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## Profiting from Nonprofits: A study of nonprofits and the Role they Play in Society

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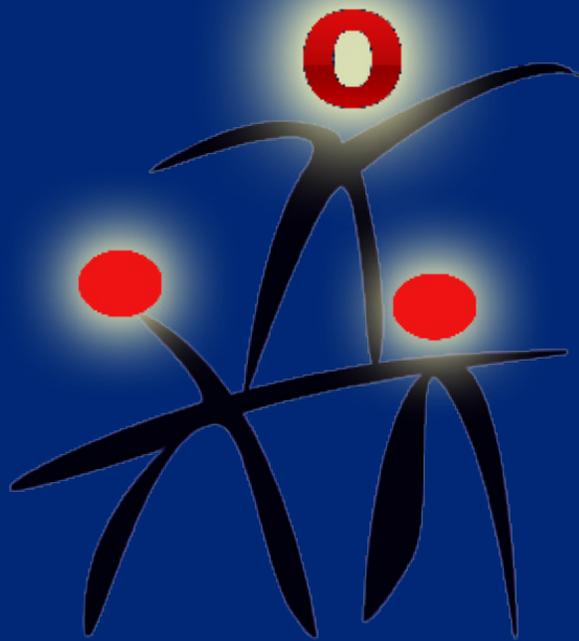
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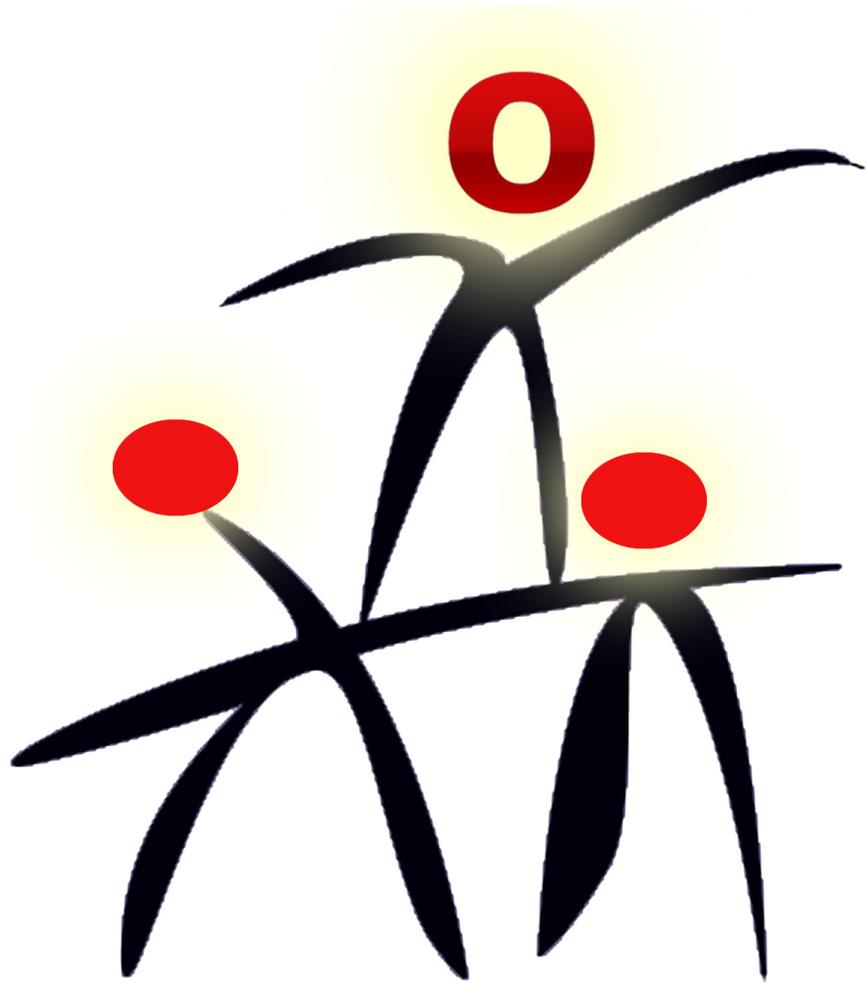
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# PROFITING FROM NONPROFITS

*A STUDY OF NONPROFITS AND THE ROLE THEY PLAY IN SOCIETY*

**SMU Big iDeas**  
Spring Symposium  
April 2009



## What we stand for.

*Profiting from Nonprofits* is a SMU Big iDeas project that began in the spring of 2008. For the past year, we have spent time exploring the Dallas nonprofit sector, identifying many of its strengths and weaknesses. This grant has allowed us the chance to meet with prominent nonprofit leaders in the Dallas area, providing us with the opportunity to learn from the best.

Nonprofit organizations, whether they are set up to serve the needs of abused and neglected children, to help raise money to fight specific diseases, or to ensure that future generations will not have to struggle with certain diseases, each exist for one main reason; their wanting to contribute to the betterment of humanity. With Dallas being the growing metropolitan area that it is, it is essential that it's nonprofit sector keeps up, so that it may continue to efficiently address the needs of it's residents. Through our research we hope to slowly expand our project and develop ways to aid nonprofits in the Dallas area.

# Statistics

- In terms of it's overall ranking, Dallas is no longer among the Top Nonprofit Markets
- Ranked 2nd in 2007, Dallas now stands at 13th among the nation's top metropolitan areas
- Dallas charities continue to be among the smallest in the country.

In Dallas alone, the unemployment rate has shot up to **5.2%**-the highest it has been in over three years. With so many people losing their sources of income, the need for basic necessities is rapidly increasing. The amount of people that are reluctantly turning to charities and food banks keeps rising every day. People who never dreamed of needing assistance are suddenly finding themselves in financial trouble.

- Officials with the North Texas Food Bank recently announced that, due to the economic downturn, the agency is facing a budget shortfall of **\$156,000\*\***.

\*\*This is approximately equal to funding the distribution of **780,000** meals this holiday season.

*Information taken from Charity Navigator's 2008 Metro Market Study, and [www.pegasusnews.com](http://www.pegasusnews.com)*

# Vision.

SMU is already home to a small business clinic, but nonprofit organizations require things that go beyond the realm of business. Unlike for-profit businesses, nonprofits must go through certain procedures to remain a charity. In addition to this, a nonprofit clinic would provide insight into fundraising and management strategies, all of which would be specifically tailored towards these organizations.

Though there are other organizations in the Dallas area that provide some of these services, such as the Center for Nonprofit Management, the impact of the creation of this type of clinic on the SMU campus would be huge. Students who professed an interest in this field would be exposed first-hand to the inner workings of creating and maintaining a nonprofit. There would be numerous opportunities for students from every school on campus-not only the Dedman Law School and the Cox School of business-to work within the clinic and aid in it's development. Also, with new organizations being formed almost every day, there is an issue of the demand for assistance in this process exceeding the available resources. In conjunction with this, we are also in the process of establishing a website ([www.profittingfromnonprofits.org](http://www.profittingfromnonprofits.org)). With this, we hope to create a reference site that will provide current news about the state of the Dallas area nonprofit sector, as well as share tips on how to develop one's own organization.

Through our research we hope to find out if creating a clinic of this kind would be feasible at SMU. We realize that what we are proposing is not something that can be determined overnight, but we are willing to work hard to ensure that this idea eventually becomes a reality.