The Nonprofit Sector in New Jersey: Some Basics

The nonprofit sector serves a vital and unique role within American society. Over the past several decades, the nonprofit sector in the United States has grown in size, sophistication, and impact. The sector now encompasses well over a million organizations, reports trillions of dollars in annual revenue and assets, and represents approximately ten percent of the workforce (McKeever, 2015). In New Jersey, nonprofit organizations also fulfill important social, economic, and political roles. They contribute to the social and economic well being of the state and its residents in various ways. Nearly every resident of New Jersey benefits from what nonprofits do to enhance residents’ daily lives (such as caring for the most vulnerable people, educating youth and adults, organizing for social change, and providing spiritual fulfillment).

This research brief describes some basic characteristics of the NJ Nonprofit Sector.

The Scope of the NJ Nonprofit Sector

Over the last twenty years, the NJ Nonprofit Sector has undergone substantial growth. Figure 1 tracks the growth of the nonprofit sector in New Jersey in terms of the number of registered nonprofit organizations and their total revenue. According to these data, between 1995 and 2015 the number of registered nonprofits increased by approximately 50% and total revenues of reporting nonprofits grew by over 150%. The NJ Nonprofit Sector is now a crucial economic force in the state. The sector employs approximately 300,000 workers, representing more than 7% of the state’s workforce (New Jersey Department of Labor and Workforce Development, 2016). In 2015, according to the National Center for Charitable Statistics, New Jersey nonprofit organizations had over $126 billion assets and over $56 billion in income.

Despite this unprecedented growth and significant scope, to our knowledge there is little empirical evidence on how New Jersey residents engage with and evaluate the nonprofit sector in the state. Residents’ engagement and perception is important not only because nonprofit organizations rely on residents’ voluntary activities (such as donations and volunteering) to a varying extent, but also because it affects the legitimacy of the nonprofit sector in a democratic society. To address this gap, we partnered with the Rutgers-Eagleton Poll to conduct a survey to examine how New Jerseyans viewed the nonprofit sector in the state in 2018. The survey was administered through telephone using live callers with a scientifically selected random sample of over 700 New Jersey adults. (More details of the survey methodology are provided in the appendix.)
Survey Results

New Jerseyans’ Engagement with the Nonprofit Sector in the State

The survey results indicated New Jerseyans’ high levels of engagement with the nonprofit sector in the state. When asked about their activities within the past 12 months, 84% people had donated money to a charity, and 68% people had volunteered at a charity.

New Jerseyans’ Trust in the Nonprofit Sector in the State

We asked survey participants to rate the level of trust they have in the nonprofit sector in the state by choosing the frequency that nonprofits can be trusted to do what is right. The survey results were quite mixed. Nine percent of New Jerseyans reported that they trust nonprofits “just about always,” 42% reported “most of the time,” and 43% reported “only some of the time.”

New Jerseyans’ Perception of the Nonprofit Sector in the State

We evaluated how New Jerseyans consider the nonprofit sector in the state in two ways. Given that the nonprofit sector involves organizations working in different service areas, we categorized nonprofit organizations into seven types (i.e., arts and culture, civil rights, education, environment, animal welfare, human services, and health care).

First, we asked survey participants about the extent to which they are aware of the work done by nonprofits in the state (Figure 2). Across all the seven types of nonprofits, nearly 60% of New Jerseyans on average are either “very aware” or “somewhat aware” of the work of nonprofits in the state. This level of awareness ranges from 43% (arts and culture nonprofits) to 69% (human service nonprofits).

Second, we asked survey participants to evaluate the level of impact that nonprofit organizations have on making New Jersey a better place to live (Figure 3). On average across different types of nonprofit organizations, about 50% of New Jerseyans believe that nonprofits make a big impact, with the level ranging from 38% (arts and culture nonprofits) to 60% (healthcare nonprofits).
Appendix

The Rutgers-Eagleton Poll was conducted by telephone using live callers April 26 to May 4, 2018 with a scientifically selected random sample of 704 New Jersey adults, 18 or older. Persons without a telephone could not be included in the random selection process. Respondents within a household were selected by asking randomly for the youngest adult male or female currently available. If the named gender was not available, the youngest adult of the other gender was interviewed. The poll was available in Spanish for respondents who requested it. This telephone poll included 315 landline and 389 cell phone adults, all acquired through random digit dialing. Distribution of household phone use in this sample was:

- Cell Only: 31%
- Dual Use, Reached on Cell: 24%
- Dual Use, Reached on LL: 42%
- Landline Only: 3%

The data were weighted to be representative of New Jersey adults. The weighting balanced sample demographics to population parameters. The sample was balanced to match parameters for sex, age, education, race/ethnicity, region, and phone use. The sex, age, education, and race/ethnicity parameters were derived from 2016 American Community Survey PUMS data. The region parameter was derived from 2011-2015 American Community Survey 5-Year Estimates based on total population. The phone use parameter was derived from estimates provided by the National Health Interview Survey Early Release Program. Weighting was done in two stages. The first stage of weighting corrected for different probabilities of selection associated with the number of adults in each household and each respondent’s telephone usage patterns. This
weighting also adjusts for the overlapping landline and cell sample frames and the relative sizes of each frame and each sample. The second stage of weighting balanced sample demographics to match target population parameters. Weights were trimmed at the 3rd and 97th percentile to prevent individual interviews from having too much influence on the final results. The use of these weights in statistical analysis ensures that the demographic characteristics of the sample closely approximate the demographic characteristics of the target population.

All surveys are subject to sampling error, which is the expected probable difference between interviewing everyone in a population versus a scientific sampling drawn from that population. Sampling error should be adjusted to recognize the effect of weighting the data to better match the population. In this poll, the simple sampling error for 704 New Jersey adults is +/- 3.7 percentage points at a 95 percent confidence interval. The design effect is 1.37, making the adjusted margin of error +/- 4.3 percentage points. Thus if 50 percent of New Jersey adults in this sample favor a particular position, we would be 95 percent sure that the true figure is between 45.7 and 54.3 percent (50 +/- 4.3) if all New Jersey adults had been interviewed, rather than just a sample.

Sampling error does not take into account other sources of variation inherent in public opinion studies, such as non-response, question wording, or context effects.

**Weighted Sample Characteristics – 704 New Jersey Adults**

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>48%</th>
<th>Democrat</th>
<th>37%</th>
<th>18-34</th>
<th>26%</th>
<th>HS or Less</th>
<th>33%</th>
<th>White</th>
<th>58%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>52%</td>
<td></td>
<td>Independent</td>
<td>42%</td>
<td>35-49</td>
<td>26%</td>
<td>Some College</td>
<td>28%</td>
<td>Black</td>
<td>12%</td>
</tr>
<tr>
<td>Republican</td>
<td>21%</td>
<td></td>
<td>Republican</td>
<td>21%</td>
<td>50-64</td>
<td>27%</td>
<td>College Grad</td>
<td>22%</td>
<td>Hispanic</td>
<td>19%</td>
</tr>
<tr>
<td>65+</td>
<td>20%</td>
<td></td>
<td>Grad Work</td>
<td>17%</td>
<td></td>
<td></td>
<td>Other</td>
<td>11%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**References**


---

**About Rutgers SPAA**

The School of Public Affairs and Administration (SPAA) at Rutgers University–Newark, highly ranked by *U.S. News & World Report* and nationally and internationally accredited, motivates students to choose careers in public service and administration through its innovative degree and certificate programs. Rutgers SPAA generates knowledge and best practices in public affairs and administration while promoting accountability, transparency, and performance in the public and nonprofit sectors.