

Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006

by Paul Arnsberger

Nonprofit charitable organizations exempt from income tax under Internal Revenue Code (IRC) section 501(c)(3) filed over 301,000 information returns for Tax Year 2006, an increase of 5 percent from 2005. These organizations held over \$2.5 trillion in assets, an increase of 14 percent from the previous year. They reported nearly \$1.4 trillion in revenue, two-thirds of which came from program services (Figure A). The statistics in this article exclude private foundations, most organizations with receipts totaling less than \$25,000, as well as most churches and certain other types of religious organizations.

Business leagues and other organizations exempt under IRC section 501(c)(6) filed 30,705 Forms 990 and 990-EZ for 2006.¹ Assets reported by these organizations totaled \$61.2 billion. Of the \$37.9 billion in revenue reported by 501(c)(6) organizations, the majority came from program services (\$15.5 billion) and membership dues and assessments (\$13.5 billion).

The statistics for charities and other tax-exempt organizations reported in this article are based on data compiled from Form 990, *Return of Organization Exempt from Income Tax*, and Form 990-EZ, the short form version of this information return. The latter form may be completed by smaller organizations, those with end-of-year assets of less than \$250,000 and gross receipts of \$25,000 to \$100,000. Only condensed income statements and balance sheets are required from filers of the short form, which accounted for 21 percent of the returns filed by organizations exempt under Code sections 501(c)(3) and (6) for Tax Year 2006.²

Charitable Organizations Tax-Exempt Under Internal Revenue Code Section 501(c)(3)

In order to qualify for tax-exempt status, an organization must show that its purpose serves the public

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Figure A

Nonprofit Charitable Organizations, Selected Financial Data, Tax Years 2005-2006

[All figures are estimates based on samples—money amounts are in millions of dollars]

Item	2005	2006	Percentage change
	(1)	(2)	(3)
Number of returns	286,615	301,214	5.1
Form 990	226,246	237,653	5.0
Form 990-EZ	60,369	63,561	5.3
Total assets	2,241,887	2,549,728	13.7
Total liabilities	830,635	932,011	12.2
Net assets	1,411,252	1,617,717	14.6
Total revenue	1,252,889	1,370,880	9.4
Program service revenue	852,638	920,222	7.9
Contributions, gifts, and grants	276,292	303,168	9.7
Investment income [1]	35,999	45,269	25.8
Other	87,960	102,221	16.2
Total expenses	1,137,908	1,230,416	8.1

[1] Includes "interest on savings and temporary cash investments," "dividends and interest from securities," and "other investment income (loss)" from Form 990 and "investment income (loss)" from Form 990-EZ.

NOTES: Data are from both Forms 990 and 990-EZ for nonprofit charitable organizations that are tax-exempt under Internal Revenue Code section 501(c)(3) and exclude private foundations, most organizations with receipts less than \$25,000, as well as most churches, and certain other types of religious organizations. Detail may not add to totals because of rounding.

good, as opposed to a private interest. The activities of nonprofit organizations are limited in that they must further one or more of the purposes for which they were granted tax-exempt status. Organizations that are exempt under IRC Section 501(c)(3) are those whose purposes are religious, charitable, scientific, literary, or educational. In practice, these categories cover a broad range of activities. Examples of the varied exempt purposes of these charitable organizations include nonprofit hospitals, educational institutions, youth organizations, community fundraising campaigns, public charities, local housing organizations, historical societies, and environmental preservation groups. These organizations may not allow net earnings to inure to the benefit

¹ Beginning with the Tax Year 2004 study, the annual *SOI Bulletin* article on charities and other tax-exempt organizations has featured data on nonprofit charitable organizations exempt under IRC section 501(c)(3) as well as one other category of organizations defined under IRC section 501(c). For 2006, IRC section 501(c)(6) business leagues and similar organizations are presented. SOI continues to collect annual data on organizations exempt under IRC sections 501(c)(4), (c)(5), and (c)(7) through (c)(9). Data from these organizations can be found in Tables 2, 3, and 4 at the end of this article. Additional tax-exempt organizations are described under IRC sections 501(c)(1), (2) and (10) through (27). Because they tend to constitute a small proportion of financial activity for the nonprofit sector, SOI does not collect data for these organizations.

² Unless otherwise indicated, data presented in this article were reported by both Form 990 and 990-EZ filers. The tables at the end of the article separate data by type of form. Detailed data for Form 990 filers are provided in Tables 1, 2, and 3, while Form 990-EZ data are found in Table 4.

Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006

Statistics of Income Bulletin | Fall 2009

of a shareholder or individual. Activity attempting to influence legislation cannot be a substantial part of an organization's activities, and the organization may not intervene in a political campaign on behalf of, or in opposition to, any candidate.³ Generally, a donor's contribution to one of these organizations is tax deductible.

Of the 845,786 active nonprofit charitable organizations recognized by the Internal Revenue Service (IRS) under Code section 501(c)(3), 301,214 filed Form 990 or 990-EZ returns for accounting periods that began in Calendar Year 2006.⁴ Those not required to file included churches and certain other religious organizations, as well as organizations with annual gross receipts totaling less than \$25,000.⁵ Nonprofit private foundations, which are also tax-exempt under Code section 501(c)(3), are required to file separately on Form 990-PF, *Return of Private Foundation*.⁶

Financial Characteristics of Nonprofit Charitable Organizations

Although 65 percent of the returns filed by section 501(c)(3) organizations for 2006 were filed by small organizations, those with assets of less than \$500,000, these organizations held less than 1 percent of the total assets and reported just 4 percent of total revenue (Figure B). In comparison, large organizations, those with assets of \$10 million or more, represented just over 6 percent of the returns filed, but accounted for 91 percent of the total asset holdings and over 84 percent of the total revenue reported.

The nonprofit charitable organizations in this study reported total revenue of nearly \$1.4 trillion for 2006. Program service revenue, totaling \$920.2 billion, was the major source of revenue for these organizations. This revenue comprises the fees collected by organizations in support of their tax-exempt pur-

Figure B

Nonprofit Charitable Organizations, by Asset Size, Tax Year 2006

[All figures are estimates based on samples—money amounts are in millions of dollars]

Asset size	Returns		Total assets		Total revenue	
	Number	Percentage of total	Amount	Percentage of total	Amount	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	301,214	100.0	2,549,728	100.0	1,370,880	100.0
Under \$100,000 [1]	123,857	41.1	4,116	0.2	15,626	1.1
\$100,000 under \$500,000	71,167	23.6	17,405	0.7	25,008	1.8
\$500,000 under \$1,000,000	28,383	9.4	20,397	0.8	19,819	1.4
\$1,000,000 under \$10,000,000	59,105	19.6	193,205	7.6	157,131	11.5
\$10,000,000 under \$50,000,000	12,713	4.2	272,776	10.7	181,534	13.2
\$50,000,000 or more	5,986	2.0	2,041,829	80.1	971,763	70.9

[1] Includes returns with zero assets or assets not reported.

NOTES: Data are from Forms 990 and 990-EZ for nonprofit charitable organizations tax-exempt under Internal Revenue Code section 501(c)(3) and exclude private foundations, most organizations with receipts less than \$25,000, as well as most churches, and certain types of religious organizations. Detail may not add to totals because of rounding.

³ For more information on the requirements for tax-exemption under 501(c)(3) and other Code sections, see Internal Revenue Service Publication 557, *Tax Exempt Status for Your Organization*.

⁴ Data presented in this article are from Tax Year 2006 Forms 990 and 990-EZ filed in Calendar Years 2007 and 2008. The total number of nonprofit charitable organizations, including those not required to file Form 990 or Form 990-EZ, was obtained from the IRS Exempt Organizations Business Master File (December 2006) and does not include private foundations filing Form 990-PF, *Return of Private Foundation*.

⁵ The \$25,000 filing threshold is an average of an organization's gross receipts over the previous three years.

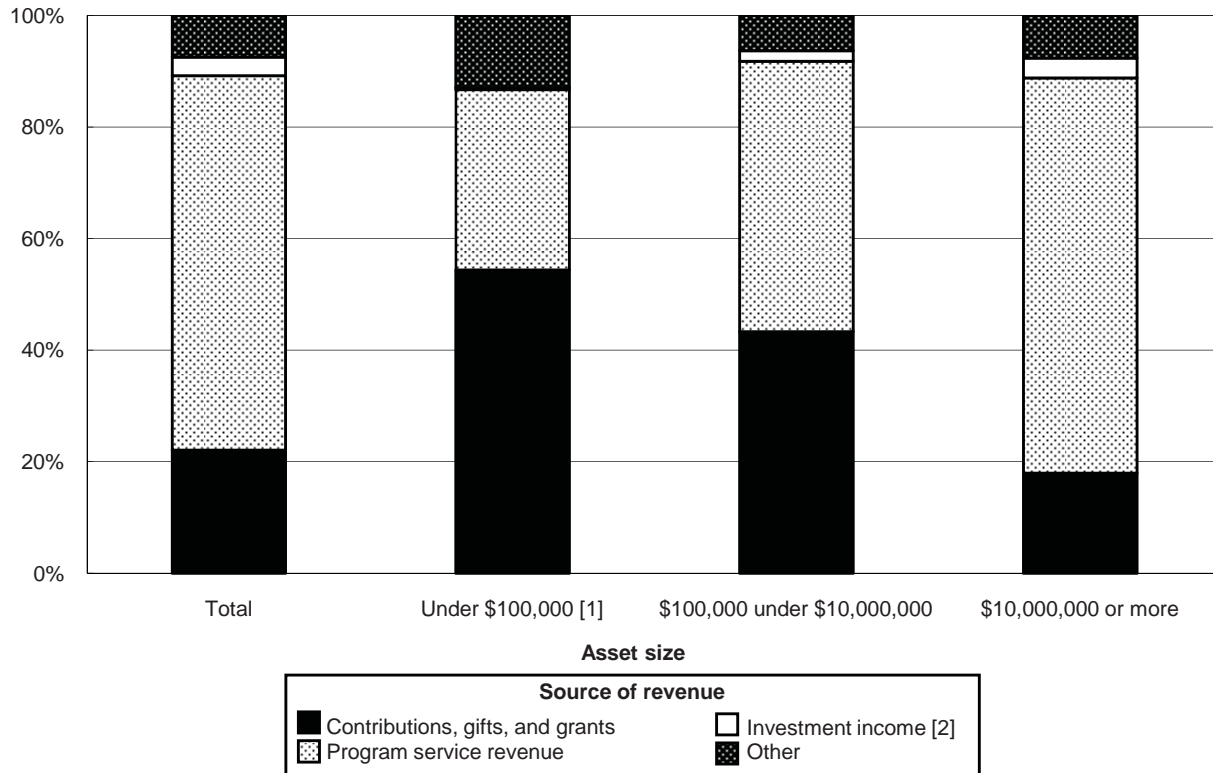
⁶ For information on private foundations, see Belmonte, Cynthia, "Domestic Private Foundations and Charitable Trusts, 2005 and 2006," in this issue.

Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006

Statistics of Income Bulletin | Fall 2009

Figure C

Sources of Nonprofit Charitable Organization Revenue, by Asset Size, Tax Year 2006



[1] Includes returns with zero assets or assets not reported.

[2] Includes "interest on savings and temporary cash investments," "dividends and interest from securities," and "other investment income (loss)" from Form 990 and "investment income (loss)" from Form 990-EZ.

NOTES: Data are from Forms 990 and 990-EZ for nonprofit charitable organizations that are tax-exempt under Internal Revenue Code section 501(c)(3) and exclude private foundations, most organizations with receipts less than \$25,000, as well as most churches, and certain other types of religious organizations.

poses and includes income such as tuition and fees at educational institutions, hospital patient charges (including Medicare and Medicaid payments), and admission fees collected by museums or community performing arts groups, and YMCA/YWCA. Figure C illustrates the types of revenue reported by organizations of different sizes. Large organizations received 71 percent of their total revenue from program service revenue, while small organizations received well over half of their revenue from contributions, gifts, and grants.

On Form 990 (but not on Form 990-EZ), expenses for tax-exempt organizations are grouped into four major categories: program services, fundraising, management and general, and payments to affiliates. Program service expenses are those associated

with activities that further an organization's exempt purpose; fundraising expenses are those incurred in soliciting contributions, gifts, and grants; and management and general expenses include those administrative and overhead costs that are not specifically related to program services or fundraising activities. The three categories described above are broken down by specific functional expense items such as grants and allocations, salaries and wages, professional fees, and supplies. (See Table 2 at the end of this article.) The fourth major category, payments to affiliates, which includes distributions to organizations closely related to the reporting organizations, such as dues paid by local chapters to State and national agencies, are not broken down into specific functional expenses. Program service expenses ac-

Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006

Statistics of Income Bulletin | Fall 2009

Figure D

Compensation of Nonprofit Charitable Organization Officers, Directors, Trustees, Key Employees, and Other Employees, Reported on Form 990, by Asset Size, Tax Year 2006

[All figures are estimates based on samples—money amounts are in millions of dollars]

Asset size	Number of Form 990 returns	Total expenses	Compensation and benefits				
			Total	Officers, directors, trustees, and key employees		Other employees	
				Compensation	Contributions and other benefits [1]	Compensation	Contributions and other benefits [2]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total	237,653	1,227,645	507,374	17,254	2,153	411,301	76,667
Under \$100,000 [3]	67,251	14,259	3,910	1,091	77	2,483	259
\$100,000 under \$500,000	64,213	23,551	9,264	1,874	95	6,412	882
\$500,000 under \$1,000,000	28,383	19,014	8,301	1,224	109	6,178	790
\$1,000,000 under \$10,000,000	59,105	149,297	68,529	4,596	437	54,945	8,551
\$10,000,000 under \$50,000,000	12,713	167,523	69,603	3,024	385	56,273	9,921
\$50,000,000 or more	5,986	854,001	347,767	5,445	1,049	285,009	56,263

[1] Includes "contributions to employee benefit plans and deferred compensation plans" and "expense account and other allowances" reported on Part V of Form 990.

[2] Includes "pension plan contributions" and "other employee benefits" reported on Part II of Form 990.

[3] Includes returns with zero assets or assets not reported.

NOTES: Data are from Form 990 for nonprofit charitable organizations that are tax-exempt under Internal Revenue Code section 501(c)(3) and exclude private foundations, most organizations with receipts less than \$25,000, as well as most churches, and certain other types of religious organizations. Detail may not add to totals because of rounding.

counted for the vast majority (86 percent) of total expenses reported by nonprofit charitable filers of Form 990; management and general expenses totaled 12 percent; and fundraising expenses and payments to affiliates, combined, accounted for less than 2 percent.

Compensation

Figure D shows compensation data reported by nonprofit charitable organizations on Form 990. Salaries, wages, and benefits are presented for executives, such as officers, directors, trustees, and key employees, as well as other employees. (Data from Form 990-EZ are not included in this section because that return does not distinguish between types of compensation nor types of employee.) For Tax Year 2006, nonprofit charities reported \$507.4 billion in compensation and benefits on Form 990. The majority of this, 81 percent, was in the form of other employee salaries and wages. Salaries of executives such as officers, directors, trustees, and key employees totaled \$17.3 billion. In addition to salaries and wages, nonprofit charities reported \$78.8 billion in benefits paid to their employees and executives on Form 990. Examples of these benefits include contributions to pension, health, and insurance welfare plans; payments to deferred compensation and sev-

erance plans; fringe benefits; and expense account reimbursements.

Compensation and benefits represented a significant portion of the total expenses reported by nonprofit charitable organizations on the Form 990, over 41 percent. When viewed by size of organization and type of employee, certain patterns emerge. For small organizations, those reporting assets less than \$100,000, other employee salaries, wages, and benefits represent just 19 percent of total expenses for Tax Year 2006; large organizations with assets of at least \$10 million, reported 40 percent of their expenses in the form of employee salaries, wages, and benefits. For executives, this compensation pattern is reversed. Salaries and benefits paid to executives such as officers, directors, trustees, and key employees, accounted for over 8 percent of total expenses at small organizations, but slightly less than 1 percent at large organizations.

Nonprofit Charitable Organizations Classified by NTEE Codes

The National Taxonomy of Exempt Entities (NTEE) is a classification system developed by the National Center for Charitable Statistics, which classifies organizations by institutional purpose and major pro-

Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006

Statistics of Income Bulletin | Fall 2009

Figure E

Selected Items for Nonprofit Charitable Organizations Classified by NTEE Category, Tax Year 2006

[All figures are estimates based on samples—money amounts are in millions of dollars]

NTEE major category [1]	Number of returns	Total assets	Net assets	Revenue			Total expenses	Excess of revenue over expenses
				Total	Contributions, gifts, and grants	Program service revenue		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	301,214	2,549,728	1,617,717	1,370,880	303,168	920,222	1,230,416	140,464
Arts, culture, and humanities	30,579	98,971	80,857	32,220	17,466	7,453	26,262	5,958
Education	54,926	856,402	641,767	275,628	81,198	135,094	217,637	57,992
Environment, animals	13,341	37,716	31,430	13,628	8,948	2,607	10,389	3,239
Health	36,199	967,529	522,623	759,415	55,422	659,331	716,413	43,003
Human services	114,350	275,369	138,149	178,563	70,185	91,605	169,532	9,032
International, foreign affairs	5,007	22,064	16,106	20,764	17,995	1,747	19,011	1,753
Mutual, membership benefit	27,534	249,845	159,038	77,799	45,154	19,285	60,642	17,156
Public, societal benefit	18,425	23,982	19,214	10,001	6,611	1,527	8,218	1,782
Religion related	853	17,852	8,532	2,862	189	1,573	2,312	550

[1] The National Taxonomy of Exempt Entities (NTEE) is a classification system that uses 26 major field areas that are aggregated into the categories shown above. It was developed by the National Center for Charitable Statistics.

NOTES: Data are from Forms 990 and 990-EZ for nonprofit charitable organizations that are tax-exempt under Internal Revenue Code section 501(c)(3) and exclude private foundations, most organizations with receipts less than \$25,000, as well as most churches, and certain other types of religious organizations. Detail may not add to totals because of rounding.

grams and activities.⁷ It recognizes 26 major groups, which can be aggregated into 10 program categories, as shown in Figure E. The organizations were classified for statistical purposes by the IRS Statistics of Income Division on the basis of information provided in the “Statement of Program Service Accomplishments” section of Forms 990 and 990-EZ.

Health-related organizations comprised the largest NTEE category in terms of financial activity, with 38 percent of all assets and 55 percent of all revenue reported by charitable organizations for 2006. Examples of organizations in the health category are hospitals; nursing facilities; health support services, such as blood banks and emergency services; health care financing activities; substance abuse treatment services; organizations active in the prevention or treatment of diseases; and medical research. Program service revenue was the dominant source of income for health organizations, accounting for 87 percent of total revenue.

The education program category, which includes colleges and universities, elementary and secondary schools, correspondence schools, libraries, and educational testing services, ranked a close second in terms of assets with \$856.4 billion. At \$275.6 billion, total revenue reported by these organiza-

tions was considerably less than those in the health category.

The largest NTEE category in terms of returns filed comprised human service organizations, which accounted for 38 percent of all Forms 990 and 990-EZ filed for 2006. This category comprises organizations in several classifications performing a broad range of services focused on specific needs within the community: housing and shelter programs; job training and placement services; public safety, disaster preparedness, and relief services; recreation and sports programs; crime prevention and legal services; and multipurpose organizations which provide a broad range of social or human services to individuals and families. Program service revenue (\$91.6 billion) and contributions, gifts, and grants received (\$70.2 billion) together represented 91 percent of the total revenue reported by these organizations.

Business Leagues and Other Organizations Tax-Exempt under IRC Section 501(c)(6)

Internal Revenue Code (IRC) Section 501(c)(6) grants tax-exemption to “Business leagues, chambers of commerce, real-estate boards, boards of trade, or professional football leagues (whether or not administering a pension fund for football players).” In

addition to those types of organizations named in the code, Section 501(c)(6) covers economic development associations, professional societies, and certain insurance associations. Examples of 501(c)(6) organizations include: the American Medical Association, the National Football League, the National Association of Securities Dealers, the American Association of Certified Public Accountants, and the PGA Tour.

As with all tax-exempt organizations, the net earnings of those described in Section 501(c)(6) may not inure to the benefit of any private shareholder or individual. Additionally, an organization applying for tax-exempt status under Section 501(c)(6), must show that its activities will be “devoted to improving business conditions of one or more lines of business as distinguished from performing particular services for individual persons,” and “that the conditions of a particular trade or the interests of the community will be advanced.”⁸ In terms of revenue, IRS regulations require that organizations’ activities are “primarily supported by membership dues and other income from activities substantially related to its exempt purpose.”⁹

Unlike nonprofit charitable organizations, business leagues and similar organizations exempt under Section 501(c)(6) may legally participate in some political activity on behalf of, or in opposition to, candidates for public office. They may also engage in lobbying for legislation that advances the common business interest of the organization’s members. Donors’ contributions to one of these organizations are not tax deductible as a charitable contribution. However, they may be deductible as trade or business expenses, if they are ordinary and necessary in the conduct of the taxpayer’s trade or business.

Highlights of 501(c)(6) Organization Financial Data

Business leagues and similar organizations exempt under IRC section 501(c)(6) filed 30,705 Forms 990 and 990-EZ for Tax Year 2006. This figure represents fewer than half of the total number of active 501(c)(6) organizations recognized by the IRS. Organizations with total gross receipts below the filing threshold and some non-compliant organizations comprise the difference. The organizations that did

file information returns reported total assets of \$61.2 billion and total revenue of \$37.9 billion for Tax Year 2006.

Figure F shows data for different types of IRC Section 501(c)(6) organizations classified by NTEE code. Business leagues and chambers of commerce, which are grouped together in the NTEE taxonomy, filed 13,794 Forms 990 and 990-EZ on which they reported \$19.2 in assets and \$13.1 billion in revenue. The second most common type of 501(c)(6) filers were professional societies and associations with nearly 12,000 returns and \$17.9 billion and \$14.7 billion in assets and revenue, respectively. Insurance-related organizations, which include ‘guaranty associations’—organizations created under State statute to pay claims against insolvent fire and casualty insurance companies—represented a small fraction of 501(c)(6) filers, but accounted for over one quarter of all assets held. By far, the largest 501(c)(6) filer, in terms of assets, was the Michigan Catastrophic Claims Association (MCCA); an organization that reimburses the state’s no-fault auto insurers for personal injury benefits that exceed a certain threshold. For Tax Year 2006, MCCA reported over \$10.7 billion in assets.

Summary

For 2006, nonprofit charitable organizations (excluding private foundations) tax-exempt under section 501(c)(3) reported \$2.5 trillion in total assets and \$1.4 trillion in revenue. The number of returns filed by these organizations was 301,214, including both Form 990 and the shorter Form 990-EZ.

Program service revenue, the fees received for the charitable programs conducted by tax-exempt organizations, was \$920.2 billion for Tax Year 2006. It represented nearly two-thirds of the total revenue reported by charitable organizations. A second source of revenue, contributions, gifts, and grants, which totaled \$303.1 billion, accounted for more than one-half of the total revenue of organizations with asset holdings of less than \$1 million dollars, but for a much smaller share of the total revenue of the larger organizations.

Using the National Taxonomy of Exempt Entities codes (which classify organizations by institu-

⁸ Internal Revenue Service Publication 557, “Tax-Exempt Status for Your Organization,” page 49.

⁹ Ibid, page 48.

Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006

Statistics of Income Bulletin | Fall 2009

Figure F

Selected Items for Organizations Exempt Under IRC Section 501(c)(6), by Type of Organization, Tax Year 2006

[All figures are estimates based on samples—money amounts are in millions of dollars]

Type of organization	Number of returns	Total assets	Total revenue
	(1)	(2)	(3)
Total	30,705	61,162	37,873
Business leagues and chambers of	13,749	19,296	13,098
Professional societies and associations	11,794	17,873	14,667
Real estate associations	1,400	1,680	1,049
Economic development organizations	1,185	1,417	1,470
Insurance associations	141	15,813	3,894
Other 501(c)(6) organizations	2,435	5,083	3,696

NOTES: Data are from both Forms 990 and 990-EZ for organizations that are tax-exempt under Internal Revenue Code section 501(c)(6) and exclude most organizations with receipts less than \$25,000. Detail may not add to totals because of rounding.

tional purpose and major programs and activities), health care was the predominant major category, accounting for 38 percent of assets and 55 percent of total revenue reported by nonprofit charitable organizations.

Business leagues and other organizations exempt under IRC section 501(c)(6) filed 30,705 information returns with the IRS, on which they reported \$60.2 billion in assets and \$37.9 billion in revenue. Eighty-three percent of the returns filed by 501(c)(6) organizations came from business leagues, chambers of commerce, and professional associations. Insurance-related organizations, while few in number, accounted for over 25 percent of the assets reported for Tax Year 2006.

Data Sources and Limitations

The statistics in this article are based on a sample of the Tax Year 2006 Forms 990, *Return of Organization Exempt From Income Tax*, and Forms 990-EZ, *Short Form Return of Organization Exempt From Income Tax*. Organizations were required to file the 2006 form when their accounting periods ended any time between December 31, 2006, and November 30, 2007. The sample did not include private foundations, which were required to file Form 990-PF. Most churches and certain other types of religious organizations were also excluded from the sample because they were not required to file Form 990 or Form 990-EZ. The sample included only those returns with average receipts of more than \$25,000, the filing threshold.

The sample design was split into two parts: the first sampling frame contained all returns filed by organizations exempt under section 501(c)(3); the second sampling frame comprised a pool of all returns filed by organizations exempt under sections 501(c)(4) through (9). Organizations tax-exempt under other Code sections were excluded from the sample frames. The data presented were obtained from returns as originally filed with the Internal Revenue Service. They were subjected to comprehensive testing and correction procedures in order to improve statistical reliability and validity. However, in most cases, changes made to the original return as a result of either administrative processing or taxpayer amendment were not incorporated into the database.

The two samples were classified into strata based on the size of end-of-year total assets, with each stratum sampled at a different rate. For section 501(c)(3) organi-

Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006

Statistics of Income Bulletin | Fall 2009

zations, a sample of 16,872 returns was selected from a population of 305,122. Sampling rates ranged from 1.19 percent for organizations reporting total assets less than \$500,000 to 100 percent for organizations with total assets of \$50,000,000 or more. The second sample contained 7,237 records selected from the population of 114,563 returns filed by organizations exempt under sections 501(c)(4) through (9). Sampling rates ranged from 1.10 percent for organizations reporting total assets less than \$150,000 to 100 percent for organizations with assets of \$10,000,000 or more. The filing populations for these organizations included some returns of terminated organizations, returns of inactive organizations, duplicate returns, and returns of organizations filed with tax periods prior to 2006. However, these returns were excluded from the final sample and the estimated population counts.

Because the data are based on samples, they are subject to sampling error. In order to use these statistics properly, the magnitude of the sampling error, measured by the coefficient of variation (CV), should be taken into account. Figure G shows CVs for selected financial data. A discussion of methods for evaluating the nonsampling error can be found later in this issue—see SOI Sampling Methodology and Data Limitations.

Figure G

Coefficient of Variation for Selected Items, by Selected Internal Revenue Code Section, Tax Year 2006

IRC section and size of organization	Percentages		
	Number of returns	Total assets	Total revenue
	(1)	(2)	(3)
All 501(c)(3) organizations [1]	0.18	0.06	0.44
Large organizations [2]	0.76	0.10	0.35
Medium organizations [3]	1.21	0.58	2.30
Small organizations [4]	1.55	2.60	4.98
All 501(c)(4) organizations	4.28	0.43	0.75
All 501(c)(5) organizations	5.04	1.39	3.10
All 501(c)(6) organizations	3.90	0.80	1.97
Large organizations [2]	n/a	n/a	n/a
Medium organizations [3]	5.05	3.14	4.59
Small organizations [4]	6.95	8.92	10.10
All 501(c)(7) organizations	5.02	1.94	2.73
All 501(c)(8) organizations	9.00	0.25	3.23
All 501(c)(9) organizations	6.90	0.24	6.47

[1] Excludes private foundations, most churches, and certain other types of religious organizations.

[2] Large organizations are those with assets greater than or equal to \$10 million.

[3] Medium organizations are those with assets greater than or equal to \$100,000 but less than \$10 million.

[4] Small organizations are those with assets less than \$100,000.

NOTE: Includes data from Forms 990 and 990-EZ and excludes most organizations with receipts less than \$25,000.

Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006

Statistics of Income Bulletin | Fall 2009

Table 1. All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income, by Selected Industrial Group, 2007

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	All industries	Agriculture, forestry, fishing, and hunting					
		Total	Crop production	Animal production	Forestry and logging	Fishing, hunting, and trapping	Support activities for agriculture and forestry
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of partnerships	3,096,334	126,884	58,542	48,097	6,120	2,527	11,599
Number of partners	18,515,694	402,395	196,234	137,665	33,290	6,651	28,555
Total assets	20,386,133,966	143,214,005	39,399,816	47,449,385	47,736,762	3,195,047	5,432,995
Income and deductions from a trade or business:							
Total income	4,243,833,029	36,722,838	8,039,262	12,743,866	3,289,604	2,060,270	10,589,837
Business receipts	3,847,033,858	28,454,231	3,448,420	9,885,322	2,948,972	1,856,705	10,314,811
Ordinary income from other partnerships and fiduciaries	102,398,987	855,075	235,944	356,844	* 68,240	* 158,148	* 35,899
Farm net profit	6,048,350	5,789,268	3,977,893	1,778,113	0	0	* 33,262
Net gain, noncapital assets	17,572,837	829,178	294,898	494,777	* 3,025	* 16,340	20,138
Other income	270,778,996	795,086	82,107	228,810	269,367	29,076	185,728
Total deductions	3,938,085,903	36,523,102	6,343,618	13,739,775	3,720,858	2,101,125	10,617,726
Cost of good sold [1]	2,309,834,144	20,429,531	2,111,957	8,090,345	1,924,240	1,068,743	7,234,245
Inventory, beginning of year	264,945,887	2,087,524	395,663	837,308	193,400	* 100,079	561,074
Purchases	1,568,979,576	16,020,556	1,529,359	6,285,164	1,125,095	* 585,860	6,495,079
Cost of labor	101,794,266	824,726	288,564	189,409	* 35,344	* 187,408	124,001
Additional inventory costs (section 263A)	18,224,706	72,401	* 47,606	* 5,215	* -395	* 4,040	15,935
Other costs	636,020,826	3,996,906	457,933	1,658,581	748,778	* 324,379	807,234
Less: Inventory, end of year	281,525,912	2,572,583	607,169	885,331	177,982	* 133,024	769,077
Salaries and wages	373,035,986	1,906,169	433,523	492,009	252,567	* 56,951	671,120
Guaranteed payments to partners	47,530,579	841,869	186,663	303,995	152,536	* 20,660	178,015
Rent paid	66,743,519	409,511	97,127	96,132	19,086	* 26,803	170,364
Interest paid	173,612,616	884,971	163,793	161,463	212,043	169,627	178,044
Taxes and licenses	56,473,852	299,173	57,699	61,243	68,498	19,870	91,863
Bad debts	21,230,624	99,911	* 177	7,661	* 1,575	* 23,537	66,961
Repairs and maintenance	19,796,489	400,184	73,149	86,157	50,117	36,852	153,909
Depreciation	85,921,208	925,678	141,947	264,201	131,667	42,279	345,584
Depletion	823,763	* 20,478	0	0	* 20,478	0	0
Retirement plans, etc.	10,441,913	19,668	1,806	4,141	* 4,534	349	8,838
Employee benefit programs	24,109,465	87,137	17,097	22,656	11,733	* 5,901	29,751
Ordinary loss from other partnerships and fiduciaries	49,221,523	820,413	* 12,475	383,503	221,695	* 53,923	* 148,818
Farm net loss	5,343,749	4,930,087	2,190,841	2,706,472	* 25,284	0	* 7,490
Net loss, noncapital assets	4,985,744	80,392	* 12,296	* 50,103	* 17,568	3	* 421
Other deductions	688,980,731	4,367,930	843,069	1,009,695	607,235	575,628	1,332,303
Ordinary business income (loss)	305,747,126	199,736	1,695,644	-995,910	-431,254	-40,855	-27,890
Net income	537,075,271	7,839,138	4,274,063	2,244,489	445,166	* 305,458	569,961
Loss	231,328,145	7,639,402	2,578,419	3,240,399	876,420	346,313	597,851
Portfolio income (loss) distributed directly to partners	980,860,693	3,207,227	621,818	1,139,999	1,190,997	14,086	240,327
Interest income	259,902,473	1,387,915	203,533	205,761	943,971	11,837	22,812
Dividend income	104,713,737	146,834	54,347	68,340	19,450	* 2,209	2,488
Royalties	17,632,110	597,221	* 71,156	431,779	94,190	26	* 71
Net short-term capital gain (loss)	87,431,982	-16,565	* 12,825	-29,519	* 210	0	* -82
Net long-term capital gain (loss)	511,180,391	1,091,822	279,956	463,638	133,176	14	215,038
Net rental real estate income (loss)	-1,219,460	247,805	195,759	-2,903	62,433	0	-7,483
Net income	93,796,548	417,162	269,802	74,862	66,835	0	* 5,662
Loss	95,016,008	169,356	74,044	77,766	* 4,402	0	* 13,145
Other net rental income (loss)	-3,408,583	79,539	43,662	26,119	* 7,533	* -456	* 2,681
Net income	6,738,416	86,722	* 43,778	27,354	* 7,760	* 58	* 7,771
Loss	10,146,999	* 7,182	* 116	* 1,235	227	* 515	* 5,089
Total net income (loss) [2]	683,367,402	2,659,050	2,264,102	-266,814	696,322	-27,239	-7,321
Net income	975,902,682	9,855,659	4,699,590	2,795,506	1,453,763	* 311,032	595,769
Loss	292,535,279	7,196,609	2,435,488	3,062,320	757,441	338,271	603,089

Footnotes at end of table.

Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006

Statistics of Income Bulletin | Fall 2009

Table 2. Form 990 Returns of 501(c)(3)-(9) Organizations: Total Functional Expenditures, by Code Section, Tax Year 2006

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Internal Revenue Code Section						
	501(c)(3) [1]	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total functional expenditures [2]	1,220,988,334	77,902,894	17,335,069	33,712,221	11,369,756	13,218,752	138,835,405
Grants paid from donor-advised funds	5,321,942	0	* 343	* 1,683	0	0	* 45
Other grants and allocations	79,695,343	2,712,875	745,496	763,812	53,968	596,425	1,270,472
Specific assistance to individuals	10,091,961	1,171,108	5,981	10,635	319	146,537	1,223,608
Benefits paid to or for members	7,257,408	19,929,298	1,760,411	820,131	25,833	9,467,637	117,649,873
Compensation of current officers, directors, etc.	18,749,295	533,612	1,534,492	2,227,746	192,984	115,542	319,870
Compensation of former officers, directors, etc.	1,127,768	20,488	42,800	75,480	12,078	14,277	1,273
Compensation to disqualified persons	454,500	* 28,029	* 22,646	* 17,783	* 1,725	0	* 893
Other salaries and wages	411,300,556	6,198,794	3,616,729	6,292,951	3,815,929	755,761	634,492
Pension plan contributions	18,746,445	673,198	706,627	556,862	68,310	130,734	101,278
Other employee benefits	57,920,133	5,029,237	967,836	1,219,140	394,333	281,661	4,945,793
Payroll taxes	28,710,821	279,566	424,732	559,001	468,978	87,837	76,876
Professional fundraising fees	822,241	84,946	72,862	30,835	5,992	9,811	* 1,657
Accounting fees	2,148,752	152,225	98,679	160,780	60,421	26,470	112,935
Legal fees	2,913,337	204,431	451,117	560,725	25,853	26,094	145,968
Supplies	103,226,876	372,132	161,478	250,783	378,582	60,656	29,046
Telephone	4,698,577	116,580	147,902	227,157	51,415	22,775	18,024
Postage and shipping	3,931,358	485,595	133,846	333,605	45,295	25,181	59,315
Occupancy	38,460,603	1,026,886	550,174	979,866	1,373,171	214,815	106,688
Equipment rental and maintenance	16,599,390	428,541	133,154	329,815	330,201	39,915	32,682
Printing and publications	7,010,340	565,749	252,613	950,231	94,631	46,086	43,063
Travel	10,535,362	239,873	490,835	902,554	42,607	35,670	12,718
Conferences, conventions, and meetings	4,862,666	222,420	445,891	2,340,333	52,683	47,385	22,273
Interest	21,393,557	2,434,807	64,291	134,407	283,583	18,790	14,950
Depreciation and depletion	49,301,674	1,281,188	309,595	573,224	1,059,807	95,401	67,474
Other expenses	315,707,405	33,711,312	4,194,538	13,392,680	2,531,053	953,289	11,944,137

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Excludes private foundations, most churches, and certain other types of religious organizations.

[2] The differences between "total functional expenditures" shown in this table and "total expenses" shown in Tables 1 and 3 are due to payments to affiliates, which are not considered functional expenditures.

NOTES: Data exclude most organizations with receipts less than \$25,000. Detail may not add to totals because of rounding.

Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006

Statistics of Income Bulletin | Fall 2009

Table 3. Form 990 Returns of 501(c)(3)-(9) Organizations: Balance Sheet and Income Statement Items, by Code Section, Tax Year 2006

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Internal Revenue Code Section						
	501(c)(3) [1]	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns	237,653	17,693	14,470	23,958	13,801	5,360	6,383
Total assets	2,547,156,696	97,581,787	30,044,359	60,879,145	23,107,266	99,525,019	169,568,304
Cash	54,554,065	2,625,892	2,482,442	3,392,872	1,163,989	497,706	2,950,241
Savings and temporary cash investments	165,196,937	10,388,197	6,302,125	10,724,462	1,768,205	3,722,271	20,447,854
Accounts receivable (net)	120,930,023	6,104,399	1,015,459	3,717,264	1,230,036	132,852	10,598,031
Pledges receivable (net)	48,645,926	120,567	* 5,950	170,708	12,767	* 1,296	* 164
Grants receivable	14,967,531	217,257	13,256	101,738	* 780	* 10,506	135,698
Receivables due from officers, etc.	353,454	* 20,697	2,210	19,411	11,760	* 551	* 20
Receivables due from disqualified persons	157,207	0	0	* 12	0	0	0
Other notes and loans receivable	100,179,793	27,490,564	300,487	1,170,612	131,770	375,205	141,472
Inventories for sale or use	14,088,684	1,374,236	40,515	181,151	254,984	36,594	5,445
Prepaid expenses and deferred charges	21,996,875	1,324,572	180,519	925,730	233,114	37,733	260,163
Investments in publicly-traded securities	703,524,195	18,399,548	11,612,797	23,663,454	472,463	65,177,584	89,267,166
Investments in other securities	205,971,957	5,228,661	1,258,239	5,182,429	122,060	3,636,673	27,315,079
Investments in land, buildings, and equipment	35,657,973	2,906,923	382,297	546,706	1,291,785	208,143	139,443
Other investments	279,831,332	4,324,431	1,564,608	4,290,423	227,826	22,897,434	12,085,647
Land, buildings, and equipment for charitable purposes	632,678,295	11,075,309	4,265,431	4,794,226	15,817,391	1,572,014	383,320
Other assets	148,422,445	5,980,534	618,025	1,997,947	368,337	1,218,457	5,838,561
Total liabilities	931,800,259	50,470,508	6,134,189	30,207,435	7,784,284	86,991,127	28,489,595
Accounts payable	162,682,823	10,755,060	2,511,297	6,671,555	1,133,207	526,686	14,971,022
Grants payable	14,315,757	582,461	39,576	87,509	* 5,043	* 6,847	91,666
Support and revenue designated for future periods	45,713,265	2,968,986	259,636	4,520,882	851,266	68,120	390,985
Loans from officers, etc.	950,738	* 2,137	* 6	* 600	* 10,270	* 8,799	* 3,250
Tax-exempt bond liabilities	311,363,209	7,649,059	* 910	* 48,847	* 200	* 9,844	0
Mortgages and other notes payable	194,296,580	22,437,280	1,327,887	2,817,440	4,943,614	254,730	408,660
Other liabilities	202,477,887	6,075,525	1,994,877	16,060,603	840,683	86,116,102	12,624,011
Net assets	1,615,356,436	47,111,279	23,910,170	30,671,710	15,322,982	12,533,891	141,078,709
Total revenue	1,367,922,825	81,586,215	21,094,176	37,549,677	11,724,293	14,220,971	145,939,044
Total contributions, gifts, and grants received	301,617,358	5,228,511	1,032,206	2,936,632	107,579	347,694	* 641
Contributions received from donor-advised funds	10,368,453	* 479	0	* 736	0	0	0
Contributions received from direct public support	150,214,837	1,924,520	513,247	1,167,641	94,467	58,773	* 99
Contributions received from indirect public support	26,049,161	185,294	88,646	106,306	10,712	253,830	* 542
Government grants	114,984,906	3,118,219	430,313	1,661,950	* 2,401	* 35,092	0
Program service revenue	919,572,343	66,273,009	3,786,543	15,385,445	2,157,159	9,140,204	131,940,171
Membership dues and assessments	8,734,691	2,845,810	13,845,104	13,369,671	6,885,133	386,725	3,080,076
Interest on savings and temporary cash investments	9,480,661	648,684	296,999	670,172	97,143	91,315	1,078,066
Dividends and interest from securities	26,609,301	823,255	483,171	1,208,933	24,256	3,214,941	3,505,570
Net rental income (loss)	2,827,854	224,929	107,430	48,114	49,691	36,928	589
Gross rents	5,944,670	326,820	218,320	172,837	110,076	59,977	9,799
Rental expenses	3,116,815	101,891	110,889	124,723	60,384	23,049	9,210
Other investment income	9,136,729	869,258	61,983	111,633	8,329	86,438	463,828
Total gain (loss) from sales of assets	59,090,226	1,050,938	315,980	575,214	45,037	247,498	4,793,169
Gain (loss), sales of securities	53,679,436	813,770	204,304	549,210	13,167	65,561	4,731,000
Gross amount from sales	676,926,289	14,734,181	6,265,880	22,889,419	222,876	3,084,276	154,216,273
Cost or other basis and sales expense	623,246,853	13,920,411	6,061,576	22,340,210	209,709	3,018,715	149,485,273
Gain (loss), sales of other assets	5,410,789	237,167	111,677	26,004	31,870	181,937	62,169
Gross amount from sales	14,865,047	520,232	189,347	136,469	189,106	185,932	372,147
Cost or other basis and sales expense	9,454,258	283,065	77,671	110,465	157,236	3,996	309,978
Net income (loss), special events and activities	3,740,691	275,679	23,841	249,283	80,673	356,226	* 3,116
Gross revenue	9,874,173	1,176,279	84,737	810,994	278,253	684,714	* 13,794
Direct expenses	6,133,482	900,600	60,896	561,711	197,579	328,488	* 10,677
Gross profit (loss), sales of inventories	6,021,543	174,930	10,825	220,584	1,935,939	136,923	* -285
Gross sales minus returns and allowances	13,962,301	514,343	52,940	381,163	3,786,172	382,554	* 15,635
Cost of goods sold	7,940,759	339,413	42,115	160,580	1,850,232	245,631	* 15,920
Other revenue (loss)	21,091,422	3,171,209	1,130,093	2,773,997	333,352	176,078	1,074,103
Total expenses [2]	1,227,644,870	78,008,213	19,652,504	33,877,729	11,402,106	13,233,441	138,961,990
Program services	1,055,672,320	70,123,616	[3]	[3]	[3]	[3]	[3]
Management and general	150,890,262	7,437,711	[3]	[3]	[3]	[3]	[3]
Fundraising	14,425,752	341,567	[3]	[3]	[3]	[3]	[3]
Payments to affiliates	6,656,532	105,318	2,317,435	165,508	32,350	14,689	126,585
Excess of revenue over expenses (net)	140,277,953	3,578,002	1,441,672	3,671,948	322,187	987,530	6,977,054

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Excludes private foundations, most churches, and certain other types of religious organizations.

[2] The differences between "total expenses" shown in this table and "total functional expenditures" shown in Table 2 are due to payments to affiliates, which are not considered functional expenditures.

[3] Not required to be reported.

NOTES: Data exclude most organizations with receipts less than \$25,000. Detail may not add to totals because of rounding.

Charities, Business Leagues, and Other Tax-Exempt Organizations, 2006

Statistics of Income Bulletin | Fall 2009

Table 4. Form 990-EZ Returns of 501(c)(3)-(9) Organizations: Selected Items, by Code Section, Tax Year 2006

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Internal Revenue Code Section						
	501(c)(3) [1]	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)*
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns	63,561	9,872	5,999	6,747	6,837	1,441	253
Total assets	2,571,349	478,673	370,861	282,994	405,421	99,611	8,000
Cash, savings, and investments	1,917,007	356,069	331,995	273,146	218,810	69,589	8,000
Land and buildings (net)	341,475	110,258	29,012	* 5,023	145,728	* 27,746	0
Other assets	312,866	12,346	9,854	4,825	40,882	* 2,276	0
Total liabilities	210,343	47,391	39,517	13,630	54,877	* 552	0
Net assets	2,361,006	431,282	331,344	269,363	350,544	99,059	8,000
Total revenue	2,957,219	414,254	298,389	323,683	298,434	65,092	14,318
Contributions, gifts, and grants	1,551,098	85,343	16,325	45,266	26,308	4,682	0
Program service revenue	649,333	78,016	13,553	90,666	71,676	* 22,318	8,971
Dues and assessments	244,469	132,195	230,442	151,166	160,128	10,661	3,905
Investment income (loss)	42,176	12,952	8,084	5,459	13,521	1,590	120
Gain (loss) from sales of assets	16,038	* 2,013	* 100	0	* -556	0	0
Gross amount from sales	26,766	* 4,802	* 2,413	0	* 11,353	0	0
Cost or other basis and sales expense	10,727	* 2,789	* 2,312	0	* 11,910	0	0
Net income (loss), special events and activities	293,263	89,082	9,109	13,900	8,877	* 13,857	0
Gross revenue	693,159	187,792	24,978	48,225	51,961	* 27,974	0
Direct expenses	399,895	98,710	15,869	34,325	43,084	* 14,117	0
Gross profit (loss), sales of inventories	57,200	2,667	* 410	* 196	4,162	* 2,477	0
Gross sales minus returns and allowances	171,084	9,490	* 1,489	* 588	19,555	* 4,404	0
Cost of goods sold	113,883	* 6,822	* 1,079	* 392	15,393	* 1,927	0
Other revenue (loss)	103,636	11,984	20,364	17,028	14,318	* 9,506	1,323
Total expenses	2,771,232	384,650	274,536	306,821	285,584	70,995	14,550
Grants paid	413,835	87,850	30,551	9,479	9,501	17,081	0
Benefits paid to or for members	42,415	14,481	11,503	* 12,553	* 12,184	* 2,393	9,439
Salaries and compensation	419,608	16,783	71,586	42,488	25,354	* 6,703	211
Professional fees	263,948	35,338	21,486	54,141	14,563	* 4,458	13
Occupancy, rent, and utilities	305,830	40,993	19,400	9,594	79,071	* 13,171	80
Printing, publications, and postage	109,912	11,890	10,739	22,337	15,581	1,764	13
Other expenses	1,215,677	177,312	109,273	156,228	129,329	25,424	4,794
Excess of revenue over expenses (net)	185,985	29,604	23,853	16,862	12,849	-5,903	-232

*Estimate(s) should be used with caution because of the small number of sample returns on which they are based.

[1] Excludes private foundations, most churches, and certain other types of religious organizations.

NOTES: Organizations with end-of-year total assets under \$250,000 and gross receipts under \$100,000 could elect to file Forms 990-EZ rather than Forms 990. Data exclude most organizations with receipts less than \$25,000. Detail may not add to totals because of rounding.