

# Nonprofit groups might find 6,300 is a crowd, study says

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AMERICAN-STATESMAN STAFF

Tuesday, May 26, 2009

A new study questions whether Austin has too many nonprofits — and, if so, what to do about it.

According to a recently released report by Greenlights for Nonprofit Success, there are more than 6,300 501(c)(3) public charities in the Austin area, which includes Travis, Williamson, Hays, Bastrop and Caldwell counties. Of those, 73 percent have budgets of less than \$100,000.

That number does not include nonprofits such as lobbying groups or trade associations.

The Austin area has 3.82 nonprofits per 1,000 people, the study shows. That's more per capita than any other large city in Texas. Austin was tied with Oklahoma City for the highest per capita in the southwestern United States.

"We believe that many nonprofits could benefit by merging, collaborating or sharing services," said Matt Kouri, executive director of Greenlights, which provides training and services to local charities.

So does Austin have too many nonprofits? Yes and no, Kouri says.

In many cases, mergers and collaborations aren't desirable because nonprofits take different approaches to their work, he said. Their missions may not mesh.

"At the same time, we think there are in many areas an overpopulation in nonprofits," he said. "That's created duplication of efforts, which leads to a less than fully efficient nonprofit sector."

Austin has a disproportionately high number of nonprofits focused on education (21 percent here versus 18 percent nationally), environment and animals (6 percent versus 4 percent nationally) and arts (11 percent versus 9 percent nationally), the study shows. In some ways, Kouri said, that's good because good work is being done and there are more opportunities for people to volunteer.

But it can also cause unnecessary duplication, he said. For example, many nonprofits might be helping the same school when the same services could be handled by fewer groups.

Smaller nonprofits are also more vulnerable when the economy goes sour, Kouri said. They have smaller budgets and often don't qualify for the larger grants offered by foundations. If they don't work with their peers, they may miss opportunities to share labor or reduce administrative costs, Kouri said.

But questioning whether Austin is overpopulated with nonprofits is misguided, said Peter Frumkin, director of the RGK Center for Philanthropy and Community Service. The community needs charities that take different approaches to tackling social problems.

"We still need a lot of innovation," he said. "We still need a lot exploration. ... We just don't know the answers to a lot of problems. We can't pretend like we do."

Metrics such as efficiency and cost savings are not the sole arbiters of whether a nonprofit is necessary, he said. Mental health counseling is a good example of this, he said. A group that provides secular services wouldn't work for those seeking spiritual guidance.


"It's not all about efficiency," Frumkin said. "It would be nice if it was as easy as that to simplify."

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