

# NONPROFIT ORGANIZATIONS – THE SCOPE OF INFLUENCE

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**Annotation.** Today we can see that number of nonprofits is increasing and this phenomenon demands a lot of attention. This article emphasizes the difference between profit-making and nonprofit organizations, provides diagrams and statistics that clearly show the scope of influence of nonprofits. Moreover, it contains information about two famous charity organizations that play a very important role in Russia.

**Key words:** Nonprofit organizations, profit-making organizations, Podari Zhizn, Dynasty foundation, FSSS.

## **Difference between profit-making and nonprofit organizations**

To begin with, let us adduce the definition: “A corporation or an association that conducts business for the benefit of the general public without shareholders and without a profit motive” [4].

The most fundamental difference between them is the reason why they exist. For-profit companies are generally founded to generate income for entrepreneurs and their employees, while nonprofits are generally founded to serve a humanitarian or environmental need. Nonprofit organizations channel all of their income into programs and services aimed at meeting people unmet or under-met needs, such as food, water, shelter and education, or towards other issues. For-profit companies offer products and services that are valued in the marketplace, choosing to distribute profits between owners, employees, shareholders and the business itself.

Workforces look quite different between for-profit and nonprofit organizations. For-profit companies are staffed with salaried and hourly employees. Nonprofits, on the other hand, usually employ a small workforce and a large corps of volunteers.

## **Types of Organizations**

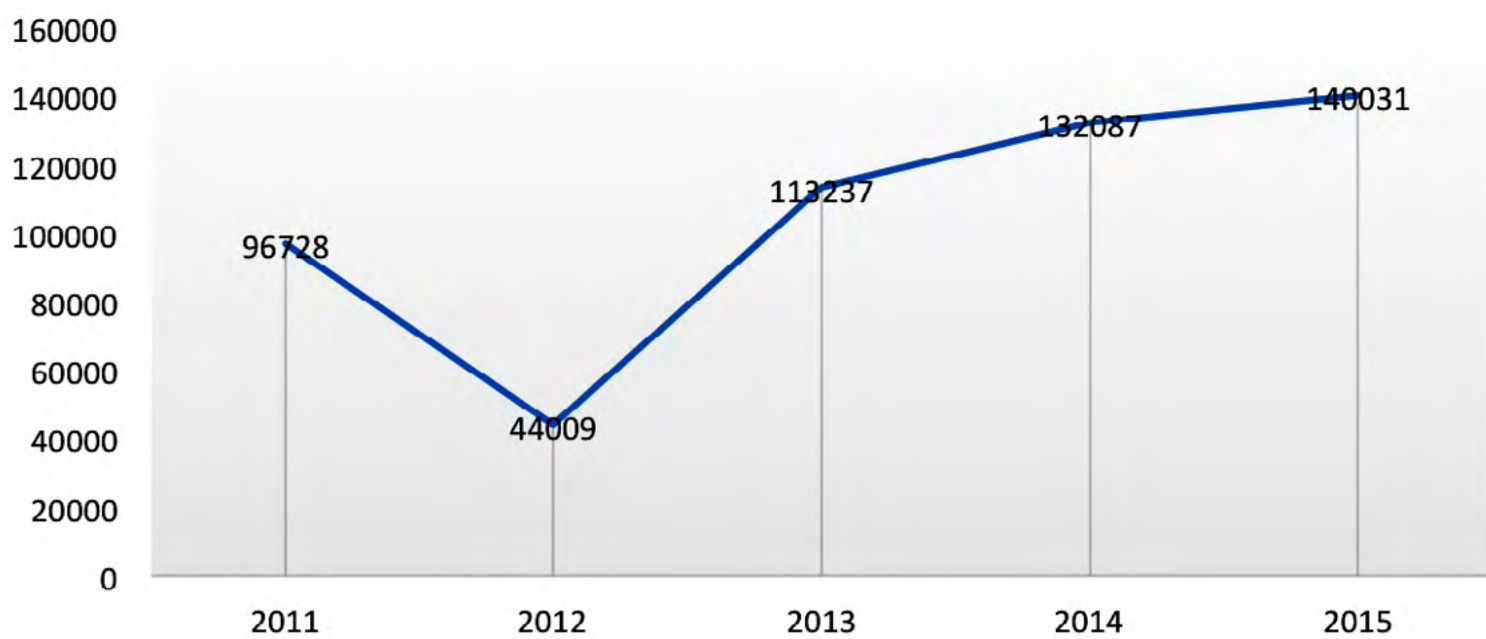
The data is taken from the FSSS (Russian Federation Federal State Statistic Service) [3].

**Table 1.** Number of nonprofit organizations

	2011	2012	2013	2014	2015
number of nonprofit organizations	96 728	44 009	113 237	132 087	14 0031

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number of nonprofit organizations



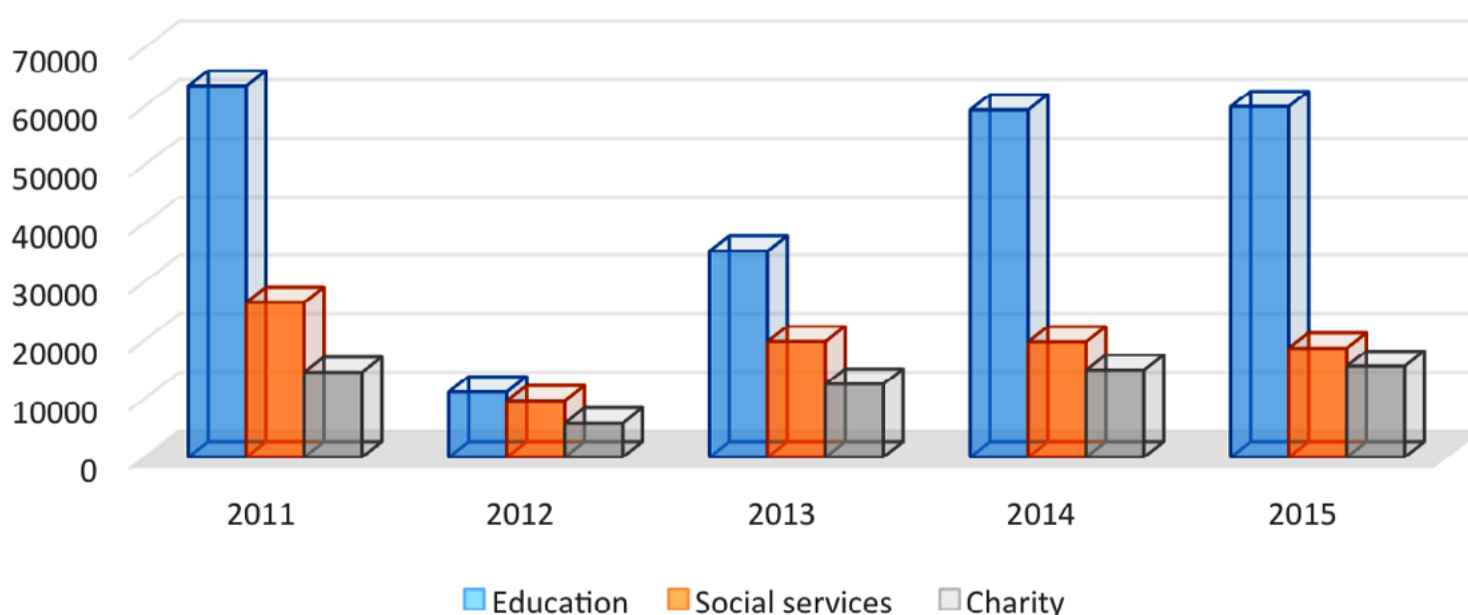
**Figure 1.** Number of nonprofit organizations

The chart clearly shows that the number of organizations is increasing year by year. The variety of nonprofits is evident, for example, FSSS includes 9 major groups, 26 categories, and over 600 subcategories. I have chosen 3 major groups of nonprofits. They are: education (e.g. private schools, universities) – for example the union of designers in Russia; social services (e.g. food banks, homeless shelters) – for example Civic Chamber of the Russian Federation; charity (e.g. animal charities, environment charities, health charities).

**Table 2.** The amount of 3 major groups of nonprofits in Russia

	22011	22012	22013	22014	2015
Education	63 457	11 162	35 241	59 399	59 953
Social services	26 438	9 630	19 743	19 692	18 616
Charity	14 496	5 811	12 468	14 856	15 535

The variety of nonprofit organizations

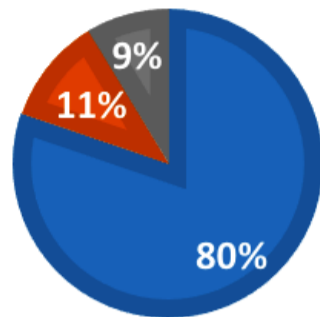


**Figure 2.** 3 major groups of nonprofits

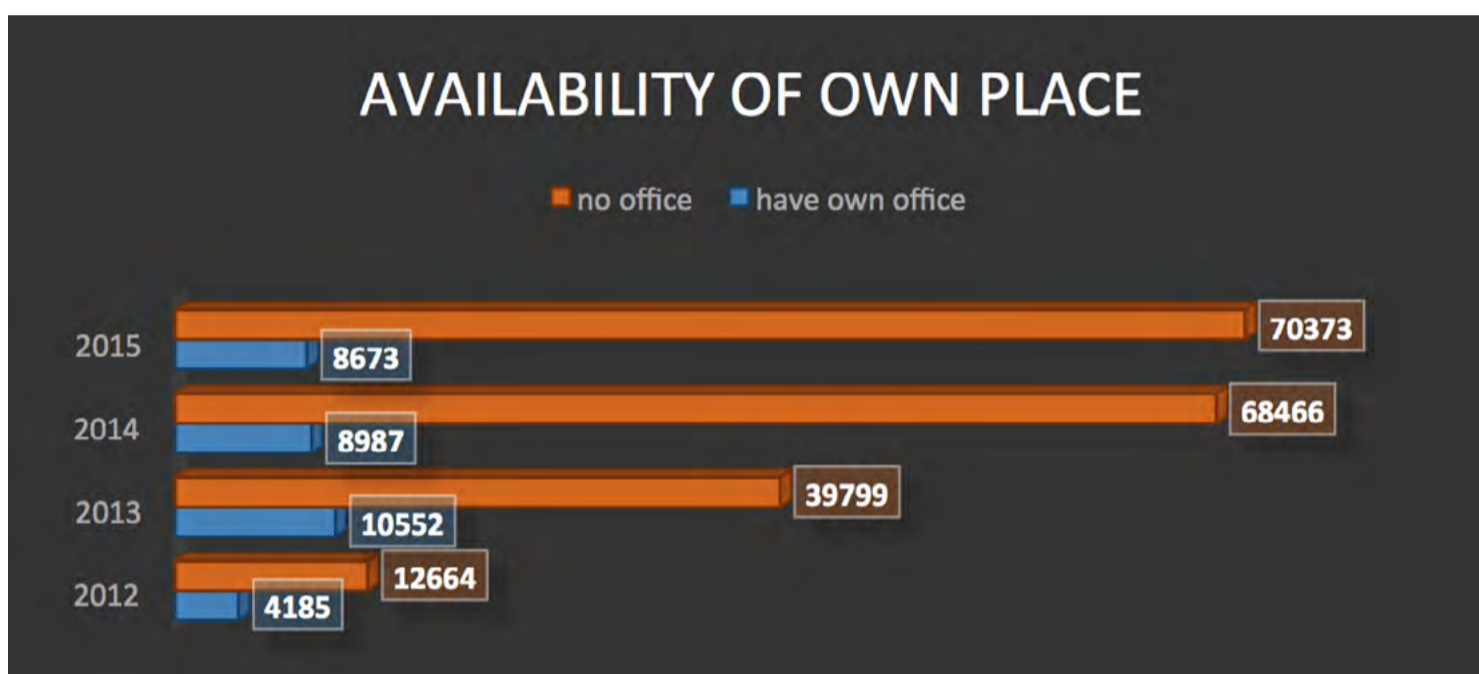
As we can see from figure 3 below, the number of workers who were employed in a single nonprofit organization in Russia in 2011 varied greatly. For example, less than 5 people worked in 80% of such companies. 11% of companies employed from 6 to 15 people and only 9% had more than 15 people as their staff.

## THE NUMBER OF WORKERS IN 2011

■ less than 5 people   ■ from 6 to 15 people   ■ more than 15 people



**Figure 3.** The number of workers employed in nonprofits in 2011



**Figure 4.** Availability of own place

From figure 4 it follows that most nonprofit organizations don't have their own office.

The number of nonprofits is growing quicker than the population, and there is tremendous variation in the size, resources, scope, and capacity of the different types of nonprofit organizations. Judging by the statistics, most are extremely small entities with meager resources that operate locally with modest budgets and volunteer labor.

### Some of nonprofit organizations in Russia

Now let us turn to some examples on nonprofit organizations in Russia. The Dynasty Foundation was founded in 2002 by Dmitry Zimin, president emeritus of Vimpelcom, Inc. (Beeline). It focuses on development of talents, education and science in Russia.

Each year, the Foundation runs 15 open grant competitions. Grants are awarded to young theoretical physicists, young mathematicians, biologists, high school maths and science teachers, and others. Each year, more than 100 young physicists—students, grad students, postdocs, professors—receive scholarships and grants from the Foundation that enable them to do their research work at home in Russia. The Foundation has supported more than 400 international and local scientific conferences and seminars on fundamental physics. In 2008, the popular science website Elements, which was developed with support from the Foundation, was recognized as the best science education website on the Russian segment of the Internet.

The Foundation organizes public lectures by world-class scientists and scholars—physicists, mathematicians, biologists, and economists. The world's leading scientists give open public lectures accessible via the internet in the framework of the project "Science Without Borders". The foundation established two categories of the "Enlightener Prize: natural science and the humanities. In 2011, the second international popular science festival ScienceArtFest was held

by the Dynasty Foundation. It lasted 25 days and was visited by over 15,000 people [2]. There are over 30 programs run by the foundation so we can conclude that its scope of influence is really wide.

Another very prominent example of a nonprofit organization in Russia is charity foundation Podari Zhizn. It helps children, adolescents and young adults up to the age of 25 suffering from various forms of cancer, serious blood disorders and some other life-threatening diseases. The foundation was created on November 26, 2006, by Russian movie and theatre stars Dina Korzun and Chulpan Khamatova. The team of the foundation mostly included active and long-standing volunteers: people who had visited children at hospitals, raised money, found blood donors, written articles and shot films about the ill children. At some moment it became clear that a small group of like-minded people was not enough for efficient assistance. And the foundation was created. Since then, thousands of people have responded and are still responding to the foundation requests.

The foundation helps doctors treat their patients, helps children go through their treatment, and helps parents take care of their children. Medications, equipment, medical consumables, diagnostic examinations, laboratory tests, train and flight tickets, food, clothes, lodging – all of these cost money and necessitate constant fundraising. They also collaborate with regional oncology centres. Since the creation of our foundation, they have helped over 30,000 children and young adults. They have two sister charities in foreign countries. Gift of Life was founded in the United Kingdom in 2011, and Podari.Life is a US-based charity founded in 2015. Both have the same mission as Podari zhizn: to fight childhood cancer in Russia. According to the statistics, in February children got 285 241 797 rubles; in 2017 children got 474 592 115 rubles [1].

In addition, I should mention that our Student Council helps the orphanages. They collect clothes, toys, and medicine and give all of these to children without parents. All students and teachers can take part in this program.

### **Conclusion**

To conclude, the scope of influence of nonprofit organizations is really enormous. Such kind of organizations are all around us, sometimes we use their services without realizing that they are non-profit organizations. According to the statistics, nonprofits demonstrate a huge popularity and great potential for growth. People become more interested in this kind of organizations and are willing to participate in their programs. All citizens really need to support nonprofits, because this is the best way to make the world around us better, friendlier and more flourishing.

### **References**

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