

2025 Economic Impact of Delaware Nonprofits

Prepared for:

The Delaware Alliance for Nonprofit Advancement
and the Delaware Nonprofit Action Network

Prepared by:

Fourth Economy Consulting

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Report by Fourth Economy for the Delaware Alliance for Nonprofit Advancement and the Delaware Nonprofit Action Network



DANA, the Delaware Alliance for Nonprofit Advancement, empowers nonprofits to thrive and make a meaningful impact. Our services enhance board governance, leadership and sustainable strategies, ensuring Delaware’s nonprofits can serve their communities effectively.

DNAN, the Delaware Nonprofit Action Network, works to elevate nonprofit voices in public policy discussions and ensure that the sector’s contributions and challenges are more fully understood.



We believe in building strong communities, impactful organizations, and thriving economies by forging relationships with our clients and the communities they serve. Our flexible, people-centered approach combines research, analytics, strategic planning, and community engagement to provide the insights and tools needed to build solutions that make a measurable impact for our clients, the communities we work in, and the world we share. To learn more, please email: engage@fourtheconomy.com

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Introduction

DANA, the Delaware Alliance for Nonprofit Advancement, and the Delaware Nonprofit Action Network (DNAN) have partnered to commission an economic impact analysis of the Delaware nonprofit sector's economic importance and significance.

DANA works to empower nonprofits to thrive and make a meaningful impact in communities across the state. Through leadership development, board governance support, policy education, and strategic capacity-building services, DANA helps nonprofit organizations strengthen their leadership, sustainability, and effectiveness so they can better serve Delaware residents.

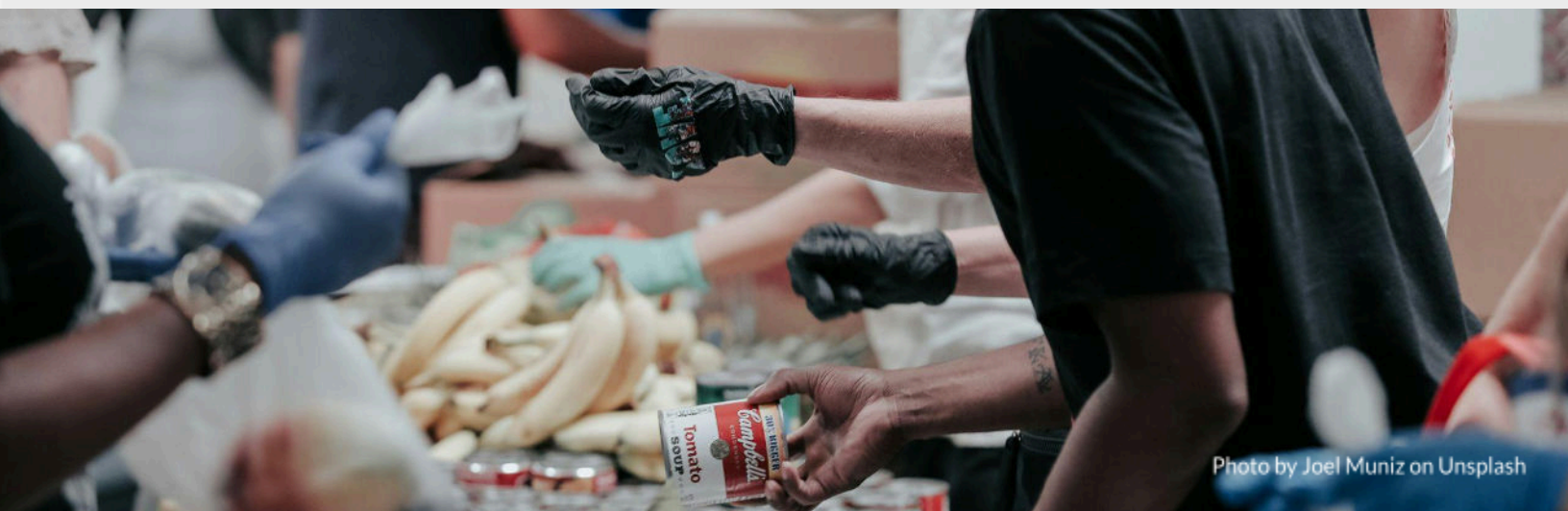
At DANA, we have long recognized the essential role nonprofits play in Delaware's communities. While many people understand the social and cultural contributions of nonprofit organizations, far fewer recognize the sector's economic importance and significance. Nonprofits are employers, service providers, and drivers of local economic activity in every county across the state.

DNAN shares a strong interest in expanding public awareness of the nonprofit sector and strengthening the policy environment in which nonprofits operate. As a statewide nonprofit advocacy organization, DNAN works to elevate nonprofit voices in public policy discussions and ensure that the sector's contributions and challenges are more fully understood.

This economic impact analysis will define and quantify those contributions, helping policymakers, funders, and the public better understand the vital role nonprofits play in Delaware's economy, and more importantly, the required investment needed to sustain this vital sector and ensure that our local communities thrive.

In partnership with DANA, DNAN is supporting the development of this report to provide clear, objective data that illuminates the nonprofit sector's economic impact in Delaware. By pairing rigorous analysis with accessible public communications, this effort will help policymakers, funders, and community leaders better recognize the sector's role as both a social and economic engine for the state.

Together, DANA and DNAN aim to strengthen public understanding of nonprofits' contributions while equipping leaders with the information needed to advance policies that support a strong, sustainable nonprofit sector.



Key Findings

951 nonprofits with operations in Delaware filed with the Internal Revenue Service in tax year 2022. In the same year, these nonprofits:

- Reported **72,926 workers**, providing 15 percent of Delaware’s private sector jobs.
- Paid **\$5.2 billion in wages**, contributing 16 percent of private sector wages.
- Organized **85,700 volunteers**, who gave more than **5.6 million hours** to Delaware nonprofit organizations.

These nonprofits also made a significant impact on Delaware’s economy, supporting:

- **Jobs:** Every 10 nonprofit jobs supported **an additional 7 jobs in Delaware**, resulting in **124,326 jobs** supported by the nonprofit sector.
- **Earnings:** Every \$10 in wages paid by nonprofits generated an additional **\$5.70 in worker earnings across the economy**, creating **more than \$8.1 billion in annual earnings** for Delaware workers.
- **Gross regional product (GRP):** Every \$1 of goods and services generated by nonprofits created an additional **\$1.15 in GRP**, supporting **\$14.1 billion in GRP for Delaware**.
- **Taxes:** Delaware nonprofits paid an estimated **\$345.9 million in personal income taxes** to the state.



951

nonprofits
were active in
Delaware.

\$5.70



was earned by workers across Delaware for every \$10 in wages paid by nonprofits.



\$14.1 billion

contributed to Delaware’s gross regional product (GRP) through the direct, indirect, and induced impacts of nonprofits.



85,700

volunteers contributed more than 5.6 million hours to Delaware nonprofits.

72,926



workers were employed in Delaware nonprofits.

Impact of Delaware Nonprofits

Delaware had 951 nonprofits in tax year 2022.¹ These organizations employ Delaware workers, pay wages, pay taxes, and support all aspects of the state's economy.

Delaware Nonprofits as Employers

Nonprofits are significant employers in Delaware. In tax year 2022, Delaware nonprofits employed 72,926 workers and paid \$5.2 billion in wages, accounting for 15% of all private sector jobs in the state.²

Delaware Nonprofits as Economic Drivers

Nonprofits support Delaware's jobs, earnings, and gross regional product (GRP) through their services, business purchases (indirect impact), and their employees' spending (induced impact). Every 1 nonprofit job supported 0.7 additional jobs in Delaware; every \$1 spent on nonprofit wages supported \$ 0.57 in earnings across the economy, and every \$1 of goods and services generated by nonprofits created an additional \$1.15 in GRP. In 2022, nonprofits supported a total of 124,326 jobs, \$8.1 billion in earnings, and \$14.1 billion in GRP.³

Figure 1. Direct, Indirect, and Induced Impacts of Delaware Nonprofits, 2022

Economic Impact	Jobs	Wages (\$M)	GRP (\$M)
Direct	72,926	\$5,176.2	\$6,567.1
Indirect and Induced	51,400	\$2,941.6	\$7,533.0
Total	124,326	\$8,117.8	\$14,100.1

Source: Fourth Economy analysis of IRS, Tax Year 2022 data, powered by Lightcast, copyright 2025.

¹ Based on the number of nonprofits that filed 990s and 990-EZs with the Internal Revenue Service (IRS) in Tax Year 2022 according to cleaned IRS filing data from DANA. A tax year is typically 12 consecutive months that align with the calendar year or an exempt organization's fiscal tax year. When this report references 2022 IRS data, 2022 always refers to the tax year.

² Copyright 2025 Lightcast, data for 2022; QCEW and non-QCEW employment in Delaware, 2022.

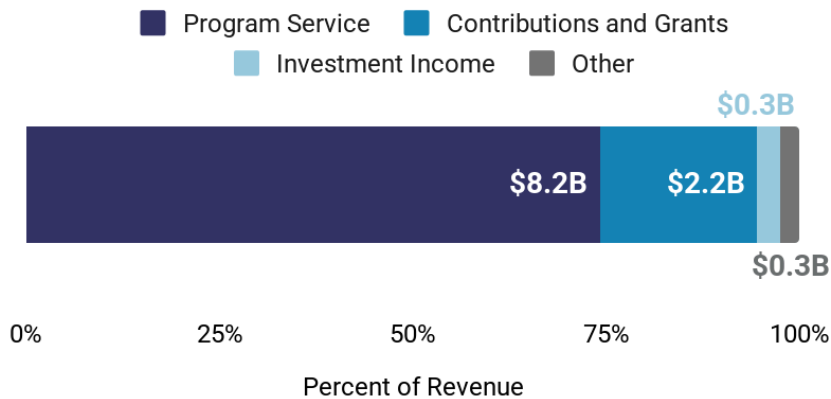
³ See the Glossary for the definitions of direct, indirect, and induced.



Delaware Nonprofits Earn Their Income

Program services were by far the biggest source of revenue for Delaware nonprofits in 2022 (Figure 2). Delaware nonprofits earned 74% of their revenue from program services and far less through contributions and gifts (20%).

Figure 2. Nonprofit Revenue by Source, 2022



Source: Fourth Economy analysis of IRS, Tax Year 2022 data.

Delaware Nonprofits Pay Taxes

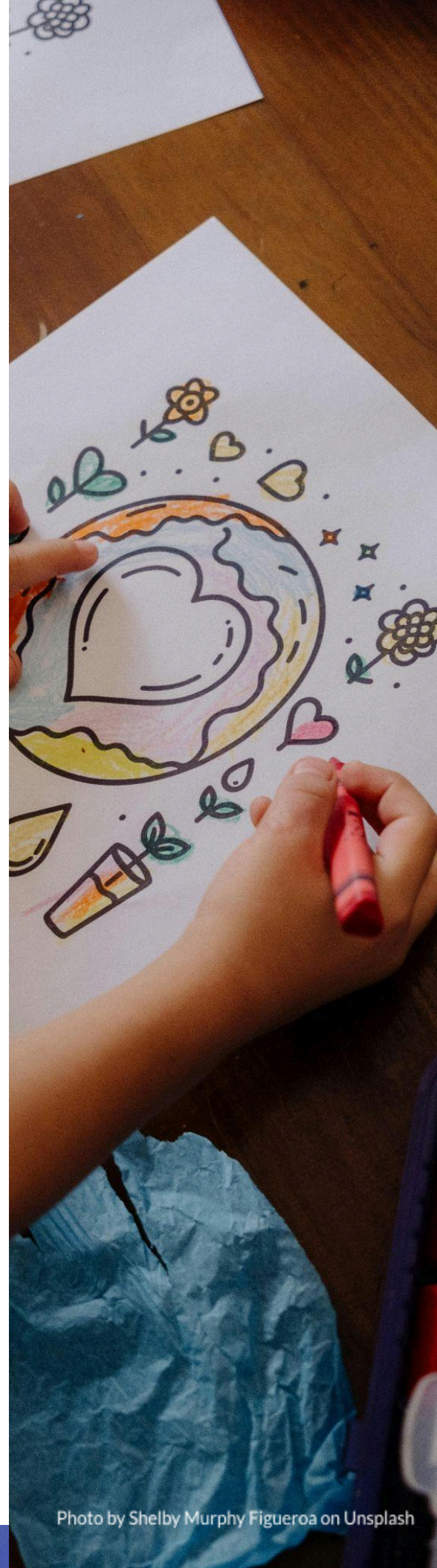
Like other employers, Delaware nonprofits pay personal income tax on employees' wages. In 2022, nonprofits paid an estimated \$220.5 million dollars in direct personal income taxes and contributed to the state earning \$345.9 million dollars in total personal income taxes.

Figure 3. Nonprofit Impact, 2022⁴

Nonprofit Impact	Earnings (\$M)	Taxes (\$M)
Direct	\$5,176.2	\$220.5
Indirect and Induced	\$2,941.6	\$125.3
Total	\$8,117.8	\$345.9

Source: Fourth Economy analysis of U.S. Bureau of Labor Statistics, Nonprofit Sector Research, 2022 data, powered by Lightcast, copyright 2025.

⁴ This does not include corporate taxes from indirect and induced activity.



Economic Impact of Volunteers

In 2022, Delaware nonprofits reported organizing **nearly 85,700 volunteers**.⁵ Americans spend an estimated 66 hours per person, or 8.25 business days, formally volunteering on average each year.⁶ Based on this average, Delawareans contributed over 5.6 million volunteer hours. The dollar value of a volunteer hour in Delaware was worth \$29.56 in 2022.⁷ Based on these assumptions, the value of volunteers at Delaware nonprofits can be estimated at more than \$167 million.

Volunteers contribute more than \$167 million in time to Delaware nonprofits.

⁵ Fourth Economy analysis of IRS, Tax Year 2022 data

⁶ [How many Americans volunteer? | USAFacts](#)

⁷ [Value of Volunteer Time - Independent Sector](#)



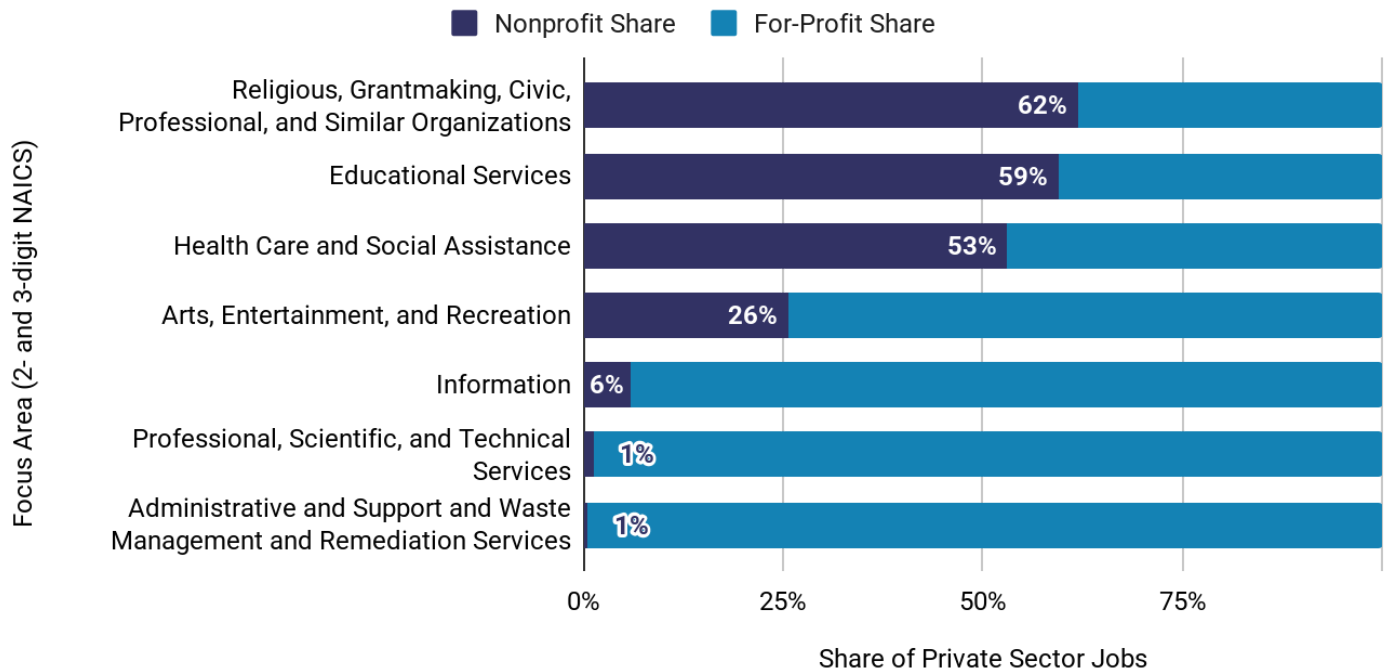
Appendix



Nonprofit Impacts by Focus Area

Nonprofits across sectors make positive social and economic impacts in Delaware. Nonprofits employed 15% of all Delaware private sector workers in 2022, but they employed more than half the workers at organizations in three key social service sectors: Religious, Grantmaking, Civic, Professional, and Similar Organizations; Educational Services; and Health Care and Social Assistance.⁸

Figure 4. Nonprofit Share of Private Sector Jobs, by Focus Area, Delaware, 2022⁹



Source: Fourth Economy analysis of U.S. Bureau of Labor Statistics, Nonprofit Sector Research 2022 data

As shown above, nonprofits played the biggest role in Religious, Grantmaking, Civic, Professional, and Similar Organizations. This sector employed 2,873 total workers in nonprofits and other establishments, compared to Health Care and Social Assistance, which employed 70,453 in 2022.

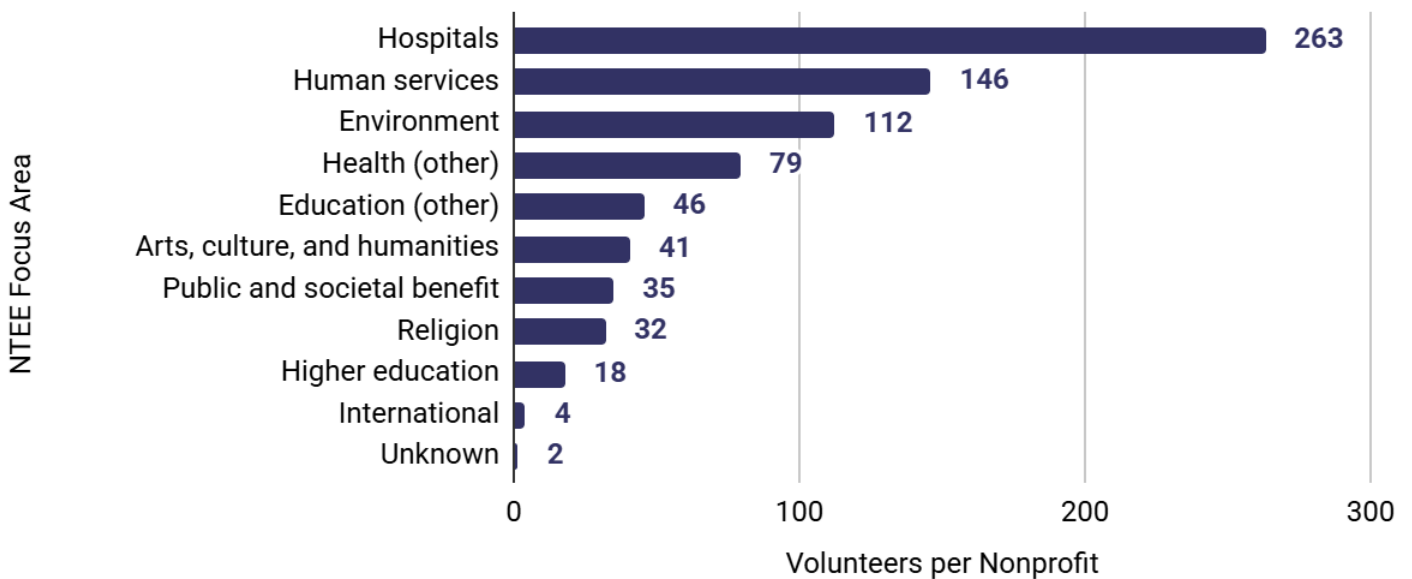
⁸ This comparison is based on establishments from the U.S. Bureau of Labor Statistics, 2022, Nonprofit Sector Research Data, a smaller population than the IRS data.

⁹ See *Classifications Systems* in the Appendix for more information on NAICS.

Volunteer Activity by Nonprofit Type

Of the 85,700 volunteers at Delaware nonprofits, nearly two thirds – 63 percent – volunteered with human services organizations in 2022. Human services organizations had the most volunteers because they are the most common type of nonprofit in Delaware, and each nonprofit has a relatively high level of volunteer support.¹⁰ The number of volunteers per human service organization (146) comes second only to hospitals (263).

Figure 5. **Volunteers per Nonprofit by Focus Area, Delaware, 2022**¹¹



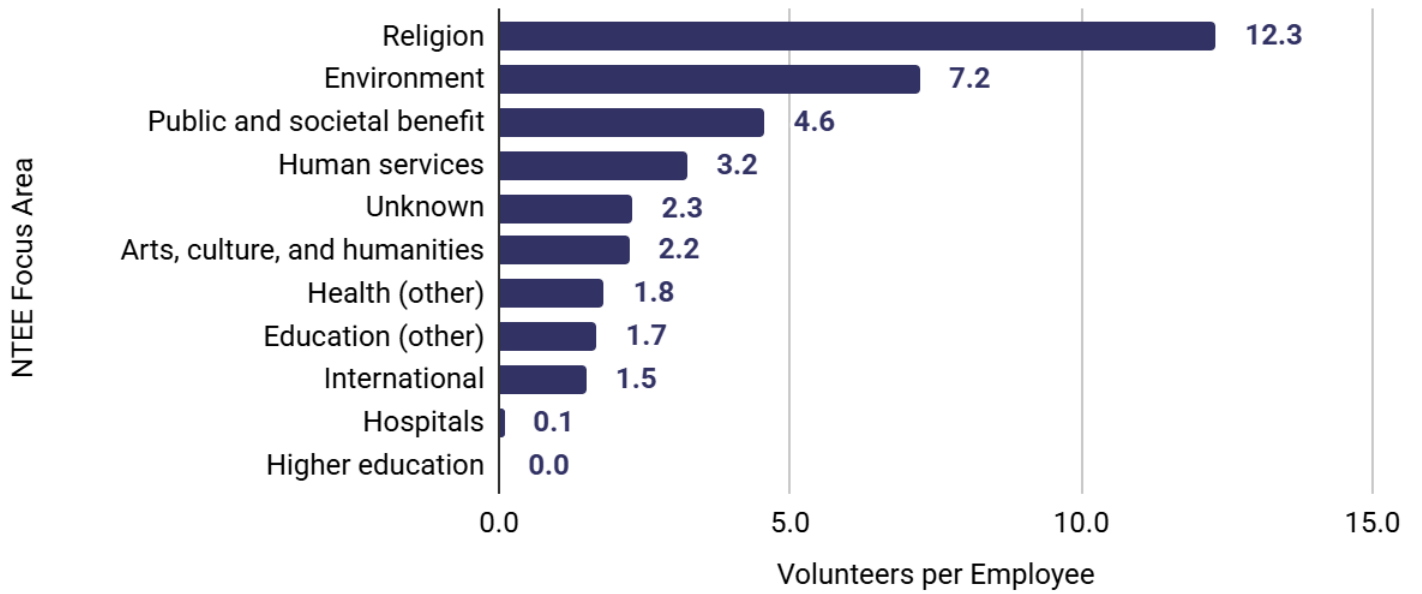
Source: Fourth Economy analysis of IRS, Tax Year 2022 data

Hospitals have the most volunteers per nonprofit in part because they tend to be larger than other types of nonprofits. When considered as a ratio to paid employees, hospitals have less than one volunteer per paid employee. In contrast, religious nonprofits seem to rely the most on volunteer support, reporting 12.3 volunteers per paid employee.

¹⁰ Note: This excludes an outlier volunteer count from one organization, which reported having 287,000 volunteers. This value was removed as erroneous because the organization with the second most volunteers reported had 18,603 and the one with the third most reported 5,000.

¹¹ See *Classifications Systems* in the Appendix for more information on NTEEs.

Figure 6. Volunteers per Nonprofit Employee by Focus Area, Delaware, 2022



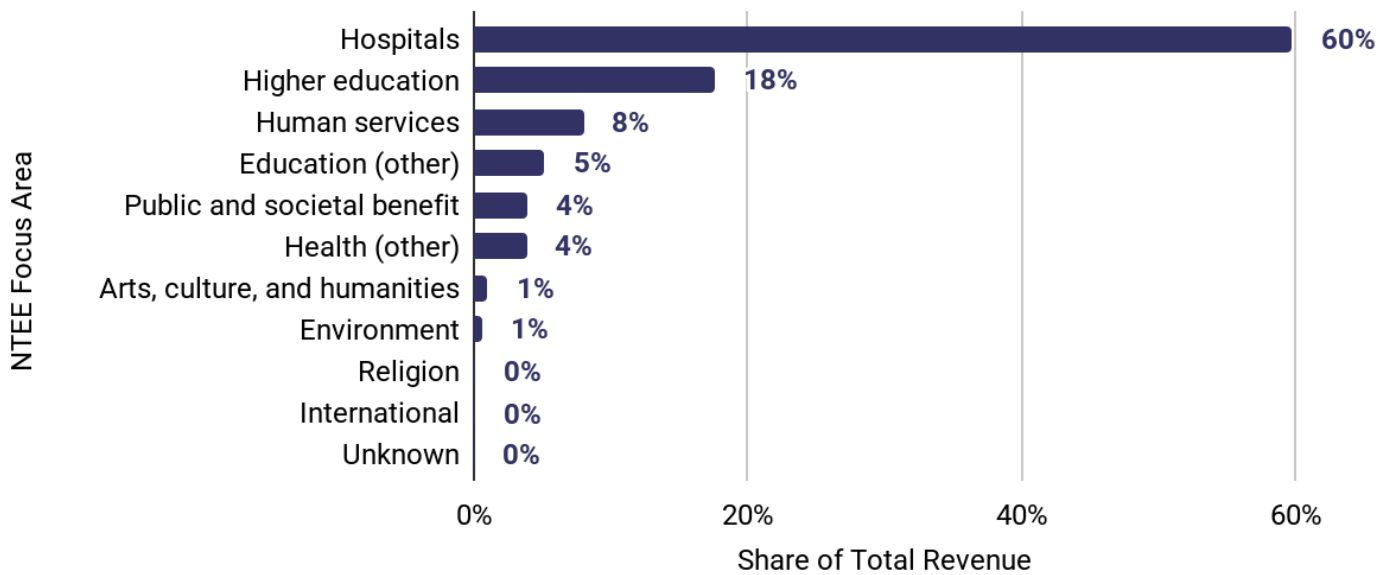
Source: Fourth Economy analysis of IRS, Tax Year 2022 data

How Delaware Nonprofits Earn Revenue by Focus Areas

Total Revenue by Nonprofit Focus Area

Nonprofits associated with hospitals, higher education, and human services recognized the most revenue by industry in 2022. Hospital nonprofits, in particular, reported 3.4 times more in total revenue than higher education nonprofits, the next highest earning industry.

Figure 7. Revenue by Nonprofit Focus Area, 2022

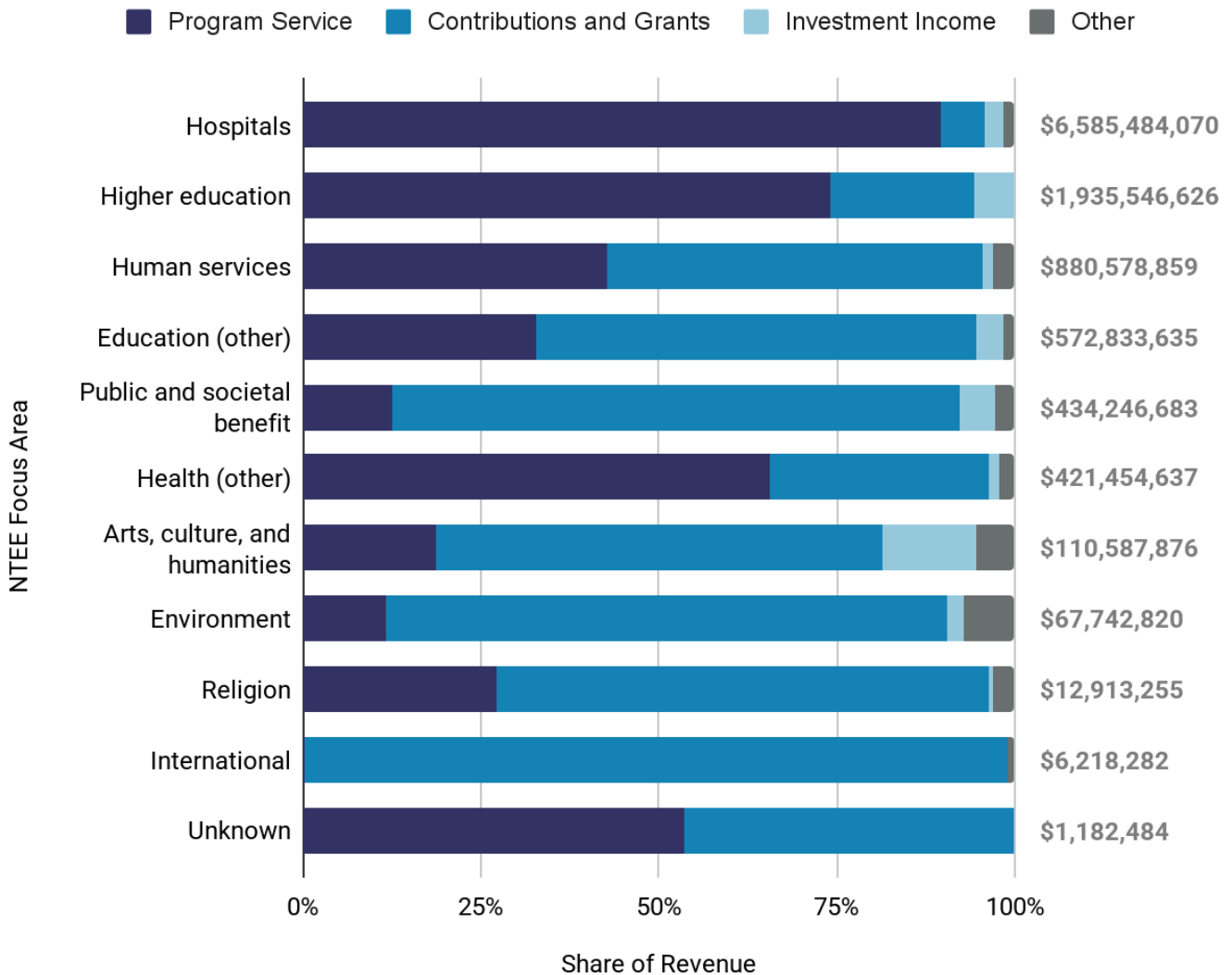


Source: Fourth Economy analysis of IRS, Tax Year 2022 data

Total Nonprofit Revenue by Source

In 2022, nonprofits in Delaware recognized three-quarters of their revenue from Program Services, and another one-fifth from Contributions and Grants. In total, nonprofits accounted for more than \$11 billion in revenue in 2022.¹²

Figure 8. Nonprofit Revenue by Source, 2022



Source: Fourth Economy analysis of IRS, Tax Year 2022 data

¹² For the purposes of this report we are using tax year 2022, the annual accounting period for which this data was collected by Delaware nonprofits and submitted to the IRS.

Glossary

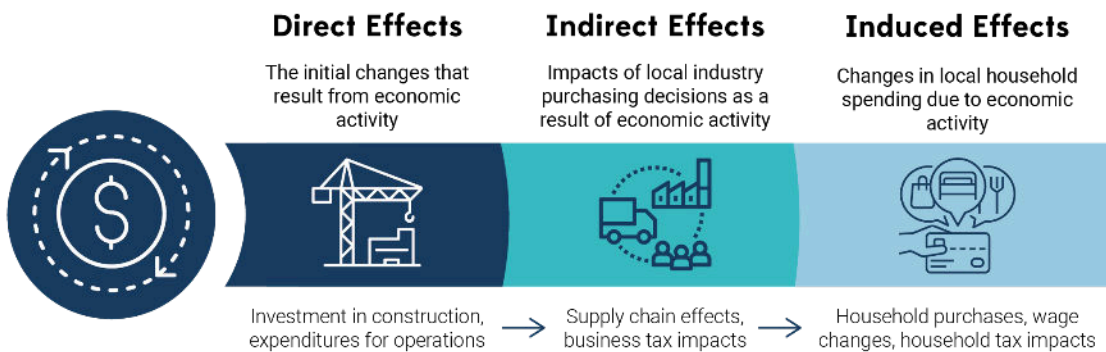
The following section defines terms as they are used in this report.

Gross Regional Product (GRP): The value of goods and services produced within a specific geographic region. In this report, the region is Delaware.

Income: Nonprofit revenue generated from all funding sources, including donations, grants, membership fees, fundraising events, and income from related business activities.

Indirect Jobs and Earnings: Jobs and employee earnings resulting from nonprofit purchases in the supply chain.

Induced Jobs and Earnings: Jobs and earnings generated by spending by employees within the business or its supply chain.



Source: Fourth Economy

Sector: Sectors are based on 2- and 3-digit codes from the North American Industry Classification System (NAICS), which Federal statistical agencies use in classifying business establishments, including nonprofits.

Nonprofits: 501(c)(3) tax-exempt organizations.

Nonprofit Establishments: Nonprofit establishments are 501(c)(3)-designated charitable organization sites with at least four employees that pay into unemployment insurance. Unlike nonprofits, nonprofit establishments are individual sites. For example, a job training nonprofit may have one site that serves as its headquarters and another that serves as a training facility. Such an organization would be counted as one nonprofit or two nonprofit establishments.

Classification Systems

This report uses two classification systems to describe the focus areas of nonprofits: the North American Industry Classification System (NAICS) and the National Taxonomy of Exempt Entities (NTEE).

North American Industry Classification System (NAICS): NAICS codes are six digit numbers used by the U.S. government to classify businesses by industry. The U.S. Bureau of Labor Statistics uses NAICS codes.

National Taxonomy of Exempt Entities (NTEE): NTEE codes are four digit numbers used by the Internal Revenue Service to classify exempt 501(c)(3) organizations. Nonprofit organizations tend to be more familiar with NTEE codes, which the IRS collects in exempt organization tax filing data (e.g., 990, 990-EZ).

A guide on how to crosswalk the two classification systems is available through the Urban Institute's [National Center for Charitable Statistics](#).

Data Sources and Methods

Bureau of Labor Statistics (BLS), Nonprofit Sector Research Data, 2018-2022: The Bureau of Labor Statistics creates nonprofit estimates using data from the Quarterly Census of Employment and Wages (QCEW) and the Internal Revenue Service Exempt Organization Business Master File (EO-BMF). QCEW data is based on unemployment insurance reports that nearly all employers are required to file. This data contains information about businesses' employment, wages, geographic location, and industry. The EO-BMF is a publicly available list of organizations with tax-exempt status and includes those classified as nonprofits, or 501(c)(3)s.

Using QCEW data means the BLS data only includes nonprofits that pay into state unemployment insurance in Delaware. As a result, BLS data likely undercounts the nonprofits, employees, and wages in Delaware due to the following data limitations:

1. **Only captures 501(c)(3) organizations.** This means the data only includes *charitable organizations* and excludes other types of tax exempt nonprofit organizations.
2. **Omits nonprofits that do not pay into state unemployment insurance.** In Delaware, nonprofit establishments with fewer than four employees are not required to provide unemployment insurance benefits and larger ones may self-insure, both resulting in QCEW data not counting their employees.
3. **Suppresses data to preserve anonymity.** When one company is the primary employer for an area or industry, the BLS suppresses data to preserve the company's anonymity. For example, the BLS released data on the total private companies in Delaware and New Castle County, but it suppressed data on the total private companies in Kent and Sussex Counties. For an industry example, the BLS data has the total Colleges, Universities, and Professional Schools (NAICS 6113), an industry group within Educational Services (NAICS 61), for Delaware, but it does not release that industry group at the county-level.

Access the data here. Read more about the BLS methodology [here](#).

Internal Revenue Service (IRS), 990 Filings and 990-EZ Filings, Tax Year 2022: This report uses IRS 990 and 990-EZ data that was cleaned by a third-party and DANA to remove nonprofit organizations incorporated in Delaware without in-state operations. Still, IRS data includes some limitations listed below.

1. **Human Error Outliers.** Nonprofit organizations self-report IRS data on 990 and 990-EZ filings, which could result in outliers from human error.
2. **Volunteer count is not included in 990-EZ filings.** 990-EZ filings, which are generally required for organizations with gross receipts below \$200,000 and total assets below \$500,000, do not require filers to report their volunteer count. As a result, this report likely undercounts the number of volunteers in the state and the value of that volunteer time.

Lightcast is a labor market analytics company that collects and analyzes workforce data, including jobs, growth, and earnings. Lightcast's estimates include both jobs tracked through the Quarterly Census of Employment and Wages (QCEW) and non-QCEW jobs, meaning those not subject to state unemployment insurance laws (including self-employed and proprietors).

Lightcast also has a proprietary model for input-output modeling, which measures how a dollar of demand in one industry affects the entire economy, driving direct, indirect, and induced impacts. Fourth Economy used the Lightcast Copyright 2025 input-output model for its analysis of 2022 IRS nonprofit data. For this report, Fourth Economy used the multipliers to estimate economic impact based on the number of jobs in the nonprofit sector. For example, each job in Crop Production in Delaware supports an additional 0.7 jobs, giving it a multiplier of 1.7.