

# Economic and Fiscal Impacts of the Nonprofit Sector in South Carolina

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**DRAFT**

December 2007

**REGIONAL DYNAMICS & ECONOMIC  
MODELING LABORATORY**

CLEMSON UNIVERSITY RESEARCH FOUNDATION

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## Contents

Executive Summary .....	iii
I. Introduction .....	1
II. Model Inputs .....	1
III. Model Results, Excluding Hospitals.....	2
A. Local Displacement.....	2
B. Non-Local Displacement.....	3
IV. Model Results, Including Hospitals.....	4
A. Local Displacement.....	4
B. Non-Local Displacement.....	4
V. Amenity Value .....	5
VI. Conclusion .....	6
Appendix.....	7

## Executive Summary

The economic and fiscal impact of nonprofit organizations on the state of South Carolina between the years 2007 and 2015 is estimated by estimating the total effects of spending by nonprofit organizations on inputs, including worker wages, for the production of goods and services. The data used were obtained from the National Center for Charitable Statistics (NCCS), and are current as of September 2007. This study only considers the impact from the economic activity of nonprofits; it does not consider the value of the goods and services produced by nonprofits to society. As such, the following is if anything an understatement of the true economic impact that nonprofits have on the state.

The analysis considered the impact of nonprofits both with and without including private nonprofit hospitals. These are a very large component of the nonprofit sector in South Carolina, comprising nearly half of the sector in terms of total revenues generated. The models run without this important component allow us to isolate the impact of both hospitals and the remainder of the nonprofit sector. Additionally, the analysis took into account whether monies that are currently either donated or earned by nonprofits would remain in the local area in the absence of the nonprofit organizations, or if the money would “leak” out of state. By doing this, we are able to estimate the minimum (if the money were to stay local) and maximum (if the money were to leak out-of-state) impact of the sector; the actual impact is predicted to fall somewhere between these two extremes.

The impact of nonprofits on the state is presented in brief in the following tables. The numbers represent the high and low range of the estimated annual impact in each category. Note that these numbers represent the direct impact of spending by the nonprofits themselves and indirect and induced economic activity – in other words, the “spillover” effects from the spending by nonprofits. The number of jobs generated statewide through nonprofit activity and its spillover into the broader economy is estimated to be between 113,000 and 232,000 over the eight-year study period, not counting the effect of private nonprofit hospitals, and between 171,000 and 358,500, including hospitals.

**Table S1 – Economic and Fiscal Impacts of Nonprofits Excluding Hospitals  
South Carolina (2007-2015)**

Category	Annual
Gross Regional Product	\$5.35 – 11.90 billion
Disposable Income	\$3.04 – 7.35 billion
Net State Government Revenue	\$0.57 – 1.31 billion
Net Local Government Revenue*	\$422.15 – 963.56 million

\* Includes County and Municipal governments.

**Table S2 – Economic and Fiscal Impacts of Nonprofits Including Hospitals  
South Carolina (2007-2015)**

<b>Category</b>	<b>Annual</b>
Gross Regional Product	\$9.21 – 21.33 billion
Disposable Income	\$5.36 – 13.28 billion
Net State Government Revenue	\$0.99 – 2.89 billion
Net Local Government Revenue*	\$0.74 – 1.74 billion

\* Includes County and Municipal governments.

The preceding tables present the economic impact of nonprofits at the state level. An estimate of the impact of these organizations for each county in the state is presented in the appendix.

In addition to economic impacts, the study found that the economic activity associated with nonprofits will be responsible for drawing between 34,000 and 59,800 residents to South Carolina, excluding the hospital component, and between 58,500 and 106,700 residents including the activity generated by hospitals. This gives us a sense of the value that nonprofits have for the quality of life in the state, although, again, this is only considering economic activity generated by the sector, and not the intrinsic value of the goods and services produced.