

# Charities and Other Tax-Exempt Organizations, 1988

by Cecelia Hilgert and Paul Arnsberger

**T**he total revenue of charitable organizations that are tax-exempt under Internal Revenue Code section 501(c)(3), excluding private foundations and religious organizations, increased to \$354.6 billion for 1988, a 14-percent increase from 1987 [1,2]. Program activities provided more than two-thirds of total revenue (\$239.3 billion), while contributions, gifts and grants provided about one-fifth (\$69.1 billion). Total expenses rose by 15 percent to \$330.8 billion for 1988; 85 percent of these expenses were attributable to costs of conducting programs (see Figure A). Additional data are presented in this article for organizations that are tax-exempt under Code sections 501(c)(4) through (9).

## Organizations Exempt Under Code Section 501(c)(3)

Organizations that are tax-exempt under Internal Revenue Code section 501(c)(3) include those whose purposes are religious, charitable, educational or scientific, or are for the purpose of testing for public safety. Their activities are restricted in that they must further one or more of these exempt purposes. Examples of these organizations are nonprofit universities and schools, nonprofit hospitals, youth organizations, United Way campaigns, community performing-arts associations, and environmental support groups. These organizations must serve the public (as opposed to private) interests. Under the Code, these organizations may not distribute net earnings to a private shareholder or individual. In addition, they are restricted in activities that could influence legislation, and they cannot participate in any political campaign on behalf of or in opposition to any candidate for political office.

The Internal Revenue Code classifies nonprofit organizations into 25 subsections. Some of the organizations may be eligible for tax-deductible donations under section 170. Those organizations exempt under section 501(c)(3) receive the largest part of tax-deductible donations and are the largest providers of philanthropic goods and services. (Organizations that are exempt under certain other Code sections are discussed later in this article.)

### Financial Characteristics of Nonprofit Charitable Organizations

A total of 124,232 of the 422,689 nonprofit charitable organizations recognized by the Internal Revenue Service (IRS) were required to file information returns on Form 990, *Return of Organization Exempt from*

**Figure A**

### Selected Data for Nonprofit Charitable Organizations, Reporting Years 1986-1988

[Money amounts are in billions of dollars]

Item	1986	1987	1988
	(1)	(2)	(3)
Number of returns.....	113,072	122,018	124,232
Total assets.....	\$489.2	\$529.5	\$583.6
Total revenue.....	292.5	310.8	354.6
Program service revenue.....	187.9	211.9	239.3
Contributions, gifts and grants....	60.1	61.7	69.1
Dues and assessments.....	3.7	4.2	4.0
Other.....	40.7	33.0	42.3
Total expenses.....	263.5	288.7	330.8
Program service expenses.....	221.9	242.2	281.6
Fundraising services.....	2.5	2.9	3.2
Management and general expenses.....	38.2	42.6	45.2
Payments to affiliates.....	.9	.9	.9

NOTES: Detail may not add to totals because of rounding. Nonprofit organizations exclude private foundations and religious organizations.

*Income Tax*, for 1988 [3]. The number of required returns filed continued to increase, but at a slower pace than previous years (less than 2 percent for 1988 compared with increases of 8 and 15 percent for 1987 and 1986, respectively). Over two-thirds of the returns for 1988 were filed by organizations with assets of less than \$500,000. The number of returns filed by organizations in this asset-size class increased by less than 1 percent from 1987 to 1988, although the number filed by organizations with assets of \$50 million or more increased by 8 percent from 1987. Organizations in this latter asset-size class, however, accounted for less than 2 percent of the total number of returns [4].

Assets of nonprofit charitable organizations (expressed in current dollars) increased by 10 percent, from \$529.5 billion for 1987 to \$583.6 billion for 1988. Most of these assets (86 percent) were owned by organizations with holdings of \$10 million or more (see Figure B). These organizations also received over three-quarters of the total revenue (\$276.9 billion). Revenue and asset data for the largest section 501(c)(3) organizations are presented in

Figures C and D, respectively.

**The tax code classifies nonprofit organizations into 25 subsections. Some organizations may be eligible for tax-deductible donations.**

### Assets and Liabilities

Assets registered a 10-percent gain from 1987, rising to \$583.6 billion for 1988 from \$529.5 billion for 1987. The major components of assets all showed significant increases. Investments in securities

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**Figure B**

## Nonprofit Charitable Organizations by Asset Size, Reporting Year 1988

[Money amounts are in millions of dollars]

Asset size	Returns		Total assets		Total revenue	
	Number	Percent	Amount	Percent	Amount	Percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total</b> .....	<b>124,232</b>	<b>100.0%</b>	<b>\$583,573</b>	<b>100.0%</b>	<b>\$354,646</b>	<b>100.0%</b>
Under \$100,000 <sup>1,2</sup> .....	50,471	40.6	1,673	0.3	6,001	1.7
\$100,000 under \$500,000.....	34,415	27.7	8,232	1.4	12,521	3.5
\$500,000 under \$1,000,000.....	11,475	9.2	8,205	1.4	9,006	2.5
\$1,000,000 under \$10,000,000.....	21,457	17.3	66,130	11.3	50,202	14.2
\$10,000,000 under \$50,000,000.....	4,461	3.6	99,037	17.0	64,867	18.3
\$50,000,000 or more.....	1,954	1.6	400,294	68.6	212,048	59.8

<sup>1</sup>Includes returns with zero assets or assets not reported.

<sup>2</sup>Estimates should be used with caution because of the small number of sample returns on which they are based.

NOTES: Detail may not add to totals because of rounding. Nonprofit charitable organizations exclude private foundations and religious organizations.

showed the largest annual gain, 13 percent, to \$174.8 billion. Cash and savings rose by 10 percent to \$61.1 billion. Land, buildings, and equipment continued to be the major asset holding, with a total of \$185.2 billion. Land, buildings, and equipment represented almost one-third of the assets of all nonprofit charitable organizations; this category rose by 7 percent. (Detailed financial data by asset-size class are provided in Table 1.)

The type of asset holdings varied among the asset-size classes of the organizations. For small organizations—those with assets of less than \$500,000—total assets rose by 3 percent. Cash and savings represented 43 percent of their total assets. For organizations with assets of between \$10 million and \$50 million, land, buildings and equipment accounted for the largest type of holding, \$38.9 billion, or 39 percent of the total for this asset size-class. Investments in securities was the largest asset holding for organizations with assets of \$50 million or more, representing 35 percent (\$140.5 billion) of their total assets; this asset type rose by 14 percent for this asset size-class for 1988.

Total liabilities also increased, by 11 percent for 1988, to \$257.6 billion. Mortgages and other notes payable were the largest item, totaling \$106.0 billion, a 10-percent increase from 1987. This liability item represented 41 percent of the total, the same percentage as for 1987. Organizations with assets of \$50 million or more accounted for 72.9 percent of total liabilities; those with assets of between \$10 million and \$50 million represented an additional 14.8 percent. These percentages were slightly greater than for 1987.

The balance sheet of a tax-exempt organization does not have an owner's equity section; instead, earnings accrue to a net worth/fund balance. The total balance for nonprofit charitable organizations was \$325.9 billion, up from \$297.7 billion for 1987.

### Revenue

Program service revenue, which is generated through programs operated by nonprofit charitable organizations in support of their tax-exempt purposes, continued to grow as a total amount, but fell slightly as a percentage of total revenue. As shown in Figure E, program service revenue comprised nearly three-quarters of the total revenue of organizations with assets of \$10 million or more. This revenue increased by 13 percent from \$211.9 billion for 1987 to \$239.3 billion for 1988. Program service revenue represented about two-thirds of total revenue for 1988. Some examples of program service revenue include tuition and fees at educational institutions, hospital patient care charges (including Medicaid-Medicare payments), admission fees collected by museums or community performing arts groups, YMCA/YWCA activity fees and payments received for insurance and retirement coverage by selected pension and annuity funds.

### Contributions

Contributions, gifts and grants continued to represent about one-fifth of total revenue for all organizations, but, as shown in Figure E, contributions, gifts and grants represented a greater proportion of total revenue for smaller organizations than for larger ones. They accounted for one-half of total revenue for organizations with assets of less than \$1 million, but 18 percent for organizations with assets between \$10 million and \$50 million and 12 percent for organizations with assets of \$50 million or more. Direct public support represented 47 percent of the contributions total.

Contributions, gifts and grants registered a 12-percent increase from 1987, to \$69.1 billion. In large part, this was due to the \$5-billion increase in that portion represented by Government grants, which totaled \$30.3 billion, up from \$25.4 billion for 1987. Direct public support also

# Charities and Other Tax-Exempt Organizations, 1988

**Figure C**

**Top Ten Nonprofit Charitable Organizations Ranked by Total Revenue, Reporting Year 1988**

[Money amounts are in millions of dollars]

Name	Total revenue
1. Teachers Insurance and Annuity Association of America.....	\$8,733
2. College Retirement Equities Fund.....	7,833
3. Kaiser Foundation Health Plan.....	4,594
4. New York City Health and Hospitals Corporation.....	2,582
5. Kaiser Foundation Hospitals.....	2,483
6. Harvard College.....	1,577
7. California Institute of Technology.....	1,300
8. University of Pennsylvania.....	1,275
9. Stanford University.....	1,250
10. Sisters of Mercy Health Corporation.....	1,224

NOTE: Nonprofit charitable organizations exclude private foundations and religious organizations.

increased, from \$29.9 billion for 1987 to \$32.5 billion for 1988, a gain of \$2.6 billion. The third component, indirect public support, which is the revenue received through solicitation campaigns conducted by federated fundraising agencies, showed a decline for 1988—it totaled \$6.2 billion, down from \$6.4 billion for 1987 (see Figure F).

Government grants represented 44 percent of the contributions total and 9 percent of total revenue, both of which were slightly greater proportions than for 1987. This source of funding was 25 percent of the total revenue

for small organizations (with assets less than \$1 million). For organizations with assets of \$10 million or more, it represented 5 percent of total revenue, the same as for previous years.

**Expenses**

Nonprofit charitable organizations report their expenses on Form 990 by object classification (salaries, pension plan contributions and other employee benefits, legal fees, supplies and the like) allocated into three functions: program services, management and general, and fundraising. Expenses totaled \$330.8 billion for 1988, an increase of 15 percent over \$288.7 billion for 1987.

**Figure D**

**Top Ten Nonprofit Charitable Organizations Ranked by Total Assets, Reporting Year 1988**

[Money amounts are in millions of dollars]

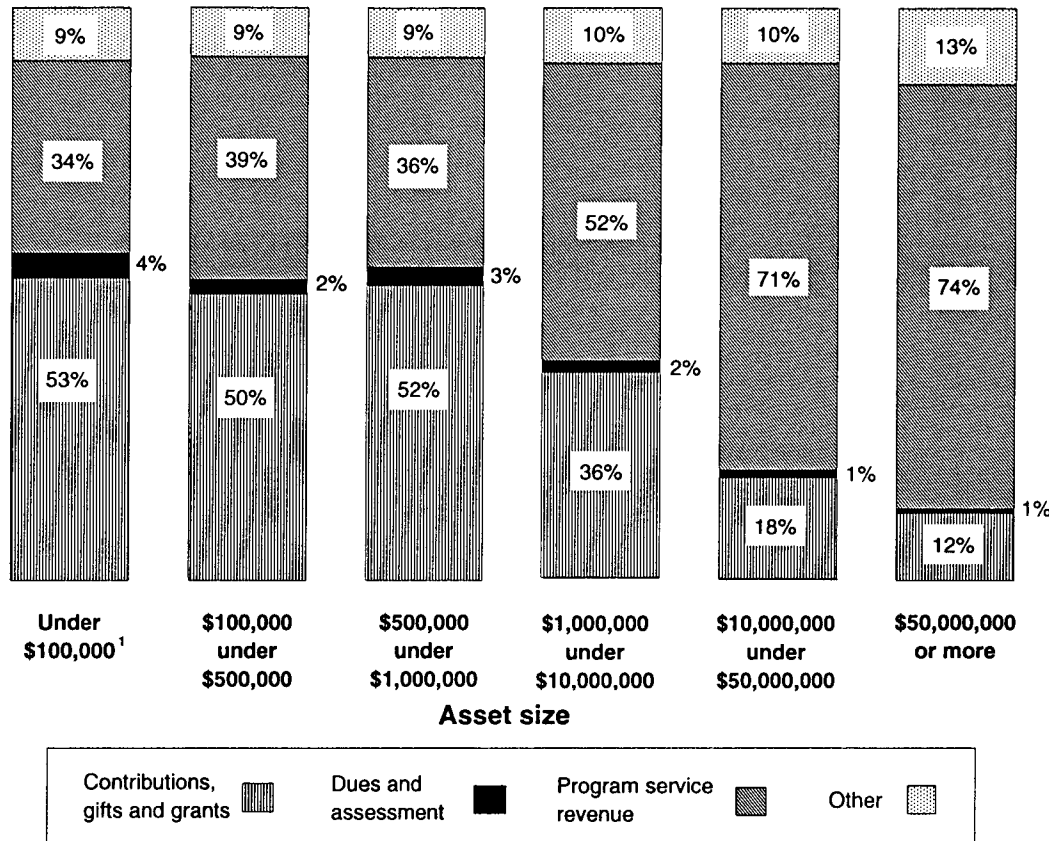
Name	Total assets
1. Teachers Insurance and Annuity Association of America.....	\$38,631
2. College Retirement Equities Fund.....	32,360
3. Harvard College.....	6,594
4. Howard Hughes Medical Institute.....	6,432
5. Common Fund for Nonprofit Organizations..	5,325
6. Yale University.....	3,956
7. Stanford University.....	3,840
8. Princeton University.....	2,912
9. Shriners' Hospitals for Crippled Children.....	2,626
10. Cornell University.....	2,597

NOTE: Nonprofit charitable organizations exclude private foundations and religious organizations.

# Charities and Other Tax-Exempt Organizations, 1988

**Figure E**

**Components of Nonprofit Charitable Organization Revenue, by Asset Size, Reporting Year 1988**



<sup>1</sup> Includes organizations with assets zero or not reported.

NOTE: Nonprofit charitable organizations exclude private foundations and religious organizations.

Expenses that were attributable to specific program activities represented 85 percent of the total. Salaries and wages were the leading component of expenses, \$115.4 billion, accounting for one-third of the total.

Management and general expenses, which support the overall organization rather than specific programs, were \$45.2 billion for 1988, rising by 6 percent from the 1987 total of \$42.6 billion. Fundraising expenses and payments to affiliates together comprised only 1 percent of total expenses. Payments to affiliates are payments to organizations closely related to the reporting organizations, such as support and dues payments by local chapters to State and national agencies.

Organizations with assets of \$10 million or more accounted for more than three-quarters of all expenses. Detailed data on expenses for 1988 are shown in Table 2.

### Types of Nonprofit Charitable Organizations

Figures G, H and I display information on the types of nonprofit charitable organizations that filed Form 990 for 1988. This information is based on responses to a question on the return identifying the reason that an organization was not classified as a private foundation.

Figure H shows that hospitals, educational institutions and "publicly-supported organizations" were the major categories of nonprofit charities in terms of such selected balance sheet and income statement items as total assets, total liabilities, total revenue and total expenses. Publicly-supported organizations are comprised of qualified organizations that are operated for purposes that are beneficial to the public interest and that receive support from a broad cross-section of the public. Examples include the United Way, the American National Red

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**Figure F**

## Contributions Received by Nonprofit Charitable Organizations, by Asset Size, Reporting Year 1988

[Money amounts are in millions of dollars]

Asset size	Total contributions, gifts and grants		Contributions received through direct support		Contributions received through indirect support		Contributions received through Government grants	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Total</b> .....	<b>\$69,062</b>	<b>100.0%</b>	<b>\$32,486</b>	<b>100.0%</b>	<b>\$6,246</b>	<b>100.0%</b>	<b>\$30,330</b>	<b>100.0%</b>
Under \$100,000 <sup>1,2</sup> .....	3,172	4.6	1,549	4.8	300	4.8	1,323	4.4
\$100,000 under \$500,000.....	6,267	9.1	2,643	8.1	551	8.9	3,073	10.1
\$500,000 under \$1,000,000.....	4,648	6.7	1,707	5.3	353	5.7	2,587	8.5
\$1,000,000 under \$10,000,000.....	18,280	26.5	7,825	24.1	1,592	25.5	8,862	29.2
\$10,000,000 under \$50,000,000.....	11,607	16.8	7,264	22.4	1,628	26.1	2,715	9.0
\$50,000,000 or more.....	25,089	36.3	11,496	35.4	1,821	29.2	11,771	38.9

<sup>1</sup>Includes returns with zero assets or assets not reported.

<sup>2</sup>Estimates should be used with caution because of the small number of sample returns on which they are based.

NOTES: Detail may not add to totals because of rounding. Nonprofit charitable organizations exclude private foundations and religious organizations.

Cross and the National Geographic Society. Other examples include cultural organizations, such as the Metropolitan Museum of Art; and community foundations, such as the New York Community Trust [5]. Together, the assets of the three categories of organizations totaled \$437.1 billion for 1988 and their revenue, \$313.9 billion [6]. The amounts represented 75 percent and 89 percent, respectively, of the totals for all nonprofit charitable organizations.

Hospitals accounted for 44 percent of total revenue and 29 percent of total assets, but just 5 percent of both the number of returns filed and the contributions received. Nearly all of their revenue, over 92 percent, was program service revenue. While publicly-supported organizations comprised 73 percent of the total returns, they accounted for only 27 percent of total revenue and 22 percent of total asset holdings. Educational institutions, such as colleges and universities accounted for only 8 percent of returns, but ranked second in terms of assets and contributions received, with 23 percent and 21 percent, respectively.

The largest asset holdings for these three major types of organizations took the form of land, buildings and equipment, which accounted for 40 percent of the total holdings for these groups. For hospitals, these assets represented 46 percent of total assets; for educational institutions, 39 percent; and for publicly-supported organizations, 32 percent. In contrast, another category of nonprofit charitable organizations identified on Form 990—one that supports other charitable organizations—held 59 percent of total assets in investment securities and only 6 percent in land, buildings and equipment. Among the largest of these organizations were the Common Fund for Nonprofit Organizations, the Teachers Insurance and Annuity Association, and the Student Loan Funding

Corporation.

Program service revenue as a share of total revenue remained fairly constant for all types of organizations for 1988 compared with previous years. For hospitals, it represented mainly charges to patients and comprised 92 percent of hospital revenue, up slightly from 91 percent for 1987. For educational institutions, it comprised 60 percent of their total revenue for 1988, a drop of 1 percent from 1987. For publicly-supported organizations, program service revenue remained at 41 percent of total revenue.

Another category of nonprofit charitable organizations—those engaged in hospital research—continued to grow in 1988. Total assets reached \$8.5 billion, up from \$7.3 billion for 1987, a gain of 16 percent. Total revenue for hospital research organizations increased by over one-half to \$2.1 billion for 1988, up from \$1.3 billion for 1987. These increases were largely due to growth by the Howard Hughes Medical Institute, whose public charity status was not affirmed by the Internal Revenue Service until 1986. This institute reported assets of \$6.4 billion for 1988, up from \$5.2 billion in 1987, and revenue of \$724 million, up from \$212 million.

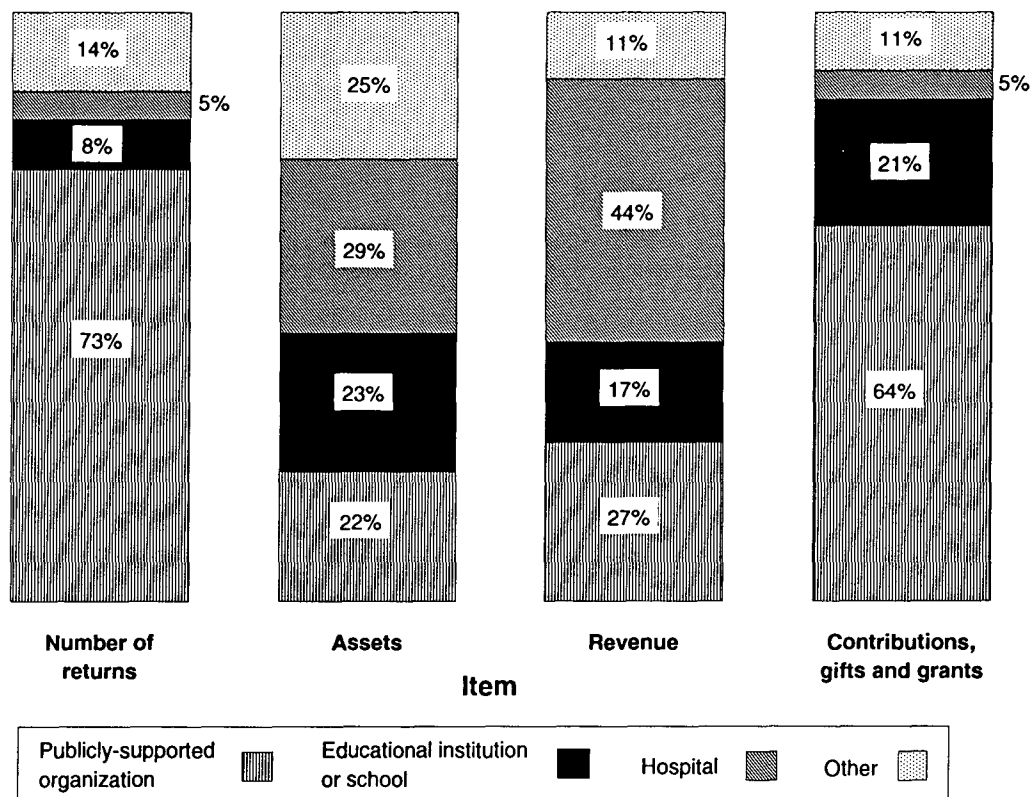
### Organizations Exempt Under Code Sections 501(c)(4) through (9)

The statistics presented in this section are also based on Form 990—organizations tax-exempt under Internal Revenue Code sections 501(c)(4) through (9). This is the first study of these organizations conducted by the Statistics of Income Division since 1975. Figure J provides general descriptions of the organizations included under these sections. Unlike the organizations that are exempt under Code section 501(c)(3), most of these organizations are not eligible for tax-deductible

# Charities and Other Tax-Exempt Organizations, 1988

**Figure G**

**Selected Financial Data, by Major Type of Nonprofit Charitable Organization, Reporting Year 1988**



NOTE: Nonprofit charitable organizations exclude private foundations and religious organizations.

contributions. In the information presented below, the appropriate Code section is shown following the type of organization. Financial data for organizations covered by these Code sections are presented in Tables 3 and 4.

Labor, agricultural and horticultural organizations (section 501(c)(5)) filed the largest number of returns for 1988, nearly 21,000. Business leagues, chambers of commerce, and real estate boards (section 501(c)(6)), and civic leagues and social welfare organizations (section 501(c)(4)) were second and third, with 19,875 returns and 19,279 returns, respectively. With the exception of voluntary employees' beneficiary associations (section 501(c)(9)), more than 80 percent of all returns for each Code section were filed by organizations with assets of less than \$500,000. There was a greater percentage of returns filed by smaller organizations covered by these Code sections than by the nonprofit charitable organizations covered by section 501(c)(3), where two-thirds of the total returns were filed by organizations with assets of

less than \$500,000 (see Figure K). For the social and recreational clubs (section 501(c)(7)), one-half of the returns were filed by organizations with assets of less than \$100,000 and less than one-half of 1 percent, by organizations with assets of \$10 million or more.

For the voluntary employees' beneficiary associations (section 501(c)(9)), however, organizations with asset holdings of less than \$500,000 represented less than 60 percent of the returns filed. Organizations with assets of \$10 million or more under this Code section filed 5 percent of the returns, which was a greater proportion than the returns filed under the other Code sections. In terms of assets, organizations exempt under section 501(c)(9) had the largest holdings, \$28.3 billion, and those with assets of \$10 million or more accounted for more than 70 percent of the total assets (see Figure L). Civic leagues and social welfare organizations (section 501(c)(4)) ranked second with \$27.4 billion in asset holdings. Organizations under this section with assets of

# Charities and Other Tax-Exempt Organizations, 1988

**Figure H**

## Selected Balance Sheet and Income Statement Items, by Type of Nonprofit Charitable Organization, Reporting Year 1988

[Money amounts are in millions of dollars]

Type of organization	Total assets (1)	Total liabilities (2)	Total revenue (3)	Program service revenue (4)	Total expenses (5)
<b>Total</b> .....	<b>\$583,573</b>	<b>\$257,645</b>	<b>\$354,646</b>	<b>\$239,292</b>	<b>\$330,815</b>
Church or religious-affiliated organization <sup>1</sup> .....	4,941	2,409	3,556	2,464	3,362
Educational institution or school.....	136,560	26,316	59,993	35,725	52,396
Hospital.....	170,806	85,803	157,263	145,159	151,378
Governmental unit.....	2,423	881	1,436	630	1,324
Hospital research organization.....	8,497	862	2,103	591	1,534
Organization supporting a public college.....	6,918	1,060	3,469	1,055	2,930
Publicly-supported organization.....	129,706	54,996	96,686	39,909	90,769
Organization supporting charitable organizations.....	123,277	85,233	29,744	13,425	26,753
Organization testing for public safety.....	214	31	175	170	157
Type not reported.....	231	56	222	164	272

<sup>1</sup>Churches are not required to file a Form 990. Most of the organizations in this category either filed voluntarily or misreported their type of organization. The estimate is, therefore, not inclusive of the majority of religious organizations.

NOTES: Detail may not add to totals because of rounding. Nonprofit charitable organizations exclude private foundations and most religious organizations.

\$10 million or more accounted for three-quarters of the total holdings. Fraternal beneficiary societies (section 501(c)(8)) ranked third with \$24.6 billion in assets, 89 percent of which were owned by the few organizations with assets of \$10 million or more.

Generally, the smaller organizations under each of the Code sections—those with assets of less than \$500,000—accounted for a greater share of total assets than did the smaller nonprofit charitable organizations exempt under section 501(c)(3). While organizations with assets of less than \$500,000 accounted for less than 2 percent of the total assets of the nonprofit charitable organizations, this asset-size class accounted for 20 percent of the total assets of business leagues, chambers of commerce, and boards of trade (section 501(c)(6)); 16 percent of the total assets for social and recreational clubs (section 501(c)(7)); and 14 percent of the total assets for labor, agricultural and horticultural organizations (section 501(c)(5)).

Although the very large organizations—those with

assets of \$50 million or more—held more than two-thirds of the total assets of nonprofit charitable organizations (section 501(c)(3)), only for two of these other Code sections did they account for more than one-half of the total assets. They owned 85 percent of the total assets of fraternal beneficiary societies (section 501(c)(8)) and 60 percent in the case of civic leagues and social welfare organizations (section 501(c)(4)).

### Revenues and Expenses

In terms of revenue, voluntary employees' beneficiary associations (section 501(c)(9)) had considerably more revenue for 1988, \$40.4 billion, than organizations covered by the other Code sections presented here (see Figure M). These organizations operated in a manner similar to mutual insurance companies in that they provided life, sickness, accident and other benefits to members. Of the total revenue, \$32.8 billion was received from program services, which, for these organizations,

**Figure I**

## Contributions Received, by Major Type of Nonprofit Charitable Organization, Reporting Year 1988

[Money amounts are in millions of dollars]

Type of organization	Total contributions, gifts and grants		Contributions received through direct support		Contributions received through indirect support		Contributions received through Government grants	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Total</b> .....	<b>\$69,062</b>	<b>100.0%</b>	<b>\$32,486</b>	<b>100.0%</b>	<b>\$6,246</b>	<b>100.0%</b>	<b>\$30,330</b>	<b>100.0%</b>
Educational institution or school.....	14,727	21.3	6,818	21.0	619	9.9	7,290	24.0
Hospital.....	3,440	5.0	1,825	5.6	427	6.8	1,188	3.9
Publicly-supported organization.....	43,988	63.7	19,577	60.3	4,333	69.4	20,078	66.2
Organization supporting charitable organizations.....	3,094	4.5	2,730	8.4	484	7.7	240	0.8

NOTES: Detail may not add to totals because of rounding. Nonprofit charitable organizations exclude private foundations and religious organizations.

# Charities and Other Tax-Exempt Organizations, 1988

**Figure J**

## Selected Types of Tax-Exempt Organizations, by Internal Revenue Code Section

Code section	Description of organization	Type of activities	Examples of organization
	(1)	(2)	(3)
501(c)(4)	Civic leagues, social welfare organizations, and local associations of employees	Promotion of community welfare, charitable, educational and recreational activities	Lions Clubs, Rotary Clubs, American Association of Retired Persons, and volunteer fire departments
501(c)(5)	Labor, agricultural and horticultural organizations	Educational or instructive, the purpose being to improve conditions of work, and to improve products and efficiency	National Association of Letter Carriers, Communication Workers of America, Air Line Pilots Association, and United Steelworkers of America
501(c)(6)	Business leagues, chambers of commerce, real estate boards, etc.	Improvement of business conditions of one or more lines of business	National Football League, U.S. Tennis Association, and State medical societies
501(c)(7)	Social and recreational clubs	Pleasure, recreational, and social activities	Army and Navy Club, Merion Golf Club, and San Diego Yacht Club
501(c)(8)	Fraternal beneficiary societies and associations	Lodge providing for payment of life, sickness, accident or other benefits to members	Loyal Order of Moose, BPOE lodges (Elks), and B'nai B'rith
501(c)(9)	Voluntary employees' beneficiary associations (including Federal employees' voluntary beneficiary associations formerly covered by 501(c)(10))	Provides for payment of life, sickness, accident or other benefits to members	Lutheran Brotherhood, IBM Medical & Dental Plan Trust, and Navy Mutual Aid Association

represented payments received from the participants and their employers for health and welfare benefits coverage. They also reported the highest level of expenses of any of the organizations covered by these section codes, \$40.6 billion, 83 percent of which was in the form of benefits paid to members (\$33.7 billion).

Civic leagues and social welfare organizations (section 501(c)(4)) were second in terms of revenue, with a total of \$16.1 billion, of which about two-thirds was derived from their program activities. These organizations were required to report detailed data on their expenses. They reported \$15.0 billion in total expenses, of which \$12.6 billion was related to specific program activities, \$2.1 billion for management and general overhead, and \$138 million for fundraising. Data on functional expenses showed that the largest single expense item for these organizations was benefits paid to members, amounting to \$5.6 billion (see Table 4 for data on functional expenses).

Membership dues and assessments were the principal source of revenue for labor, agricultural and horticultural organizations (section 501(c)(5)), (\$7.0 billion); for

business leagues, chambers of commerce and real estate boards (section 501(c)(6)), (\$6.4 billion); and for social and recreational clubs (section 501(c)(7)), (\$3.0 billion). This last group reported an additional \$1.0 billion for profit from the sale of inventory items. For expenses, labor, agricultural and horticultural organizations (section 501(c)(5)) were the only type for which payments to affiliates were a significant proportion of total expenses; these payments totaled \$1.2 billion, 12 percent of the total expenses for organizations under this Code section. Included were payments by the reporting organization to the parent national or international organization, federation or other organization as a condition or requirement of affiliation.

Revenue totals for organizations under these selected Code sections by asset size show that fraternal beneficiary societies (section 501(c)(8)) were the only type of organization for which those organizations with assets of \$50 million or more predominated (see Figure N). Also, the revenue of the organizations with assets of less than \$500,000 under each of these Code sections accounted for



# Charities and Other Tax-Exempt Organizations, 1988

**Figure K**

**Returns Filed by Tax-Exempt Organizations, Selected Internal Revenue Code Sections, by Asset Size, Reporting Year 1988**

Asset size	Organizations tax-exempt under Internal Revenue Code section--					
	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)
	Number of returns					
<b>Total</b> .....	<b>19,279</b>	<b>20,697</b>	<b>19,875</b>	<b>14,488</b>	<b>8,129</b>	<b>8,889</b>
Under \$100,000 <sup>1</sup> .....	11,379	12,393	10,814	7,458	2,648	2,831
\$100,000 under \$500,000.....	4,943	5,718	5,827	4,203	4,078	2,395
\$500,000 under \$1,000,000.....	1,170	1,215	1,496	968	891	1,013
\$1,000,000 under \$10,000,000.....	1,530	1,250	1,561	1,805	420	2,167
\$10,000,000 under \$50,000,000.....	194	93	146	54	48	413
\$50,000,000 or more.....	63	28	31	--	36	70
	Percent					
<b>Total</b> .....	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Under \$100,000 <sup>1</sup> .....	59.0	59.9	54.4	51.5	32.6	31.8
\$100,000 under \$500,000.....	25.6	27.6	29.3	29.0	50.2	26.9
\$500,000 under \$1,000,000.....	6.1	5.9	7.5	6.7	11.0	11.4
\$1,000,000 under \$10,000,000.....	7.9	6.0	7.9	12.5	5.2	24.4
\$10,000,000 under \$50,000,000.....	1.0	0.4	0.7	0.4	0.6	4.6
\$50,000,000 or more.....	0.3	0.1	0.2	--	0.4	0.8

<sup>1</sup> Includes returns with zero assets or assets not reported.  
NOTE: Detail may not add to totals because of rounding.

greater proportions of total revenue than the revenue of nonprofit charitable organizations of a similar size. These percentages ranged from 26 percent for labor, agricultural and horticultural organizations (section 501(c)(5)) to 10 percent for civic leagues and social welfare organizations (section 501(c)(4)). In contrast, the revenue of nonprofit charitable organizations (section 501(c)(3)) with assets of less than \$500,000 had accounted for just 5 percent of the total.

**Assets and Liabilities**

Figures O and P present data on asset holdings. Organizations with assets of \$10 million or more accounted for three-quarters of the total assets of organizations of two of the Code sections: fraternal beneficiary associations

(section 501(c)(8)) and civic leagues and social welfare organizations (section 501(c)(4)). By comparison, this asset-size class included 86 percent of the total asset holdings of the nonprofit charitable organizations exempt under section 501(c)(3). The types of assets held by the organizations varied considerably by Code section. Investments in securities was the largest single component of the assets of fraternal beneficiary societies (section 501(c)(8)), representing nearly two-thirds of the total. This asset type was also the largest single holding of employees' voluntary beneficiary associations (section 501(c)(9)), with \$13.5 billion, nearly one-half of the total for these organizations. In addition, these latter organizations held 31 percent of total assets in cash and savings (\$8.7 billion).

**Figure L**

**Selected Balance Sheet and Income Statement Items for Organizations Tax-Exempt under Specified Internal Revenue Code Sections, Reporting Year 1988**

[Money amounts are in millions of dollars]

Internal Revenue Code section	Number of returns	Total assets	Total liabilities	Total revenue	Program service revenue	Total expenses
	(1)	(2)	(3)	(4)	(5)	(6)
501(c)(4).....	19,279	\$27,434	\$18,696	\$16,134	\$10,190	\$14,984
501(c)(5).....	20,697	12,390	1,887	11,015	2,249	10,297
501(c)(6).....	19,875	15,177	8,207	14,247	5,646	13,320
501(c)(7).....	14,488	7,834	2,426	5,268	931	5,027
501(c)(8).....	8,129	24,588	19,699	6,396	4,858	6,174
501(c)(9).....	8,889	28,254	10,195	40,399	32,775	40,585

# Charities and Other Tax-Exempt Organizations, 1988

**Figure M**

## Principal Sources of Tax-Exempt Organization Revenue, Specified Internal Revenue Code Sections, Reporting Year 1988

[Money amounts are in millions of dollars]

Internal Revenue Code section	Total revenue	Sources of revenue				
		Contributions, gifts, and grants	Program service revenue	Membership dues and assessments	Interest on savings and dividends from securities	Other
	(1)	(2)	(3)	(4)	(5)	(6)
501(c)(4).....	\$16,134	\$1,229	\$10,190	\$1,830	\$1,070	\$1,815
501(c)(5).....	11,015	272	2,249	7,001	604	889
501(c)(6).....	14,247	678	5,646	6,351	627	945
501(c)(7).....	5,268	32	931	2,965	85	1,255
501(c)(8).....	6,396	78	4,858	481	504	476
501(c)(9).....	40,399	1,090	32,775	3,267	1,713	1,554

NOTE: Detail may not add to totals because of rounding.

Civic leagues and social welfare organizations (section 501(c)(4)) ranked second in total assets, with \$27.4 billion. The largest single component was notes and loans receivable—\$6.7 billion, representing one-quarter of total assets. Together, cash and savings; land, buildings and equipment; and investments in securities, accounted for 49 percent.

Labor, agricultural and horticultural organizations (section 501(c)(5)) held one-third of their assets in investments in securities and one-third in cash and savings (\$4.2 billion in each asset type). Social and recreational clubs (section 501(c)(7)) held two-thirds of their assets in land, buildings and equipment.

Mortgages and other notes payable were the largest

single liability item for organizations under two of these sections. Civic leagues and social welfare organizations (section 501(c)(4)) included \$10.7 billion in this category, representing 57 percent of their total liabilities. Social and recreational clubs (section 501(c)(7)) reported \$1.3 billion in mortgages and other notes payable, accounting for 55 percent of their total liabilities. Labor, agricultural, and horticultural organizations (section 501(c)(5)) had the smallest amount of liabilities—\$1.9 billion, of which accounts payable represented 40 percent.

Shown in Figure Q are the net worth/fund balance totals for the organizations in these Code sections. This item varied greatly as a percentage of total assets among the Code sections, from a low of 20 percent to a high of 85

**Figure N**

## Total Revenue of Tax-Exempt Organizations, Specified Internal Revenue Code Sections, by Asset Size, Reporting Year 1988

[Money amounts are in millions of dollars]

Asset size	Organizations tax-exempt under Internal Revenue Code section--					
	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)
	Amount					
<b>Total</b> .....	<b>\$16,134</b>	<b>\$11,015</b>	<b>\$14,247</b>	<b>\$5,268</b>	<b>\$6,396</b>	<b>\$40,399</b>
Under \$100,000 <sup>1</sup> .....	746	1,110	998	581	168	3,293
\$100,000 under \$500,000.....	797	1,789	1,918	631	536	1,940
\$500,000 under \$1,000,000.....	514	887	1,165	472	269	2,220
\$1,000,000 under \$10,000,000.....	2,793	3,006	4,268	3,275	268	12,062
\$10,000,000 under \$50,000,000.....	4,125	1,413	2,778	309	185	10,243
\$50,000,000 or more.....	7,157	2,809	3,120	--	4,971	10,642
	Percent					
<b>Total</b> .....	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Under \$100,000 <sup>1</sup> .....	4.6	10.1	7.0	11.0	2.6	8.2
\$100,000 under \$500,000.....	4.9	16.2	13.5	12.0	8.4	4.8
\$500,000 under \$1,000,000.....	3.2	8.1	8.2	9.0	4.2	5.5
\$1,000,000 under \$10,000,000.....	17.3	27.3	30.0	62.2	4.2	29.9
\$10,000,000 under \$50,000,000.....	25.6	12.8	19.5	5.9	2.9	25.4
\$50,000,000 or more.....	44.4	25.5	21.9	--	77.7	26.3

<sup>1</sup> Includes returns with zero assets or assets not reported.

NOTE: Detail may not add to totals because of rounding.

# Charities and Other Tax-Exempt Organizations, 1988

**Figure 0**

## Total Assets of Tax-Exempt Organizations, Specified Internal Revenue Code Sections, by Asset Size, Reporting Year 1988

[Money amounts are in millions of dollars]

Asset size	Organizations tax-exempt under Internal Revenue Code section--					
	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(8)	501(c)(9)
	(1)	(2)	(3)	(4)	(5)	(6)
	Amount					
<b>Total</b> .....	<b>\$27,434</b>	<b>\$12,390</b>	<b>\$15,177</b>	<b>\$7,834</b>	<b>\$24,588</b>	<b>\$28,254</b>
Under \$100,000 <sup>1</sup> .....	357	459	1,721	268	106	88
\$100,000 under \$500,000.....	1,205	1,265	1,318	1,013	998	581
\$500,000 under \$1,000,000.....	832	872	1,047	693	638	740
\$1,000,000 under \$10,000,000.....	4,266	3,023	4,138	5,080	1,018	6,922
\$10,000,000 under \$50,000,000.....	4,352	2,004	2,839	778	927	8,552
\$50,000,000 or more.....	16,422	4,766	5,432	--	20,911	11,371
	Percent					
<b>Total</b> .....	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Under \$100,000 <sup>1</sup> .....	1.3	3.7	11.3	3.4	0.4	0.3
\$100,000 under \$500,000.....	4.4	10.2	8.7	12.9	4.1	2.1
\$500,000 under \$1,000,000.....	3.0	7.0	6.9	8.8	2.6	2.6
\$1,000,000 under \$10,000,000.....	15.6	24.4	27.3	64.8	4.1	24.5
\$10,000,000 under \$50,000,000.....	15.9	16.2	18.7	9.9	3.8	30.3
\$50,000,000 or more.....	59.9	38.5	35.8	--	85.0	40.2

<sup>1</sup> Includes returns with zero assets or assets not reported.

NOTE: Detail may not add to totals because of rounding.

percent.

### Summary

For 1988, nonprofit charitable organizations tax-exempt under section 501(c)(3) continued to report increased growth. Revenue increased to \$354.6 billion, up from \$310.8 billion for 1987, a gain of 14 percent; assets were \$583.6 billion, up from \$529.5 billion for 1987, an increase of 10 percent. Hospitals, as a group, led all other types of organizations in both revenues and assets. The number of returns filed by nonprofit charitable organizations was 124,232 for 1988, up slightly from 122,018 for 1987.

Program service revenue—the fees received for the programs conducted in support of the purposes for which the tax exemptions under section 501(c)(3) were granted—was \$239.3 billion, or 67 percent of total revenue for 1988. Contributions increased to \$69.1 billion, up from \$61.7 billion for 1987. This source of revenue accounted for more than one-half of the revenue for organizations with asset holdings of less than \$1 million, but a much smaller share for larger organizations. Expenses continued to rise, to \$330.8 billion, of which 85 percent was in support of the organizations' program services.

Organizations that are exempt under sections 501(c)(4) through (9) are diverse in their purposes and in their financial characteristics, as reported on the Form 990. Labor, agricultural and horticultural organizations

(section 501(c)(5)) filed the largest number of returns for 1988, nearly 21,000. Voluntary employees' beneficiary associations (section 501(c)(9)) had the largest asset holdings, \$28.3 billion; civic leagues and social welfare organizations (section 501(c)(4)) were second with \$27.4 billion. For each of these Code sections, the smaller organizations—those with assets of less than \$500,000—accounted for a greater share of total assets than did the smaller nonprofit charitable organizations exempt under section 501(c)(3).

The sources of revenue also varied by Code section. Program service revenue was the major source for voluntary employees' beneficiary associations (section 501(c)(9)), fraternal beneficiary societies (501(c)(8)), and civic leagues and social welfare organizations (section 501(c)(4)), representing two-thirds of their respective totals. Membership dues and assessments were the principal revenue source for labor, agricultural and horticultural organizations (section 501(c)(5)), 64 percent of the total; for social and recreational clubs (section 501(c)(7)), 56 percent of the total; and for business leagues, chambers of commerce, and real estate boards (section 501(c)(6)), 45 percent of the total.

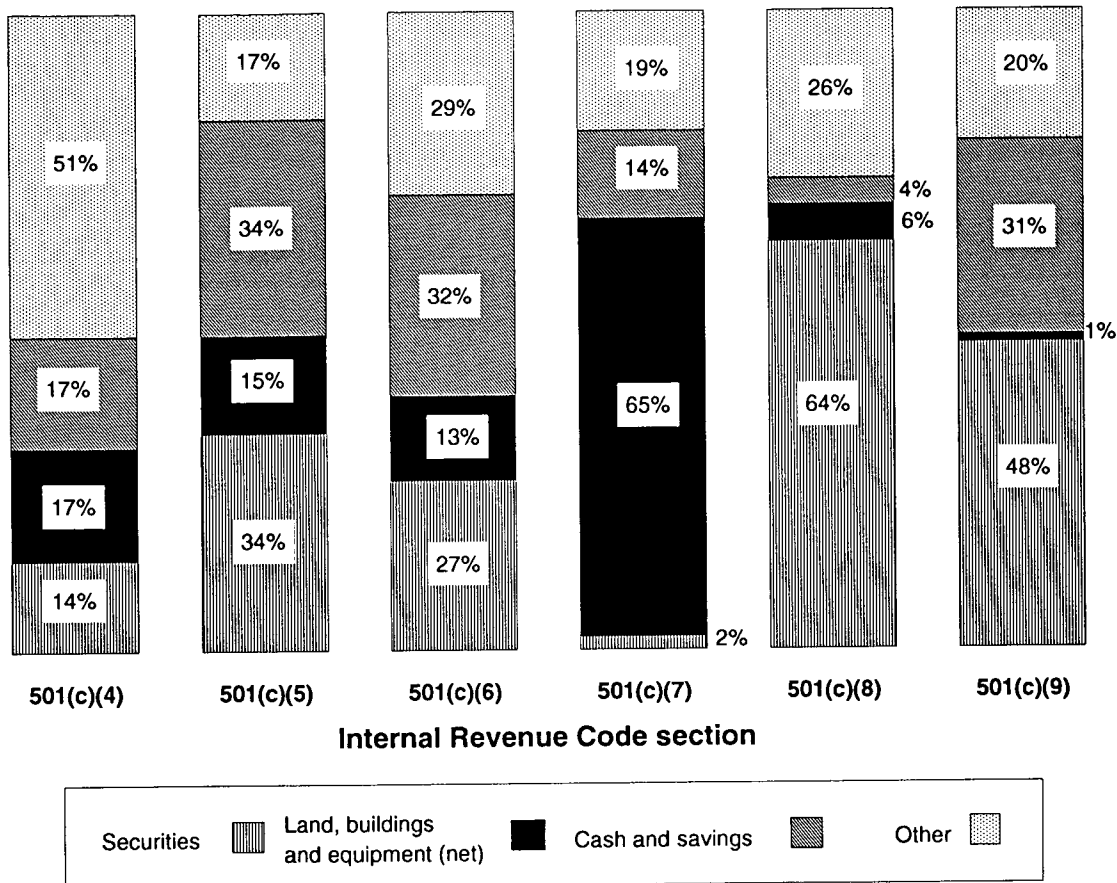
### Data Sources and Limitations

The statistics in this article are based on two samples of Form 990, *Return of Organization Exempt from Income Tax*, with accounting periods that ended December 1988 through November 1989, that were received and pro-

# Charities and Other Tax-Exempt Organizations, 1988

**Figure P**

**Components of Total Assets, by Selected Internal Revenue Code Section, Reporting Year 1988**



cessed by the Internal Revenue Service during 1989 and 1990. The samples did not include private foundations, which were required to file a separate form. The samples included only those returns with receipts of more than \$25,000, the filing threshold. The sample design was split into two parts: the first included returns of organizations exempt under section 501(c)(3), and the second part included organizations exempt under sections 501(c)(4) through (9). Returns of organizations exempt under other sections were not included in the study.

Each part of the sample was classified into sample strata based on size of assets, each stratum being sampled at a separate rate. For section 501(c)(3) organizations, a sample of 12,869 returns was selected from a population of 125,718. All returns with assets of \$10 million or more were selected. Lower sampling rates were used in the smaller asset classes. For sections 501(c)(4) through (9)

organizations, a sample of 10,178 returns was selected from a population of 93,060.

**Figure Q**

**Selected Data for Tax-Exempt Organizations, Reporting Years 1986-1988**

[Money amounts are in millions of dollars]

Code section	Total assets	Net worth/fund balance	Percent of assets
	(1)	(2)	(3)
501(c)(4).....	\$27,434	\$8,738	32%
501(c)(5).....	12,390	10,503	85
501(c)(6).....	15,177	6,970	46
501(c)(7).....	7,834	5,408	69
501(c)(8).....	24,588	4,890	20
501(c)(9).....	28,254	18,059	64

## Charities and Other Tax-Exempt Organizations, 1988

The data presented were obtained from returns as originally filed. In most cases, changes made to the original return as a result of either administrative processing or a taxpayer amendment were not incorporated into the data base. A discussion of the reliability of estimates based on samples and methods for evaluating both the magnitude of sampling and nonsampling error and the precision of sample estimates can be found in the general Appendix in this issue. More detailed information on the sample design and weights can be obtained by writing to the authors at the following address: Internal Revenue Service, Statistics of Income Division (R:S:F), P.O. Box 2608, Washington, DC 20013-2608.

### Notes and References

- [1] Religious organizations are not required to file Form 990, the source of information for this article. For information on private foundations, see Riley, Margaret, and Meckstroth, Alicia, "Private Foundations, 1988," *Statistics of Income Bulletin*, Winter 1991-92, Volume 11, Number 3, pp. 21-46.
- [2] Data for the previous years were published in the *Compendium of Studies of Tax-Exempt Organizations, 1974-1987*, 1991. See also, Hilgert, Cecelia, and Mahler, Susan J., "Nonprofit Charitable Organizations, 1986 and 1987," *Statistics of Income Bulletin*, Fall 1991, Volume 11, Number 2, pp. 63-76.
- [3] The total number of tax-exempt organizations, including those not required to file Form 990, was obtained from the Internal Revenue Service Exempt Organizations Business Master File, *Monthly Exempt Organizations Statistical Summary*, unpublished.
- [4] Data presented in this article are from Forms 990 filed for Reporting Year 1988 for accounting periods beginning in 1988. Therefore, the statistics for 1988 generally include organizations with accounting periods that ended within the period December 1988 through November 1989.
- [5] Community foundations are organizations with broad-based public support that file Forms 990, as opposed to private foundations which have a narrower source of funding and file Forms 990-PF.
- [6] Data on specific types of organizations are from unpublished *Statistics of Income* tabulations.





# Charities and Other Tax-Exempt Organizations, 1988

**Table 2.—Returns of Tax-Exempt Section 501(c)(3) Organizations: Total Functional Expenditures, by Size of Total Contributions Received**

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

Item	Total <sup>1</sup>	Size of total contributions received						
		No contributions received	\$1 under \$25,000	\$25,000 under \$100,000	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Number of returns.....</b>	<b>124,233</b>	<b>20,089</b>	<b>28,503</b>	<b>30,747</b>	<b>27,967</b>	<b>6,965</b>	<b>9,164</b>	<b>797</b>
<b>Total functional expenditures:</b>								
Number of returns.....	123,384	19,622	28,367	30,607	27,914	6,942	9,142	791
Amount.....	329,934,808	50,665,684	28,733,697	24,166,743	51,149,746	28,484,325	79,434,651	67,209,962
Grants and allocations:								
Number of returns.....	29,843	4,757	6,960	6,384	6,117	1,926	3,253	446
Amount.....	16,546,087	1,040,306	375,121	273,209	1,040,593	828,798	4,815,558	8,172,502
Specific assistance to individuals:								
Number of returns.....	10,844	810	1,623	2,476	3,476	1,025	1,373	61
Amount.....	18,075,734	7,866,310	8,457,536	45,234	179,546	92,990	848,344	585,773
Benefits paid to or for members:								
Number of returns.....	1,836	530	343	425	321	56	133	28
Amount.....	1,585,037	656,462	288,545	18,451	205,181	12,779	75,105	328,515
Compensation of officers, directors:								
Number of returns.....	34,456	5,068	4,728	8,299	9,954	2,256	3,706	445
Amount.....	3,080,552	401,902	225,063	375,145	718,264	250,382	819,844	289,951
Other salaries and wages:								
Number of returns.....	84,224	10,831	15,927	19,041	22,964	6,289	8,460	713
Amount.....	115,424,408	12,073,294	7,673,009	9,173,629	20,285,172	10,982,848	30,874,848	24,361,608
Pension plan contributions:								
Number of returns.....	18,191	2,179	1,657	3,171	5,130	1,860	3,729	465
Amount.....	3,109,168	312,844	134,741	156,581	379,386	181,172	794,133	1,150,311
Other employee benefits:								
Number of returns.....	51,759	5,684	7,560	10,323	15,428	5,007	7,108	649
Amount.....	11,685,206	1,314,158	671,518	926,473	1,975,322	1,079,607	3,043,556	2,674,572
Payroll taxes:								
Number of returns.....	72,422	9,233	12,830	17,085	20,529	5,315	6,851	579
Amount.....	7,523,589	751,339	552,749	621,205	1,384,974	758,555	2,006,879	1,447,890
Accounting fees:								
Number of returns.....	69,914	11,772	13,531	14,925	18,324	4,672	6,138	553
Amount.....	740,823	101,959	63,636	73,414	150,440	79,043	199,010	73,321
Legal fees:								
Number of returns.....	30,241	5,392	5,550	5,518	6,899	2,310	4,079	493
Amount.....	867,376	123,364	69,491	70,903	169,712	59,912	240,095	133,899
Supplies:								
Number of returns.....	99,801	13,552	22,181	25,063	23,963	6,234	8,129	679
Amount.....	26,474,069	3,024,527	2,005,382	2,494,321	5,187,082	2,832,635	6,436,602	4,493,519
Telephone:								
Number of returns.....	87,609	11,199	17,828	22,394	22,115	5,850	7,603	619
Amount.....	1,865,150	182,177	125,100	140,964	285,770	168,718	505,970	456,450
Postage and shipping:								
Number of returns.....	77,904	8,621	16,397	20,974	19,738	4,996	6,598	580
Amount.....	1,470,989	117,977	74,523	92,059	186,976	131,591	417,853	450,010
Occupancy:								
Number of returns.....	82,061	10,717	16,496	19,407	21,058	5,920	7,805	657
Amount.....	8,956,363	1,007,212	669,992	623,363	1,439,848	852,134	2,534,390	1,829,624
Equipment rental and maintenance:								
Number of returns.....	62,506	7,860	11,854	14,078	16,295	5,124	6,703	593
Amount.....	4,164,843	505,490	303,899	353,309	733,605	361,597	1,078,747	828,197
Printing and publications:								
Number of returns.....	74,743	7,936	16,160	18,797	19,455	5,025	6,748	622
Amount.....	2,693,091	223,205	149,390	180,826	397,046	339,107	748,617	654,899
Travel:								
Number of returns.....	71,278	7,411	12,184	18,127	19,535	5,617	7,738	666
Amount.....	2,610,497	225,882	122,436	157,458	313,164	177,732	823,575	790,250
Conferences, conventions and meetings:								
Number of returns.....	53,212	5,900	12,282	12,020	13,993	3,825	4,744	447
Amount.....	955,860	126,295	97,125	94,315	153,656	70,459	246,001	168,010
Interest:								
Number of returns.....	40,501	6,420	7,361	8,335	10,787	2,861	4,352	385
Amount.....	7,459,644	1,947,621	602,275	641,077	1,314,588	635,143	1,366,833	952,108
Depreciation, depletion:								
Number of returns.....	66,270	9,624	12,537	13,463	18,624	5,112	6,391	518
Amount.....	10,968,281	1,604,596	915,172	1,136,634	2,380,809	1,180,754	2,528,218	1,222,098
Other expenses:								
Number of returns.....	119,458	18,766	27,465	29,106	27,471	6,820	9,041	787
Amount.....	83,509,367	17,057,716	5,153,313	6,506,031	12,233,881	7,391,870	18,956,592	16,209,984

<sup>1</sup>Excludes private foundations and religious organizations.

NOTE: Detail may not add to totals because of rounding.



# Charities and Other Tax-Exempt Organizations, 1988

### Table 3.--Returns of Organizations Tax-Exempt under Selected Subsections of Internal Revenue Code Section 501(c): Income Statement and Balance Sheet Items, by Subsections

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Item	Organizations tax-exempt under 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)
<b>Number of returns.....</b>	<b>124,233</b>	<b>19,279</b>	<b>20,697</b>	<b>19,875</b>	<b>14,488</b>	<b>8,129</b>	<b>8,889</b>
<b>Total assets.....</b>	<b>583,573,213</b>	<b>27,434,290</b>	<b>12,390,161</b>	<b>15,177,018</b>	<b>7,833,604</b>	<b>24,588,444</b>	<b>28,253,702</b>
<b>Cash:</b>							
Number of returns.....	99,287	14,935	17,378	16,042	12,390	6,986	5,244
Amount.....	11,913,224	657,312	1,161,494	699,182	329,445	229,067	847,607
<b>Savings and temporary cash investments:</b>							
Number of returns.....	84,127	14,099	13,577	16,226	10,569	6,186	6,338
Amount.....	49,232,764	4,137,227	3,049,466	4,114,547	751,446	786,542	7,813,990
<b>Accounts receivable (net):</b>							
Number of returns.....	52,759	3,685	4,008	6,802	6,150	1,310	4,028
Amount.....	43,258,364	2,343,389	482,270	1,756,518	572,964	58,291	2,415,897
<b>Pledges receivable (net):</b>							
Number of returns.....	7,288	123	94	296	168	13	140
Amount.....	5,132,401	28,020	4,090	95,735	8,652	49	43,582
<b>Grants receivable:</b>							
Number of returns.....	11,146	396	24	160	7	7	46
Amount.....	3,208,736	90,603	4,859	17,367	947	643	10,750
<b>Receivables due from officers, directors, trustees, and key employees:</b>							
Number of returns.....	2,757	37	172	248	62	30	68
Amount.....	297,913	17,545	9,629	5,865	1,558	85	6,067
<b>Other notes and loans receivable:</b>							
Number of returns.....	13,635	1,216	1,054	1,512	810	260	301
Amount.....	15,398,324	6,729,463	220,402	363,019	96,677	810,478	89,211
<b>Inventories for sale or use:</b>							
Number of returns.....	24,726	2,382	699	1,808	5,716	4,456	62
Amount.....	4,828,299	72,166	18,698	178,548	103,422	31,999	15,861
<b>Prepaid expenses and deferred charges:</b>							
Number of returns.....	45,078	2,589	2,835	6,177	4,487	1,265	2,149
Amount.....	5,326,331	243,538	57,438	209,830	86,516	19,779	73,111
<b>Investments--securities:</b>							
Number of returns.....	22,808	1,649	2,605	2,480	676	1,521	2,409
Amount.....	174,775,704	3,940,566	4,212,640	4,038,775	172,881	15,680,933	13,940,242
<b>Investments--land, buildings and equipment minus accumulated depreciation:</b>							
Number of returns.....	13,377	1,745	1,403	1,587	1,154	719	240
Amount.....	9,751,361	1,434,975	200,245	359,620	412,307	457,140	224,111
<b>Investments--other:</b>							
Number of returns.....	8,923	501	1,526	1,163	456	317	544
Amount.....	42,311,082	1,046,864	575,779	605,507	46,876	4,134,862	1,331,908
<b>Land, buildings and equipment minus accumulated depreciation:</b>							
Number of returns.....	74,113	7,819	10,536	9,021	9,238	5,281	1,282
Amount.....	185,176,519	4,763,302	1,886,436	1,974,693	5,106,025	1,419,051	316,155
<b>Other assets:</b>							
Number of returns.....	41,566	4,251	5,410	5,396	3,254	2,129	2,505
Amount.....	32,962,180	1,929,319	506,715	757,812	143,889	959,524	1,126,210
<b>Total liabilities and fund balance/net worth:</b>							
Number of returns.....	123,338	19,195	20,571	19,749	14,481	8,045	8,552
Amount.....	583,573,207	27,434,290	12,390,160	15,177,018	7,833,604	24,588,445	28,253,702
<b>Total liabilities.....</b>	<b>257,645,458</b>	<b>18,695,905</b>	<b>1,886,916</b>	<b>8,207,247</b>	<b>2,425,740</b>	<b>19,698,792</b>	<b>10,194,916</b>
<b>Accounts payable:</b>							
Number of returns.....	76,070	5,947	8,271	10,442	7,190	4,409	4,345
Amount.....	33,913,654	1,890,956	759,641	1,229,489	474,898	166,966	3,041,936
<b>Grants payable:</b>							
Number of returns.....	4,929	437	64	137	152	145	49
Amount.....	3,311,431	117,265	17,086	64,622	3,101	23,329	76,503
<b>Support and revenue designated for future periods:</b>							
Number of returns.....	16,450	619	283	2,110	865	501	306
Amount.....	8,325,251	377,481	56,505	546,987	83,822	39,512	293,676
<b>Loans from officers, directors, trustees and key employees:</b>							
Number of returns.....	4,914	81	55	113	194	95	4
Amount.....	528,716	10,352	3,424	5,141	26,388	878	112
<b>Mortgages and other notes payable:</b>							
Number of returns.....	38,489	3,981	2,600	3,605	4,892	2,799	117
Amount.....	106,034,115	10,657,417	439,881	1,352,294	1,328,883	272,566	99,892
<b>Other liabilities:</b>							
Number of returns.....	35,487	3,668	3,986	5,969	4,692	3,026	2,940
Amount.....	105,532,289	5,642,433	610,379	5,008,714	508,648	19,195,539	6,682,996
<b>Total fund balance/net worth (end of year):</b>							
Number of returns.....	123,195	19,003	20,512	19,799	14,451	8,045	8,334
Amount.....	325,927,750	8,738,385	10,503,245	6,969,771	5,407,863	4,889,653	18,058,787
<b>Total revenue:</b>							
Number of returns.....	124,233	19,277	20,697	19,875	14,488	8,129	8,889
Amount.....	354,646,576	16,134,295	11,015,270	14,246,528	5,268,359	6,396,219	40,399,254
<b>Total contributions received:</b>							
Number of returns.....	104,144	8,738	1,832	4,545	2,508	4,138	366
Amount.....	69,061,529	1,229,205	271,593	677,893	31,782	77,097	1,089,979
<b>Contributions received from direct public support:</b>							
Number of returns.....	94,614	7,430	1,476	3,243	2,119	3,863	264
Amount.....	32,485,686	548,789	69,239	198,624	24,449	65,002	744,713
<b>Contributions received from indirect public support:</b>							
Number of returns.....	25,441	1,482	208	651	486	542	114
Amount.....	6,245,988	73,951	111,769	36,822	6,679	12,066	213,857

Footnotes at end of table.

# Charities and Other Tax-Exempt Organizations, 1988

## Table 3.—Returns of Organizations Tax-Exempt under Selected Subsections of Internal Revenue Code Section 501(c): Income Statement and Balance Sheet Items, by Subsections--Continued

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

Item	Organizations tax-exempt under Internal Revenue Code section--						
	501(c)(3) <sup>1</sup>	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)
<b>Total revenue (continued):</b>							
<b>Total contributions received (continued):</b>							
Government grants:							
Number of returns.....	36,332	2,371	413	1,306	3	2	49
Amount.....	30,329,854	606,465	90,585	442,447	654	28	131,409
Program service revenue:							
Number of returns.....	72,233	6,927	5,248	12,625	7,121	3,604	6,685
Amount.....	239,292,958	10,189,515	2,249,418	5,646,022	931,089	4,858,106	32,774,514
Membership dues and assessments:							
Number of returns.....	30,954	12,786	19,145	18,219	13,270	7,666	1,337
Amount.....	3,971,042	1,830,416	7,001,456	6,351,107	2,965,214	480,707	3,267,342
Interest on savings and temporary cash investments:							
Number of returns.....	98,505	16,381	17,936	17,936	12,185	6,789	7,142
Amount.....	5,556,501	768,228	369,405	408,011	72,761	74,080	843,098
Dividends and interest from securities:							
Number of returns.....	21,499	1,353	2,229	1,907	999	1,167	2,174
Amount.....	11,151,825	301,730	234,533	218,873	12,047	429,870	869,999
Net rental income (loss):							
Number of returns.....	16,361	3,303	3,704	2,028	3,037	2,052	114
Amount.....	837,023	202,802	29,590	20,597	36,544	28,648	1,563
Gross rents:							
Number of returns.....	16,561	3,299	3,714	2,035	3,015	2,052	115
Amount.....	2,231,696	319,373	96,928	94,996	70,763	60,910	6,014
Rental expenses:							
Number of returns.....	6,934	1,482	1,272	825	1,266	666	74
Amount.....	1,394,673	116,572	67,338	74,399	34,219	32,261	4,451
Other investment income:							
Number of returns.....	4,164	338	516	260	287	302	325
Amount.....	2,547,801	30,367	19,149	11,975	3,100	27,306	41,871
Total gain (loss) from sales of assets:							
Number of returns.....	19,185	1,223	1,480	1,381	803	559	1,418
Amount.....	6,435,260	821,979	68,187	82,194	26,701	43,050	100,540
Gain (loss), sales of securities:							
Number of returns.....	11,453	415	442	450	155	329	1,355
Amount.....	5,597,235	820,362	39,032	11,938	4,702	30,578	95,062
Gross amount from sales:							
Number of returns.....	11,190	460	519	470	156	336	1,497
Amount.....	126,282,098	3,713,845	4,204,326	1,361,229	45,681	1,029,651	30,151,434
Cost or other basis and sales expenses:							
Number of returns.....	10,358	396	492	454	149	287	1,478
Amount.....	120,684,863	2,893,483	4,165,295	1,349,290	40,978	999,073	30,056,372
Gain (loss), sales of other assets:							
Number of returns.....	9,841	860	1,116	1,004	670	292	102
Amount.....	838,024	1,617	29,155	70,256	21,998	12,472	5,478
Gross amount from sales:							
Number of returns.....	8,729	826	1,140	915	597	316	153
Amount.....	2,913,902	94,942	62,077	156,808	68,774	31,377	386,137
Cost or other basis and sales expenses:							
Number of returns.....	8,905	600	655	787	471	119	150
Amount.....	2,075,878	93,325	32,922	86,552	46,776	18,905	380,659
Net income (loss), fundraising:							
Number of returns.....	29,315	7,934	1,030	3,196	2,208	3,124	85
Amount.....	1,314,533	177,833	15,310	85,615	25,785	115,509	2,872
Gross revenue:							
Number of returns.....	29,689	7,934	1,029	3,196	2,209	3,078	88
Amount.....	2,440,879	693,837	63,256	275,936	73,338	340,236	5,685
Direct expenses:							
Number of returns.....	25,271	7,023	859	2,977	1,874	2,744	81
Amount.....	1,126,345	516,005	47,946	190,321	47,552	224,728	2,813
Gross profit (loss), sales of inventory:							
Number of returns.....	17,461	3,069	1,333	1,649	6,122	3,125	32
Amount.....	4,627,496	117,873	22,477	85,980	999,667	185,031	2,143
Gross sales minus returns and allowances:							
Number of returns.....	17,454	3,035	1,497	1,642	6,122	3,125	32
Amount.....	8,639,199	460,254	46,293	303,577	2,090,201	437,977	46,818
Cost of goods sold:							
Number of returns.....	15,120	2,819	1,315	1,212	5,995	2,976	32
Amount.....	4,011,703	342,381	23,816	217,597	1,090,533	252,946	44,675
Other revenue:							
Number of returns.....	50,212	7,431	10,683	9,730	5,164	2,595	2,283
Amount.....	9,850,597	464,345	734,153	658,259	163,668	76,813	1,405,334
<b>Total expenses:</b>							
Number of returns.....	123,445	18,817	20,676	19,815	14,426	8,114	8,858
Amount.....	330,814,869	14,984,144	10,296,572	13,319,817	5,027,458	6,174,327	40,584,915
Program services:							
Number of returns.....	115,587	16,683	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Amount.....	281,543,233	12,628,522	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Management and general:							
Number of returns.....	98,896	13,858	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Amount.....	45,169,003	2,148,938	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Fundraising:							
Number of returns.....	34,952	2,638	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Amount.....	3,215,319	137,609	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Payments to affiliates:							
Number of returns.....	4,913	2,629	11,339	1,546	813	3,242	57
Amount.....	880,049	63,792	1,235,986	80,011	9,244	24,887	2,003

<sup>1</sup>Excludes private foundations and religious organizations.

<sup>2</sup>Not applicable.

NOTE: Detail may not add to totals because of rounding.

# Charities and Other Tax-Exempt Organizations, 1988

**Table 4.—Returns of Organizations Tax-Exempt under Selected Subsections of Internal Revenue Code Section 501(c): Total Functional Expenditures, by Subsections**

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

Item	Organizations tax-exempt under Internal Revenue Code section--						
	501(c)(3) <sup>1</sup>	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.....	124,233	19,279	20,697	19,875	14,488	8,129	8,889
<b>Total functional expenditures:</b>							
Number of returns.....	123,384	18,817	20,676	19,815	14,426	8,114	8,858
Amount.....	329,934,808	14,920,351	9,060,587	13,239,806	5,018,214	6,149,441	40,582,912
Grants and allocations:							
Number of returns.....	29,843	6,022	4,497	3,886	1,128	4,475	147
Amount.....	16,546,087	335,478	112,479	216,228	6,729	128,811	439,141
Specific assistance to individuals:							
Number of returns.....	10,844	1,694	856	647	386	1,233	246
Amount.....	18,075,734	205,285	14,245	26,670	3,362	11,938	619,604
Benefits paid to or for members:							
Number of returns.....	1,836	2,073	6,103	1,035	971	1,987	7,272
Amount.....	1,585,037	5,559,922	861,744	434,245	19,866	3,571,469	33,681,731
Compensation of officers, directors:							
Number of returns.....	34,456	3,842	15,811	7,346	1,627	5,166	3,324
Amount.....	3,080,552	126,706	898,634	528,314	35,897	50,771	308,129
Other salaries and wages:							
Number of returns.....	84,224	6,428	14,210	11,588	8,678	5,542	1,559
Amount.....	115,424,408	1,517,945	1,678,193	2,492,333	1,626,100	511,393	389,815
Pension plan contributions:							
Number of returns.....	18,191	767	5,464	3,767	642	195	677
Amount.....	3,109,168	45,895	217,048	129,265	17,309	31,868	71,491
Other employee benefits:							
Number of returns.....	51,759	2,174	6,560	6,793	2,871	652	1,380
Amount.....	11,685,206	172,737	263,702	270,996	105,443	23,979	737,041
Payroll taxes:							
Number of returns.....	72,422	5,729	13,660	10,842	7,901	5,758	1,811
Amount.....	7,523,589	103,212	224,570	218,244	209,502	64,980	50,953
Accounting fees:							
Number of returns.....	69,914	8,773	11,083	13,415	7,285	4,079	4,295
Amount.....	740,823	32,538	50,657	69,994	35,166	14,592	59,365
Legal fees:							
Number of returns.....	30,241	3,932	7,430	7,392	2,531	1,317	3,195
Amount.....	867,376	48,617	191,643	255,481	14,708	13,754	72,063
Supplies:							
Number of returns.....	99,801	13,996	14,192	15,083	11,155	6,710	2,144
Amount.....	26,474,069	201,103	118,769	195,033	222,408	49,639	53,704
Telephone:							
Number of returns.....	87,609	9,076	12,611	15,089	9,807	5,304	1,612
Amount.....	1,865,150	72,176	90,604	130,171	47,518	28,349	12,547
Postage and shipping:							
Number of returns.....	77,904	9,156	10,066	15,280	6,705	5,251	2,106
Amount.....	1,470,989	154,850	68,309	223,409	23,436	17,358	26,018
Occupancy:							
Number of returns.....	82,061	10,018	13,118	13,235	11,707	6,581	2,171
Amount.....	8,956,363	385,532	269,864	501,902	642,130	156,342	139,469
Equipment rental and maintenance:							
Number of returns.....	62,506	6,702	6,446	8,489	6,968	3,501	711
Amount.....	4,164,843	102,784	56,290	135,347	173,352	32,495	21,725
Printing and publications:							
Number of returns.....	74,743	9,167	8,524	15,876	7,340	5,242	2,130
Amount.....	2,693,091	251,536	153,007	650,594	54,811	40,752	25,723
Travel:							
Number of returns.....	71,278	5,101	8,607	11,639	2,794	1,592	606
Amount.....	2,610,497	103,859	238,562	374,334	27,985	22,920	7,129
Conferences, conventions and meetings:							
Number of returns.....	53,212	8,948	12,955	16,352	3,271	5,256	2,081
Amount.....	955,860	85,594	181,235	827,860	33,459	35,395	12,522
Interest:							
Number of returns.....	40,501	4,782	3,232	4,339	5,428	2,910	360
Amount.....	7,459,644	950,508	30,784	64,086	109,358	22,858	10,256
Depreciation, depletion:							
Number of returns.....	66,270	5,883	7,781	9,082	7,214	2,878	1,364
Amount.....	10,968,281	250,613	117,581	209,367	344,135	51,304	33,585
Other expenses:							
Number of returns.....	119,458	18,103	20,275	19,552	14,194	7,910	7,306
Amount.....	83,509,387	4,207,193	3,222,666	5,285,930	1,265,540	1,268,470	3,810,901

<sup>1</sup>Excludes private foundations and religious organizations.

NOTE: Detail may not add to totals because of rounding.