a focus for its giving. They provide scholarships to ensure a strong and creative workforce and support capital infrastructure, often as a partner with government. While Alaska foundations are strong, they cannot make up the difference from reduced government investment. The partnership must remain viable for our communities to thrive.

### Largest private foundations by assets, 2016

<table>
<thead>
<tr>
<th>Rank</th>
<th>Foundation Name</th>
<th>Assets (2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Rasmuson Foundation</td>
<td>$651,725,084</td>
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<tr>
<td>2.</td>
<td>CIRI Foundation</td>
<td>$55,424,433</td>
</tr>
<tr>
<td>3.</td>
<td>Atwood Foundation</td>
<td>$33,376,138</td>
</tr>
<tr>
<td>4.</td>
<td>Arctic Education Foundation</td>
<td>$31,833,950</td>
</tr>
<tr>
<td>5.</td>
<td>Doyon Foundation</td>
<td>$26,065,020</td>
</tr>
<tr>
<td>6.</td>
<td>Thomas and Cindy Massie Foundation</td>
<td>$24,795,862</td>
</tr>
<tr>
<td>7.</td>
<td>Robert Aqpaluk Newlin Sr Memorial Trust</td>
<td>$24,459,958</td>
</tr>
<tr>
<td>8.</td>
<td>Bristol Bay Native Corporation Education</td>
<td>$19,506,937</td>
</tr>
<tr>
<td>9.</td>
<td>Benito and Frances C. Gaguine Foundation</td>
<td>$18,046,858</td>
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<tr>
<td>10.</td>
<td>Alaska Kidney Foundation Inc.</td>
<td>$11,554,009</td>
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<tr>
<td>11.</td>
<td>Harvey Samuelsen Scholarship Trust</td>
<td>$10,785,302</td>
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<td>12.</td>
<td>Helen E. Snedden Foundation</td>
<td>$8,506,554</td>
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<td>13.</td>
<td>Koniag Educational Foundation</td>
<td>$6,090,635</td>
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<td>14.</td>
<td>Chugach Heritage Foundation</td>
<td>$6,030,616</td>
</tr>
<tr>
<td>15.</td>
<td>Alaska Airlines Foundation</td>
<td>$5,884,909</td>
</tr>
</tbody>
</table>

7 of 15 are ANCSA education foundations  
5 of 15 are family foundations

**SOURCE:** 2016 IRS DATA.
Prosperous economies and healthy communities create a rich quality of life. As a partner to local governments and industry, Alaska nonprofits provide essential services like medical care, housing, and utilities. Nonprofits also bring us joy and purpose through art, religious and cultural expression, education, and recreation. Let’s celebrate nonprofits for caring for our people, our pets, and our planet. **Together, we can foster healthier and more prosperous communities.**

Alaska’s 501(c)(3) charitable organizations fulfill a wide variety of missions and purposes to improve our communities and daily lives. Religious congregations account for the largest number of nonprofits. While healthcare organizations make up only 5% of total nonprofits, they account for 49% of all nonprofit revenue as shown on page 13.

**Charitable nonprofits reflect a variety of missions**

- **501(c)(3) nonprofits**
  - 77% for arts, culture and humanities
  - 14% religious
  - 12% education
  - 10% recreation, sports
  - 9% human services
  - 8% public and societal
  - 6% environment and animals
  - 5% health
  - 3% philanthropy
  - 2% science/unknown
  - 1% international/foreign

- **Other 501(c) nonprofits**
  - 23% social welfare organizations like civic leagues, rotary clubs, employee associations, business leagues like chambers of commerce, credit unions, and utilities

**Source:** 2016 IRS MASTERFILE AND ISER.
Nonprofits make Alaska work

Nonprofits throughout Alaska are so prevalent in our communities that they often go unnoticed. Yet many of the services we take for granted depend on nonprofit organizations. Alaska’s nonprofits are true contributors to Alaska’s quality of life, our health, and our economy today and well into the future. **Together we make Alaska work.**

**NONPROFITS SURROUND OUR EVERYDAY LIVES**

**HOUSING & FOOD**
- Regional housing authorities
- Senior housing organizations
- Housing for individuals with disabilities
- Low income housing
- Food security

**HEALTH**
- Rural & urban hospitals and clinics
- Community health centers

**EDUCATION**
- Childcare services
- Private/parochial schools
- Scholarships
- Youth programs
- Colleges and Universities

**SPORTS & CULTURE**
- Cultural centers
- Museums
- Guilds and co-ops

**ENERGY**
- Electric cooperatives
- Rural energy planning/assistance

**RECREATION & LEISURE**
- Sports leagues
- Outdoor recreation

**CIVIL SOCIETY**
- Political parties
- Voting action
- Civic and social clubs
- Nonprofit associations

**SPIRITUALITY**
- Religious congregations
- Service organizations

**ENVIRONMENT/ANIMAL PROTECTION**
- Animal welfare
- Conservation groups
- Land trusts

**EMPLOYMENT**
- Vocational training
- Economic development
- Labor unions

**PHILANTHROPY**
- Foundations
- Volunteer associations

**ECONOMY**
- Employment
- Vocational training
- Economic development
- Labor unions

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**POLITICS**
- Political parties
- Voting action

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- Vocational training
- Economic development
- Labor unions

**POLITICS**
- Political parties
- Voting action
Nonprofits – we are ready
Alaska’s nonprofit leaders, both board and staff, are ready to work with policy makers to find creative solutions to community challenges. We are ready to work together to further strengthen what is already strong, and redesign what needs work. We are your partner in government, in business, and with each other. As partners, we can set policy and make financial decisions that ensure Alaskans are healthy, our communities are vibrant, and our economy is strong. We are ready – partner with us.

What comes next? What can we do together?

Join us in our conversations on the impact of nonprofits on the Alaska economy

Encourage sharing of perspectives based on data and new information

Create opportunities for Alaska’s nonprofit sector to be part of creative solutions for our economy

Engage in partnerships across sectors to share responsibility for the work we all must do

Invite new ways to tackle our challenges and create vibrant communities
The Foraker Group - dedicated to the idea that strong nonprofits build strong communities

Since 2001, The Foraker Group has served as the state association and capacity building organization with the purpose of strengthening Alaska's nonprofits and tribes. Our core values are “Sustainability, Strategic, Collaborative, Urban/Rural/Native/Non-Native.” These values reflect the spirit of Alaska and our commitment to serve all Alaskans.

The Foraker Nonprofit Sustainability Model is the basis of our work. We believe sustainability is a journey, not a destination, and that staying on the path means looking through the right lens to make good decisions. It also means having solid data, information, and knowledge of the economic, political, and social landscape to create context for those decisions. We are committed to sharing research with policy makers, industry leaders, and nonprofit board and staff. Together, we make Alaska work.