

EXECUTIVE SUMMARY

The Powerful Economic Impact of United Way of Southwestern Pennsylvania

New PwC study confirms United Way is a leader in regional economic growth.



A November 2024 study by PwC underscores that United Way of Southwestern Pennsylvania is a catalyst of economic impact and well-being across the five-county region.

Believed to be among the first economic contribution studies for a human services nonprofit, the analysis shows what United Way has believed anecdotally for years. Beyond the organization's well-established and profound impact on individual lives, United Way also generates substantial economic value for the broader communities throughout southwestern Pennsylvania.

PwC was engaged to quantify United Way's economic contribution to the local community in fiscal year 2023 (FY23).

While such economic contribution studies are routinely conducted in the for-profit sector, this effort was the first significant application of such well-established methodology and technology to the performance of a nonprofit human services organization. The objective was the same: demonstrate a measurable financial return-on-investment (ROI) for every dollar contributed.

The study revealed that the effects of United Way's operations, charitable investments and free tax preparation service added up to **581 regional jobs, \$34.7 million in labor income and \$65.4 million gross domestic product (GDP) contribution** to the five-county regional economy. **Every dollar invested by United Way essentially doubled, generating at least two dollars of positive economic value.**



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KEY FINDINGS

United Way is a significant driver of the regional economy.

Directly and indirectly, United Way contributed \$65.4 million to the GDP of southwestern Pennsylvania in FY23, demonstrating the organization's role as an agent of economic growth.

Each job at United Way contributed more than \$600,000 to the GDP. United Way's activities, including community investments, job creation and income generation, have a multiplier effect on the economy, stimulating local business activity and overall economic output.

The \$19.6 million directed into community partner agencies/organizations by United Way in FY23 solidly positions the organization as a leading economic contributor in the region. Funds donated to United Way without restriction and to be used where needed most served the needs of more than 750,000 people throughout southwestern Pennsylvania, making a tangible difference in the lives of community members.

United Way significantly impacts the region's economy in four distinct ways.

- The organization contributed to GDP directly through the employment of more than 100 full-time employees.
- United Way indirectly generated a boost to GDP via its operating expenses throughout its supply chain, including purchases of goods and services from other industries in the local economy.

- United Way induced additional contributions to GDP by stimulating consumption spending by its own employees and those throughout its supply chain, each using that income for their own household consumption in the region.

- United Way enabled significant positive impact on GDP, increasing economic contribution through United Way grants and Free Tax Prep refunds that help create jobs, improve financial stability, advance education, address basic needs and more.

This economic impact demonstrates how United Way's contributions not only support the agencies and people that utilize human services, but the regional economy at large creating a ripple effect across the region in jobs and purchasing.

Every United Way job creates more than four additional local jobs.

In FY23, United Way directly employed 108 individuals. Then, through the efforts of those employees, plus community investments and activities that generate new employment opportunities, United Way ultimately supported a total of 581 jobs. In other words, each United Way job supports an average of 4.4 additional jobs elsewhere across southwestern Pennsylvania. This multiplier effect reveals the connectivity within the local economy and the role United Way plays in supporting job creation.

United Way is improving financial well-being and spending power particularly for lower-wage earners.

The 581 jobs supported by United Way **earned \$34.7 million in labor income**. In this way, United Way contributes to **reducing unemployment and improving financial well-being** across the region.

United Way's Free Tax Prep Coalition puts millions of dollars back in play.

United Way organizes the Free Tax Prep Coalition regionally, which prepared more than 8,400 tax returns in FY23 that resulted in a total tax refund of **\$11.4 million for area residents**. This tax preparation assistance provides financial relief to those individuals and families who work hard for low wages, particularly those who may have difficulty navigating the complex tax system and who might not otherwise tap Earned Income Tax Credits or Child Tax Credit benefits. By helping people access tax refunds they were entitled to — funds that may have otherwise gone unclaimed — **United Way contributed to**

an increase in income for thousands of people. These refunds enabled individuals and families to spend more on goods and services from local businesses, move to financial stability and, in turn, support the health of the local economy.

The bottom line? United Way is an exceptional investment.

When an investment delivers a positive return, it is a good investment. When that investment delivers a multiplied return, it's blue chip. United Way shows consistent multiplied returns in the form of jobs creation and distinct financial contributions to the local economy. In short, an investment in United Way is an exceptional investment in the regional economy.

- For each job directly provided by United Way, an average of 4.4 additional jobs are supported across the five-county region (**a multiplier of 5.4**).
- For every dollar United Way pays its employees, \$3.60 of labor income is supported elsewhere in the local economy (**a multiplier of 4.6**).
- For every dollar of GDP directly generated by United Way, an additional \$1.70 of GDP is generated elsewhere in the local economy (**a multiplier of 2.7**).

What the study did and did not include: The PwC study analyzed the financial aspect of United Way's business operations, community investments, and free tax preparation services. The report does not include the impact that cannot yet be quantified, such as impact associated with United Way's grant making and designations, nor does it factor in the vast number of lives that have been improved through the 211 contact center.

The report assesses how the organization's operational spending, its donations, grants and services circulate through the local economy and can

be attributed to output, earnings, and employment in the region. In other words, the report measures how United Way, as a substantial nonprofit organization, not only raises donations and impacts individual lives in the region but also contributes economic value on a macro level to southwestern Pennsylvania through its expenditures.

The geographic area of the study was United Way's five-county service area in southwestern Pennsylvania. It is fair to presume the total economic contribution of United Way is even greater than what is reflected in the findings of this report.

CLICK TO VIEW THE FULL REPORT HERE:



PDF



UNITED WAY
of Southwestern
Pennsylvania

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United Way of Southwestern Pennsylvania serves
Allegheny, Armstrong, Butler, Fayette and Westmoreland counties.