Role of Nonprofits in Maine’s Economic Recovery

Maine’s charitable nonprofits are a significant part of the Maine economy and workforce. Nonprofits employ 1 in 6 workers (over 98,000 people) who earn and pay taxes on over $4.7 billion in wages. They contribute approximately $12.6 billion to the economy through wages paid, purchases and professional services contract.

In addition to employing thousands of Mainers, they stimulate economic development by serving as the foundation of Maine’s downtown creative economies, attracting businesses and people to live and work in our communities. They also conserve and protect natural resources that are a cornerstone of Maine’s attractiveness and quality of life. And, they assist and expand access to financial and educational resources so that all Maine residents can participate fully in the economy.

Nonprofits play important roles in relation to all seven of the strategies articulated in the Maine Economic Development Strategy adopted in 2019. For these strategies to be successful moving forward, it’s important to understand and leverage their unique circumstances as they work in partnership with the government and business sectors.

The 2020 public health and economic crises have highlighted the lack of understanding of the unique role, nature and importance of nonprofits in our economy as well as their key role in Maine communities’ ability to emerge from this unprecedented time. For example, among the groups that have been underrepresented in our understanding of the Maine economy are:

- **Nonprofit performing arts organizations.** They were among the first to close and will likely be the last to open. They are pillars of our downtown economies, driving economic downtown revitalization throughout the state.
- **Immigrant-led community-based organizations.** They have pivoted to provide front-line urgent care and are supporting individuals and families from groups disproportionately affected by the pandemic so they could continue to participate in the Maine workforce and economy.

While the Employer Relief Fund is a positive development for some small businesses and nonprofits, improving understanding and communication between nonprofits and state government may have mitigated some of the restrictions that are leaving many nonprofits out, including the two groups mentioned above.

**Proposed Recommendations:**

1. Formerly acknowledge the nonprofit role in Maine’s economy and future prosperity.
2. Include wide representation of key nonprofit sectors in government advisory councils.
3. Establish a formal contact between the nonprofit sector and the Governor’s Office (e.g. an advisory council or staff liaison) to assist the Governor, the Secretary of State and other Commissioners on emerging issues and trends affecting charitable nonprofit organizations and to facilitate understanding and communication so that the role of nonprofits in Maine’s future prosperity is fully realized.

Example: [https://www.sos.wa.gov/charities/advisory-council.aspx](https://www.sos.wa.gov/charities/advisory-council.aspx)