This paper examines the extent to which organizational founding rates in the nonprofit sector are determined by various forms of social capital. Our hypothesis is that, controlling for other relevant social, political and economic factors, communities with higher levels of social capital should experience faster rates of growth in their nonprofit sectors. To test our hypothesis, we create a data set of the nonprofit organization founding rates for 327 counties in the year 2000 using the following sources: (1) Harvard’s Social Capital Community Benchmark Survey; (2) the Internal Revenue Service’s return transaction files on all 501(c)(3) organizations (approximately 2/3 of all nonprofit organizations have this designation) with annual revenues greater than $25,000; and (3) the US Census Bureau’s County and City Data Book. Using a negative binomial event count model, we find that the different dimensions of social capital do not have a uniform effect on the founding rates of non-profits. However, most surprising is that a key determinant of social capital in the political science literature, the level of interpersonal trust, does not lead to an increase of founding rates. Other components of social capital, including participation in electoral politics, informal socializing, and “bridging” social capital, are shown to have a significant effect on the county-level founding rates of non-profits.