



# UNITED STATES

OECD Global Action on Promoting Social and Solidarity Economy Ecosystems

United States does not have a national framework around the social and solidarity economy (SSE). As of 2021, there were **1 846 902 registered non-profits** in the country. In 2008, **29 285 cooperatives** provided **856 310 jobs**, generating **USD 514.6 billion** turnover.

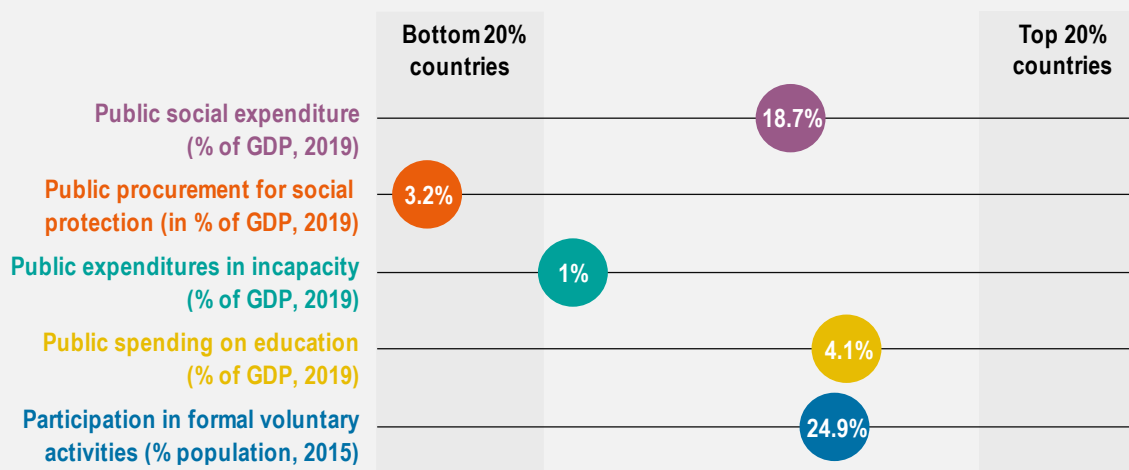
## SOCIO-ECONOMIC INDICATORS

United States is a federal country. It is a high-income country with a very high human development level.

	GDP per capita	Labour force participation rate	Youth not in employment, education or training (NEET)	Poverty rate	Gini coefficient	Rural population	Stakeholder engagement for developing regulations
United States	USD 76 360	74.0%	16.3%	15.1%	0.375 / 1	38.2%	3.1 / 4
OECD	USD 53 937	73.2%	14.8%	11.0%	0.313 / 1	23.1%	2.1 / 4

Note: Data from United States refer to 2022, except for NEET (2021), poverty rate (2021), Gini coefficient (2021) and stakeholder engagement (2017). OECD data refer to 2022, except for poverty rate (2018), Gini coefficient (2020) and stakeholder engagement (2017). GDP per capita data are estimated values. Poverty rate for United States is a provisional value. See sources at the end of the document.

## Country position in selected social indicators



Note: For each indicator, the position of the bubble on the line represents the country's ranking compared to OECD and EU countries. Higher rankings are on the right. The panel of countries for the international ranking can vary from an indicator to another due to data availability. See sources at the end of the document.

## SOCIAL AND SOLIDARITY ECONOMY ECOSYSTEM

### Definition of the social and solidarity economy in United States

No official definition of the SSE is available in the country.

## Institutional frameworks



### Institutions

Although there is no specific institution that is solely responsible for the SSE in the US, **several public institutions work on related topics**, including the **Department of Agriculture Rural Development** and the **Department of Housing and Urban Development**.



### Legal and policy instruments

United States does not have a legal framework around the SSE at the federal level. States may have specific laws on SSE constituents (e.g. New York, California, Delaware).



### Stakeholder engagement

The **US Chamber of Commerce Foundation** supports areas such as social entrepreneurship, innovation, youth employment, community improvement, and economic empowerment.

## Main figures

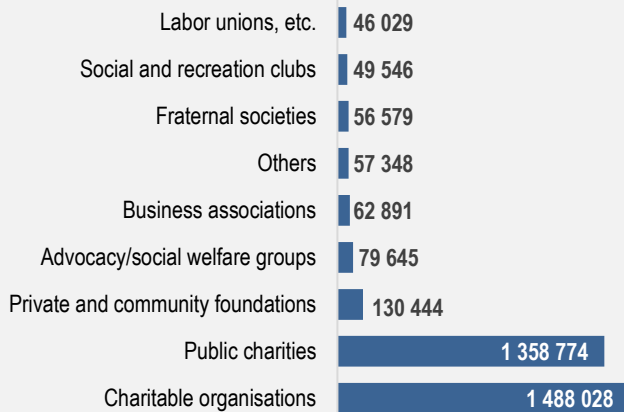
As of 2021, there were **1 846 902 registered non-profits** in United States, most of which were registered as charitable organisations and/or public charities. In 2008, **29 285 cooperatives** provided **856 310 jobs**, generating **USD 514.6 billion** turnover.

**SCOPE** The term SSE is not widely used or adopted in United States. The available information focuses on non-profits, using Candid's "United States Social Sector" data, based on data from Internal Revenue Service (IRS), from the Bureau of Labor Statistics (BLS), and the International Cooperative Alliance's mapping.

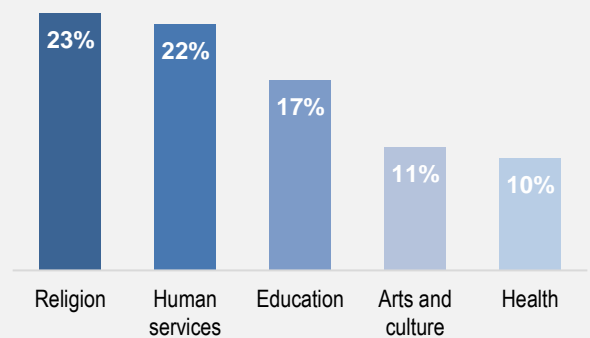
### Zoom on Non-Profits

There were **1 846 902 registered non-profits** in United States as of 2021.

#### Registered Non-Profits by IRS Subsection (2021)



#### Some Common Subject Areas of Non-Profits (2021)



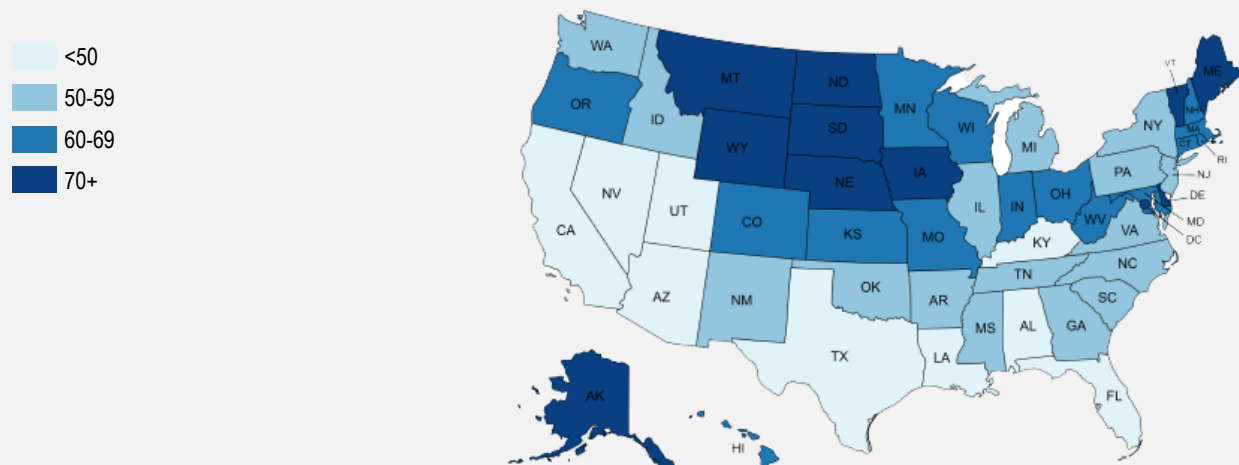
Total number of people employed by the US non-profit sector is estimated at **12.5 million** (2017).

Aggregate annual revenue to US non-profits was **USD 3.7 trillion** (2020).

**NON-PROFITS**

Note: The data on non-profits are retrieved from Candid's US Social Sector analysis for 2021 based on IRS data. The employment information is based on BLS QCEW data from 2017. See sources at the end.

### Number of non-profits for every 10 000 residents by state (2021)



Note: The data on non-profits are retrieved from Candid's US Social Sector analysis for 2021 based on IRS data. See sources at the end.

## Zoom on Cooperatives

COOPERATIVES



The total number of cooperatives (2008)

**29 285**

92% of which are consumer cooperatives



The number of employees in cooperatives (2008)

**856 310**



The total number of members in cooperatives (2008)

**350 871 790**



The total turnover of cooperatives (2008)

**USD 514.6 billion**

Note: Data above on cooperatives in the United States are the latest available. They are retrieved from International Cooperative Alliance's Mapping based on Deller, S., Hoyt, A., Hueth, B. & Sundaram-Stukel, R. (2009). Research on the Economic Impact of Cooperatives. See sources at the end.

## Legal frameworks

Legal frameworks to support the development of the SSE can be adopted at the national and subnational levels. They can regulate the SSE as a whole, or specific legal entities of the SSE (such as associations, cooperatives, mutual societies, foundations and social enterprises).

### For the SSE

- *Not available.*

### For specific SSE entities at national level

#### Delaware

- General Corporation Law (2006) – Charitable Nonprofits
- Uniform Unincorporated Nonprofit Association Act (2011)
- Trust Law (2012) – Charitable Trusts
- Corporation Law for Cooperative Agricultural Associations (2012)
- Limited Liability Company Act (2014)
- Workers Cooperative Act (2016)
- General Corporation Law, Subchapter XV. (2013, latest revisions in 2020) - Public Benefit Corporations
- Insurance Code, Chapter 31, § 3107 (2017) – Credit Union Groups
- Revised Uniform Limited Partnership Act (2018)

#### California

- Corporations Code, Title 1, Nonprofit Corporation Law (1978)
- Credit Union Law (1979) – Credit Unions
- Civil Code, § 817-817.408 (2009) – Limited Equity Housing Cooperatives / Workforce Housing Cooperative Trust
- Probate Code, § 15000-19530 (2011) – Charitable Trusts
- Corporations Code, Title 3 (2011) – Unincorporated Associations
- Corporations Code, Title 1, Social Purpose Corporations Act (2014)
- Corporations Code, Title 1, California Cooperative Corporation Law (2015)
- Corporations Code, Title 1, Corporations for Specific Purposes – Nonprofit Cooperative Agricultural Marketing Associations, Benefit Corporations

#### New York

- Not-for-Profit Corporation Law (2013)
- Benefit Corporation Law (2013)
- Trust Law (2013) – Charitable Trusts
- Cooperative Corporations Law (2013) – Worker Cooperative Corporations, Agricultural Cooperative Corporations, Credit and Agency Corporations)

Note: The list above is not exhaustive of all existing legal frameworks around SSE in United States.

## Fiscal treatment

Different fiscal treatment can be established for the social and solidarity economy as a whole, or for specific SSE entities, at the national and subnational level.

### Fiscal treatment of SSE entities

- Organisations working exclusively for religious, charitable, scientific, testing for public safety, literary, educational, or other specified purposes that meet the required criteria are exempt from taxes under Internal Revenue Code (I.R.C) Section 501(c)(3). Organisations qualifying for tax-exempt status under Section 501 (c)(3) are classified as private foundations and benefit from the same tax exempt as charitable organisations, with an exception of organisations listed in Section 509 (a).

### Fiscal treatment for contributors in the SSE

- Non-profits desiring to offer donors tax-deductible contributions must also comply with I.R.C. § 170(c). Eligibility to receive deductible contributions is limited to domestic entities essentially meeting the criteria of § 501(c)(3).

- Churches and religious organisations may qualify for exemption from federal income tax under Section 501(c)(3).
- Apart from Section 501 (c)(3), other non-profit organisations may be exempt from taxes given they meet the specified requirements. These include social welfare organisations, civic leagues, social clubs, labour organisations and business leagues.

## Social impact measurement initiatives

Driven by a mission of social purpose, SSE entities are increasingly requested to demonstrate the positive value that they generate through their activities. Social impact measurement enables them to assess their positive contribution to society. A diverse range of possible initiatives are available to governments and practitioners to foster a social impact measurement culture.



### Evidence-based initiatives

- [Economic self-sufficiency and life stability one year after starting a social enterprise job](#) (2015) △ Mathematica Policy Research for REDF, with funding from the Social Innovation Fund (SIF) of the Corporation for National and Community Service (CNCS)
- [Impact Evaluation of the Los Angeles Regional Initiative for Social Enterprise \(LA:RISE\) Pilot Program \(2019\)](#) △ Los Angeles Economic and Workforce Development Department
- [Executive Order on Advancing Racial Equity and the Support for Underserved Communities Through the Federal Government establishing an Equitable Data Working Group](#) (2021) △ White House



### Policy framework

- [Social Impact Partnerships to Pay for Results Act \(SIPPRA\)](#) (2018) △ Department of the Treasury

Note: Evidence-based initiatives help produce and disseminate impact evidence to raise awareness on the social and solidarity economy as a whole, and to reduce the cost of accessing data for single and particularly small-sized entities. Policy frameworks create enabling conditions and set targeted incentives to conduct social impact measurement.

## FURTHER READING ON THE SSE IN UNITED STATES

[Mook, Whitman, Quarter and Armstrong \(2015\): Understanding the Social Economy of the United States | Johns Hopkins Comparative Nonprofit Sector Project | Global Entrepreneurship Monitor \(GEM\)](#)

## DATA SOURCES

- Socio-economic data refer to 2022 unless stated otherwise, and relate to data downloaded as of 17 July 2023. Datasets used: GDP per capita, current PPP: OECD national accounts statistics, <https://doi.org/10.1787/na-data-en>; Labour force participation rate (15-64 year old): OECD Employment and Labour Market Statistics, <https://doi.org/10.1787/data-00310-en>; NEET (15-29 year olds, all levels of education): OECD Education at a Glance 2022, <https://doi.org/10.1787/19991487> (data for US exclude 15 year-olds); Poverty rate (after taxes and transfers, poverty line 50%): OECD Social and Welfare Statistics (database), <https://doi.org/10.1787/data-00654-en>; Gini coefficient (disposable income, post taxes and transfers): OECD Income Distribution Database, <https://www.oecd.org/social/income-distribution-database.htm>; Rural population (OECD): OECD, CFE Regions and Cities databases, <http://oe.cd/geostats>; Stakeholder engagement for developing regulations: OECD Better Life Index, <https://www.oecdbetterlifeindex.org/#/111111111111>; Public social expenditures: OECD Social Expenditure Database (SOCX), <http://dotstat.oecd.org/Index.aspx?QueryId=26920>; Share of public procurement for social protection (in % of total general government procurements): OECD (2022), "Government at a Glance - 2021 edition", <http://dotstat.oecd.org/Index.aspx?QueryId=107598>; Public spending on incapacity: OECD (2022); Public spending on incapacity (indicator), <https://doi.org/10.1787/f35b71ed-en> (Public spending on incapacity refers to spending due to sickness, disability and occupational injury); Spending on education (primary to tertiary level, in % of GDP): OECD Education Statistics (database), <https://doi.org/10.1787/c4e1b551-en>; Participation in formal voluntary activities (% of people): Eurostat table [ilc\_scp19], based on the 2015 EU-SILC ad-hoc module.
- SSE data were collected using existing repositories of information, mainly [Candid's US Social Sector analysis for 2021](#) based on IRS data, 2017 data from the BLS Quarterly Census of Employment and Wages (QCEW) and the [International Cooperative Alliance's Mapping](#) based on Deller, S., Hoyt, A., Hueth, B. & Sundaram-Stukel, R. (2009). Research on the Economic Impact of Cooperatives.
- Further information on the methodology followed in the country fact sheets can be found [here](#).

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