

NEW MEXICO THRIVES STATEWIDE SURVEY HIGHLIGHTS

NONPROFITS PROVIDE:

- Frontline services in our communities
- Cultural events that are major tourist attractions
- Job training and economic development
- Social and recreational clubs

EFFECTS OF TAXING NONPROFITS

DECREASED tourism revenue

FEWER services for children, the homeless and people with disabilities

DECREASED productivity

NONPROFITS CLOSING

LOWER educational outcomes

INCREASED unemployment

INCREASED food insecurity

INCREASED health costs

INCREASED homelessness

INCREASED first responder and ER expenses

ABOUT **50%** OF RESIDENTS RECEIVED SOME LEVEL OF SERVICE

PRECARIOUS CASH BALANCE

Many nonprofits providing direct community services report that state funding levels remain below what they were 10 years ago, yet demand for services has steadily increased.

In their last fiscal year, among nonprofits in New Mexico:

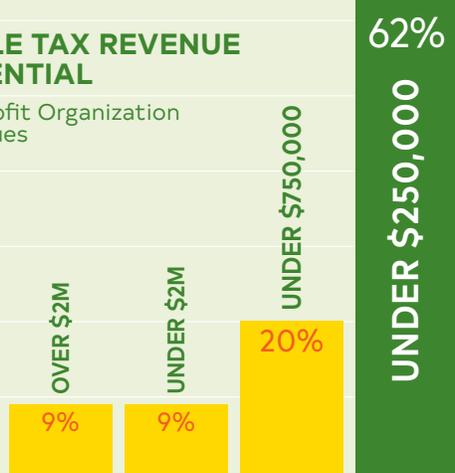
- 22%** Carried balances
- 50%** Dipped into reserves
- 40%** Had less than 3 months operating capital
- 63%** Had breakeven financials or a deficit

38%

of respondents do not anticipate the ability to meet the demand for services in 2018

LITTLE TAX REVENUE POTENTIAL

Nonprofit Organization Revenues



ADDITIONAL CONSIDERATIONS

Many nonprofits deliver services the government is obligated to provide. Yet nonprofits are left out of budget negotiations and often receive insufficient funds to provide adequate service.

ADDITIONAL COMPLEXITY

Taxing any single nonprofit will hurt other related nonprofits and businesses, including those providing essential services or contributing in major ways to tourism.

Results are from New Mexico Thrives' 2018 survey of nonprofits and interviews of selected outliers, IRS 990 data files, and projections from the sample to the State population. Survey and interviews by Pivot Evaluation. For details go to nmthrives.org/financial-outlook-report.

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