

5.4: Introduction to For-Profit vs. Nonprofit

What you'll learn to do: distinguish between for-profit and nonprofit businesses

We defined business earlier as an organization that provides goods, service, or both to their customers, clients, or consumers in order to make a profit. That definition, although accurate, does not account for those organizations and businesses that aren't *driven* by the "bottom line" or profitability. Instead, some organizations provide their goods and services in order to generate revenues (income) that can be used to further their purpose or mission. It is highly likely that you have been involved with a nonprofit organization, and though it may not have seemed like it at the time, you were actually working with a business! In this section we'll dig a little deeper into this idea of for-profit versus nonprofit business.

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