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CORNHUSKER ECONOMICS

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Department of Agricultural Economics
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Market Report	Yr Ago	4 Wks Ago	4/9/10
Livestock and Products, Weekly Average			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight	$86.74	$92.54	$100.57
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb.	116.59	124.07	131.36
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb.	97.11	102.33	116.34
Choice Boxed Beef, 600-750 lb. Carcass	137.71	149.40	164.80
Western Corn Belt Base Hog Price Carcass, Negotiated	55.93	70.33	73.92
Feeder Pigs, National Direct 50 lbs, FOB	63.49	71.26	67.50
Pork Carcass Cutout, 185 lb. Carcass, 51-52% Lean	58.72	74.25	77.52
Slaughter Lambs, Ch. & Pr., Heavy, Wooled, South Dakota, Direct	93.62	*	*
National Carcass Lamb Cutout, FOB	250.51	271.51	287.68
Crops, Daily Spot Prices			
Wheat, No. 1, H.W. Imperial, bu.	4.93	3.80	3.73
Corn, No. 2, Yellow Omaha, bu.	3.77	3.43	3.35
Soybeans, No. 1, Yellow Omaha, bu.	10.04	9.06	9.43
Grain Sorghum, No. 2, Yellow Dorchester, cwt.	5.71	5.43	5.29
Oats, No. 2, Heavy Minneapolis, MN , bu.	2.03	2.18	2.15
Feed			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton.	190.00	135.00	135.00
Alfalfa, Large Rounds, Good Platte Valley, ton.	77.50	87.50	87.50
Grass Hay, Large Rounds, Premium Nebraska, ton.	85.00	*	*
Dried Distillers Grains, 10% Moisture, Nebraska Average.	130.00	104.00	95.00
Wet Distillers Grains, 65-70% Moisture, Nebraska Average.	49.00	40.00	33.50

*No Market

Nonprofit organizations are important to the quality of life in communities. They exist in complex variety and include church congregations, private schools, service clubs, business leagues, social and recreational clubs, labor unions, farm bureaus, community theaters, neighborhood organizations and many more. Only the largest of nonprofits are likely to have employees, with most relying upon volunteers to meet their human resource requirements. They obtain their financial resources through donations, investments, grants and fee based activities, such as festivals and educational programs.

The nonprofit organizations with which most of us are familiar carry the Internal Revenue Service (IRS) designation 501(C)(3) Public Charity or 501(C)(3) Private Foundation. For many of these nonprofits, IRS registration is mandatory. The exemptions to registration include very small organizations with gross receipts of less than $5,000 and church congregations, for which registration is voluntary.

In this paper, we examine the distribution of 501(C)(3) public charities and private foundations in Nebraska's 93 counties. It is our expectation that the number of such organizations found on a local level is an indicator of the human and financial resources and commitment to civic welfare existing in the areas in which they are located. Also, since a nonprofit organization having annual gross receipts of $25,000 or more is required to file an IRS Form 990 (and others file voluntarily), we will examine the distribution of income for those that do file. These data will provide us with a sense of the cost and sustainability of voluntary organizations in areas characterized by declining resources.

The value of this research is to be found in the observation that most 501(C)(3) nonprofits rely heavily upon voluntary participation by community members to provide both funding and labor for their support. Since de

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Tocqueville's 1835 "Democracy in America," scholars have seen participation in voluntary organizations as an important measure of the state of civic life. The decline of participation in such organizations has recently been viewed by writers such as Putnam ("Bowling Alone") as problematic for the future of American civil society. If registered nonprofit organizations can be seen as an indicator of the condition of voluntary organizations in general, then an examination of trends in nonprofit numbers and resources can be argued to provide insight into the condition and future of civil society in general. In the Nebraska case, we will be especially interested in how nonprofit organizations are being affected by depopulation in rural areas.

Nonprofit Numbers and Change

In 2008, the National Center for Charitable Statistics identified 7,933 registered 501(C)(3) nonprofit organizations in Nebraska, the equivalent of one such nonprofit for every 225 Nebraskans. In 2008, there were 1,070,298 registered 501(C)(3) nonprofits nationally, or approximately one such organization for every 284 Americans.

Religious organizations accounted for 20.5 percent (1,626) of the registered 501(C)(3) nonprofits in Nebraska. Only 17 of those religious organizations were registered as private foundations, the great majority being public charities. The percentage of religious nonprofits ranges from a low of 16.4 percent in metropolitan counties, to a high of 34.7 percent in very rural frontier counties. On average, one-in-four (25.3%) of 501(C)(3) nonprofits in Nebraska's 84 non-metropolitan counties is a religious organization.

Statewide, private foundations grew more quickly than public charities, but that growth was largely the result of a 47.8 percent increase among private foundations in metropolitan counties. As of 2008, 78.5 percent of Nebraska's 832 registered 501(C)(3) Private Foundations were located in metropolitan counties. Growth among private foundations between 2000 and 2008 was even more concentrated, with 86.8 percent of such growth being found in metropolitan counties. Still, private foundation numbers increased within most Nebraska county types, the exception being the very rural frontier counties (with population densities of less than six per square mile), which saw a net 10.5 percent decrease in the number of private foundations located within them.

Nebraska's 501(C)(3) Private Charities on the other hand grew in number across both metropolitan and non-metropolitan Nebraska. In fact, the number of private charities increased more quickly on a percentage basis in small trade center counties (+36.5%) and small town counties (+33.8%), than they did in metropolitan counties (+32.0%). Only six Nebraska counties saw an actual reduction in the number of 501(C)(3) nonprofits.

As seen in Table 1 (on next page), 501(C)(3) nonprofits in 2008 were, if anything, over represented in non-metropolitan Nebraska when compared to the state's distribution of population. Non-metropolitan Nebraska in 2008 was home to 41.7 percent of the state's population, but housed 45.6 percent of the state's 501(C)(3) nonprofits. The same pattern holds for even the most rural counties, varying only for micropolitan core counties, which were home to 20 percent of the Nebraska population, but only 18.6 percent of all 501(C)(3) nonprofits.

Also depicted in Table 1, the distribution of nonprofit growth between 2000 and 2008 more or less mirrored the distribution of Nebraska's population in 2008. Metropolitan counties were home to 58.3 percent of the state's population in 2008, and saw 58.6 percent of all growth in 501(C)(3) nonprofits. Non-Metropolitan counties housed 41.7 percent of the state population and saw 41.4 percent of the growth in nonprofits.

However, growth in metropolitan nonprofits accompanied overall population growth (+10.3 percent from 2000 to 2008), while Nebraska's non-metropolitan 501(C)(3) nonprofits grew by 27.3 percent at the same time as the non-metropolitan population declined by 3.3 percent. This trend holds across all non-metropolitan county types. Nebraska's small town counties, for instance, saw an impressive 32.8 percent increase in 501(C)(3) nonprofit numbers at the same time as the resident population shrank by 9.3 percent.

It can be concluded that depopulation in rural Nebraska is not resulting in a reduction in 501(C)(3) nonprofit organizations. Not only are these organizations not declining in number along with the population, but they are in almost all cases increasing in number. To the extent that these are indeed voluntary organizations that depend upon the community for human and financial resources, this is impressive. More organizations and fewer people will require rural residents to accept additional responsibility in order to pursue collective goals. The fact that rural residents are apparently willing to do that indicates that social capital has remained strong in rural Nebraska, even in the face of changes that have long been considered problematic.

Financial Resources

Over half (55.3%) of Nebraska's registered 501(C)(3) nonprofit organizations filed an IRS Form 990 in 2008, indicating that they had either seen $25,000 or more in receipts or had voluntary filed even though receiving less money. Collectively, these organizations claimed receipts of $11,318,658,199, which was a 92.8 percent increase over receipts claimed in the year 2000. Statewide, the average filing organization claimed receipts of $2,582,400 in 2008. This was only a 6.9 percent increase in average receipts over those claimed in the year 2000, however only 40 per-

Table 1. 501(C)(3) Nonprofit Organizations and Population for Nebraska County Types: 2008

County Type (# counties)	Registered Nonprofit Organizations: 2008	Total Population: 2008	Change in 501(C)(3) Nonprofit Organizations (% Change): 2000-2008	Change in Total Population (% Change): 2000-2008
Nebraska (93)	7,933	1,783,432	1,874 (+30.9)	72,169 (+4.2)
% of Nebraska Total	100.0	100.0	100.0	100.0
Metropolitan (9)	4,315	1,039,896	1,098 (+34.1)	97,393 (+10.3)
% of Nebraska Total	54.4	58.3	58.6	135.0
Non-Metropolitan (84)	3,618	743,536	776 (+27.3)	-25,224 (-3.3)
% of Nebraska Total	45.6	41.7	41.4	-35.0
Micropolitan Core (10)	1,477	356,793	266 (+22.0)	7,860 (+2.3)
% of Nebraska Total	18.6	20.0	14.2	10.9
Small Trade Center (24)	1,199	218,461	311 (+35.0)	-13,913 (-6.0)
% of Nebraska Total	15.1	12.2	16.6	-19.3
Small Town (22)	608	118,476	150 (+32.8)	_12,165 (-9.3)
% of Nebraska Total	7.7	6.6	8.0	-16.9
Frontier (28)	334	49,806	49 (+17.2)	-7,006 (-12.3)
% of Nebraska Total	4.2	2.8	2.6	-9.7

Sources: National Center for Charitable Statistics and Bureau of the Census.

cent (2,429) registered 501(C)(3) nonprofits filed in that year.

Over 80 percent of all nonprofit receipts were reported in Douglas and Lancaster Counties alone. This is hardly surprising, as metropolitan counties are home to the state's largest foundations, and are thus more likely to be the beneficiaries of major grants or bequests.

Grants may also be responsible for the discrepancy in per capita receipts shown in Table 2. In metropolitan counties 32.5 percent of all 501(C)(3) receipts are attributable to private foundations, which translates to $3,010 per capita. In non-metropolitan counties, foundations account for only 2.1 percent of all 501(C)(3) receipts, or about $48 per capita. Receipts per capita decline rapidly as the local environment of 501(C)(3) nonprofits becomes more rural. Among filing organizations in Nebraska's most rural frontier counties, per capita receipts were only $368 in 2008, a mere 5.8 percent of the average level for the state as a whole.

It appears, and logically so, that nonprofits in larger communities may do better financially simply from having a larger pool of potential partners, members and contributors. In metropolitan counties there is one nonpro-

Table 2. Per Capita Receipts of Registered 501(C)(3) Nonprofit Organizations by Nebraska County Types: 2008

County Type (# counties)	501(C)(3) Receipts Per Capita: 2008	501(C)(3) Public Charity Receipts Per Capita: 2008	501(C)(3) Private Foundation Receipts Per Capita: 2008	501(C)(3) Private Foundation Receipts % of Total: 2008
Nebraska (93)	$6,327	$4,552	$1,775	28.1
Metropolitan (9)	$9,249	$6,238	$3,010	32.5
Non-Metropolitan (84)	$2,241	$2,193	$48	2.1
Micropolitan Core (10)	$3,017	$2,962	$54	1.8
Small Trade Center (24)	$2,166	$2,105	$61	2.8
Small Town (22)	$827	$816	$11	1.4
Frontier (28)	$368	$340	$28	7.5

Sources: National Center for Charitable Statistics and Bureau of the Census

fit organization for every 241 residents, while in Nebraska's very rural frontier counties the ratio is 1 to149.

Conclusions

On a per organization or even per county basis, examining only one or two points in time might not be particularly informative, as a single grant or bequest could radically change the outcome. However, in this case we are examining groups of similar counties and hundreds of IRS filings, and the pattern portrayed appears to be significant.

In the end, there seems to be two ways of looking at these data from a rural perspective. On one side, nonprofits in rural areas appear to face grave challenges in acquiring both the financial and human resources upon which they depend. A problem that can only be made worse by continuing population losses. Certainly some rural nonprofits serve and draw resources from a population larger than that in their immediate community, and many obtain grants from outside sources in support of their work. But to the extent that local resources are important, one is led to question the ability of small populations to meet both the financial and volunteer requirements of local nonprofit organizations. The issue in rural areas may be further complicated by an aging population that is likely to experience a decline in both physical and financial resources.

Viewed in that way, we can expect to see rural nonprofits struggle, and ultimately see their numbers decline. Yet, at least for 501(C)(3) Public Charities, this has not happened. In fact, their numbers have increased in even the most rural areas of Nebraska despite relentless losses of population.

Given the observed growth in nonprofit numbers in the face of population declines, these data may also be interpreted to provide at least a partial explanation for the fact that the residents of Nebraska's most rural places routinely report higher levels of satisfaction with their communities, neighbors, institutions and non-economic amenities than do the residents of larger places (Nebraska Rural Poll, 1996 – 2008). One can interpret that trend as an expression of social bonding at the local level. Personal access to community support systems, including nonprofit organizations, may be one of the factors at the root of this relatively high level of satisfaction.

It appears that social capital in rural Nebraska has remained strong and that rural residents are prepared to make sacrifices in order to enhance the collective welfare of their communities. Remember that we have examined only registered 501(C)(3) nonprofits, which exclude most church congregations and voluntary organizations that collect less than $5,000 in dues, contributions and grants. These registered organizations represent only a portion, and arguably not the majority, of all organizations that depend upon voluntary contributions of time and money for their existence. That Nebraska's small rural populations maintain and even create these organizations when each addition further stretches scarce local resources is a testament to the commitment to civil society found there.

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