

ECONOMIC IMPACT REPORT

Beyond the Mission:

The Economic Power of Los Angeles County's Nonprofits

REPORT RELEASE WEBINAR | SEPTEMBER 10, 2026

LAEDC Institute for Applied Economics
Center for Nonprofit Management



LAEDC and CNM collaboration

Recognizing the importance of nonprofits in LA's economy

Los Angeles Economic Development Corporation

LAEDC is a private, nonprofit organization dedicated to reimagining and growing an equitable economy for all Angelenos. Through economic research, strategic convenings, business assistance, workforce development, and public policy leadership, LAEDC works to advance opportunity and prosperity throughout Los Angeles County.

Center for Nonprofit Management

CNM is a trusted voice and resource that reimagines the growth, strength, and unity of the social impact sector. CNM advances its mission through strategic partnerships, active learning, organizational and leadership development, advocacy, research, and sector-wide engagement.

Nonprofits are an economic engine

This is not just mission work. This is core to our economy.



Stephen Cheung
President & CEO, LAEDC



Efrain Escobedo
President & CEO, CNM

Los Angeles County's nonprofit sector

Economic scale. Community reach. A foundation for growth.



Shannon M. Sedgwick

Vice President of Research, LAEDC
Institute for Applied Economics

THE HEADLINE

Nonprofits are a core part of LA County's economy

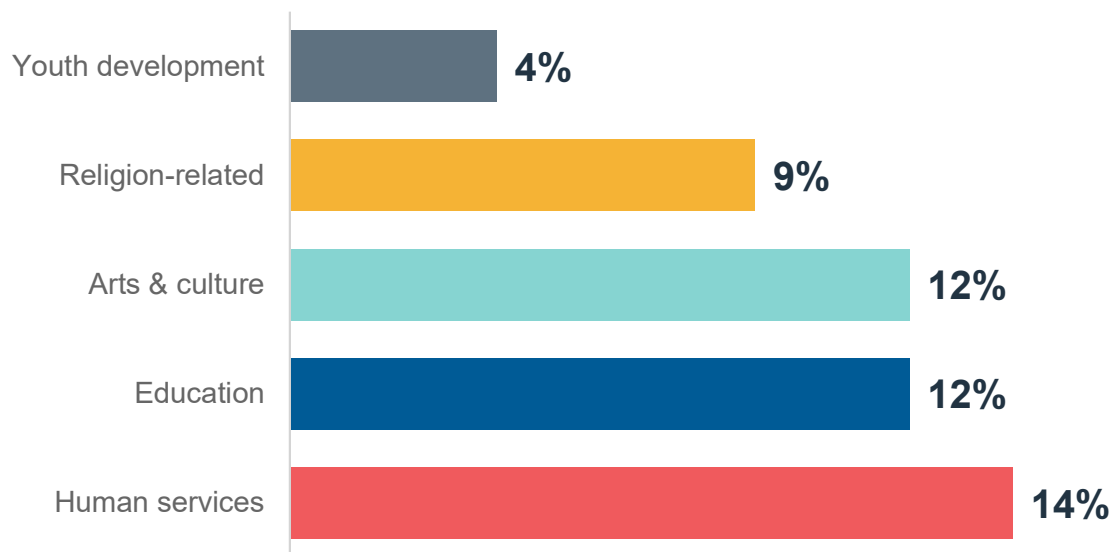
They deliver services—and they also employ, purchase, invest, and stabilize communities across the region.



A sector of this scale belongs in every serious conversation about LA County's economic future.

DIRECT SERVICES

Nearly 94% of LA County nonprofits directly serve people and communities



A broad service ecosystem

**Food security
Health and behavioral care
Community building
Advocacy and civic life**

Top subsectors shown; the nonprofit landscape extends far beyond these categories.

COUNTYWIDE PRESENCE

Nonprofits reach every LA County community

The sector is broadly distributed, with the greatest concentration in LA County's dense urban communities.

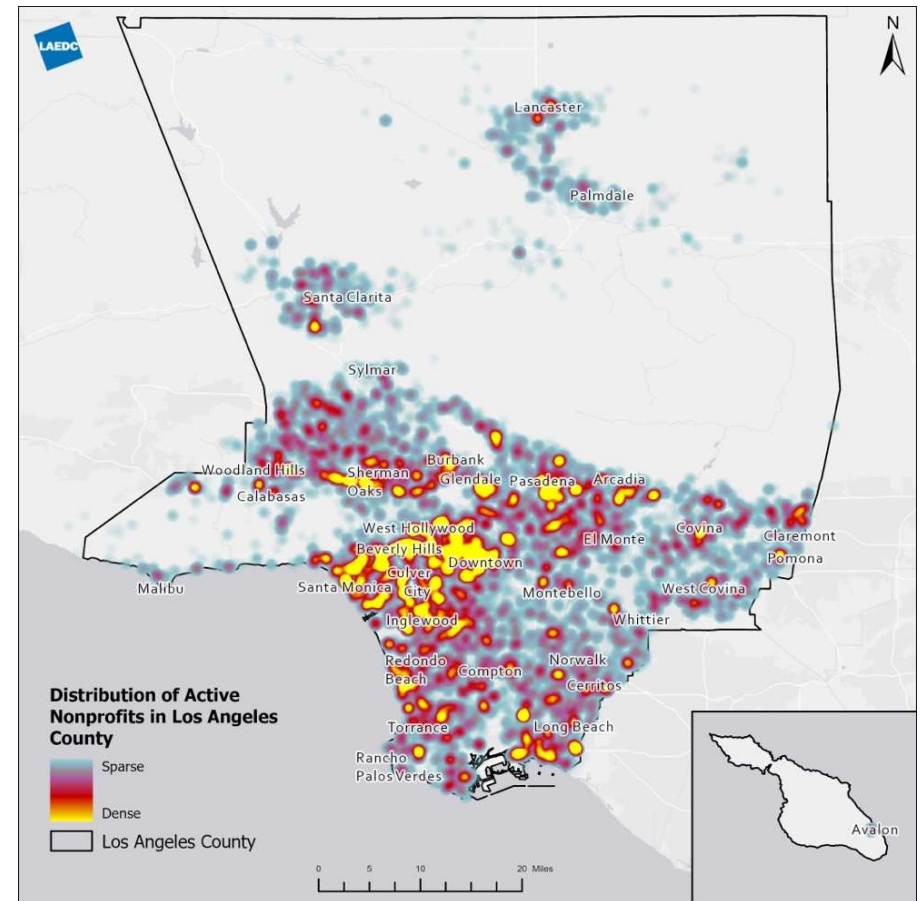
90%

operate on less than \$1M annually

57%

report no assets or revenue in IRS filings

Small organizations collectively create region-scale impact. But most operate on a small financial base.



DIRECT EMPLOYMENT

Nonprofits directly employ one in every 12 private-sector workers

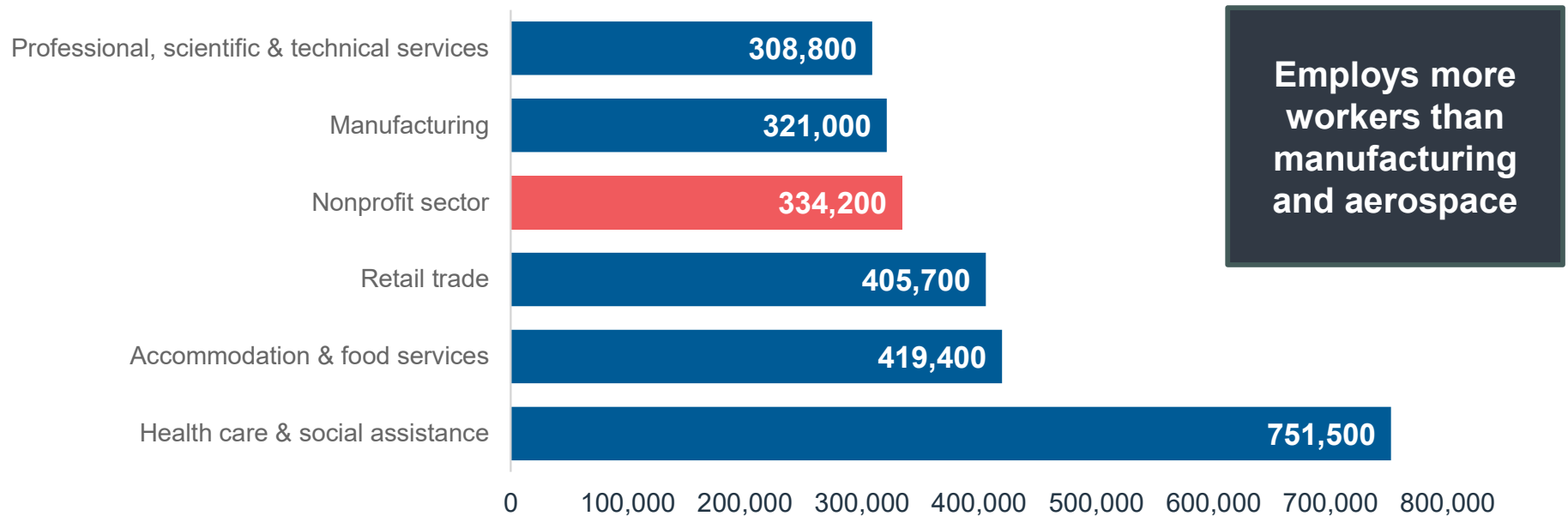
334,200
employees in LA County (2022)

8.5% of all private-sector jobs

Many nonprofits hire from within the communities they serve and create opportunities for populations that face barriers to work, widening access to meaningful work.



Measured as an industry, nonprofits would be LA County's fourth-largest employer



The sector's employment base is larger than manufacturing and professional, scientific, and technical services.

Nonprofit careers combine mission with competitive wages

\$79,600

average nonprofit wage

3.5% above the
LA County average

Wages exceed the all-establishment average across five sectors

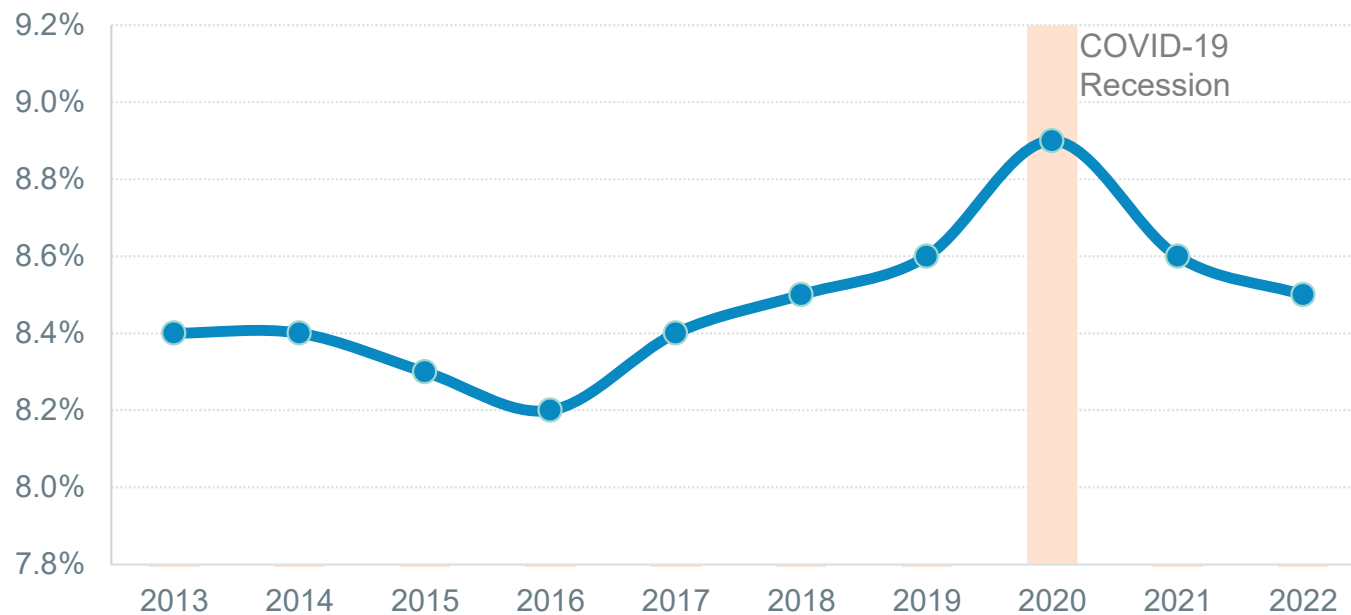
Professional pathways

Mission-driven careers span health, education, arts, science, and community services.

Volunteer leverage

Volunteers extend capacity—especially for small organizations—while paid staff anchor delivery and expertise.

The nonprofit employment share has remained remarkably stable



8.2%
to
8.9%

2013–2022 range

**Durable through
economic change**

TOTAL ECONOMIC CONTRIBUTION

Nonprofits generate an economic footprint that reaches far beyond direct services

ECONOMIC & FISCAL IMPACT

\$103.6B

direct output

+

\$82.0B

indirect + induced output

=

\$185.6B

total output

12%

of LA County's economy

\$28B

in tax revenues

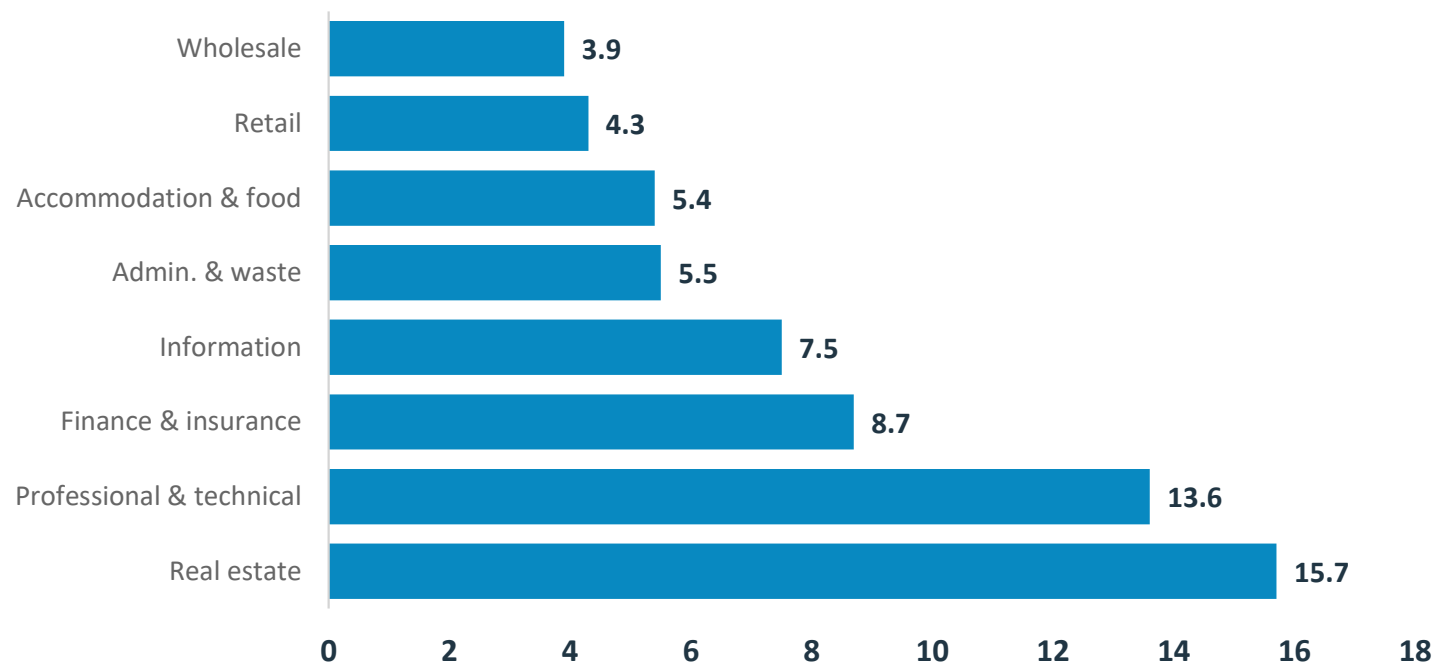
\$87.6B

in labor income

1.16M

total jobs supported

The economic footprint extends far beyond nonprofit industries



**Top cross-sector
output impacts**

Purchasing and
household spending
connect nonprofits to
virtually every
industry.



LOCAL MULTIPLIER

Nonprofit dollars circulate through LA's neighborhoods

Organizations purchase the same goods and services that sustain the region's broader business ecosystem.

0 1	Space	leases, facilities, maintenance
0 2	People	food, transportation, benefits
0 3	Expertise	legal, accounting, technology
0 4	Operations	supplies and professional services

Funding nonprofits also supports local suppliers, jobs, and household income.

Nonprofits fill critical gaps when systems are under pressure

- **Rapid response**
Mobilize during public health emergencies, wildfires, and major social disruption.
- **Last-mile reach**
Deliver services where markets fall short or public systems cannot reach quickly.
- **Community trust**
Bring cultural knowledge and trusted relationships that improve access and response.





BEYOND DOLLARS

The sector also builds the social foundation for shared prosperity

Civic participation

Volunteerism strengthens relationships and community life.

Access and opportunity

Mission-driven organizations help more residents reach essential services.

Community representation

The sector reflects the diversity, knowledge, and priorities of LA County.

Give nonprofits a permanent seat at the economic planning table

A sector responsible for 17% of county employment and 12% of economic output should be visible in the region's growth strategy.

01

Recognize

Treat nonprofits as employers, purchasers, and economic infrastructure.

02

Measure

Maintain credible data on jobs, output, wages, and geographic reach.

03

Coordinate

Connect nonprofits to regional economic, workforce, and resilience planning.

04

Invest

Strengthen the institutions that translate community trust into measurable impact.

Investing in sector intelligence and coordination helps every dollar travel further—for organizations, communities, and the regional economy.

Essential, economically significant— and structurally uneven

BROAD REACH

Every major mission area is represented.

MAJOR EMPLOYER

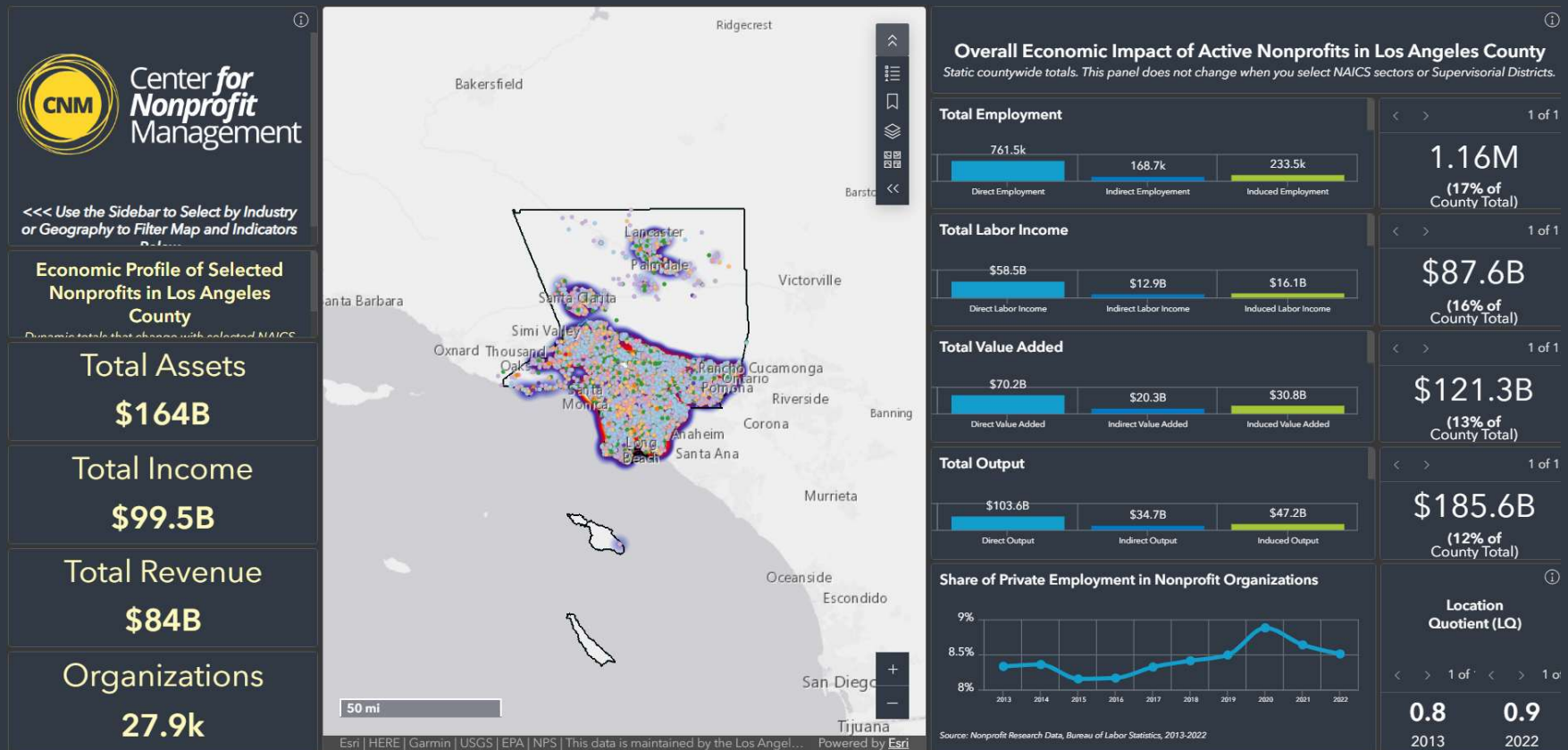
The sector anchors hundreds of thousands of jobs.

LIMITED CAPACITY

Most organizations operate with modest revenue and staff.

A growth strategy must recognize both the sector's collective power and the realities of individual organizations.

The Nonprofit Dashboard



Where to From Here?

Developing the Blueprint.



Stephen Cheung
President & CEO, LAEDC



Efrain Escobedo
President & CEO, CNM

The report is a baseline—not the final word

RESEARCH

1

Measure the sector

Today

ENGAGEMENT

2

Listen and learn

Next phase

BLUEPRINT

3

Build a growth
agenda

Shared
outcome

The findings give us a common fact base for the work ahead.

The blueprint will be built with the sector

01

LISTEN

Understand priorities,
barriers, and
opportunities

02

CONNECT

Align nonprofits,
partners, funders, and
public agencies

03

STRENGTHEN

Identify practical
supports for talent,
capacity, and
operations

04

GROW

Expand the sector's
reach, resilience, and
economic contribution

Engagement will shape the priorities, actions, and measures of success.

HELP SHAPE WHAT COMES NEXT

A stronger nonprofit sector means a stronger Los Angeles County.

Share your experience. Identify the barriers. Bring forward the opportunities.

**Research gives us the baseline.
Engagement will build the blueprint.**

LAEDC × CENTER FOR NONPROFIT MANAGEMENT

QUESTIONS AND DISCUSSION

Q&A

What questions do the findings raise for you?



CNM





THANK YOU

Thank you for joining us

Read and share the full report

<https://cnmsocal.org/resources/laedc-cnm-report-2026/>

The findings provide the baseline. Engagement will shape the blueprint for strengthening and growing the sector.

