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**The Philadelphia Foundation to Determine Impact of Nonprofits**

Study will be first-ever financial profile of nonprofits in the five-county region

**Philadelphia –August 14, 2008** – The Philadelphia Foundation, a leading center for philanthropy in Pennsylvania, has commissioned a study from the Economy League of Greater Philadelphia to better understand the state of nonprofits in Southeastern Pennsylvania (Bucks, Chester, Delaware, Montgomery and Philadelphia counties).

“According to recent data, more than a quarter of non-governmental jobs in Philadelphia and slightly over 15% of these jobs in the five-county region are nonprofit employees,” says R. Andrew Swinney, President of The Philadelphia Foundation. “While the economic significance and workforce enrollment of the regional nonprofit sector is substantial, and considerably greater than national averages, the state of financial health of the nonprofit community and its value to the Greater Philadelphia region are unknown.”

In this two-part study, the Economy League will first conduct an overview of nonprofits through qualitative and quantitative methods. They will then focus on their financial performance, stability and sustainability.

“With the volatile nature of today’s economy, it is a critical time to gauge the financial strength of nonprofits in Southeastern Pennsylvania,” says Swinney. “The nearly 10,000 active nonprofits in the region provide vital services for a vast number of people and are on the frontlines helping those in need.”

However, many nonprofits are operating with no or minimal financial reserves or endowments. The Foundation’s ultimate goal is to help nonprofits build their capacity so that they can move toward becoming more self-sustaining and less vulnerable to economic swings.

The initial results of the seven-month study will be delivered in December, with a full report due to The Philadelphia Foundation during the first quarter of 2009. The study overview will consist of data from economic censuses, the National Center for Charitable Statistics and other sources. Aggregate measures of size and employment will be compiled to develop a database of nonprofits.

Financial performance will be characterized based on a series of key indicators such as tax returns, an examination of assets and liabilities, financial ratios and peer group analysis.

**The research will:**

- Benchmark the current state of economic health of the region’s nonprofit community
- Quantify measures relating to the value and impact of the nonprofit sector in the region

**The intent of the research is to:**

- Identify challenges, risks and opportunities relating to the effectiveness and sustainability of the region’s nonprofit community
- Develop tools for analyzing trends relating to the financial health of the local nonprofit sector
- Identify potential opportunities and risks

“We’re charting new territory,” says Steven Wray, Executive Director of the Economy League of Greater Philadelphia. “The study commissioned by The Philadelphia Foundation is an important step in quantifying the strength and capacity of a sector that contributes to a significant part of the region’s economy.”

**About The Philadelphia Foundation**

The Philadelphia Foundation is Southeastern Pennsylvania’s leading center for community philanthropic engagement and is committed to improving the quality of life in Bucks, Chester, Delaware, Montgomery and Philadelphia counties through 750 charitable funds established by its donors since 1918. The Philadelphia Foundation improves the community by advancing change, leading on issues of importance, forging meaningful relationships and providing knowledge, resources and stewardship.

**About the Economy League of Greater Philadelphia**

The Economy League of Greater Philadelphia is an independent, nonpartisan, nonprofit organization dedicated to research and analysis of the region’s resources and challenges with the goal of promoting sound public policy and increasing the region’s prosperity. ELGP is an affiliate of the Pennsylvania Economy League, Inc., with offices in Harrisburg, Wilkes-Barre, and Pittsburgh. For more information, visit [www.EconomyLeague.org](http://www.EconomyLeague.org).

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