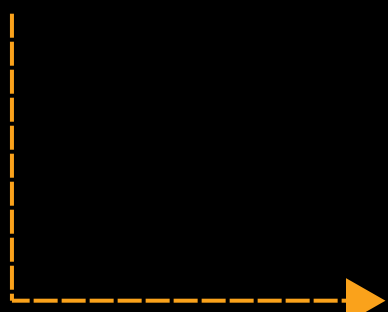


Nonprofit funding
is more than just
donations. Our
organizations can
also earn money.



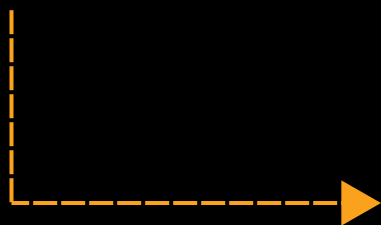
But there is a misconception
that it's wrong for nonprofits
to charge for their services.

Myth:

Nonprofits shouldn't earn money. It's a bad sign if a nonprofit charges for its services.

Fact:

Bringing in revenue from a variety of sources, including earned income from products and services, creates more stability for nonprofits.



But the misunderstanding can hinder our ability to be more financially stable.

What does earned income mean for nonprofits?

Earned income is revenue generated by selling goods, collecting fees for services, or other work.

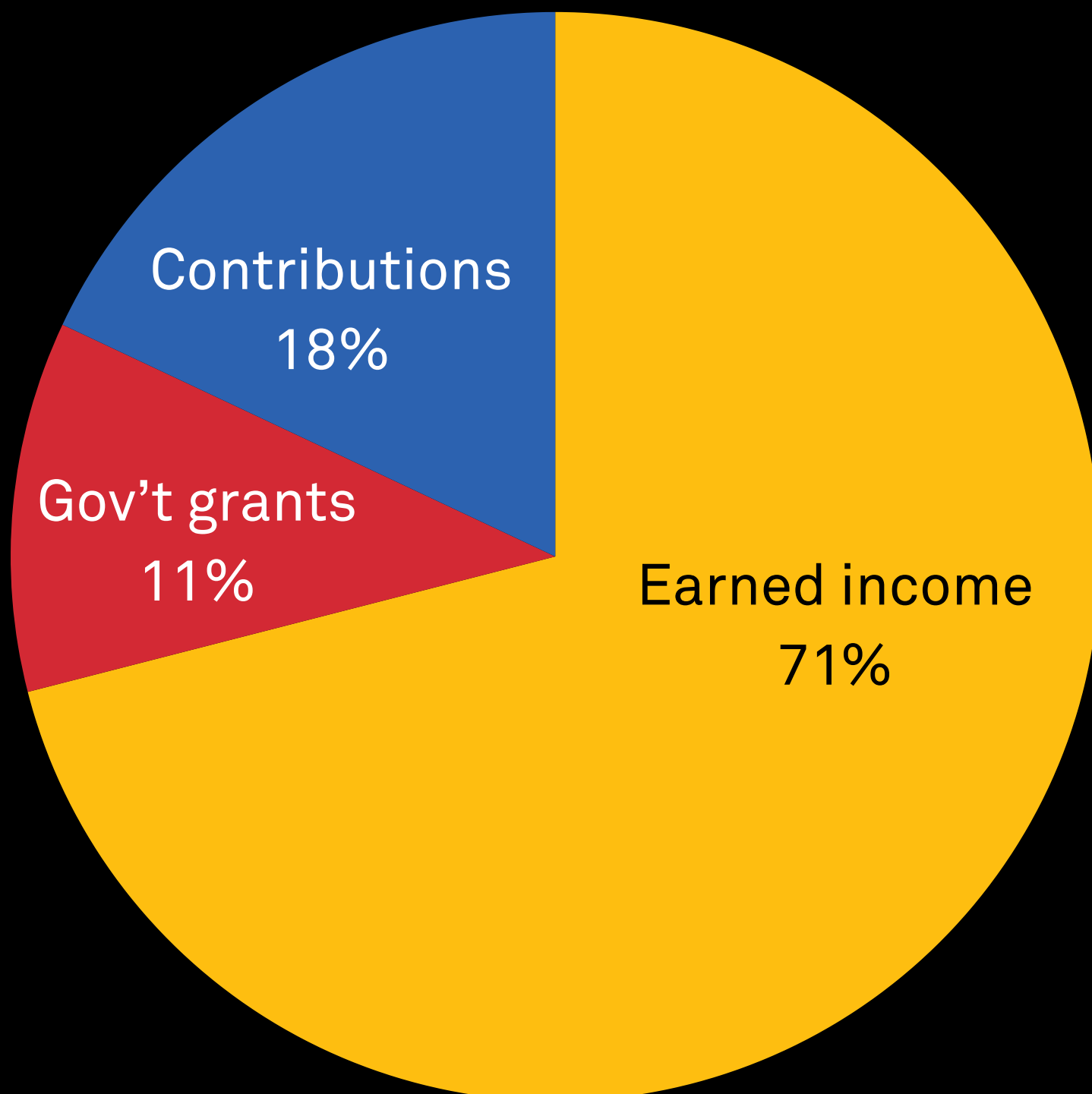
This includes things such as:

- Selling merchandise or thrift store items
- Renting out event venues or meeting spaces
- Selling tickets to performances or programs
- Membership dues to get special benefits
- Charging for classes or certifications

Let's look at the data.

We love to talk about the value of donations, but over 70% of nonprofit revenue comes from earned income.

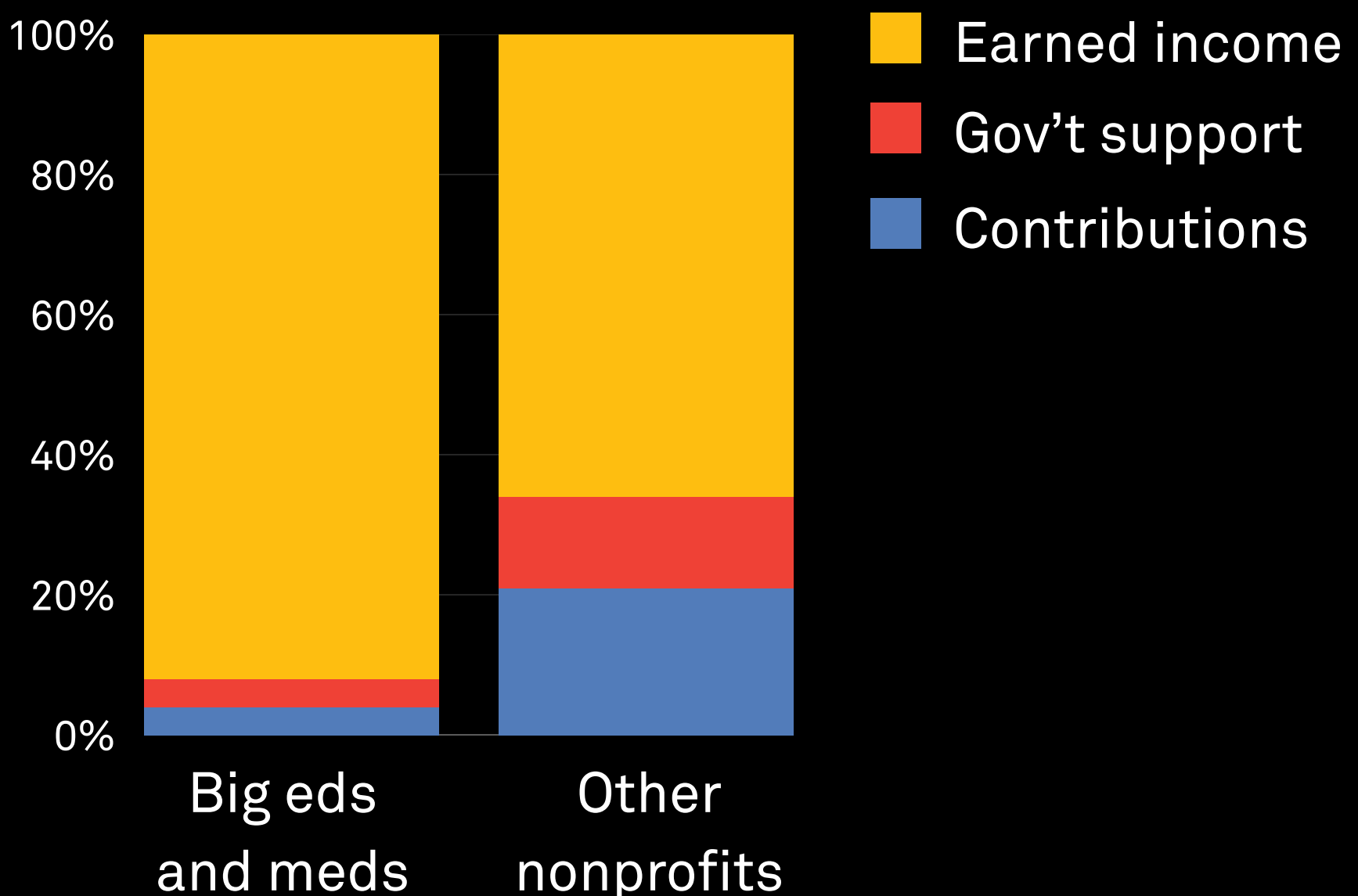
% of total contributions and revenue to nonprofits



Yes, the data is skewed.

This data is slightly skewed by hospitals and universities that rely heavily on earned income. But even when we pull that data out, earned revenue still plays a big role in funding nonprofit work.

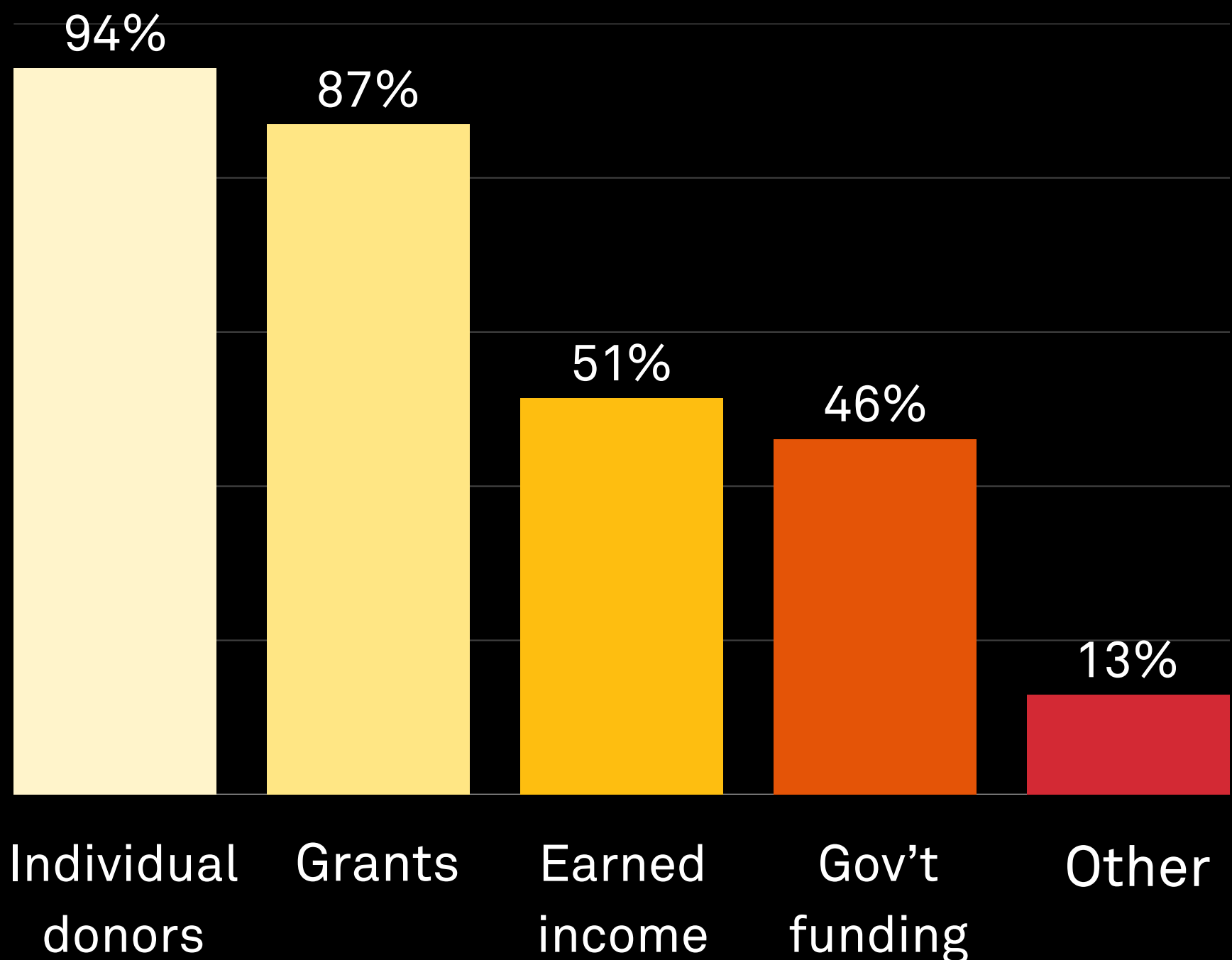
% of total revenue by nonprofit type



Now, let's go deeper.

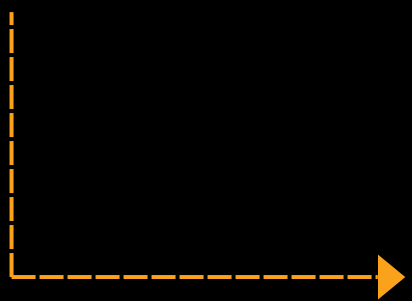
Very few nonprofits rely on a single revenue source, and over 50% of all nonprofits are earning some income.

% of nonprofits that get funding from each source



Why does this matter?

Nonprofits may hesitate to charge reasonable fees for their crucial services because they are concerned about public perception.



And this makes it harder for nonprofits to be more financially stable in the long term.

Change the narrative.

Your nonprofit can help debunk this myth.

Do this.

- Explain why you charge fees, have memberships, or sell products, and show how it supports your work.
- Be clear about where your nonprofit gets its funding.
- Share financial data, like Forms 990, on your website and keep your Candid profile up to date.

Don't do this.

- Let misunderstandings dictate your revenue streams.

Earned income isn't
compromising your
mission. It's how you
protect it and make
sure your impact
keeps growing.



Learn more via the
link in the caption.

References

- ▶ U.S. Social Sector Dashboard, Candid, September 2024.
- ▶ Diversifying revenue sources: Where do nonprofits find funding? Stephanie Wormington, Candid insights, April 2026.
- ▶ Six things you may not know about the nonprofit sector, Guy Mika, Candid insights, March 2022.