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### **Does the Focus on Paid-Staff Nonprofits Skew the True Scope of Voluntary Action? Evidence from a Case Study in Arts and Culture**

by

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# **Does the Focus on Paid-Staff Nonprofits Skew the True Scope of Voluntary Action? Evidence from a Case Study in Arts and Culture<sup>1</sup>**

Stefan Toepler

## **Introduction**

In contrast to most other nations in the world (Salamon and Anheier 1996; Salamon, et al., 1999), the size, scope, resources, and economic contributions of the U.S. nonprofit sector are well captured in statistical terms (Hodgkinson/Weitzman 1996; Salamon 1999; Boris 1999; Bowen, et al., 1994). For the most part, U.S. sector statistics are based on existing government information sources, particularly the Economic Census and Internal Revenue Service (IRS) data. However, the heavy reliance of researchers on these data sources has not gone without criticism. In fact, one of the longest-running issues in the field of nonprofit and voluntary action research has been whether quantitative-empirical research and the existing statistical descriptions on the nonprofit sector provide an accurate picture of the scale and scope of the American nonprofit sector. According to those who doubt it, the use of official statistics contributes to research that—put emphatically—may be “incomplete, distorted, and misleading” (Smith 2000, 33). This is because official statistics only focus on voluntary institutions that are more directly integrated into overall economic life, that is, larger nonprofits with paid staff. A significant degree of voluntary action at the grassroots level, by contrast, is virtually ignored. This, in turn, may lead to faulty notions about voluntary activity. Moreover, key economic parameters of the sector, including the total number of nonprofit organizations, total revenues and expenditures and sector employment may be seriously flawed.

Until recently, however, this debate—while fundamental in nature—has largely remained on the sidelines of the emerging nonprofit research field. Prevailing economic and political theories have focused research attention on larger, formal organizations providing collective goods and services rather than on small scale member-oriented initiatives. Under this research paradigm, the recourse to existing official data sources proves to be sufficient as well as convenient and cost-effective: the ready availability of IRS and Census data largely does away

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<sup>1</sup> The research on which this paper is based was conducted as part of the National and Local Profiles of Cultural Support Project, organized by Americans for the Arts in conjunction with the Arts Policy and Administration Program at Ohio State University with support from the Pew Charitable Trusts. Additional support was provided by the Arts Council of Montgomery County, Maryland. Greg Finch at the Aarts Council provided invaluable research assistance.

with the need for expansive, large-scale surveys to determine basic economic parameters. Accordingly, considerable work is underway to improve IRS Form 990 tax-return data to make the data more readily available to researchers (primarily through the National Center of Charitable Statistics) and to the general public in the context of improving sector accountability (primarily through Guidestar).<sup>2</sup>

However, beginning with Putnam's work on Italy (1993) and later on the United States (1995; 2000), the social capital debate has, refocused academic attention on aspects of voluntary action that may be more germane to smaller, informal groups than to larger service providers.<sup>3</sup> To an extent, the same is true for the burgeoning civil society discourse and its extension into the political realm through various Clinton Administration initiatives (Van Til 2000). Although not directly based on either social capital or civil society arguments, the current Bush Administration's push for faith-based and community initiatives is yet another indication that smaller, less formal groups and grassroots associations will draw greater policy interest as well as analytic attention in the future. Unfortunately, neither Census nor IRS data are particularly well suited to capture grassroots organizations. In this emerging academic and policy climate, questions about the integrity of current statistical information on the nonprofit sector may gain considerable weight and urgency.

In this article, I will present findings from a community case study in arts and culture in an attempt to explore this question. In the absence of broad-based, representative survey work, community studies are thus far the only source of information on the scale and scope of voluntary grassroots initiatives (Smith 2000). Occasionally, researchers focus in this context on field-specific subsets, such as environmental grassroots organizations (Colwell 1997) or small religious groups (Grønbjerg and Nelson 1998). Although this study is limited in terms of geographic scope and activities covered, its primary virtue is that it is not restricted to grassroots associations *per se* and thus allows a direct comparison between small and large organizations. Moreover, the choice of the arts and culture field lends itself to this kind of investigation. Similar to nonprofit research at large, arts policy research traditionally has focused mainly on large, professional nonprofit cultural institutions. Recently, however, there has been a growing realization that small-scale cultural activities—typically referred to as the unincorporated arts—have largely been overlooked and require greater attention. Peters and Cherbo (1998, 117) thus write: “As long as these activities remain unquantified, they are left out of our understanding of the arts sector and will remain invisible on the radar screens of policymakers. Yet the individual and community impact of the unincorporated arts is substantial. They represent grassroots participation and involve a large number of Americans.” Although hard to quantify, informal, cultural activities are likely pervasive and perform important functions in the community context (Jackson 1998).

The following section briefly discusses the existing data sources and their limitations and lays out the problem that arises from these limitations. This is followed by a discussion of the

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<sup>2</sup> [www.guidestar.org](http://www.guidestar.org)

<sup>3</sup> Or as Putnam (1995, p.71) put it: One countertrend to his *Bowling Alone* thesis “is represented by the growing prominence of nonprofit organizations, especially nonprofit service agencies. [However, to] identify trends in the size of the nonprofit sector with trends in social connectedness would be [a] fundamental conceptual mistake.”

study's methodology, data, and findings. The article concludes with an assessment of the potential bias resulting from the omission of grassroots organizations in nonprofit sector statistics.

## LIMITS OF OFFICIAL DATA AND THE EXTENT OF THE PROBLEM

Given the overall structure of national accounting systems, official statistical agencies do not report systematic and reliable nonprofit sector specific data anywhere in the world, including the United States (Salamon and Anheier 1996). Although work is now underway to address this issue (Tice, Salamon, and List 2001), socioeconomic profiles of the sector, such as the *Nonprofit Almanac*, currently have to present estimates based on a variety of diverse sources (Hodgkinson and Weitzman 1993). Of the various types of official statistical information that exist in the U.S., the Economic Census/Census of Service Industries and IRS data are the most salient, but both sources have serious limitations (Salamon and Dewees 2002).

The Economic Census/Census of Service Industries is conducted every five years and produces reliable information on key variables, such as employment and total revenues, for both taxed and tax-exempt establishments. The Census covers all large establishments with more than ten employees and randomly samples smaller establishments with at least one employee, but excludes all groups without any employees. Thus, the vast majority of purely volunteer-run grassroots associations are beyond the scope of the Census (Salamon and Dewees 2002). The Internal Revenue Service produces three data sets on tax-exempt organizations (see National Center for Charitable Statistics, n.d.): The Business Master File (BMF), the Return Transaction File (RTF), and the Statistics of Income Sample Files (SOI).

The BMF is the most comprehensive IRS data set. It provides a cumulative list of all organizations that have applied to the IRS for tax-exempt status. The information in the file is largely descriptive (e.g., name, location, purpose) and contains limited financial information on revenues and assets. While the information in the file is limited and does contain defunct organizations, the BMF is a primary source for information on the total number of nonprofits in the country, and therefore is often used as the sampling frame for surveys of nonprofit organizations. However, there are two kinds of organizations not required to register with the IRS: religious institutions, such as churches, temples, mosques, and synagogues, and groups (other than foundations) with less than \$5,000 in gross receipts. These groups accordingly are not included in the BMF, unless they voluntarily choose to seek IRS recognition.

The RTF contains more up-to-date and detailed financial information on nonprofit institutions that annually file the Form 990 tax return. All nonprofits with gross receipts of \$25,000 or more are required to do so. Organizations with receipts of less than \$25,000 do not have to provide the IRS with further information. Although some groups choose to file nevertheless, very small nonprofits are generally excluded from this data set. While the information provided in the RTF is still restricted to about 30 financial variables, the SOI provides the most comprehensive coverage of information that the IRS collects through Form 990. However, this file contains only data on organizations with annual receipts of \$10 million or more plus a stratified random sample of smaller nonprofits that file Form 990. In sum, the larger the organizations are the more reliable and detailed the IRS information becomes. Data on

small organizations (with revenues of less than \$25,000) are extremely limited, and data on the smallest organizations (with revenues of less than \$5,000) are practically nonexistent.

Given these limitations, it becomes clear that descriptions of the scale and scope of the sector that are based on available statistical information will indeed miss parts of the nonprofit universe. Since it is also clear which parts are being missed, the key question then becomes how much is being missed. The standard argument is that the nonprofit sector—like other industries—is heavily concentrated in economic terms and that a relatively small number of very large institutions carry the majority of the economic and financial weight of the sector. For example, a “single hospital or university in a small state may account for more than 20 percent of the nonprofit revenues or assets within the state” (National Center for Charitable Statistics n.d.). If that is so, estimates of sector employment, revenues, and expenditures based on Census and IRS data will result in reasonably accurate descriptions of the economic contours of the sector. The big unknown, however, is whether the unaccounted-for small grassroots activities are so extensive that their cumulative scale would have significant effects on current estimates of key economic variables.

Unfortunately, a definitive answer to this question is not likely to emerge in the near future. However, the case is far from being closed. For instance, David Horton Smith (1997, 2000) has argued that the cumulative impact of grassroots associations may be considerably more substantial than commonly assumed. After an extensive review of the relevant literature and available evidence (Smith 2000, Chapter 2), he concludes that:

- IRS records capture no more than 10 percent to 20 percent of smaller grassroots associations and may even miss as much as half of the larger nonprofits with paid staff.
- The total number of nonprofits is closer to 7.5 million than the 1.5 million organizations registered with the IRS. Depending on the estimate for grassroots activity, uncounted groups may outnumber registered nonprofits by a factor of 5 to 10.
- Although the annual revenue of a typical grassroots association amounts to no more than a few thousand dollars, aggregate revenues might be substantial. Applying the average revenue of \$7,800 derived from one study to the 7.5 million associations estimate would yield approximately \$58.5 billion in total revenues.
- Present accounts are also likely to understate the number of volunteers and the total amount of volunteer time by omitting grassroots associations. Currently, volunteer information is derived from surveys rather than existing statistics. The survey methodologies are not geared toward identifying the types of voluntary activities taking place in grassroots associations but focus instead on the kinds of volunteering common in nonprofits where the work is directed by paid staff as opposed to volunteer members. As a result, the amount of volunteer time that is usually reported may represent only half of the actual total volunteering in nonprofits; thus statements in the literature that most of the work in the sector is carried out by paid staff rather than volunteers may be questionable.

Smith’s estimates are far from being definitive, as there are still too few studies to point to a preponderance of evidence. However, their main purpose is to draw attention to the potential seriousness of the problem. If these estimates were to hold true, it would require a not

insubstantial rewriting of sector statistics, as they are used in the research community and communicated to students, policymakers, and the public. Using 1996 sector statistics as reported in Salamon (1999), for example, Smith's rough \$58.5 billion estimate of grassroots association revenues would equal more than 11 percent of the total income of nonprofit, public-benefit organizations (\$515 billion). To put things further into perspective, not reporting these revenues would be like omitting social service organizations (\$49.5 billion) or more than half of nonprofit education revenues (\$93 billion) from accounts of the sector. Accordingly, the stakes are high and further studies are needed to examine and evaluate the empirical bases on which these estimates rest. While a large-scale research effort to provide conclusive answers is still outstanding—not in the least due to the prohibitive resources such an effort would require (Colwell 1997)—smaller, more limited case studies may, in the meantime, further elucidate the questions and eventually lead to a preponderance of evidence in one direction or the other.

## Case Study and Methodology

Using the arts and culture sector in Montgomery County, M.D., a suburban county outside Washington, D.C., this case study compares small, medium-sized, and large nonprofits along key indicators, such as numbers of organizations, volunteering, and extent of economic activities. The data reported here are based on a field census of arts and humanities organizations in the county, conducted as part of the “National and Local Profiles of Cultural Support Project,” organized by Americans for the Arts in conjunction with the Arts Administration and Policy Program at Ohio State University and funded by the Pew Charitable Trusts. The main goals of the project were to gain a better understanding of the universe of cultural organizations and to generate a detailed picture of arts revenue sources. At the heart of the project was the administration of a detailed survey nationally and locally in ten communities around the country. The survey instrument was developed and pre-tested nationally and was generally the same across all sites, although a limited number of additional questions were added for local purposes. The eight page survey collected basic information about the agencies and detailed data about capital income, government revenue sources, private funding sources, earned income, and in-kind contributions. The final section included largely non-financial questions, including the number of board members, total number of non-board volunteers and average number of hours volunteered per year, the number of full-time employees, part-time employees (and average part-time hours), and total annual hours of seasonal and contractual work, as well as attendance and other questions.

Locally, the work proceeded in close cooperation with the Arts Council of Montgomery County (ACMC) and was also intended to inform a comprehensive cultural planning process that was launched at about the same time.<sup>4</sup> The first task involved the determination of the local universe. Prior to the project, the assumption was that about 80, mostly mid-sized and large arts groups existed in the county. In the end, the master list contained more than 300 organizations

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<sup>4</sup> Additional results of the survey are reported in Toepler and Finch (2001). Data from this earlier report differ slightly from those presented here, due to differences in coverage and changes in the estimation procedures.

that were identified from a variety of sources.<sup>5</sup> Most, though not all, strategies to identify local organizational universes were utilized (Smith 2000, Appendix B; Kaple, et al., 1998).

The survey—preceded by a letter from the County Executive—was mailed in early November 1999, and mail and phone follow-up continued until February 2000. Data were collected for FY 1998. Adjusting for returned questionnaires and organizations that did not qualify for inclusion (e.g., for-profit, governmental, or embedded cultural activities—that is, cultural programs of non-cultural groups) left a universe of 261 nonprofit organizations. The survey yielded 98 valid responses as of mid-February 2000 for a response rate of 37.6 percent. Almost all of the known large organizations and most of the mid-sized groups that work in the county responded to the survey, which was likely a result of the involvement of ACMC and the study’s connection to the planning process.

Of the 98 valid responses, 29 were large organizations (annual revenues of more than \$100,000), 19 were medium-sized organizations (annual revenues between \$25,000 and \$100,000) and 50 were small organizations (annual revenues of less than \$25,000). This division derives from the fact that arts organizations with revenues of \$100,000 or more are generally considered “majors” by county. The lower boundary of \$25,000 corresponds with the Internal Revenue Service cut-off exempting smaller organizations from filing annual tax returns (Form 990).

**Table 1: Distribution of cultural organizations in Montgomery Co., by income**

	Respondents	Non-respondents (estimated)	All	Percent
<b>Large</b> (Income of \$100,00 or more)	29	12	41	15.7
<b>Medium</b> (Income between \$25,000 and \$99,999)	19	14	33	12.6
<b>Small</b> (Income of less than \$25,000)	50	137	187	71.6
<b>Total</b>	98	163	261	100

For estimation purposes, the 163 non-respondents were cross-checked against the 1999 IRS Business Master File (BMF) for Montgomery County. Fifty-five organizations appeared on the BMF, of which 12 were large, 14 medium, and 24 small. Another ten organizations had no income entries and were treated as large, medium, and small in proportion. The remaining 108 organizations in the sample that were not listed in the BMF were assumed to be small organizations with incomes of less than \$25,000 for three reasons: First, the questionnaire was both extensive and detailed, and primarily geared towards larger and more formal organizations. Small, semi-formal groups were thus more likely not to respond, because they considered the

<sup>5</sup> The sources included: a 1996 ACMC directory; the Return Transaction File of the Internal Revenue Service; the ACMC mailing list; a listing of applicants and grantees of ACMC over the past three years; a list of applicants and grantees of the Maryland State Arts Council for FY 1998; a recent list of grantees of the Montgomery County Commission on the Humanities; information from the two city-level arts agencies in the County; the membership directory of the Maryland Association of Nonprofit Organizations; and a keyword search of a database of charitable organizations required to register with Maryland’s Secretary of State.

survey not applicable to them. Second, while it is possible that larger organizations do not register with the IRS for formal tax-exemption and thus do not appear in the BMF files, it is typically mostly smaller groups that choose not to register. Finally, ACMC is the single largest arts funder in the county and also highly visible and active in the community. While it is conceivable that large arts groups operate locally without having come into contact with the Council, again it is not very likely.

The assumption that the remaining 108 groups are working grassroots associations is nevertheless a potential source of bias. First, it cannot be determined how many of these organizations are active, and how many are defunct. In mail surveys, the rate of questionnaires returned as undeliverable can be taken as a general indication of the share of inoperative organizations. This is not the case for grassroots organizations, however. Since these groups frequently are run out of private homes, questionnaires may be delivered, even though the group may not be active. Second, a very small number of responding organizations indicated that they were for-profits. Whether cultural groups are proprietary or nonprofit cannot necessarily be deduced from the name. One example was a flute ensemble receiving contract fees of ca. \$5,000 per year for performing at sponsoring venues. Other examples include proprietary dance studios, music schools and art galleries. Thus, with an unknown number of defunct and for-profit groups among the 108 non-respondents that were not listed in the BMF, the estimates presented here are likely to over- rather than underestimate the share of small grassroots associations vis-à-vis mid-sized and large organizations. As shown in Table 1, data (other than averages) are estimations of the mean, estimated separately per size group based on the distribution of organizations.

## Findings

This section briefly presents relevant findings from the study vis-à-vis the key criticisms of the current nonprofit sector as summarized by Smith (2000) and discussed above. Specifically, it seeks to determine: whether small associations do indeed outnumber larger ones to the extent suggested; to what degree both large and small organizations are captured in the BMF listings; whether small organization volunteering approaches the level of larger organization volunteering; whether the total amount of volunteer work is larger or smaller than paid staff work; and whether the overall picture of revenues and expenditures would be fundamentally altered if small organizations had been omitted from the analysis.

### SMALL VS. LARGE ORGANIZATIONS

Independent of the fact that the vast majority of all cultural organizations in the county have a strong grassroots character (Smith 2000, 7), the contention that small grassroots organizations significantly outnumber larger organizations is confirmed in this case study in principle, although not quite to the extent posited by Smith. As Table 1 demonstrates, very small, cultural grassroots organizations outnumber medium and larger organizations by a factor of 2.5. While the ratio of small to large organizations is considerably lower than the previously estimated range of 5:1 to 10:1, small organizations still make up almost three-quarters (72 percent) of the universe.

## REGISTERED VS. NOT REGISTERED ORGANIZATIONS

Not all of this grassroots activity fully escapes the IRS listings, however. Almost half, or 44 percent, of the *responding* organizations with less than \$25,000 in income had voluntarily sought tax-exempt status and were thus included in the BMF. When grouped with the non-responding organizations listed with zero income in the BMF, approximately 27 percent of the small organizations in the sample were captured by IRS data. Since there may be some defunct or commercial organizations among the 108 unlisted, non-responding groups (as discussed above), the share of small nonprofits captured in IRS listings may actually be higher. As far as the large and medium-sized organizations are concerned, there was only one large responding organization (0.3 percent) and three medium-sized organizations (15.8 percent) that could not be traced in the BMF. This is considerably below indications from other research that as many as half of larger nonprofits may not be included in IRS data sources.

All in all, slightly more than half, or 54 percent, of all identified cultural organizations in the county were thus present in the BMF. In other words, there is essentially parity between the number of organizations that could, and could not, be identified through IRS data sources. Thus, the suggestion that a significant number of larger and the vast majority of small organizations escape tax records is not borne out in this case. If these findings were to hold true more broadly, estimates of small grassroots organizations undetectable through IRS data would need to be revised downwards; tentative assessments that research based on IRS and other official data covers only “about 10 percent of the entire nonprofit field” (Colwell 1997, 18) would need to be reviewed with care.

## VOLUNTEERS AND STAFF

An estimated 9,500 non-board volunteers contributed to the work of cultural organizations in the county, providing close to 600,000 hours of work (Table 2). Volunteers in large organizations accounted for 36 percent of all volunteers and 28 percent of the volunteered hours. Large organizations had, on average, 84 volunteers contributing 48 hours per year. Small organizations had significantly less volunteers on average (19), who individually gave a little more of their time (53 hours per year). The accumulated numbers of volunteers (38 percent) and hours volunteered (32 percent) in small organizations were thus slightly ahead of those of large organizations.

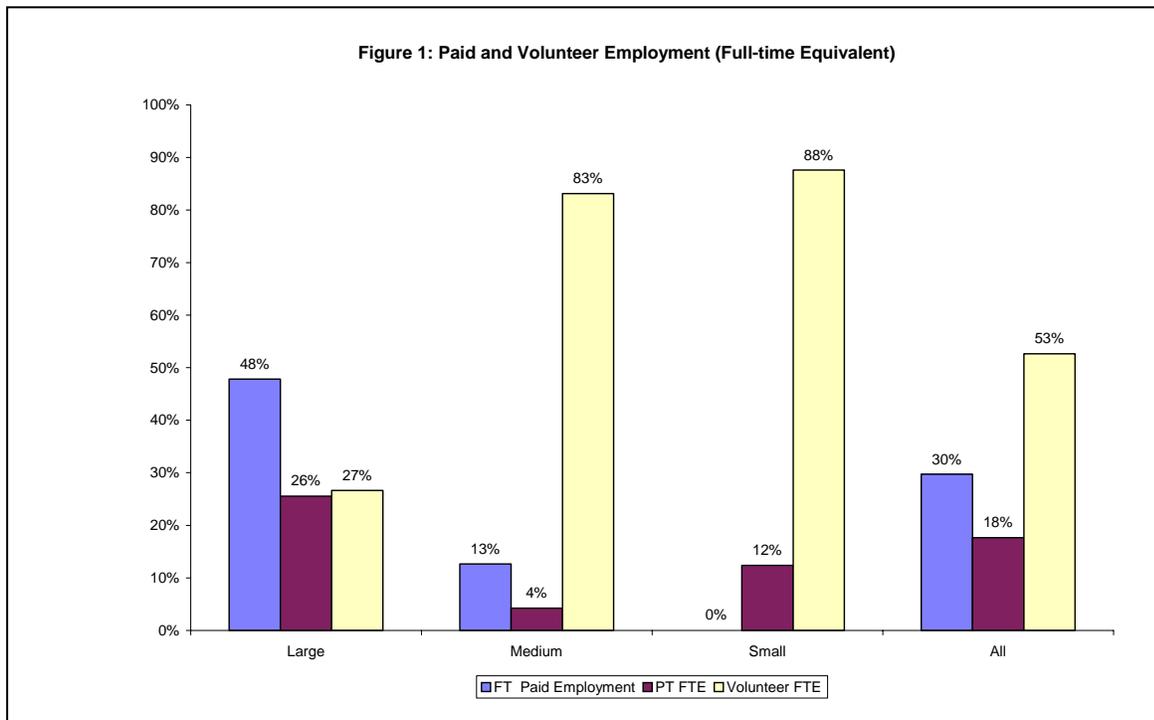
**Table 2: Volunteering**

	Volunteers	Percent	Average # of volunteers	Total volunteer hours	Percent	Average volunteer hours p.a.
<b>Large</b>	3,440	36	84	165,957	28	48
<b>Medium</b>	2,445	26	74	234,116	40	96
<b>Small</b>	3,633	38	19	192,228	32	53
<b>All</b>	9,518	100		592,301	100	

By contrast, medium-sized organizations drew only about one-quarter of all volunteers; these volunteers, however, contributed 40 percent of total volunteer hours. With an average of 74 volunteers per organization, volunteers for medium-sized organizations put in about twice as many hours per year as volunteers for either large or small organizations. This is most likely a

reflection of growing organizational complexity requiring additional volunteer/member efforts beyond those of smaller, more informal grassroots organizations, before organizations reach a size that allows the hiring of paid staff to conduct with the majority of organizational tasks.

This is also borne out when full-time staff is compared to full-time equivalent (FTE) part-time staff and volunteers (Figure 1). Whereas full-time staff account for about half of FTE work in large organizations and part-time staff and volunteers account in equal parts for the other half, the situation is markedly different for both small and medium-sized organizations. In these smaller organizations, volunteer members account for 80 to 90 percent of the work performed. While the smallest organizations occasionally do have a part-time employee who might perform certain tasks for a few hours per week, there seems to be marked shift towards increasing full-time staff in medium-sized organizations (accounting for 13 percent of all work)—at the expense of the occasional part-time help rather than of volunteers.



In sum, small grassroots cultural organizations with revenues below \$25,000 muster significant numbers of volunteers. With 38 percent of all volunteers and 32 percent of all volunteer work, however, they did not account for the vast majority of voluntary action in this case. In fact, two-thirds of the volunteer labor was found in the medium and large organizations that typically tracked by IRS-data bases available for nonprofit research. For all organizations taken together, though, paid and volunteer labor essentially balanced out, the latter accounting for a slight majority (53 percent) of total work time. In this case, most of the work of nonprofits is not performed by paid labor. However, since most nonprofit employment occurs in fields such as health and education, where there is more professional and less avocational labor input, this finding does not lend itself to easy generalizations across the sector at large.

## REVENUES AND EXPENDITURES

Given what is generally known about economic and financial concentration in the nonprofit field, the results of the analysis of total revenues and expenditures in this case study were unsurprising results. The relatively small number of large organizations (16 percent) accounted for the vast majority of financial resources: 85 percent of total revenues and 86 percent of total expenditures (Table 3). While small groups comprised more than 70 percent of all organizations, they accounted for only 7 percent of revenues and 7 percent of expenditures—or about the same share as the much smaller number of medium-sized organizations. The revenues for small organizations with a mean of \$9,686 and a median of \$4,700, are slightly higher than those found by Smith (2000, 57) in another sub-urban grassroots association study (in which the mean was \$7,805 and the median was \$2,000). Nevertheless, the cumulative scale of the small organizations has only a marginal impact on overall revenues and expenditures. Therefore the omission of these organizations would not have resulted in a significantly different picture of the financials of the arts and culture in Montgomery County.

**Table 3: Estimated total revenues and expenditures**

	Organizations	Percent	Estimated total	Percent	Mean	Median
<b>Revenues</b>						
Large	41	16	21,981,737	85	536,140	288,540
Medium	33	13	1,955,455	8	59,256	54,724
Small	187	72	1,811,230	7	9,686	4,700
Total	261	100	25,748,422	100		
<b>Expenditures</b>						
Large	41	16	19,046,383	86	464,546	269,236
Medium	33	13	1,636,023	7	49,576	34,356
Small	187	72	1,566,934	7	8,379	4,000
Total	261	100	22,249,340	100		

Note: Mean and median for responding organizations (n=98)

## Conclusion

The results from this community research are mixed. Some of the criticisms of research based on government data sources are confirmed in principle, but the case also suggests that IRS data—and the BMF file in particular—might be less incomplete than feared. While small groups do outnumber larger ones to a significant degree, key economic parameters, such as total employment, revenues, and expenditures, do not appear to be affected to a degree that would represent a major distortion. With all its limitations and with the exception of the number of organizations, this study does not lend strong support to the argument that current nonprofit sector statistics are grossly misleading. Weighing the costs against the benefits of trying to include grassroots groups in nonprofit statistics), it is far from clear that the added economic value of these groups would justify the major efforts necessary to determine actual grassroots revenues, expenditures, and employment contributions.

**Table 4: Attendance**

	<b>Estimated total attendance</b>	<b>Percent average share of free admissions</b>	<b>Average # of weeks per year with events</b>
<b>Large</b>	833,982	32	29
<b>Medium</b>	126,095	32	16
<b>Small</b>	172,189	43	12
<b>Total</b>	1,132,266	100	

As Smith and many others have aptly shown, the ultimate value of small-scale grassroots associations does, not lie in their contributions to the economic contours of the nonprofit sector but rather in the internal benefits to those participating in small-scale voluntary activity (Smith 2000). Beyond that, however, the broader community still benefits directly. As Table 5 shows, although essentially operating with very limited resources and likely primarily organized for member-benefit, the accumulated number of small groups still drew a substantial number of people to their events and performances (15 percent of total attendance) and thus perform an important public service. This is perhaps even more significant, given the intermittent character of small-group events. Whereas large groups are active for an average 29 weeks per year, small groups average events in no more than 12 weeks each year (Table 5). Small groups also tend to have a higher share of free admissions (43 percent vs. 32 percent for both large and medium-sized organizations), which appears to be a reflection of the more intrinsic, member-oriented quality of small-group work. Clearly, grassroots groups are important in more than one way.

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