

# Charities Are Growing Faster Than Any Other Type of Tax-Exempt Group and the US Economy

By Drew Lindsay

Over the past decade, charities have grown more than other kind of nonprofit groups and now account for more than two-thirds of tax-exempt organizations, according to a [report released today](#). At the same time, charities' assets increased 43 percent, to nearly \$3-trillion.

The report found that charities totaled more than 963,000 of the 1.44 million nonprofit organizations registered with the Internal Revenue Service in 2012. In 2002, by contrast, the IRS registered 743,000 charities, or 56 percent of all nonprofits, according to the report by the Urban Institute, a Washington think tank.

The report also found that assets for charities reporting to the IRS reached almost \$3-trillion in 2012, a 43-percent increase from 2002, when adjusted for inflation. The gross domestic product over that same time grew by just 19 percent.

"The sheer number of charities grew," says Brice McKeever, the report's lead researcher. "That explains the difference with the GDP."

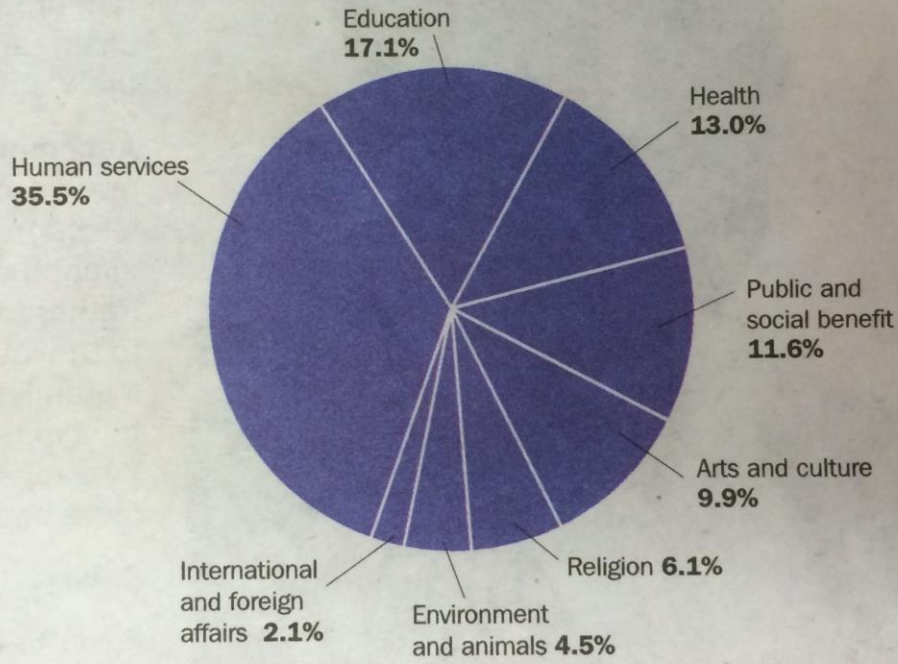
The report emphasized that most of this financial expansion occurred before the recession. From 2002 to 2007, revenue and assets for charities increased by more than 30 percent; over the next five years, growth slowed dramatically, with some types of charities, like arts and international groups, experiencing declining revenue.

Over all, the entire nonprofit sector—including such groups as labor unions and advocacy groups—grew by just under 9 percent. Foundations, the report noted, grew by nearly 24 percent.

## Charitable Missions: Share of Nonprofit Groups Devoted to Key Causes

Human services	35.5%
Education	17.1%
Health	13.0%
Public and social benefit	11.6%
Arts and culture	9.9%
Religion	6.1%
Environment and animals	4.5%
International and foreign affairs	2.1%

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Note: Numbers don't add up to 100 due to rounding.

**SOURCE:** Urban Institute

# Assets and Number of Charities Grow

The number of charities grew by 29.6 percent from 2002 to 2012, according to new data from the Urban Institute. During the same decade, the study says, their assets grew by more than 82.6 percent.



**SOURCE:** Urban Institute