

This section provides information about the nonprofit sector in terms of its philosophy, size, scope, and its value to our community.

### **What is the nonprofit sector?**

The nonprofit sector is an important contributor to the quality of life in Whatcom County and a large and essential component of the County's economy. Charitable organizations that have obtained 501(c)(3) status under federal IRS rules make up a primary component of the nonprofit sector.

Whatcom County communities benefit from a diverse mixture of nonprofit organizations. Human services agencies provide care and shelter for our neighbors with special needs, environmental groups help us to preserve our natural heritage, arts and cultural organizations provide essential outlets that make our community all the more livable, and nonprofits focused on education prepare young and old for new adventures and an increasingly complex world.

Nonprofits can be distinguished from for-profit enterprises because they place less emphasis on immediate financial returns and their access to volunteer labor, grants and donations give some nonprofits more freedom to experiment with new and adaptive public benefit programs. Nevertheless, on all levels - organization, community, economy - nonprofits act and have impacts that are identical to for-profit organizations. They employ people, purchase goods and services, invest in buildings and equipment, supply goods and services. And like their for-profit counterparts, nonprofits need access to capital, technical and professional expertise and a stable, supportive regulatory environment (From: [Whatcom County's Nonprofit Sector: A Profile of Activities and Finances 2000](#)(To access this document you will need the FREE [Adobe Acrobat Reader](#))

A brief overview of the nonprofit sector, where it is headed, and some of the sector challenges locally and globally can be found in "[Building the Capacity of the Nonprofit Sector in Whatcom County](#)", from the Whatcom County Nonprofit Forum, Bellingham, Washington, October 28, 1998.(To access this document you will need the FREE [Adobe Acrobat Reader](#))

### **Role of the nonprofit sector**

A major role of the nonprofit sector is connecting people with internal and external resources. Some organizations refer to this as asset building, Robert Putnam, a Harvard University researcher, calls this increasing [social capital](#). Putnam's book "Bowling Alone" "warns that our stock of - the very fabric of our connections with each other, has plummeted, impoverishing our lives and communities..." He uses research from almost 500,000 interviews to "show that we sign fewer petitions, belong to fewer organizations that meet, know our neighbors less, meet with friends less frequently, and even socialize with our families less often. We're even bowling alone. More Americans are bowling than ever before, but they are not bowling in leagues. Putnam shows how changes in work, family structure, age, suburban life, television, computers, women's roles and other factors have contributed to this decline." ([www.bowlingalone.com](http://www.bowlingalone.com))

### **What is the size and scope of the nonprofit sector?**

According to The Independent Sector (a national nonprofit resource center) the nonprofit sector includes more than a million organizations that spend nearly \$500 billion each year. For more detailed information contact the Independent Sector at [www.independentsector.org](http://www.independentsector.org).

Representing hundreds of nonprofit organizations and over 200 million dollars of revenues, the Whatcom County nonprofit sector is a larger employment sector than many for-profit sectors including agriculture, forestry, transportation and public utilities, finance, insurance, and real estate. This sector typically offers higher than average wages, meaningful and rewarding work, and a culture that embraces community as its ultimate objective. It is a large sector that is, by principle and design, dedicated to the common good of the community, measuring success according to quality of life, not quantity of profit. For a more detailed profile of the nonprofit organizations in Whatcom County see [Whatcom County's Nonprofit Sector: A Profile of Activities and Finances](#).